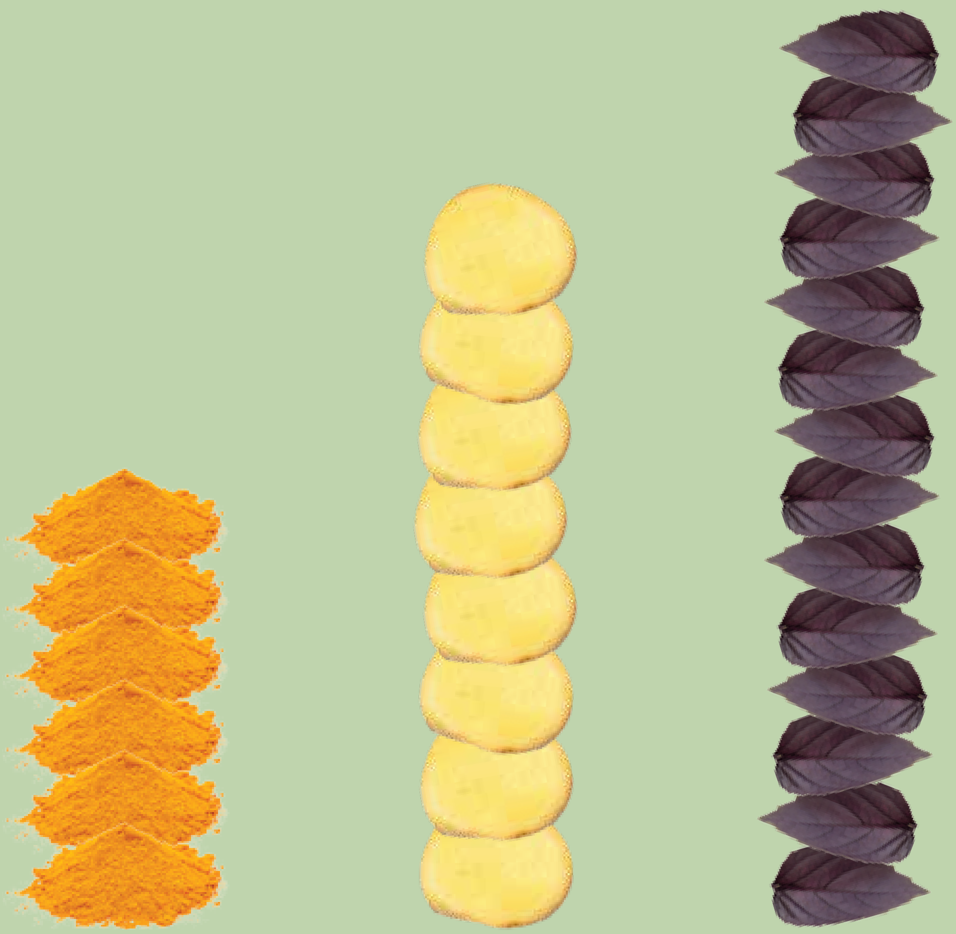

Health | Growth | Fulfilment

Atul Ltd | Annual Report 2019-20

Contents

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Turmeric, ginger and basil (which can be grown even in pots) in diet and *pranayama* as exercise have been considered a part of daily living to help build immunity. They make us strong to fight infectious and other diseases and ensure good health required to grow and fulfil our dreams.

Atul is focusing on people productivity, process efficiency and product quality so as to serve its customers in the best possible way and in turn help it sustain even in difficult times. These attributes make our Company resilient to face the future and ensure its health required to grow and fulfil its purpose.

It is our reaction to adversity, not adversity itself that determines how our life story will develop.

- Swami Vivekananda

43rd Annual General Meeting

Friday, July 31, 2020

10:30 am

The meeting will be held through video conference.

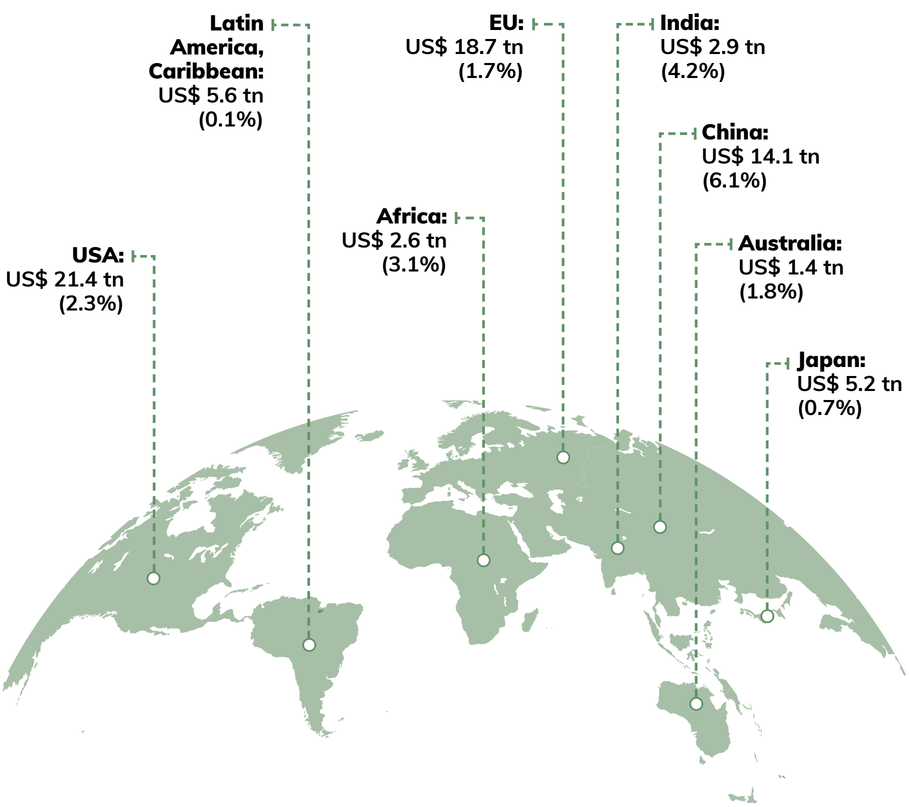
Forward looking statements

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

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

Remembering 2019-20

World GDP* at 2.9% grew slower



Source: IMF, April 2020, Wikipedia   * for calender year 2019

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

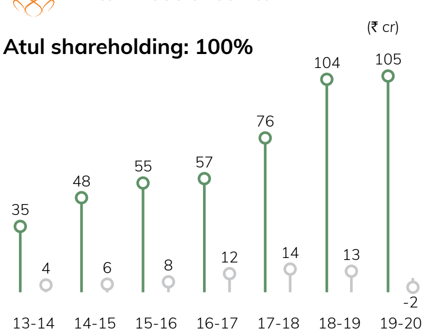
US$ 19.07 and
US$ 74.94 per barrel

₹ 34,650 and
₹ 42,150 per mt

₹ 68.36 and
₹ 76.15 per US$

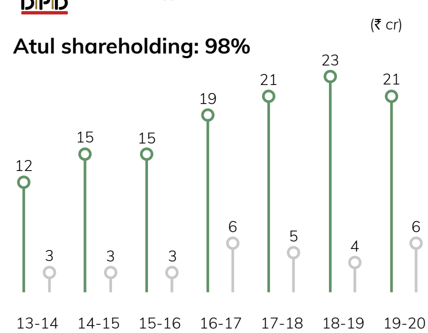
Atul Bioscience Ltd

Atul shareholding: 100%



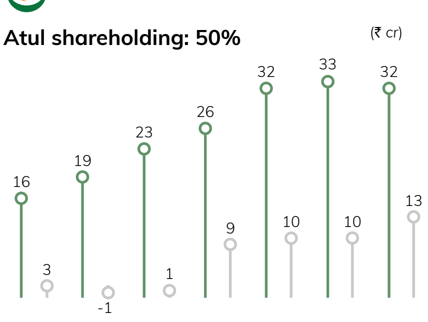
DPD Ltd

Atul shareholding: 98%



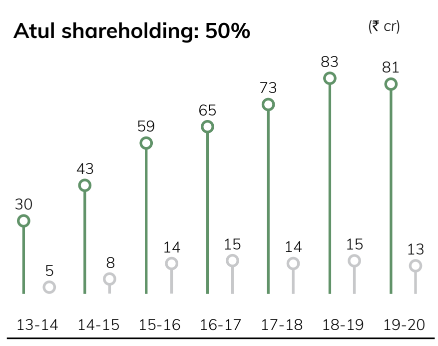
Amal Ltd

Atul shareholding: 50%



Rudolf Atul Chemicals Ltd

Atul shareholding: 50%



Atul grew in a comprehensive manner

- Profit before tax increased by 23% to ₹ 803 cr.
- RoCE increased from 32% to 34%.
- Net worth increased by 16% from ₹ 2,650 cr to ₹ 3,070 cr.
- ₹ 262 cr of new assets were added to the gross block (including capital work in progress).
- 49 initiatives under six programs to serve the society were completed.

Corporate identity

The highest education is that which makes our life in harmony with all existence.

- Rabindranath Tagore

Nalanda University

Nalanda (in Bihar state of India) was one of the earliest universities in the world whose history dates to the time of Buddha (6th to 5th centuries BCE) and Mahavira with diverse curricula such as anatomy, astronomy, mathematics, philosophy, religion, etc. It is believed that its campus was spread across ~ 1,50,00,000 square meters (only 10% of which has been excavated while rest of the ruins still lie under the ground). The Government of India resurrected the university in 2010. Although a business entity, our Company too is a center of learning – the role of every manager is that of a coach through exemplary self-management and not that of a boss.

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.

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

URMI

Atul Club

Enlivening 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

Evolving 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

Enriching 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 ₹ 3,040 cr and debt free status as on March 31, 2020

› Paid uninterrupted dividend* since commencement of operation in 1952 and declared a total dividend of 275% during 2019-20, the highest so far

› Market capitalisation increased from ₹ 57 cr in 1999 to ₹ 11,830 cr in 2020

*except one year

Indomitable Purpose

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

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

Kasturbhai Lalbhai

(1894 – 1980)

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

Balwantrai Mazumdar

(1902 – 1981)

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

Siddharth Lalbhai

(1923 – 1998)

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

Ingrained 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 30 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 400 formulations from basic chemicals

REVENUE STREAMS

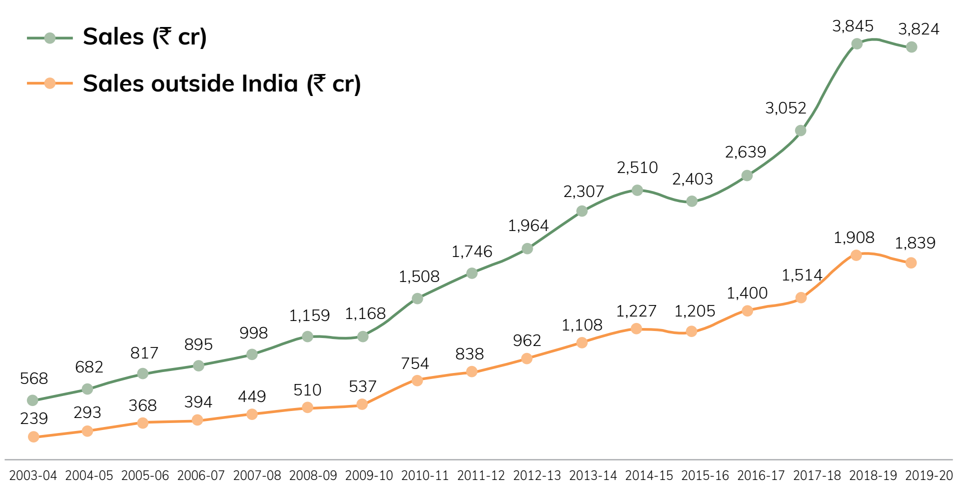
- Is growing in existing, related, downstream and value added products | formulations
- Is adding unrelated products | formulations in a slow but steady way (such as tissue cultured date palms)
- Is working to acquire and | or form joint venture entities

CUSTOMER RELATIONSHIPS

- Is supplying products to 4,000 customers
- 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 484 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 since last year 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 2,907 team members in India and other countries and is focused on building strong people related processes
- Has vast infrastructure at its first site of 1,250 acres and other manufacturing sites to grow further

KEY PARTNERS

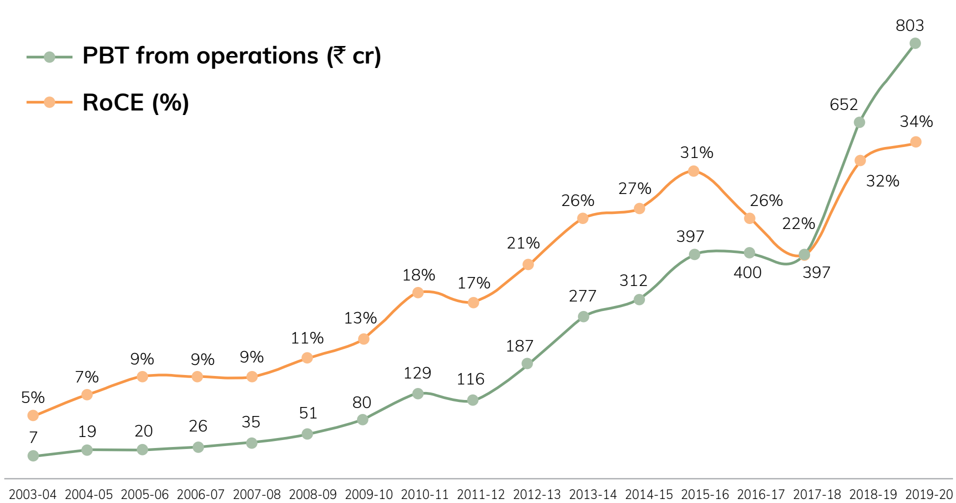
- Is held 45% by Lalbhai Group and the rest held widely - 31% institutional investors, 21% Indian public and 3% others
- Has 13 operational subsidiary companies and two joint venture entities
- Works on a long-term basis with suppliers, customers and other service providers

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

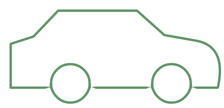
- Has a strong research and development base
- Has a long experience and expertise in manufacturing complex products using varied unit operations and unit processes
- Has sales, technical service, marketing and business development departments

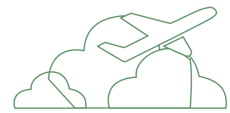


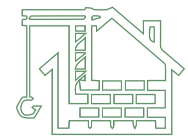
Serving diverse industries

touching lives in many ways ...

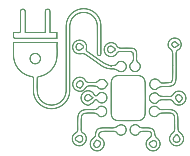

Agriculture


Automobile


Composites


Construction


Cosmetic


Electrical and Electronics


Fragrance


Glass


Home Care

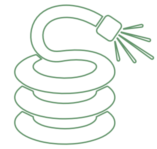

Horticulture


Paint and Coatings

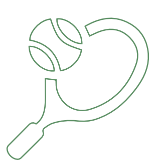

Paper

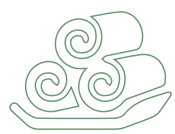

Personal Care

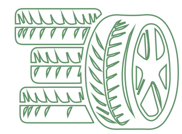

Pharmaceuticals

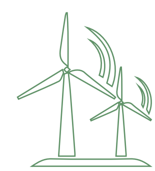

Rubber


Soap and Detergent


Sport and Leisure


Textile


Tyre


Wind Energy

Footprint

- Production facilities in India (Ankleshwar, Atul, Panoli and Tarapur)
- Subsidiary companies with production facilities in India (Ambernath and Atul) and the UK (Bristol)
- Joint venture 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 900 products and 400 formulations

Serves 4,000 customers in 90 countries

Owns 140 brands

Operational highlights

Action is inevitable to arouse curiosity. Without curiosity, we cannot gain knowledge. Without knowledge, we cannot improve. Thus, true knowledge resides in the rigour of action. It is our endeavour to develop deep insights and bring lasting improvements. The meaning of the word 'technology' for our Company is increasingly going much beyond the realms of R&D and manufacturing – it now encompasses every function. We share below some of the highlights:

What we know is a drop,
what we do not know is an ocean.

- Isaac Newton

People

- Rolled out a structured process for development of leadership pipeline
- Recruited the highest number of associates (411) and managers (670) in manufacturing, marketing, R&D, sales and technology
- Increased focus on EHS and other skill based training to workmen

Systems

- Implemented integrated barcode enabled enterprise mobility solution for secondary and tertiary sales
- Installed business analytic dashboards across various Businesses and Units and implemented Document Management System
- Modernised existing infrastructure of Atul Datacentre through new age Hyper Converged Infrastructure technology

Safety

- Introduced online complaint management module on safety portal
- Completed HAZOP study for expansion projects at Ankleshwar site
- Introduced Volatile Organic Compound meter with motion sensor and automatic closed sampling system

Health

- Carried out 10,610 health check-ups
- Circulated 12 health related articles
- Conducted four first aid and cardiopulmonary resuscitation first aid training workshops

Environment

- Completed 1,600 m long above-ground effluent pipe line project in phase one
- Constructed 450 kld capacity effluent treatment plant
- Increased rainwater harvesting capacity by 6,800 m^3 inside the factory premises and 4,500 m^3 in a neighbouring village

Technology and Manufacturing

- Completed 20 projects
- Improved quality of one product
- Reduced effluent quantity of three products

Research and Development

- Developed 35 new products and formulations
- Increased yield of 17 products
- Decreased raw material consumption of five products

Sales and Marketing

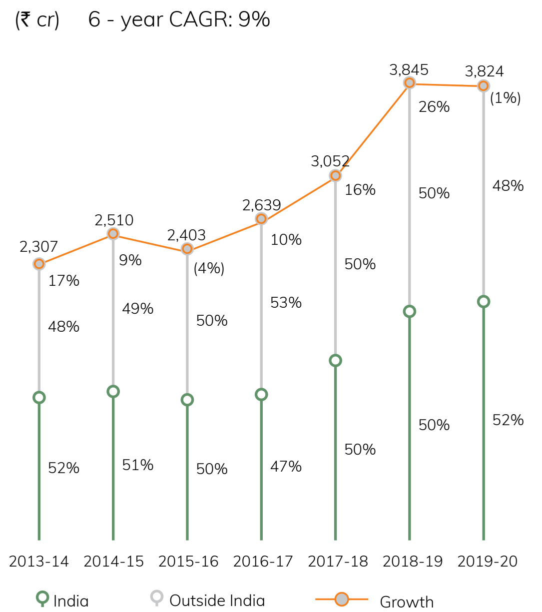
- Added 182 new customers
- Introduced six new products
- Entered 14 new geographies

Growth

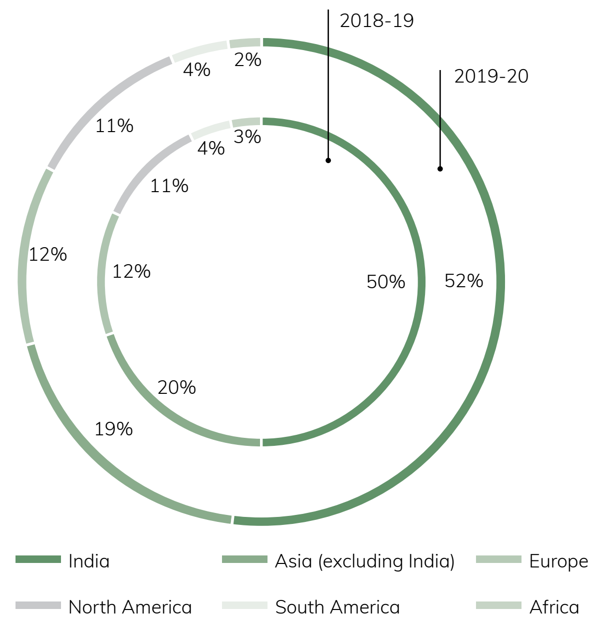
- Debottlenecked 11 products
- Improved yield of seven products
- Executed three expansion projects

Financial charts

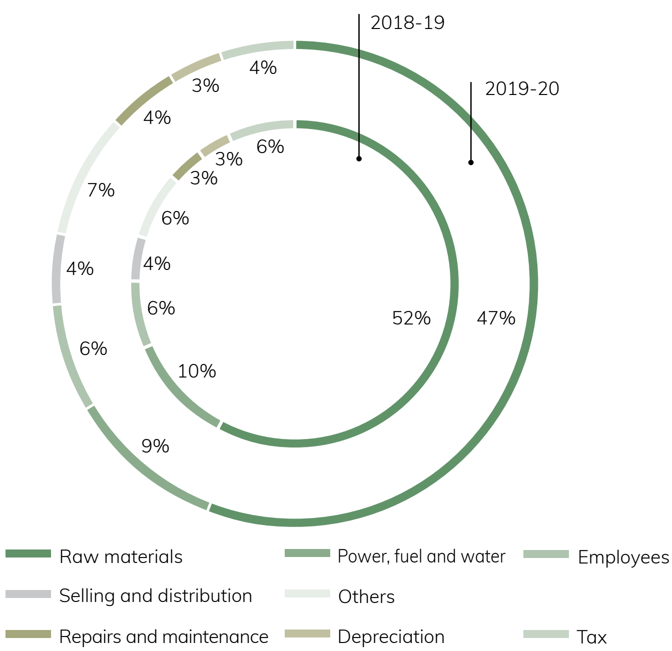
Sales



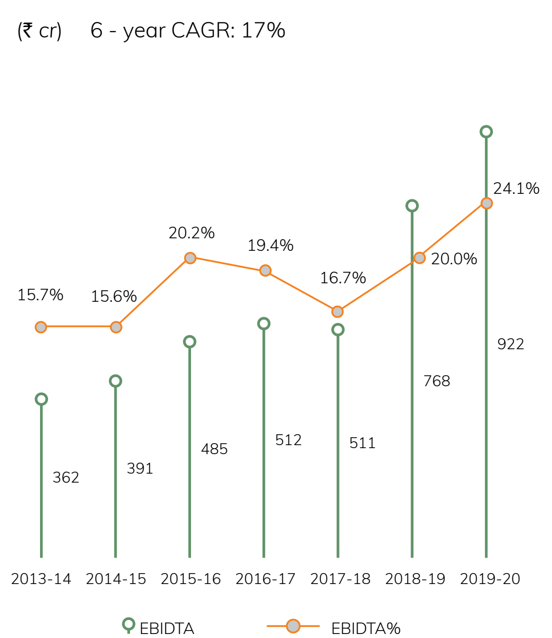
Sales by geography



Expenses as % of revenue

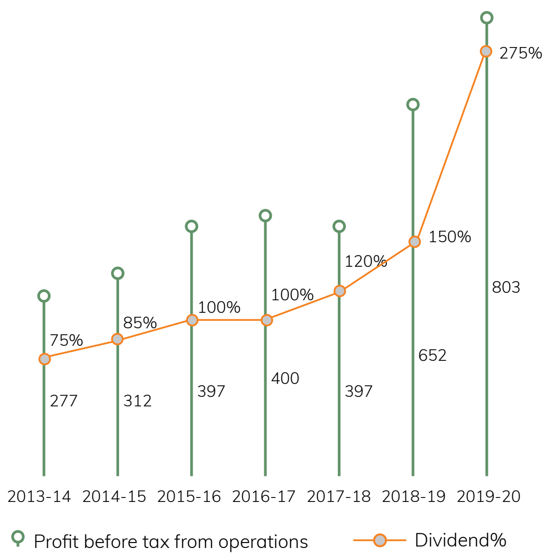


EBIDTA

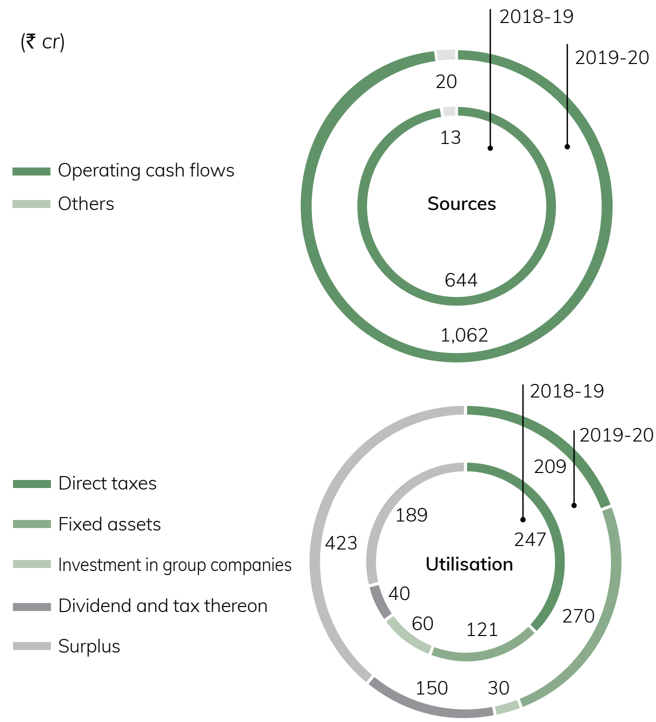


Profit before tax from operations and dividend

(₹ cr) 6 - year CAGR of PBT: 18%

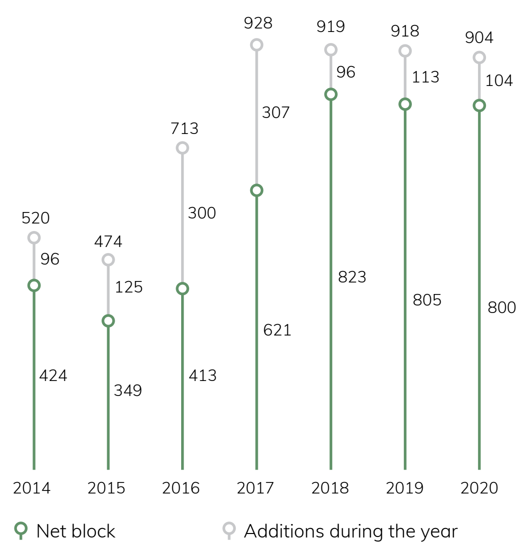


Sources and utilisation of cash



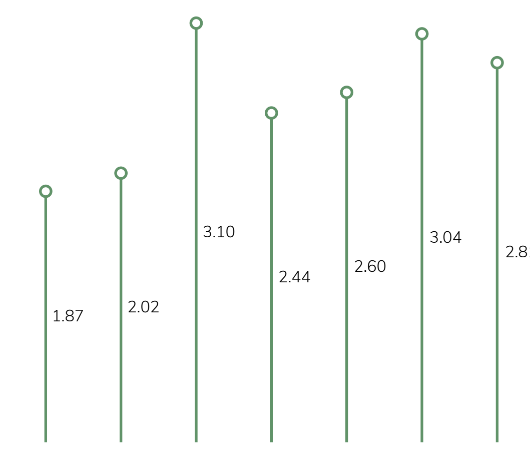
Property, plant and equipment*

(₹ cr)



*as at March 31

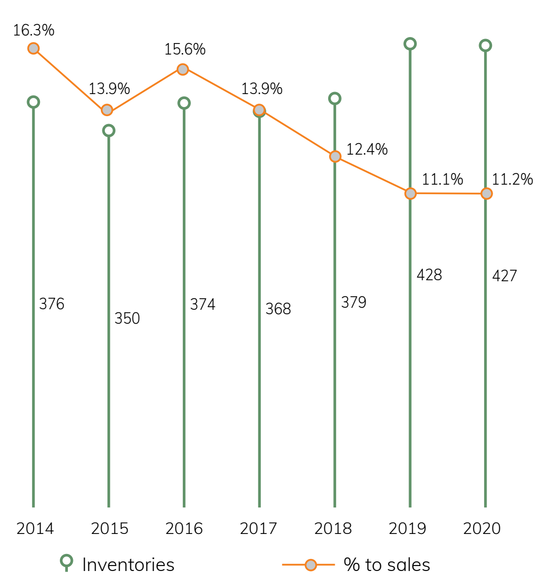
Asset turnover ratio[1]



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

Inventories*

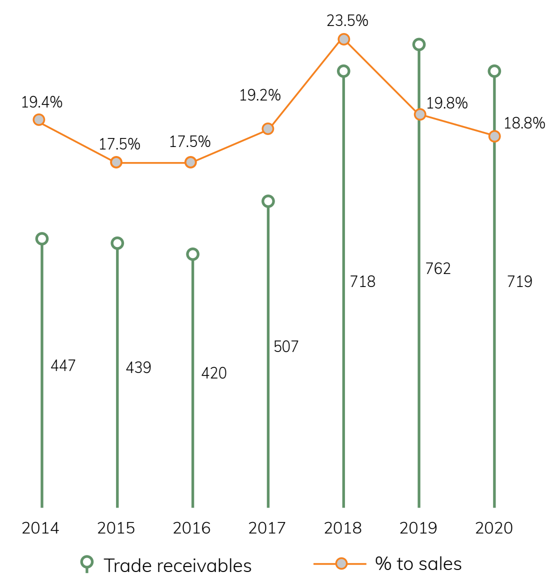
(₹ cr)



*as at March 31

Trade receivables*

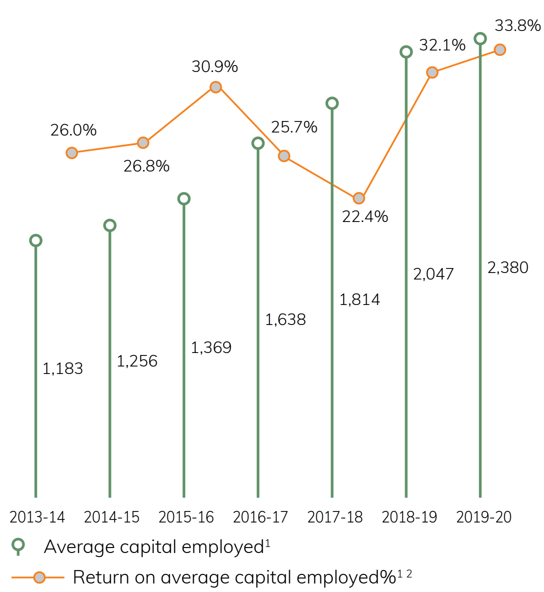
(₹ cr)



*as at March 31

Return on average capital employed

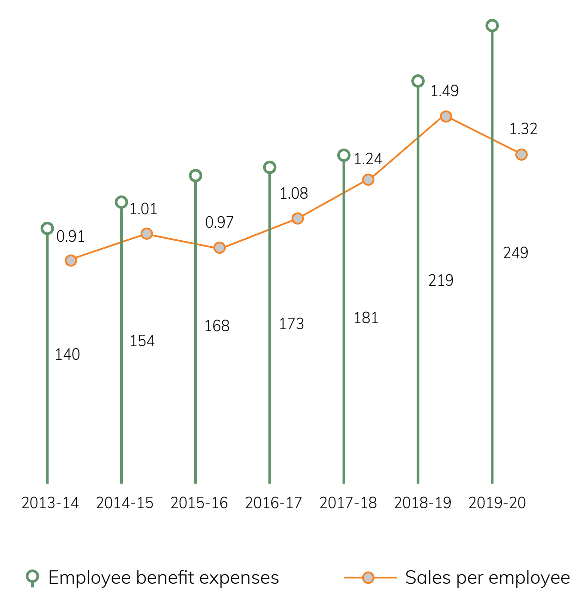
(₹ cr)



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

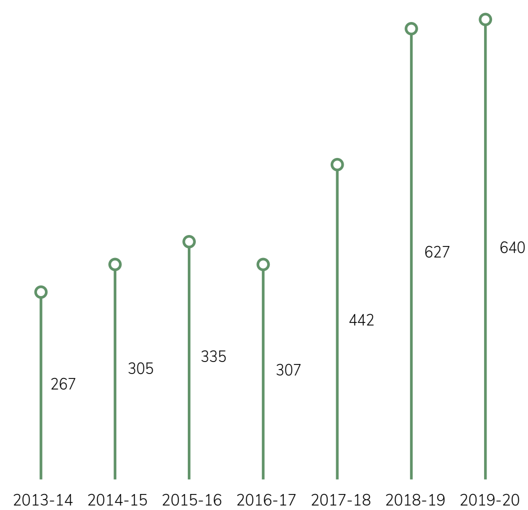
Employee benefit expenses and sales per employee

(₹ cr)



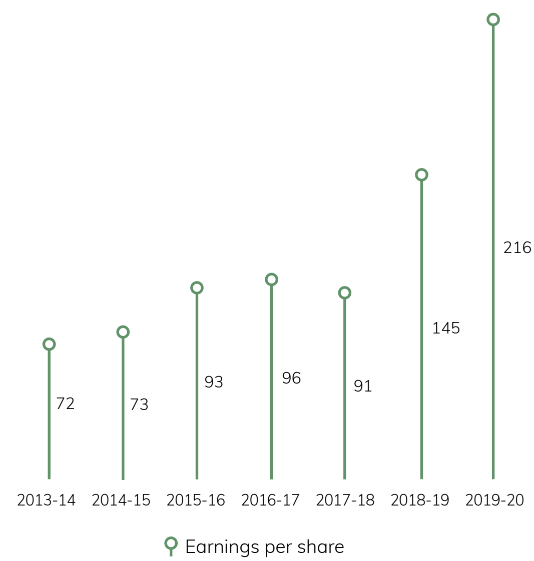
Payment to the exchequer

(₹ cr)



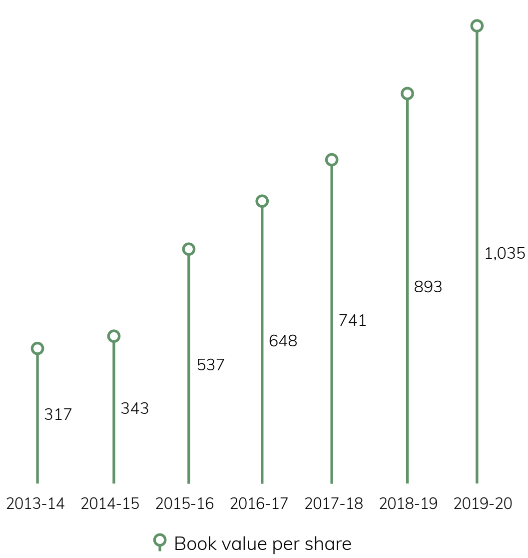
Earnings per share

(₹) 6 - year CAGR: 20%



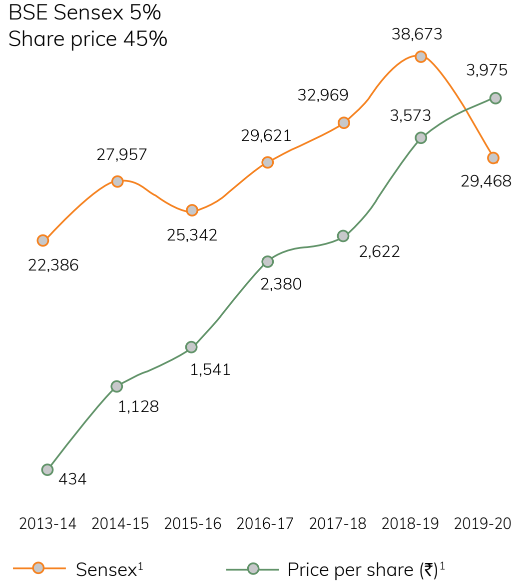
Book value per share

(₹) 6 - year CAGR: 22%



BSE Sensex and share price

6 - year CAGR:
BSE Sensex 5%
Share price 45%



[1]as at March 31

Serving the society

The Founder of our Company devoted half a day every day of his adult life for serving the society – he did not regard this work as a hobby for the odd moments, but prized it as a way to contentment worth much beyond any material comfort and possession – this is the legacy inherited by our Company which has been serving the society from the year of its inception.

Educating the mind without educating the heart is no education at all.

- Aristotelēs Nīkomakhou

EDUCATION

- Provided quality primary education in 106 schools through trained Atul Adhyapikas
- Supported 125 needy children by providing them educational kits
- Distributed writing materials to 3,759 students of 33 primary schools in 20 villages
- Conducted capacity building workshops for 125 primary teachers on child safety and science
- Supported 1,802 students through enhancement of educational practices in Kalyani Shala

- Supported 206 students by strengthening a tribal school in *Chondha* village
- Provided better facilities for education to 240 tribal children in an *ashramshala*
- Supported digitalisation and conservation of over 80,000 ancient manuscripts
- Contributed funds to publish four books on culture and traditions
- Trained 125 primary school teachers in innovative methods of teaching mathematics and science

EMPOWERMENT

- Trained 160 students in computer literacy and 65 students in English proficiency
- Trained 1,139 students in nine vocational courses at Atul Institute of Vocational Excellence
- Trained 173 women from three villages in baking, beauty and styling and tailoring
- Created livelihood opportunities for 125 tribal families by providing them assistance in owning cows
- Trained 161 tribal farmers in beekeeping to promote supplementary livelihood

HEALTH

- Constructed 500 individual household toilets in 15 villages
- Conducted awareness sessions on anaemia and provided treatment to 3,633 children and 123 women
- Organised 28 blood donation camps in 22 villages; 1,950 blood units were collected
- Organised 12 eye camps benefitting 3,432 patients in 12 villages; 98 patients were operated for cataract and 2,649 were provided spectacles
- Promoted sports activity in 125 rural schools by providing sports kits

RELIEF

- Supported 20 poor cancer patients
- Helped 59 thalassemia patients by providing 648 blood units
- Provided financial support to 11 critically ill patients
- Supported 125 special children and their families
- Distributed food packets in two flood affected villages

INFRASTRUCTURE

- Developed 17 model *anganwadis* in seven villages
- Constructed toilet block in a rural school
- Installed street lights and laid paver blocks in a village
- Renovated a primary school and a tribal hostel
- Installed water treatment system in two primary schools

CONSERVATION

- Planted 125 medicinal plants in a school to promote awareness among children
- Planted 40,211 trees to preserve biodiversity
- Supported coastal cleanliness drive to clean Daman beach
- Trained 125 girls from Kalyani Shala on the harmful effects of plastic
- Promoted five small eco-tourist sites amongst 125 organisations

Letter to the shareholders

Dear Shareholders,

2019-20 ended in an unparalleled manner – Pandemic COVID-19 scripted a new chapter in history and is considered as the **biggest test** for mankind since World War II. The way people will live, interact, work and travel may not be the same again. We have before us the traditional Indian ways of living and the life and times of our inspiring Founder, Kasturbhai Lalbhai, to guide us personally and professionally during these uncertain times.

The **world GDP** at US$ 87.27 tn grew at 2.9%, slower than 3.6% in 2018. The USA, China, Japan and Germany remained ahead of India. Indian GDP at US$ 2.94 tn grew at 4.2%, slower than 6.8% in 2018. These numbers may remain less relevant in the short-term as the endeavour for the countries will be to decisively overcome the pandemic and for the businesses, to fast adjust to the new normal. In so many ways, this is true for India and also our Company.

The **world Chemical industry** and **world Pharmaceutical industry** at US$ 4.2 tn and US$ 1.05 tn grew at (9)% and 5.8% and together were 6% of the world GDP. Indian Chemical industry and Indian Pharmaceutical industry at US$ 145 bn and US$ 55 bn grew at 2% and 19% and together were 6.8% of Indian GDP. Most of the products we use in our life are enabled by chemistry. As a diverse entity, driven by science and technology, our Company is well poised to face the future.

Our Company attained its best **performance** so far: compared with 2018-19, sales at ₹ 3,824 cr were marginally lower; PBT was ₹ 803 cr against ₹ 652 cr, EBIDTA margin was 24% against 20% and RoCE was 34% against 32%. The Board declared an interim dividend of 125% to commemorate the 125th birth anniversary of our Company Founder and declared a further 150% interim dividend; it did not recommend any final dividend as a measure to conserve cash to face the pandemic.

Sales were higher on account of volume by 2%, but lower because of price by 3%. During the fiscal, our Company took up **projects** (other than those mentioned in my last letter) with an investment of ₹ 69 cr; once completed, our Company will have the potential to reach sales of ₹ 5,400 cr (at 90% capacity utilisation) – this is our near-term objective. We have also identified projects with synergy and will decide their schedule of implementation.

Atul Bioscience is implementing a project of ₹ 135 cr in its new facility in Ambernath; **DPD** doubled its capacity with an investment of ₹ 17 cr. **Amal** has short-listed new projects to logically expand. **Anaven** commenced water trials of its project (which is further delayed because of the pandemic). **Rudolf Atul Chemicals** strengthened its marketing organisation. **Atul Rajasthan Date Palms** further stabilised its operations. These entities are making our Company stronger.

The focus on social returns along with that on financial returns may be found in the very conception of our Company 73 years ago. **Atul Foundation** stepped up its support to serve the communities. Atul Institute of Vocational Excellence made and supplied face masks to NGOs and workers of *anganwadis*. Our Company contributed its mite to the PM CARES Fund and Gujarat Chief Minister Relief Fund to complement the mighty efforts of the Government.

Safety of the stakeholders is and will remain a key priority. The only way now to prevent or get cured from COVID-19 is by improving hygiene and equally immunity, and I am happy to share two URLs prepared by team Atul for this purpose. We are also reassessing the organisation structures, redefining new communication methods and redesigning approval processes, etc all to get the best **advantages from this adversity.**

In terms of its market capitalisation, the rank of our Company on NSE improved from 212 to 156. Market capitalisation is substantially a function of **performance** over time, long-term future and perception about the Management – I value the contribution of every member of team Atul who has given his (her) best in improving the performance, worked with analytic reflection about the past and imaginative reflection about the future and sought and strived for a higher cause.

Our Company has **five everlasting mandates**. One, become world-class in people productivity and remain lean in fixed costs; two, drive efficiency in manufacturing and other processes (focus on inputs; outputs will take care of themselves); three, pervade ‘R&D’ in every function; four, conserve cash while growing and evolving the future (that is, measure performance by free cash-flow) and five, work with customers on ideas with large potential.

Multi-purpose hall, Atul Vidyalaya

To consider small work as less important and become careless towards it is defective vision. To consider small work as an element of the whole and become more careful towards it is true vision. What may be perceived as small is in fact the foundation of the whole and embedded within such approach is the training of life. It is our endeavour to have leaders with this belief across our Company for only true vision will build an everlasting entity.

During the fiscal, I had an opportunity to interact with CHROs of two world-class companies – It not only significantly enhanced my own learning, but it also made my colleagues and me improve existing | introduce new **HR** processes. We improved many role descriptions (to be fully completed in this quarter), conducted professional training on various types of dialogues and simplified the performance management system.

One of the obligations of the leadership team yet to be fulfilled is to put in place three layers of management with members who i) lead by self-management, ii) persevere with breadth (vision) as well as depth (eye for detail), iii) accept and encourage dissent, iv) build teams and **leadership pipeline** and v) work with a larger purpose. Such teams will be able to build and sustain high standards of organisational culture required to withstand and overcome difficulties.

My colleagues and I are grateful to the **Non-executive Directors** for their deep involvement, valuable guidance and critical analysis. Given the statutory limit of 10 years for the term of an Independent Director, there will be a need to induct a few more Independent Directors in due course of time to ensure that the transition happens with continuity, although the current strength of six (Independent Directors) is sufficient compliance and considered adequate.

With the lockdown and its consequences, 2020-21 has begun quite differently than what we had anticipated in the beginning of the fourth quarter of 2019-20 – demand is low for some of the products, the projects under implementation are delayed by about six months, etc. Team Atul will overcome such short-term challenges. I look forward to your alignment as a **shareholder** with the way forward and appreciate your consistent support.

Although the pandemic may subside after some time, the significant economic decline worldwide it has caused may not any time soon. We will persevere so that we do not downsize the destiny of our Company and that of our own in the long-term. In fact, we will build even more resilient businesses and communities where we operate. In our own small ways, we will continue to contribute to our Motherland and the planet. I am confident **the best is yet to come**.

Sincerely,

Sunil Siddharth Lalbhai
Chairman and Managing Director

www.youtube.com/watch?v=pfzzwgy-p7g

www.atul.co.in/COVID-19/well-being/index.html#

Board of Directors

3 4

R A Shah

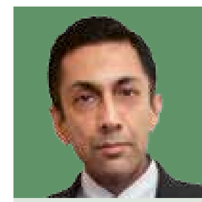
Mr Rajendra Shah is a Director of the Company since May 1983. He is a Senior Partner of Crawford Bayley & Co, a firm of Solicitors and Advocates.

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

S S Lalbhai

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

Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.



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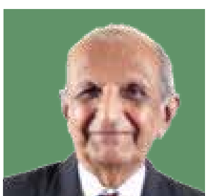


1 3

B S Mehta

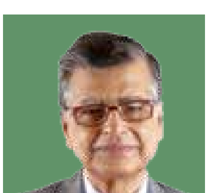
Mr Bansi Mehta is a Director of the Company since April 1992. He is the Chief Mentor in Bansi S. Mehta & Co since 2009.

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

S A Lalbhai

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

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



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S M Datta

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

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

B N Mohanan

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

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

2 5

1

V S Rangan

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

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

M M Chitale

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

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

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5 6

T R Gopi Kannan

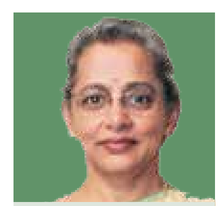
Mr Gopi Kannan Thirukonda joined the Company in October 1993 and is a Whole-time Director since October 2014. He is currently the Chief Financial Officer.

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

S A Panse

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

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



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1 3 4 6

B R Arora

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

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

Board Committees

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

Chairperson Member

Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Ltd together with the audited Financial Statements for the year ended March 31, 2020.

01. Financial results

(₹ cr)

	2019-20	2018-19
Sales	3,824	3,845
Revenue from operations	3,906	3,916
Other income	77	31
Total revenue	3,983	3,947
Profit before tax	803	652
Provision for tax	163	223
Profit for the year	640	429
Balance brought forward	2,026	1,637
Transfer from comprehensive income	(2)	-
Disposable surplus	2,664	2,066
Less:		
Dividend paid	126	36
Dividend distribution tax (net)	25	4
Balance carried forward	2,513	2,026

02. Performance

Sales decreased by 1% from ₹ 3,845 cr to ₹ 3,824 cr mainly due to negative price realisation. Sales in India increased by 3% from ₹ 1,937 cr to ₹ 1,985 cr. Sales outside India decreased by 4% from ₹ 1,908 cr to ₹ 1,839 cr. The earnings per share increased by 49% from ₹ 144.51 to ₹ 215.82. Cash flow from operating activities before working capital changes increased by 13% from ₹ 770 cr to ₹ 869 cr and the net cash flow from operating activities increased by 115% from ₹ 397 cr to ₹ 852 cr.

Sales of Life Science Chemicals (LSC) segment decreased by 9% from ₹ 1,289 cr to ₹ 1,174 cr, mainly because of lower prices in sub-segments Aromatics-I and Crop Protection; its EBIT decreased by 2% from ₹ 217 cr to ₹ 213 cr. Sales of Performance and Other Chemicals (POC) segment increased by 4% from ₹ 2,556 cr to ₹ 2,650 cr, mainly because of higher sales in sub-segments Colors and Bulk Chemicals and Intermediates; its EBIT increased by 28% from ₹ 453 cr to ₹ 579 cr. More details are given in the Management Discussion and Analysis (MDA) Report.

03. Dividend

The Board declared special interim dividend of ₹ 12.5 per share on 2,96,61,733 equity shares of ₹ 10 each fully paid-up to commemorate the 125th birth anniversary of the illustrious Founder Mr Kasturbhai Lalbhai. The dividend entailed an outflow of ₹ 44.70 cr {including dividend distribution tax (net)} on the paid-up equity share capital of ₹ 29.66 cr.

The Board also declared interim dividend of ₹ 15 per share on 2,96,61,733 equity shares of ₹ 10 each fully paid-up. The dividend entailed an outflow of ₹ 53.19 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 27.

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 the Risk Management Committee effective April 01, 2019.

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

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

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

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

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

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

Roles and responsibilities

Governance

The Board has approved the Risk Management Policy of the Company. The Company has laid down procedures to inform the Board on i) to iv) 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, 2020 and the Board believes that the controls are adequate.

08. Fixed deposits

During 2019-20, 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 120 and 122.

10. Subsidiary, associate and joint venture entities

During 2019-20, Amal Ltd ceased to be a subsidiary company of the Company under Section 2 (87) of the

Act. There were no other changes in the subsidiary, associate and joint venture entities 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 132. 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 31.

13. Extract of the Annual Return

This is given at page number 36.

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 Financial Statements 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 2019-20 on July 31, 2019.

Secretarial Auditors

The Board appointed SPANJ & Associates, Company Secretaries, as the Secretarial Auditors for 2019-20 on March 23, 2018, and their report is given at page number 46.

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, 2020 were prepared on a going concern basis.

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

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

16. Directors

16.1 Appointments | Reappointments | Cessations

i) According to Article 86 of the Articles of Association of the Company, Mr R A Shah retires by rotation and being eligible, offers himself for reappointment at the forthcoming AGM scheduled on July 31, 2020.

ii) In the opinion of the Board, the Independent Directors reappointed during the year possess integrity, rich experience and expertise relevant to the Company.

16.2 Policy on appointment and remuneration is displayed on the website of the Company at 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) Trait: positive attributes and qualities

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

16.2.2 Remuneration of the Non-executive Directors

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

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

a. Membership of Committee(s)

b. Profit

c. Attendance

d. Category (Independent or Non-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 26.

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, Corporate Social Responsibility, Investment, Nomination and Remuneration, Risk Management and Stakeholders Relationship

ii) the Independent Directors

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

16.4 Familiarisation programs for the Independent Directors

The Company has familiarisation programs for its Independent Directors. It comprises, amongst others, presentations by and discussions with the Senior Management on the nature of the industries in which it operates, its vision and strategy, its organisation structure and relevant regulatory changes. A visit is organised to one or more of its manufacturing sites. Details of the familiarisation programs are also available at 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 2019-20.

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

Any 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 50.

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 Act.

20.2 Report

The Corporate Governance Report along with the certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 is given at page number 56. Details about the number of meetings of the Board held during 2019-20 are given at page number 61. The composition of the Audit Committee is given at page number 64.

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 2019-20.

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 68.

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 76.

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 82.

23. COVID-19

The COVID-19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the disease, now as the attention has started shifting from lockdown to safe reopening.

The Company strictly followed the guidelines issued by the local, state and central governments and beyond to protect the health and well-being of its workforce and ensured minimum disruption to its customers.

The Company closed its manufacturing facilities for a month and is taking all possible steps required to adjust to the new normal of working and growing. The demand is expected to remain uncertain in the foreseeable future.

There will be a delay of between six to 12 months in completing the projects already under implementation. There are other projects to be taken up for implementation, the Company will review their timings, if required.

Atul Foundation took up initiatives to serve the society particularly in Valsad and Bharuch districts. The Foundation also contributed in its own small way to Gujarat Chief Minister Relief Fund and PM CARES Fund.

24. Acknowledgements

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

For and on behalf of the Board of Directors

Atul
April 28, 2020

(Sunil Siddharth Lalbhai)
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 header size

ii) Replacement of reciprocating air compressors by screw compressors

iii) Replacement of roots blowers by energy efficient centrifugal blowers

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

i) Controlling steam pressure of steam ejectors

ii) Monitoring efficiency of utility generation efficiency

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.

ii) Benefits derived from R&D:

The Company increased yield of 18 products, decreased consumption of raw materials in five products, decreased consumption charge of two solvents, recovered ten products from pollutants and introduced 40 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
4.56	26.78	31.34	0.82%

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 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 87 countries, directly and through its subsidiary companies in the USA, the UK, the UAE, China and Brazil. Sales outside India* decreased by 4% from ₹ 1,874 cr to ₹ 1,794 cr mainly due to lower 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	2019-20	2018-19
Earnings		
Exports – FOB value	1,794.40	1,874.27
Dividends, etc	2.15	0.19
Outgo		
Payment for raw materials, books and periodicals, dividend, etc	683.39	764.78

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	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Aaranyak Urmi Ltd	0.21	(0.06)	0.32	0.17	-	0.33	-	-	-	-	100%	INR
02.	Atul Bioscience Ltd	29.02	40.39	172.35	102.93	0.01	106.79	(2.01)	(0.73)	(1.28)	0.76	100%	INR
03.	Atul Biospace Ltd	11.03	5.23	16.63	0.37	9.70	9.70	1.37	0.38	0.99	-	100%	INR
04.	Atul Brasil Quimicos Ltda	1.03	0.12	1.55	0.39	-	1.87	1.02	-	1.02	-	100%	BRL
05.	Atul China Ltd	3.61	2.89	28.53	22.03	-	142.65	1.58	0.15	1.43	-	100%	RMB
06.	Atul Europe Ltd	30.61	7.67	96.65	58.38	-	212.56	5.28	0.97	4.31	-	100%	GBP
07.	Atul Finserv Ltd	36.34	55.98	92.46	0.15	85.86	0.98	0.54	0.14	0.40	-	100%	INR
08.	Atul Fin Resources Ltd	7.15	0.81	7.97	0.01	-	0.53	0.52	0.13	0.39	-	100%	INR
09.	Atul Infotech Pvt Ltd	0.30	20.44	21.37	0.63	0.02	4.23	0.42	0.10	0.32	-	100%	INR
10.	Atul Middle East FZ-LLC	0.62	0.60	1.23	0.02	-	3.37	2.80	-	2.80	2.15	100%	AED
11.	Atul Rajasthan Date Palms Ltd	8.11	1.05	21.70	12.53	-	1.82	0.02	(0.08)	0.10	-	73.98%	INR
12.	Atul USA Inc	15.08	13.40	78.59	50.12	-	334.90	6.99	1.68	5.31	-	100%	USD
13.	DPD Ltd	2.33	21.25	44.84	21.26	-	21.25	6.00	0.75	5.24	-	98.00%	GBP
	Associate companies												
01.	Amal Ltd	9.43	16.11	34.40	8.86	0.02	32.60	12.70	3.50	9.20	-	49.85%	INR
02.	Atul Crop Care Ltd	0.05	2.62	4.09	1.41	0.19	11.45	0.62	0.13	0.49	-	26.00%	INR
03.	Lapox Polymers Ltd	0.05	2.14	3.96	1.77	0.13	13.31	0.70	0.17	0.53	-	20.00%	INR
	Joint venture company												
01.	Rudolf Atul Chemicals Ltd	5.84	31.94	52.76	14.98	-	82.23	13.49	3.51	9.98	2.19	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.	Aasthan Dates Ltd	2.10	(0.34)	1.76	-	-	0.03	0.02	-	0.02	-	100%	INR
02.	Anchor Adhesives Pvt Ltd	0.59	(0.12)	0.47	-	-	-	0.03	0.01	0.02	-	100%	INR
03.	Atul Deutschland GmbH	0.83	(0.42)	0.62	0.21	-	-	(0.05)	-	(0.05)	-	100%	Euro
04.	Atul Ireland Ltd	-	-	-	-	-	-	-	-	-	-	100%	GBP
05.	Atul Nivesh Ltd	2.50	0.34	2.85	0.01	-	0.21	0.21	0.05	0.16	-	100%	INR
06.	Biyaban Agri Ltd	1.09	(0.58)	0.51	-	-	0.01	(0.01)	-	(0.01)	-	100%	INR
07.	Raja Dates Ltd	4.10	(0.51)	3.67	0.08	-	0.02	(0.07)	-	(0.07)	-	100%	INR
	Associate companies												
01.	Atul Aarogya Ltd	0.07	0.07	0.14	-	0.07	-	-	-	-	-	41.67%	INR
02.	Atul Ayurveda Ltd	0.08	0.02	0.10	-	0.04	-	-	-	-	-	41.67%	INR
03.	Atul Clean Energy Ltd	0.10	-	0.10	-	0.05	-	-	-	-	-	28.47%	INR
04.	Atul Entertainment Ltd	0.07	0.02	0.09	-	0.04	-	-	-	-	-	41.67%	INR
05.	Atul Hospitality Ltd	0.06	0.03	0.09	-	0.02	0.01	0.01	-	0.01	-	41.67%	INR
06.	Atul Polymers Products Ltd (formerly known as Atul Elkay Polymers Ltd)	0.05	(0.11)	0.07	0.13	0.01	-	-	-	-	-	50.00%	INR
07.	Atul (Retail) Brands Ltd	0.10	(0.01)	0.09	-	0.05	-	-	-	-	-	43.05%	INR
08.	Atul Seeds Ltd	0.09	-	0.09	-	0.03	-	-	-	-	-	43.98%	INR
09.	Jayati Infrastructure Ltd	0.09	-	0.09	-	0.03	-	-	-	-	-	43.98%	INR
10.	Osia Dairy Ltd	0.09	-	0.09	-	0.03	-	-	-	-	-	43.98%	INR
11.	Osia Infrastructure Ltd	0.10	-	0.10	-	0.05	-	-	-	-	-	42.00%	INR
	Joint operations												
01.	Anaven LLP	128.88	(4.16)	239.08	114.36	-	-	(3.23)	0.07	(3.16)	-	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, 2020 are 1 AED = ₹ 20.52, 1 BRL = ₹ 14.54, 1 CNY = ₹ 10.65, 1 Euro = ₹ 83.05, 1 GBP = ₹ 93.08, 1 USD = ₹ 75.39

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 centres
- 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 URL 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	479.03
Prescribed CSR expenditure, at 2% of above	9.58
Total amount spent for the financial year	9.60
Amount unspent by the Company	Nil

3.4 Manner in which spent

(₹ *lakhs*)

No.	Program	Project | Activity	Location	Outlay for the year		Cumulative expenditure up to reporting period[1]	Implementing agency
			Village, District (State)	Budget	Spent		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
01.	Education	Enhancement of education practices in Kalyani Shala	Atul, Valsad (Gujarat)	36.80	36.80	336.80	AFT | Atul Kelavani Mandal
02.	Education	Support to tribal children in Atul Vidyamandir	Pardi, Valsad (Gujarat)	6.00	6.00	6.00	AFT | Atul Vidyalaya Trust
03.	Education	Improvement of teaching methodology in primary schools - *Adhyapika* project	91 villages[2], Valsad (Gujarat)	48.00	48.00	85.00	AFT | ARDF
04.	Education	Enhancement of rural education	20 villages[3], Valsad (Gujarat)	10.97	10.97	10.97	AFT | ARDF
05.	Education	Promotion of educational facilities in an *ashramshala*	Pardi, Valsad (Gujarat)	3.00	3.00	3.00	AFT | Shree Vallabh Seva Kendra
06.	Education	Conservation of manuscripts	Ahmedabad (Gujarat)	40.00	40.00	65.00	AFT | L D Bhartiya Sanskruti Vidyamandir
07.	Education	Contribution towards publication of books on Indian culture | ecology | philosophy	Jaipur (Rajasthan)	5.00	5.00	5.00	AFT | Prakrit Bharati Academy
08.	Education	Support to develop a school in a tribal area	Chondha, Navsari (Gujarat)	5.00	5.00	5.00	AFT
09.	Education	Training of rural teachers through science workshops	Sabarkantha (Gujarat)	3.00	3.00	3.00	AFT | Vikram A Sarabhai Community Science Centre
10.	Education	Support to needy children with educational kits	Valsad (Gujarat)	2.70	2.70	2.70	AFT
11.	Education	Capacity building of teachers through training	Atul, Valsad (Gujarat)	0.94	0.94	0.94	AFT
12.	Education	Introduction of digital education at Sanskrit Mahavidyalaya	Pardi, Valsad (Gujarat)	4.50	4.50	4.50	AFT | Swadhyay Mandal
13.	Education	Support to children with special needs	Bharuch (Gujarat)	2.00	2.00	2.00	AFT | Osmosis Play Centre and Educational Games Library
14.	Empowerment	Empowerment of women through various vocational training courses	Atul, Valsad (Gujarat)	13.48	13.48	13.48	AFT | ARDF
15.	Empowerment	Skills training to youth as apprentices	Atul, Valsad (Gujarat)	179.25	179.25	355.58	Atul Ltd
16.	Empowerment	Skill development of youth through vocational training	Valsad (Gujarat)	36.20	36.20	200.00	AFT | ARDF
17.	Empowerment	Capacity building of tribal farmers in beekeeping	15 villages[4], Valsad (Gujarat)	1.40	1.40	1.40	AFT | Under The Mango Tree Society
18.	Empowerment	Empowerment of tribal families by creating home stay facilities	six villages[5], Narmada (Gujarat)	85.00	85.00	85.00	AFT
19.	Empowerment	Creation of livelihood opportunities among tribal families by providing cows	28 villages[6], Valsad (Gujarat)	66.37	66.37	66.37	AFT| BAIF Institute for Sustainable Livelihoods and Development
20.	Empowerment	Development of micro-entrepreneurs for sustainable livelihood	Ozarpada, Valsad (Gujarat)	37.50	37.50	37.50	AFT
21.	Empowerment	Support to tribal farmers by providing seeds	three villages[7], Valsad (Gujarat)	1.14	1.14	1.14	AFT | ARDF

(₹ lakhs)

No.	Program	Project | Activity	Location	Outlay for the year		Cumulative expenditure up to reporting period[1]	Implementing agency
			Village, District (State)	Budget	Spent		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
22.	Health	Improvement of hygiene through construction of toilets	15 villages[8], Valsad (Gujarat)	32.00	32.00	679.00	AFT | ARDF
23.		Enhancement of rural health through health camps	35 villages[9], Valsad (Gujarat)	9.79	9.79	9.79	AFT | ARDF
24.		Upgradation of medical equipment in a hospital	Laxmipura, Sabarkantha (Gujarat)	15.00	15.00	40.00	AFT | Gyan Mandal Laxmipura Group Prerit Arogya Mandal
25.		Provision of blood units to the needy and deserted patients	Bharuch (Gujarat)	2.40	2.40	2.40	AFT | Seva Yagna Samiti
26.		Promotion of sports among rural youth	Atul, Valsad (Gujarat)	11.00	11.00	11.00	Atul Ltd
27.		Contribution for establishing CT scan facility in a hospital	Valsad (Gujarat)	10.00	10.00	10.00	AFT | ARDF | Kasturba Vaidyakiya Rahat Mandal
28.		Promotion of health and fitness through marathon	Atul, Valsad (Gujarat)	9.09	9.09	9.09	AFT | ARDF
29.		Promotion of sports in rural schools by providing sport kits	Valsad (Gujarat)	6.15	6.15	6.15	AFT
30.	Relief	Provision of medical assistance to the needy people	Atul, Valsad (Gujarat)	2.79	2.79	2.79	AFT | ARDF
31.		Upliftment of quality of life of salt pan workers	Kharaghoda, Surendranagar (Gujarat)	2.70	2.70	17.70	AFT | ARDF
32.		Provision of blood units to thalassemia patients	Valsad (Gujarat)	7.00	7.00	7.00	AFT | Valsad Raktdan Kendra
33.		Contribution for advance treatment of cancer patients	Karamsad, Anand (Gujarat)	5.00	5.00	5.00	AFT | Charutar Arogya Mandal
34.		Contribution for community marriage of underprivileged couples	Valsad (Gujarat)	2.50	2.50	2.50	AFT | Shree Chandramauleshwar Mahadevji Sansthapan Trust | Shree Valsad Taluka Patel Samaj Pragati Mandal
35.		Support to children with special needs	Bengaluru (Karnataka)	1.00	1.00	1.00	AFT | Mathru Foundation
36.		Financial support to critically ill patients	Valsad (Gujarat)	31.25	31.25	31.25	AFT | Kasturba Vaidyakiya Rahat Mandal
37.		Support to families of Indian soldiers	Pulwama (Jammu and Kashmir)	2.50	2.50	2.50	AFT
38.		Provision of free farm kits and fertilisers at subsidised rates to farmers	Haria, Valsad (Gujarat)	3.00	3.00	3.00	AFT | ARDF
39.		Support to disaster relief for COVID-19 pandemic	Valsad (Gujarat)	50.00	50.00	50.00	AFT | ARDF
40.		Support to families of special children	Valsad (Gujarat)	19.44	19.44	19.44	AFT
41.	Infrastructure	Provision of infrastructure support for institution building	Chanvai, Valsad (Gujarat)	1.50	1.50	1.50	AFT | World Renewal Spiritual Trust
42.		Renovation of *anganwadi* infrastructure (model *anganwadi* project)	seven villages[10], Valsad (Gujarat)	51.00	51.00	101.00	AFT | ARDF

(₹ *lakhs*)

No.	Program	Project | Activity	Location	Outlay for the year		Cumulative expenditure up to reporting period[1]	Implementing agency
			Village, District (State)	Budget	Spent		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
43.		Provision of infrastructure support to a crematorium	Atul, Valsad (Gujarat)	5.00	5.00	25.00	AFT | Atul Parnadi Muktidham Trust
44.		Provision of infrastructure support to a school	Surwadi, Bharuch (Gujarat)	4.00	4.00	4.00	AFT
45.		Support to small development activities in nearby villages	Atul, Valsad (Gujarat)	0.48	0.48	0.48	AFT | ARDF
46.	Conservation	Implementation of afforestation initiatives	Atul, Valsad (Gujarat)	5.00	5.00	5.00	Atul Ltd | ARDF
47.		Establishment of solid waste management system in Atul village	Atul, Valsad (Gujarat)	30.00	30.00	30.00	AFT| ARDF
48.		Conservation of coastal area through cleanliness drive	Daman (Daman and Diu)	1.00	1.00	1.00	AFT
49.		Plantation of medicinal plants at Kalyani Shala	Atul, Valsad (Gujarat)	5.51	5.51	5.51	AFT
50.	Various	Various	-	-	-	1,539.52	
Total direct expenditure				**914.35**	**914.35**	**3,913.00**	
Administrative overheads (OH)				**45.65**	**45.65**	**162.60**	
Total (direct expenditure + OH)				**960.00**	**960.00**	**4,075.60**	

AFT: Atul Foundation Trust

ARDF: Atul Rural Development Fund Trust

[1]Since April 01, 2014

[2]91 villages covered by Atul Adhyapika: Amba jungle, Amba talat, Avdha, Balamrai, Bamnamaldur, Baroliya, Barpuda, Bartad, Barumal, Bhandar-kutch, Bhanval, Bhavthan-aanbosi, Bildha, Bilpudi, Bombay-company, Bopi, Chandvengan, Chasvad, Chichozar, Chondha, Dabkhal, Dighi, Dinabari, Divasi, Divatan, Dulsad, Faldhara, Fulwadi, Gadi, Ganva, Ghanveri, Ghotan, Ghotval, Govat, Gundiya, Huda, Jagiri, Jamgabhan, Jogvel, Kakadkuva, Kanajveri, Kangavi, Karjun, Kelvani, Kevadi, Khadakval, Khatana, Kolvera, Kosimpada, Kothar, Lakadmal, Luheri, Makadaban, Manala, Mandava, Matuniya, Mendha, Molveri, Mota-Pondha, Moti Palsan, Niloshi, Ozar (Kaparada), Ozar (Valsad), Paikhed, Panas, Pangarbari, Pipalset, Rajpuri jungle, Rohiyal jungle, Rohiyal talat, Rumla, Rupvada, Sadadvera, Saravartati, Shahuda, Sherimal, Shidumbar, Sondar, Suliya, Sutharpada, Terichikhli, Tiskari-talat, Ugta, Vaddha, Vadoli, Vadset, Vajvad, Varoli-Talat, Varvath, Vathoda and Zariya

[3]20 villages covered under rural education initiatives: Anjlav, Atar, Bhagod, Binwada, Chanvai, Chikhli, Dived, Haria, Khoba, Magod, Magod Dungri, Mama Bhacha, Meh, Nandawala, Parnera, Rabda, Ronvel, Sukhesh, Umarsadi Desaiwad and Umarsadi Machhiwad

[4]15 villages covered to empower farmers for beekeeping: Bamanwad, Dhakval, Dhamni 2, Ghotan, Kasatvery, Moti Palsan 2, Nani Korval, Piprol, Pirmal, Ranveri, Suliya, Terichikhli, Titukhadak, Ukta and Wadi jungle

[5]Six villages covered under tribal home stay project: Boriya, Bhumaliya, Garudeshwar, Indravarna, Kevadiya and Kothi

[6]28 villages covered to create livelihood opportunities among tribal families by providing cows: Achhari, Amba Talat, Ambheti, Bhandar Kutch, Bhavthan Ambosi, Bhomapardi, Bopi, Dhagadmal, Dumalav, Jam Gabhan, Jirval, Kachigam, Kakadkopar, Kanjan Hari, Kharvel, Kherlav, Khutej, Koparli, Kothar, Makadban, Nani Dhol Dungri, Sonvada, Sukhesh, Tumbi, Ukta, Vadkhambha, Varoli and Zariya

[7]Three villages covered to support tribal farmers by providing seeds: Bhutrun, Khoba and Santvankal

[8]15 villages covered under sanitation project: Atul, Balda, Chanvai, Faladhara, Haria, Kanjan-Ranchhod, Kotlav, Magod Dungri, Meh, Navera, Panchlai, Paria, Parnera, Umarsadi and Vashier

[9]35 villages covered under health camps: Aachhavni, Atul, Anjlav, Anklachh, Bamti, Bhutsar, Binwada, Bopi, Chanvai, Chichwada, Dhamdachi, Dharampur, Dungri, Gundiya, Haria, Kanjan Hari, Kosamba, Mama bhacha, Mograwadi, Mota Pondha, Nargol, Nani Dhol Dungri, Panchlai, Panikhadak, Parnera, Parnera Pardi, Pindval, Pitha, Ruzavani, Sarodhi, Segvi, Valsad, Vankal, Vansda and Udvada

[10]Seven villages covered under model *anganwadi* project: Atul, Bhagod, Dived Dungarwadi, Haria, Magod, Magod Dungri and Umarsadi

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 Kelavani Mandal (Atul, Gujarat):
Established in 1955, Atul Kelavani Mandal manages Kalyani Shala.

3.5.03 Atul Vidyalaya Trust (Atul Gujarat):
Established in 1991, Atul Vidyalaya Trust promotes model schools in the region.

3.5.04 Atul Rural Development Fund (ARDF) (Atul, Gujarat):
Established in 1978, ARDF implements projects for upliftment of marginalised sections of the communities.

3.5.05 Shree Vallabh Seva Kendra (Pardi, Gujarat):
Established in 1978, Shree Vallabh Seva Kendra provides academic and technical education.

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 Prakrit Bharati Academy (Jaipur, Rajasthan):
Established in 1977, Prakrit Bharati Academy publishes books in Prakrit, Sanskrit and other Indian languages.

3.5.08 Vikram A Sarabhai Community Science Centre (Ahmedabad, Gujarat):
Established in 1996, Vikram A Sarabhai Community Science Centre works towards popularising science and mathematics education among students, teachers and the general public.

3.5.09 Swadhyay Mandal: (Pardi, Gujarat):
Established in 1948, Swadhyay Mandal propagates Sanskrit language through Sanskrit teaching institutes.

3.5.10 Osmosis Play Centre and Educational Games Library Trust (Bharuch, Gujarat):
Established in 2019, Osmosis Play Centre and Educational Games Library Trust works to help children with learning disabilities.

3.5.11 Under The Mango Tree Society, (Mumbai, Maharashtra):
Established in 2009, Under the Mango Tree Society provides livelihood to marginalised farmers by training them in beekeeping.

3.5.12 BAIF Institute for Sustainable Livelihoods and Development (BISLD) (Pune, Maharashtra):
Established in 2012, BISLD provides sustainable livelihood to the rural poor through management of natural resources and promotion of livestock development.

3.5.13 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.

3.5.14 Seva Yagna Samiti (Bharuch, Gujarat):
Established in 2002, Seva Yagna Samiti provides free health services to the poor, destitute and needy patients.

3.5.15 Kasturba Vaidyakiya Rahat Mandal (Valsad, Gujarat):
Established in 1944, Kasturba Vaidyakiya Rahat Mandal provides health services and treatments to poor patients.

3.5.16 Valsad Raktdan Kendra (Valsad, Gujarat):
Established in 1984, Valsad Raktdan Kendra provides voluntary blood bank services.

3.5.17 Charutar Arogya Mandal (Karamsad, Gujarat):
Established in 1972, Charutar Arogya Mandal provides healthcare facilities at subsidised rates | free of cost to the underprivileged.

3.5.18 Shree Chandramaulaeshwar Mahadevji Sansthan Trust (Valsad, Gujarat):
Established in 1995, Shree Chandramaulaeshwar Mahadevji Sansthan Trust provides support to the underprivileged community.

3.5.19 Shree Valsad Taluka Patel Samaj Pragati Mandal (Valsad, Gujarat):
Established in 2019, Shree Valsad Taluka Patel Samaj Pragati Mandal conducts welfare activities for lesser privileged community.

3.5.20 Mathru Foundation (Bengaluru, Karnataka):
Established in 2004, Mathru Foundation serves the physically challenged with motherly care.

3.5.21 World Renewal Spiritual Trust (Chanvai, 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, 2020

{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) 26461294 | 26463706
- 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.	Anchor Adhesives Pvt Ltd Mumbai 400 028, Maharashtra	U24100MH1992PTC067870	Subsidiary	100%	2(87)(ii)
04.	Atul Bioscience Ltd Atul 396 020, Gujarat	U24230GJ1997PLC032369	Subsidiary	100%	2(87)(ii)
05.	Atul Biospace Ltd Atul 396 020, Gujarat	U01500GJ2005PLC045244	Subsidiary	100%	2(87)(ii)
06.	Atul Brasil Quimicos Ltda CEP 01046-010, São Paulo, Brazil		Subsidiary	100%	2(87)(ii)
07.	Atul China Ltd Shanghai 200 233, China		Subsidiary	100%	2(87)(ii)
08.	Atul Deutschland GmbH Wiesbaden, Germany		Subsidiary	100%	2(87)(ii)
09.	Atul Europe Ltd Wilmslow SK9 2TB, UK		Subsidiary	100%	2(87)(ii)
10.	Atul Finserv Ltd Mumbai 400 028, Maharashtra	U51900MH1947PLC005453	Subsidiary	100%	2(87)(ii)
11.	Atul Fin Resources Ltd Atul 396 020, Gujarat	U65990GJ2016PLC093639	Subsidiary	100%	2(87)(ii)

No.	Name and address of the Company	Corporate identification number	Holding | subsidiary | associate	% of shares held	Applicable Section
12.	Atul Ireland Ltd Dublin, Ireland		Subsidiary	100%	2(87)(ii)
13.	Atul Infotech Pvt Ltd Atul 396 020, Gujarat	U72200GJ2000PTC038460	Subsidiary	100%	2(87)(ii)
14.	Atul Middle East FZ-LLC Dubai, UAE		Subsidiary	100%	2(87)(ii)
15.	Atul Nivesh Ltd Atul 396 020, Gujarat	U65929GJ2016PLC093630	Subsidiary	100%	2(87)(ii)
16.	Atul Rajasthan Date Palms Ltd Jodhpur 342 009, Rajasthan	U01122RJ2009PLC028415	Subsidiary	73.98%	2(87)(ii)
17.	Atul USA Inc North Carolina 28226, USA		Subsidiary	100%	2(87)(ii)
18.	Biyaban Agri Ltd Jodhpur 342 008, Rajasthan	U01122RJ2010PLC030636	Subsidiary	100%	2(87)(ii)
19.	DPD Ltd Somerset BA6 8QG, UK		Subsidiary	98.00%	2(87)(ii)
20.	Raja Dates Ltd Jodhpur 342 008, Rajasthan	U01122RJ2010PLC030640	Subsidiary	100%	2(87)(ii)
21.	Amal Ltd Mumbai 400 028, Maharashtra	L24100MH1974PLC017594	Associate	49.85%	2(6)
22.	Atul Aarogya Ltd Atul 396 020, Gujarat	U85110GJ2010PLC062180	Associate	41.67%	2(6)
23.	Atul Ayurveda Ltd Atul 396 020, Gujarat	U24233GJ2010PLC062028	Associate	41.67%	2(6)
24.	Atul Clean Energy Ltd Atul 396 020, Gujarat	U40106GJ2010PLC059498	Associate	28.47%	2(6)
25.	Atul Crop Care Ltd Atul 396 020, Gujarat	U01403GJ2010PLC061909	Associate	26.00%	2(6)
26.	Atul Polymers Products Ltd (Formerly Atul Elkay Polymers Ltd) Atul 396 020, Gujarat	U24100GJ2011PLC065979	Associate	50.00%	2(6)
27.	Atul Entertainment Ltd Atul 396 020, Gujarat	U92190GJ2010PLC061999	Associate	41.67%	2(6)
28.	Atul Hospitality Ltd Atul 396 020, Gujarat	U55101GJ2010PLC062000	Associate	41.67%	2(6)
29.	Atul (Retail) Brands Ltd Atul 396 020, Gujarat	U24233GJ2010PLC059517	Associate	43.05%	2(6)
30.	Atul Seeds Ltd Atul 396 020, Gujarat	U01122GJ2010PLC062769	Associate	43.98%	2(6)
31.	Jayati Infrastructure Ltd Atul 396 020, Gujarat	U45200GJ2010PLC062029	Associate	43.98%	2(6)
32.	Lapox Polymers Ltd Atul 396 020, Gujarat	U51434GJ2009PLC056053	Associate	20.00%	2(6)
33.	Osia Dairy Ltd Atul 396 020, Gujarat	U15200GJ2010PLC061906	Associate	43.98%	2(6)
34.	Osia Infrastructure Ltd Atul 396 020, Gujarat	U45200GJ2011PLC064854	Associate	42.00%	2(6)
35.	Rudolf Atul Chemicals Ltd Atul 396 020, Gujarat	U24110GJ2005PLC045564	Associate	50.00%	2(6)

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

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

4.4.1 Category-wise shareholding

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2019)				Number of shares held at the end of the year (as at March 31, 2020)				% 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	-	8,80,725	8,80,725	2.969	-
b)	Central Government | State government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies corporate	-	1,23,76,743	1,23,76,743	41.726	-	1,24,08,519	1,24,08,519	41.833	0.107
d)	Financial institutions | Banks	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub total (A)(1)	**-**	**1,32,57,524**	**1,32,57,524**	**44.696**	**-**	**1,32,89,244**	**1,32,89,244**	**44.803**	**0.107**
2.	Foreign									
a)	Individuals (Non-Resident Indians | 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)	**-**	**1,32,57,524**	**1,32,57,524**	**44.696**	**-**	**1,32,89,244**	**1,32,89,244**	**44.803**	**0.107**
B.	**Public shareholding**									
1.	Institutions									
a)	Mutual funds	300	65,22,863	65,23,163	21.992	300	69,39,575	69,39,875	23.397	1.405
b)	Financial institutions | Banks	11,876	13,336	25,212	0.085	11,081	6,135	17,216	0.058	(0.027)
c)	Central Government | State government(s)	336	1,97,886	1,98,222	0.668	336	2,12,504	2,12,840	0.718	0.049
d)	Venture capital funds	-	-	-	-	-	-	-	-	-
e)	Insurance companies	-	1,83,934	1,83,934	0.620	-	2,77,566	2,77,566	0.936	0.316
f)	Foreign institutional investors	800	81,744	82,544	0.278	800	-	800	0.003	(0.276)
g)	Foreign venture capital investors	-	-	-	-	-	-	-	-	-
h)	Trusts | Hindu Undivided Family	-	2,45,920	2,45,920	0.829	-	2,31,991	2,31,991	0.782	(0.047)
	Sub total (B)(1)	**13,312**	**72,45,683**	**72,58,995**	**24.473**	**12,517**	**76,67,771**	**76,80,288**	**25.893**	**1.420**

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2019)				Number of shares held at the end of the year (as at March 31, 2020)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
2.	**Non-institutions**									
a)	Bodies corporate									
i)	Indian	-	8,21,618	8,21,618	2.770	-	6,70,922	6,70,922	2.262	(0.508)
ii)	Overseas	-	18,78,327	18,78,327	6.332	-	20,42,529	20,42,529	6.886	0.554
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 lakh	5,14,586	30,62,829	35,77,415	12.061	4,32,414	30,63,305	34,95,719	11.785	(0.276)
ii)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	26,56,295	26,56,295	8.955	10,737	22,61,120	22,71,857	7.659	(1.296)
c)	Non-Resident Indians (NRI)									
i)	NRI repatriable	1,072	98,443	99,515	0.335	922	93,663	94,585	0.319	(0.017)
ii)	NRI non-repatriable	-	99,243	99,243	0.335	-	97,015	97,015	0.327	(0.008)
iii)	Foreign bodies	-	-	-	-	-	-	-	-	-
iv)	Foreign nationals	-	-	-	-	-	-	-	-	-
d)	Any other	-	12,801	12,801	0.043	-	19,574	19,574	0.066	0.023
	Sub total (B)(2)	**5,15,658**	**86,29,556**	**91,45,214**	**30.832**	**4,44,073**	**82,48,128**	**86,92,201**	**29.304**	**1.545**
	Total public shareholding (B)=(B)(1)+(B)(2)	**5,28,970**	**1,58,75,239**	**1,64,04,209**	**55.304**	**4,56,590**	**1,59,15,899**	**1,63,72,489**	**55.197**	**0.125**
	Total (A)+(B)	**5,28,970**	**2,91,32,763**	**2,96,61,733**	**100.000**	**4,56,590**	**2,92,05,143**	**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)	**5,28,970**	**2,91,32,763**	**2,96,61,733**	**100.000**	**456,590**	**2,92,05,143**	**2,96,61,733**	**100.000**	**-**

4.4.2 Shareholding of the promoters

No.	Name of the shareholder	Shareholding as at April 01, 2019			Shareholding as at March 31, 2020			% 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	66,50,700	22.422	0.843	66,50,700	22.422	-	-
02.	Arvind Farms Pvt Ltd	27,72,642	9.348	1.686	27,96,208	9.427	1.686	0.079
03.	Adhigam Investments Pvt Ltd	10,08,301	3.399	-	11,93,401	4.023	-	0.624
04.	Aayojan Resources Pvt Ltd	6,13,400	2.068	-	6,14,460	2.072	-	0.004
05.	Akshita Holdings Pvt Ltd	4,61,500	1.556	-	4,63,400	1.562	-	0.006
06.	Adhinami Investments Pvt Ltd	4,52,700	1.526	-	4,55,350	1.535	-	0.009
07.	Anusandhan Investments Ltd	2,35,000	0.792	-	2,35,000	0.792	-	-
08.	Samveg Arvind Lalbhai	2,02,377	0.682	-	2,02,377	0.682	-	-
09.	Aahvan Agencies Ltd (Amalgamated with Adhigam Investments Pvt Ltd)	1,82,500	0.615	-	-	-	-	(100.000)
10.	Saumya Samveg Lalbhai	1,74,070	0.587	-	1,74,070	0.587	-	-
11.	Samveg Arvind (on behalf of Samvegbhai Arvindbhai Lalbhai HUF)	1,14,943	0.388	-	1,14,943	0.388	-	-
12.	Sunil Siddharth Lalbhai	91,772	0.309	-	91,772	0.309	-	-
13.	Vimla S Lalbhai*	65,982	0.222	-	65,982	0.222	-	-
14.	Swati S Lalbhai	63,500	0.214	-	63,500	0.214	-	-
15.	Taral S Lalbhai	50,022	0.169	-	50,022	0.169	-	-
16.	Anamika Samveg Lalbhai	47,199	0.159	-	47,199	0.159	-	-
17.	Sunil Siddharth Lalbhai (on behalf of Sunil Siddharth HUF)	31,544	0.106	-	31,544	0.106	-	-
18.	Astha Lalbhai	20,500	0.069	-	20,500	0.069	-	-
19.	Nishtha Sunil Lalbhai	5,500	0.019	-	5,500	0.019	-	-
20.	Hansa Niranjan Lalbhai (on behalf of Manini Niranjan Trust and Bol)	5,999	0.020	-	5,999	0.020	-	-
21.	Sanjay Shrenik Lalbhai (on behalf of Arvindbhai Lalbhai Family Trust)	3,653	0.012	-	3,653	0.012	-	-
22.	Sunil Lalbhai Employee Trust	2,000	0.007	-	2,000	0.007	-	-
23.	Rajiv Chinubhai Lalbhai (on behalf of Lalbhai Dalpatbhai HUF)	1,169	0.004	-	1,169	0.004	-	-
24.	Sheth Narottam Lalbhai (on behalf of Sheth Narottambhai Lalbhai HUF)	495	0.002	-	495	0.002	-	-
Total		**1,32,57,468**	**44.696**	**2.529**	**1,32,89,244**	**44.803**	**1.686**	**0.107**

*Out of 65,982 shares, 35,620 shares held on behalf of Siddharth Family Trust and 4,612 shares held on behalf of Vimla Siddharth Trust

4.4.3 Change in shareholding of the promoters

No.	Particulars	Reason for change	Shareholding as at April 01, 2019		Cumulative shareholding during 2019-20	
			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		8,80,725	2.969	8,80,725	2.969
	Increase | Decrease during the year					
	At the end of the year		8,80,725	2.969	8,80,725	2.969
B.	Companies					
	At the beginning of the year		1,23,76,743	41.726	1,23,76,743	41.726
	Increase | Decrease during the year					
	01. April 2019	Purchase	1,000	0.003	1,23,77,743	41.729
	02. May 2019	Purchase	1,000	0.003	1,23,78,743	41.732
	03. June 2019	Purchase	700	0.002	1,23,79,443	41.734
	04. July 2019	Purchase	1,500	0.005	1,23,80,943	41.739
	05. August 2019	Purchase	1,200	0.004	1,23,82,143	41.743
	06. September 2019	Purchase	600	0.002	1,23,82,743	41.745
	07. October 2019	Purchase	23,566	0.079	1,24,06,309	41.824
	08. November 2019	Purchase	800	0.003	1,24,07,109	41.827

No.	Particulars	Reason for change	Shareholding as at April 01, 2019		Cumulative shareholding during 2019-20	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
	09. December 2019	Purchase	600	0.002	1,24,07,709	41.829
	10. February 2020	Purchase	610	0.003	1,24,08,319	41.832
	11. March 2020	Purchase	200	0.001	1,24,08,519	41.833
	At the end of the year		1,24,08,519	41.833	1,24,08,519	41.833

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, 2019		Cumulative shareholding during 2019-20	
			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		17,82,336	6.009	17,82,336	6.009
	01. May 2019	Purchase	47,320	0.160	18,29,656	6.168
	02. August 2019	Purchase	1,90,000	0.641	20,19,656	6.809
	03. September 2019	Purchase	30,831	0.104	20,50,487	6.913
	04. October 2019	Purchase	8,670	0.029	20,59,157	6.942
	05. November 2019	Purchase	31,783	0.107	20,90,940	7.049
	06. December 2019	Purchase	30,102	0.101	21,21,042	7.151
	07. January 2020	Purchase	900	0.003	21,21,942	7.154
	At the end of the year		21,21,942	7.154	21,21,942	7.154
02.	DSP Mutual Fund					
	At the beginning of the year		11,19,610	3.775	11,19,610	3.775
	01. May 2019	Sale	(28,317)	(0.095)	10,91,293	3.679
	02. June 2019	Sale	(19,602)	(0.066)	10,71,691	3.613
	03. July 2019	Sale	(24,593)	(0.083)	10,47,098	3.530
	04. August 2019	Purchase	16,169	0.055	10,63,267	3.585
	05. December 2019	Purchase	63,340	0.214	11,26,607	3.798
	06. January 2020	Purchase	1,82,786	0.616	13,09,393	4.414
	07. February 2020	Purchase	77	-	13,09,470	4.414
	08. March 2020	Purchase	58,228	0.197	13,67,698	4.611
	At the end of the year		13,67,698	4.611	13,67,698	4.611
03.	Kotak Mutual Fund					
	At the beginning of the year		7,92,311	2.671	7,92,311	2.671
	01. April 2019	Purchase	33,578	0.113	8,25,889	2.784
	02. May 2019	Purchase	14,506	0.049	8,40,395	2.833
	03. June 2019	Sale	(1,089)	(0.003)	8,39,306	2.830
	04. July 2019	Purchase	11,627	0.039	8,50,933	2.869
	05. August 2019	Purchase	23,108	0.078	8,74,041	2.947
	06. September 2019	Sale	(5,000)	(0.017)	8,69,041	2.930
	07. October 2019	Purchase	3,847	0.013	8,72,888	2.943
	08. November 2019	Purchase	4,456	0.015	8,77,344	2.958
	09. December 2019	Sale	(35,000)	(0.118)	8,42,344	2.840
	10. January 2020	Sale	(89,481)	(0.302)	7,52,863	2.538
	11. February 2020	Sale	(10,360)	(0.035)	7,42,503	2.503
	12. March 2020	Purchase	7,961	0.027	7,50,464	2.530
	At the end of the year		7,50,464	2.530	7,50,464	2.530
04.	Aditya Birla Sun Life Trustee Pvt Ltd					
	At the beginning of the year		6,59,929	2.225	6,59,929	2.225
	01. May 2019	Purchase	87,600	0.295	7,47,529	2.520
	02. June 2019	Purchase	25,000	0.084	7,72,529	2.604
	03. July 2019	Purchase	11,100	0.037	7,83,629	2.642
	04. August 2019	Purchase	10,200	0.034	7,93,829	2.676
	05. September 2019	Purchase	2,921	0.010	7,96,750	2.686
	06. March 2020	Purchase	13,378	0.045	8,10,128	2.731
	At the end of the year		8,10,128	2.731	8,10,128	2.731

No.	Particulars	Reason for change	Shareholding as at April 01, 2019		Cumulative shareholding during 2019-20	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
05.	Shivani Tejas Trivedi					
	At the beginning of the year		5,84,794	1.972	5,84,794	1.972
	01. November 2019	Purchase	4,475	0.015	5,89,269	1.987
	02. February 2020	Sale	(28,175)	(0.095)	5,61,094	1.892
	03. March 2020	Sale	(3,140)	(0.011)	5,57,954	1.881
	At the end of the year		557,954	1.881	5,57,954	1.881
06.	Tejas Bhalchandra Trivedi					
	At the beginning of the year		6,04,432	2.038	6,04,432	2.038
	01. January 2020	Sale	(46,315)	(0.156)	5,58,117	1.882
	02. March 2020	Sale	(3,685)	(0.012)	5,54,432	1.869
	At the end of the year		5,54,432	1.869	5,54,432	1.869
07.	Canara Robeco Mutual Fund					
	At the beginning of the year		3,22,249	1.086	3,22,249	1.086
	01. April 2019	Purchase	10,000	0.034	3,32,249	1.120
	02. May 2019	Purchase	11,814	0.040	3,44,063	1.160
	03. August 2019	Purchase	14,700	0.050	3,58,763	1.210
	04. September 2019	Purchase	5,700	0.019	3,64,463	1.229
	05. October 2019	Purchase	10,000	0.034	3,74,463	1.262
	06. November 2019	Purchase	32,300	0.109	4,06,763	1.371
	07. December 2019	Purchase	10,286	0.035	4,17,049	1.406
	08. January 2020	Purchase	66,823	0.225	4,83,872	1.631
	09. February 2020	Purchase	28,510	0.096	5,12,382	1.727
	10. March 2020	Sale	(16,234)	(0.055)	4,96,148	1.673
	At the end of the year		4,96,148	1.673	4,96,148	1.673
08.	L&T Mutual Fund					
	At the beginning of the year		-	-	-	-
	01. June 2019	Purchase	2,57,540	0.868	2,57,540	0.868
	02. July 2019	Purchase	97,500	0.329	3,55,040	1.197
	03. August 2019	Purchase	1,26,000	0.425	4,81,040	1.622
	04. September 2019	Purchase	5,000	0.017	4,86,040	1.639
	05. October 2019	Purchase	8,357	0.028	4,94,397	1.667
	06. November 2019	Sale	(1,09,096)	(0.368)	3,85,301	1.299
	07. December 2019	Sale	(88,235)	(0.297)	2,97,066	1.002
	08. February 2020	Purchase	29,208	0.098	3,26,274	1.100
	09. March 2020	Purchase	50,375	0.170	3,76,649	1.270
	At the end of the year		3,76,649	1.270	3,76,649	1.270
09.	Franklin India Smaller Companies Fund					
	At the beginning of the year		3,85,642	1.300	3,85,642	1.300
	01. January 2020	Sale	(1,00,000)	(0.337)	2,85,642	0.963
	At the end of the year		2,85,642	0.963	2,85,642	0.963
10.	IDFC Mutual Fund					
	At the beginning of the year		3,75,845	1.267	3,75,845	1.267
	01. April 2019	Purchase	2,000	0.007	3,77,845	1.274
	02. May 2019	Sale	(36,110)	(0.122)	3,41,735	1.152
	03. June 2019	Sale	(71,616)	(0.241)	2,70,119	0.911
	04. July 2019	Sale	(37,769)	(0.127)	2,32,350	0.783
	05. August 2019	Purchase	27,271	0.092	2,59,621	0.875
	06. September 2019	Sale	(10,057)	(0.034)	2,49,564	0.841
	07. October 2019	Purchase	803	0.003	2,50,367	0.844
	08. November 2019	Purchase	365	0.001	2,50,732	0.845
	At the end of the year		2,50,732	0.845	2,50,732	0.845

4.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Particulars	Reason for change	Shareholding as at April 01, 2019		Cumulative shareholding during 2019-20	
			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 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
03.	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
04.	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
05.	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
06.	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
07.	V S Rangan					
	At the beginning of the year		3,000	0.010	3,000	0.010
	Increase | Decrease during the year	Purchase	2,000	0.003	5,000	0.013
	At the end of the year		5,000	0.013	5,000	0.013
08.	M M Chitale					
	At the beginning of the year		50	-	50	-
	Increase | Decrease during the year					
	At the end of the year		50	-	50	-
09.	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	-
10.	S A Panse					
	At the beginning of the year		50	-	50	-
	Increase | Decrease during the year					
	At the end of the year		50	-	50	-
11.	B R Arora					
	At the beginning of the year		100	-	100	-
	Increase | Decrease during the year					
	At the end of the year		100	-	100	-
12.	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	-	-	-	-
ii) Interest due, but not paid	-	-	-	-
iii) Interest accrued, but not due	-	-	-	-
Total i) + ii) + iii)	**-**	**-**	**-**	**-**
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal amount	-	-	-	-
ii) Interest due, but not paid	-	-	-	-
iii) Interest accrued, but not due	-	-	-	-
Total i) + ii) + iii)	**-**	**-**	**-**	**-**

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]	3,84,72,706	1,15,40,091	1,17,84,855	1,54,03,760	7,72,01,412
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	5,52,508	1,01,980	10,35,030	69,600	17,59,118
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock option	-	-	-	-	-
3.	Sweat equity	-	-	-	-	-
4.	Commission	8,13,97,000[4]	1,52,32,920[5]	-	-	9,66,29,920
5.	Variable pay	-	-	25,25,000	56,41,000	81,66,000
6.	Others	-	-	-	-	-
7.	Total (A)	12,04,22,214	2,68,74,991	1,53,44,885	2,11,14,360	18,37,56,450
8.	Overall ceiling as per the Act					81,39,70,000

[1]CMD (CEO)

[2]WtD (CFO)

[3]Excluding commission and variable pay

[4]1% of profit (₹ 8,13,97,000) or 60 months basic salary (₹ 9,63,44,640), whichever is lower.

[5]0.50% of profit (₹4,06,98,500) or 30 months basic salary (₹ 1,52,32,920), whichever is lower.

4.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	R A Shah	B S Mehta	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	-	3,50,000	2,10,000	2,10,000	3,50,000	1,75,000	3,35,000	16,30,000
	b) Commission	-	16,00,000	12,00,000	9,34,000	15,00,000	11,00,000	18,00,000	81,34,000
	Total 1	-	19,50,000	14,10,000	11,44,000	18,50,000	12,75,000	21,35,000	97,64,000
2.	Non-executive Non-independent Directors								
	a) Fee for attending the Board, Committee and other meetings	2,45,000	-	-	-	-	-	-	2,45,000
	b) Commission	9,75,000	-	-	-	-	-	-	9,75,000
	Total 2	12,20,000	-	-	-	-	-	-	12,20,000
	Total (B) = (1+2)	12,20,000	19,50,000	14,10,000	11,44,000	18,50,000	12,75,000	21,35,000	1,09,84,000
	Total managerial remuneration (A+B)								19,47,40,450
	Overall ceiling as per the Act								89,53,67,000

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	77,91,046
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	7,52,564
	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	**85,43,610**

4.7 Penalties | Punishment | Compounding of offences

There were no penalties | punishment | compounding of offences for the year ending March 31, 2020.

5. Secretarial Audit Report

Form number MR – 3
Secretarial Audit Report

For the financial year ended March 31, 2020

{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, in electronic form in online system due to lockdown on account of COVID-19, 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, 2020, 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, 2020 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 as per confirmations of compliances placed before the Board of Directors which were made available to us for our verification and considered as assurance for existence of proper compliance management system in view of the lockdown across the nation due to COVID-19.

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 as reported hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws and regulations applicable to the Company.

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

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

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

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

We further report that during the audit period there were no specific events | actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc except that during the year under review, the Company had partially disposed of 2,82,750 (3%) equity shares held in Amal Ltd, a subsidiary company of the Company, consequently, Amal Ltd ceased to be a subsidiary company of the Company.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)
Partner
Membership number: F 3544
CPN: 2356
UDIN: F003544B000182481
Peer review certificate number: 702 | 2020

Ahmedabad
April 28, 2020

Atul Ltd
Annexure I – List of documents verified in electronic form

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	3.49	0.75
	B S Mehta	5.57	1.08
	S M Datta	4.03	0.65
	V S Rangan	3.27	0.65
	M M Chitale	5.29	1.08
	S A Panse	3.64	0.54
	B R Arora	6.10	1.03
	S S Lalbhai	344.08	120.24
	S A Lalbhai	76.79	35.87
	B N Mohanan	43.84	39.50
	T R Gopi Kannan	60.33	47.67
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		(0.65)
	B S Mehta		6.85
	S M Datta		3.68
	V S Rangan		(28.94)
	M M Chitale		8.82
	S A Panse		6.25
	B R Arora		24.13
	Chairman and Managing Director		
	S S Lalbhai		19.32
	Managing Director		
	S A Lalbhai		8.08
	Whole-time Director		
	B N Mohanan		18.14
	Whole-time Director and Chief Financial Officer		
	T R Gopi Kannan		29.17
	Company Secretary		
	L P Patni		29.62
iii) Percentage increase in the median remuneration of employees in the financial year			(2.78)%
iv) Number of permanent employees on the rolls of Company			2,907
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, 2020.

Management Discussion and Analysis

Ratios	UoM*	2019-20	2018-19	Increase | (Decrease)	Remark
Interest coverage	times	461.00	192.00	140%	nil debt
Net profit margin	%	16.74	11.16	50%	favourable input prices
Return on net worth	%	22.38	17.70	26%	increased net profit margin

*Unit of Measurement

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

Life Science Chemicals segment

	2019-20	2018-19	% change
Sales (₹ cr)	**1,174**	**1,289**	**(9)**
Share in total sales (%)	**31**	**34**	**(3)**

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

CROP PROTECTION

Product groups: Herbicides, Insecticides, Fungicides, Others

The products falling under these product groups areused by customers belonging to Agriculture and Crop Protection Chemicals industries. The product groupscomprise about 20 products and 70 formulations. 2,4-D, Indoxacarb and Isoprothiolane are some of the key products.

During 2019-20, sales decreased by 7% from ₹ 754 cr to ₹ 703 cr. Sales in India increased by 27% from ₹ 263 cr to ₹ 335 cr; bulk sales in India increased by 34% from ₹ 171 cr to ₹ 229 cr whereas retail sales which are currently only in India increased by 15% from ₹ 92 cr to ₹ 106 cr. Sales outside India decreased by 25% from ₹ 491 cr to ₹ 368 cr and formed 52% of the total. Increase on account of volume was 3%. The Company completed one project and undertook two projects for implementation.

The size of the world Crop Protection Chemicals industry is estimated at US$ 59.5 bn and is growing at about 2.4%. The world Food and

Agribusiness is estimated at around US$ 5 tn. 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 Crop Protection chemicals. The Company will participate in this growth by – i) focusing on providing its customers with the best quality products, ii) expanding the product portfolio, iii) promoting its brand sales iv) securing access through more registrations and v) improving internal efficiencies and working capital management.

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

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-fungal, anti-retroviral and cardiovascular. The product groups comprise about 76 products. Dapsone, fluconazole and metoprolol salts are some of the active pharmaceutical ingredients and carbonates, chloroformates and amino acid derivatives are some of the key intermediates.

During 2019-20, sales decreased by 12% from ₹ 526 cr to ₹ 462 cr. Sales in India decreased by 3% from ₹ 293 cr to ₹ 283 cr. Sales outside India decreased by 23% from ₹ 233 cr to ₹ 179 cr and formed 39% of the total. Degrowth on account of volume was (12)%. Sales of Atul Bioscience Ltd, a 100% subsidiary company, remained almost unchanged at ₹ 105 cr because of regulatory issues with a key customer and delay in statutory clearances for the newly acquired facility at Ambernath. The Company completed one project while one project is under 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 with 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.

There are about 20 major companies which dominate the world marketplace.

The main user industry, namely, Pharmaceutical, is doing 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) debottlenecking and adding capacities, iv) introducing new products and v) forming long-term strategic alliances with other companies.

The prices of some products may vary widely over the short-term. Fluctuations in foreign exchange may impact sales realisations.

Performance and Other Chemicals segment

Sales (₹ cr)	**2,650** 2019-20	**2,556** 2018-19	**4** % change
Share in total sales (%)	**69** 2019-20	**66** 2018-19	**3** % change

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 31 products. *para* Cresol, *para* Anisic aldehyde and *para* Cresidine are some of the key products.

During 2019-20, sales decreased by 2% from ₹ 711 cr to ₹ 694 cr. Sales in India increased by 1% from ₹ 225 cr to ₹ 228 cr. Sales outside India decreased by 4% from ₹ 486 cr to ₹ 466 cr and formed 67% of the total. Growth on account of volume was 4%. The Company completed one project and undertook two projects for implementation.

The world market for *para* Cresol (a key product) is estimated at 66,300 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$ 13.5 bn and is growing at about 4%. The size of the world Personal Care industry is estimated at US$ 431 bn of which personal care ingredients segment is US$ 25 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) debottlenecking and adding capacities and iv) introducing new products.

The prices of some products may come down in a short-term. 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 mainly used for internal consumption, while the products in the Intermediate product groups are used by customers belonging to Cosmetic, Dyestuff, Pharmaceutical and Tyre industries. The product groups comprise about 23 products. Resorcinol, Resorcinol formaldehyde resin and 1,3–Cyclohexanedione are some of the key products.

During 2019-20, sales (external) increased by 15% from ₹ 249 cr to ₹ 286 cr. Sales in India increased by 2% from ₹ 150 cr to ₹ 153 cr. Sales outside India increased by 34% from ₹ 99 cr to ₹ 133 cr and formed 47% of the total.

The Company undertook two projects for implementation.

The world market for Resorcinol (a key product) is estimated at US$ 564 mn and is growing at about 2.5%. The size of the world Tyre industry is estimated at US$ 237 bn and is growing at about 3.7%. The size of the world Chlor-alkali industry is estimated at US$ 46 bn and is growing at about 3.2%.

The Tyre industry is projected to grow backed by strong growth in the Asia Pacific market region. 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) debottlenecking and adding capacities and iv) introducing downstream products.

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

COLORS

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

The product groups comprise about 620 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 2019-20, sales increased by 14% (of which volume increase was 3%) from ₹ 547 cr to ₹ 626 cr. Sales in India increased by 16% from ₹ 285 cr to ₹ 332 cr. Sales outside India increased by 12% from ₹ 262 cr to ₹ 294 cr and formed 47% of the total sales. Rudolf Atul Chemicals Ltd (RACL), a joint venture company formed in 2011-12, provides a complete range of textile chemicals in Indian market; its sales decreased by 2% from ₹ 83 cr to ₹ 81 cr, primarily because of volume.

The size of the world Dyestuff industry is estimated at US$ 6.1 bn and is growing at about 2%. China continues to be the largest manufacturer of dyes followed by India. The world market for high performance pigments is estimated at US$ 5.0 bn (constitutes both organic and inorganic pigments) and is expected to grow at about 4% in the coming years.

The main user industries, namely, Textile, Paper, Paint and Coatings will continue to grow because of increasing demands from middle class 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) investing in newer capacities of existing and new products, iii) increasing its manufacturing and working capital efficiencies and iv) 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 because of stricter regulatory norms and increasing demand for cleaner and greener products from user industries.

POLYMERS

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

The products falling under these product groups are used by customers belonging to 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 have significant applications in Aerospace, Automobile, FRP Composites, Wind Energy, Electrical and Electronics, Paint and Coatings, Construction, Defence, Sports and Leisure and Paper industries.

During 2019-20, sales decreased by 1% from ₹1,048 cr to ₹1,041 cr. Sales in India decreased by 10% from ₹ 711 cr to ₹ 642 cr; bulk sales in India decreased by 13% from ₹ 593 cr to ₹ 517 cr, whereas retail sales increased by 6% from ₹118 cr to ₹125 cr. Sales outside India increased by 18% from ₹337 cr to ₹399 cr and formed 38% of the total. Growth on account of volume was 5%.

The world market for epoxy resins and curing agents is estimated at US$ 7.6 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$ 393 mn and is growing at about 6%.

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

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

The uncertainties associated with the pandemic COVID-19 may have adverse impact on the demand and supply chain in the short-term in both the segments, and the Company is working to minimise the impact of such aberrations to sustain the operations and identify new opportunities to grow.

INTERNAL CONTROL SYSTEMS

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

The internal control systems that deploy an amalgam of modern and traditional audit tools are routinely tested, certified and upgraded as required by the Statutory Auditors as well as the Internal Auditors to ensure both relevance and comprehensiveness. Significant audit observations and follow-up actions and recommendations thereon are also reported to the Senior Management and the Audit Committee for their review.

The Company has an in-house Internal Audit department and is also working with reputed audit firms specialising in internal audit function. Together, they have the responsibility to bring excellence in the function and introduce best practices in all key areas of operations required to manage a growing business which now comprises subsidiary, associate and joint venture entities. They also cover Atul Foundation and entities overseen by it.

The Company is planning to further strengthen its Internal Audit department particularly in the areas of data analytics, procedures and technical audit.

HUMAN RESOURCES

The Company considers its people to be its biggest asset and credits its sustained improvements to their ethics, dedication and energy. It is its endeavour to offer a work environment and HR processes that promote creativity, teamwork, meritocracy, learning and leadership.

HR Unit is continuously upgrading its processes related to recruitment, training and development, performance management and succession planning in order to manage a dynamic and growing business. The objective is to have a diverse and inclusive group of people who are motivated and develop internal leaders who are able to prepare and build a Company that is future-fit and purpose-led.

The HR managers comprise those in the central team and those partnering with the different businesses | functions (including subsidiary, associate and joint venture entities). In addition, the Company regularly works with external professionals and organisations for specific initiatives and cross-pollination of ideas.

During 2019-20, the number of people increased by 333 from 2,574 to 2,907. Wage settlement for Atul site is under negotiation. Employee relations at all locations remained cordial. To commemorate the occasion of 125th birth anniversary of its enterprising and inspiring Founder, the Company appreciated the contribution of every member of Team Atul by sharing a small token of gratitude.

The Company is planning to further strengthen its HR processes particularly using 'technology' to empower and develop people, unlock the capacity for growth and build capabilities for the future.

Corporate Governance Report

The unexamined life is not worth living.

- Sócrates Oliveira

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

2.1.7 Others:

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

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

iii) Applying high ethical standards

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

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

vi) Encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept 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 55% of the strength of the Board, as against minimum requirement of 50% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) and 33.33% as per the Companies Act, 2013.

The Independent Directors fulfill the conditions specified in the regulations and are independent of the Management. The Board has identified certain skills | expertise | competence as required to be possessed by the Board of Directors to ensure effective functioning of the business(es) and sectors of the Company. The mapping of these skills | expertise | competence among the Directors is as given below:

Skills | expertise | competence	Name of Directors
Commercial	S S Lalbhai, S A Lalbhai, B N Mohanan
Finance	B S Mehta, V S Rangan, M M Chitale, S A Panse, T R Gopi Kannan
Sales and marketing	S M Datta, B R Arora, S S Lalbhai
Science and technology	S M Datta, B R Arora, B N Mohanan
Domain industry	B R Arora, S S Lalbhai
General management	S M Datta, S A Panse, B R Arora, S S Lalbhai
Legal, including laws related to corporate governance	R A Shah, B S Mehta, V S Rangan, M M Chitale, T R Gopi Kannan

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	7	3	1
	Managing Director			
02.	S A Lalbhai	3	-	-
	Whole-time Directors			
03.	B N Mohanan	8	-	-
04.	T R Gopi Kannan	8	4	-
	Non-executive Directors			
05.	R A Shah	8	2	3
06.	B S Mehta	4	3	2
07.	S M Datta	5	4	2
08.	V S Rangan	6	5	-
09.	M M Chitale	6	4	3
10.	S A Panse	5	3	3
11.	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.

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 a Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007. Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.	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 a 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 the University of Madras and a postgraduate diploma in management from the Indian Institute of Management Ahmedabad. He is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India.	Amal Ltd - Non-Independent Director
05.	R A Shah	Mr R A Shah is a Director of the Company since May 1983. He is a Senior Partner of Crawford Bayley & Co., a firm of Solicitors and Advocates. Mr Shah holds a degree in Law from the University of Mumbai and has passed Solicitor exam from the Honourable High Court at Mumbai.	BASF 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
06.	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 the 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
07.	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.	IL&FS Investment Managers Ltd - Independent Director
08.	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
09.	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 the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.	Bhageria Industries Ltd - Independent Director Larsen & Toubro Infotech Ltd - Independent Director Larsen & Toubro Ltd - Independent Director
10.	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 and a postgraduate degree in Business Administration from Drexel University and is a certified Associate of the Indian Institute of Bankers.	PNB Housing Finance Ltd - Independent Director Sudarshan Chemical Industries Ltd - Independent Director The Federal Bank Ltd - Independent Director KPIT Technologies Ltd - Independent Director
11.	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

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2019-20, the Board met five times.

No.	Day	Date	Venue
1.	Friday	April 26, 2019	Mumbai
2.	Friday	July 26, 2019	Mumbai
3.	Friday	October 25, 2019	Mumbai
4.	Thursday	November 28, 2019	Mumbai
5.	Friday	January 24, 2020	Mumbai

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM on
		Total	Attended	July 31, 2019
01.	S S Lalbhai	5	5	Present
02.	R A Shah	5	5	-
03.	B S Mehta	5	5	-
04.	S A Lalbhai	5	4	Present
05.	S M Datta	5	5	-
06.	B N Mohanan	5	5	Present
07.	V S Rangan	5	4	-
08.	M M Chitale	5	5	-
09.	T R Gopi Kannan	5	5	Present
10.	S A Panse	5	4	-
11.	B R Arora	5	4	Present

2.6 Appointment | Cessation

2.6.1 Appointed:

i) Mr T R Gopi Kannan was reappointed as a Whole-time Director effective October 17, 2019

ii) Mr M M Chitale was reappointed as an Independent Director effective October 17, 2019

iii) Mr B N Mohanan was reappointed as a Whole-time Director effective January 01, 2020

iv) Ms S A Panse was reappointed as an Independent Director effective March 27, 2020

v) Mr B R Arora was reappointed as an Independent Director effective April 01, 2020

2.6.2 Ceased: nil

2.6.3 Resigned: nil

2.7 Remuneration

No.	Name	Remuneration during the year (₹)			
		Sitting fees	Salary and perquisites	Commission	Total
	Chairman and Managing Director				
01.	S S Lalbhai	-	3,90,25,214	8,13,97,000	12,04,22,214
	Managing Director				
02.	S A Lalbhai	-	1,16,42,071	1,52,32,920	2,68,74,991
	Whole-time Directors				
03.	B N Mohanan	-	1,53,44,885[1]	-	1,53,44,885
04.	T R Gopi Kannan	-	2,11,14,360[2]	-	2,11,14,360
	Non-executive Directors				
05.	R A Shah	2,45,000	-	9,75,000	12,20,000
06.	B S Mehta	3,50,000	-	16,00,000	19,50,000
07.	S M Datta	2,10,000	-	12,00,000	14,10,000
08.	V S Rangan	2,10,000	-	9,34,000	11,44,000
09.	M M Chitale	3,50,000	-	15,00,000	18,50,000
10.	S A Panse	1,75,000	-	11,00,000	12,75,000
11.	B R Arora	3,35,000	-	18,00,000	21,35,000

[1]Includes variable pay ₹ 25,25,000

[2]Includes variable pay ₹ 56,41,000

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 as per the Remuneration Policy of the Company, commission payable to each Non-executive Director. The Remuneration policy is disclosed on the website of the Company at https://www.atul.co.in/pdf/investors/policies/Remunerationpolicy.pdf

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

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.	B S Mehta	Chairman
2.	V S Rangan	Member
3.	B R Arora	Member
4.	M M Chitale	Member

3.1.3 Meetings and attendance

During 2019-20, four meetings were held.

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

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

3.2 Nomination and Remuneration Committee

3.2.1 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.	M M Chitale	Chairman
2.	R A Shah	Member
3.	B R Arora	Member

3.2.3 Meetings and attendance

During 2019-20, one meeting was held.

No.	Name	Total	Attended
1.	M M Chitale	1	1
2.	R A Shah	1	1
3.	B R Arora	1	1

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.	B R Arora	Chairman
2.	S S Lalbhai	Member
3.	T R Gopi Kannan	Member

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

3.3.3 Meetings and attendance

During 2019-20, four meetings were held.

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

During 2019-20, 15 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	3	3
4.	Others	12	12
	Total	**15**	**15**

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.	S A Panse	Chairperson
2.	S S Lalbhai	Member
3.	B N Mohanan	Member

3.4.3 Meetings and attendance

During 2019-20, one meeting was held.

No.	Name	Total	Attended
1.	S A Panse	1	1
2.	S S Lalbhai	1	1
3.	B N Mohanan	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.	B S Mehta	Member
3.	S M Datta	Member
4.	S S Lalbhai	Member
5.	B R Arora[1]	Member

[1]Effective January 24, 2020

3.5.3 Meetings and attendance

During 2019-20, one meeting was held.

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

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

During 2019-20, one meeting was held.

No.	Name	Total	Attended
1.	S S Lalbhai	1	1
2.	B N Mohanan	1	1
3.	T R Gopi Kannan	1	1

The Board notes the minutes of the Risk Management Committee meeting.

4. Subsidiary companies registered in India

As on March 31, 2020, the Company had 12 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) five others - Aasthan Dates Ltd, Atul Biospace Ltd, Atul Infotech Pvt Ltd, Biyaban Agri Ltd and Raja Dates Ltd

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

5. Company policies

5.1 Compliance

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

5.2 Code of Conduct

The Code of Conduct is available on the website of the Company 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 complaints during 2019-20 is as under:

Filed during 2019-20	nil
Disposed of during 2019-20	nil
Pending as at the end of 2019-20	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/about/directors/

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/about/directors/

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 2019-20 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
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
2018-19	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 31, 2019	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 2020

Details of the 43rd AGM are as under:

Year	Location	Date	Time
2019-20	Through video conference	July 31, 2020	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 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 2020-21 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.

7.5 Stock code

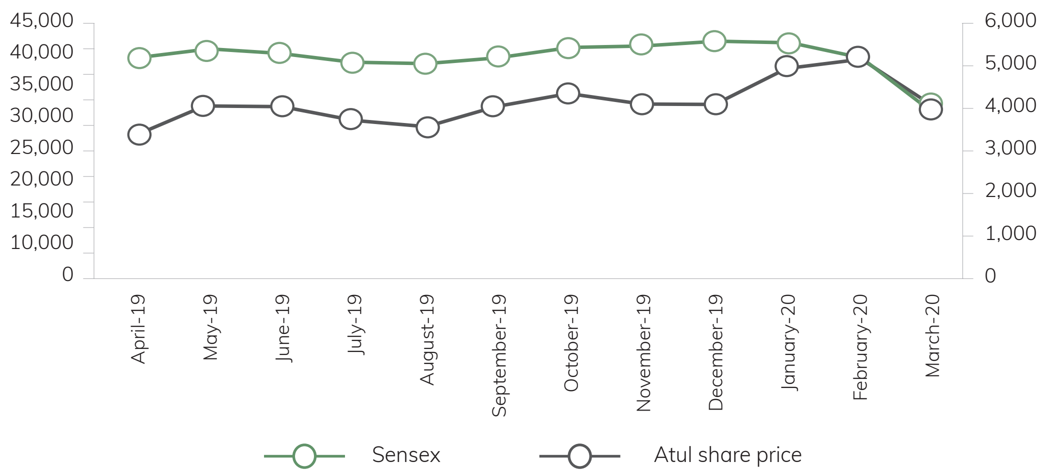
BSE: 500027 and NSE: ATUL

7.6 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 2019-20 are as under:

Month	Share price of the Company on BSE		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹
April 2019	3,642.85	3,400.50	39,487.45	38,460.25
May 2019	4,082.00	3,409.00	40,124.96	36,956.10
June 2019	4,160.00	3,910.00	40,312.07	38,870.96
July 2019	4,030.00	3,528.00	40,032.41	37,128.26
August 2019	3,684.95	3,455.35	37,807.55	36,102.35
September 2019	4,099.00	3,428.10	39,441.12	35,987.80
October 2019	4,379.20	3,880.05	40,392.22	37,415.83
November 2019	4,361.95	3,966.10	41,163.79	40,014.23
December 2019	4,178.00	3,911.00	41,809.96	40,135.37
January 2020	5,030.95	4,050.00	42,273.87	40,476.55
February 2020	5,322.00	4,788.05	41,709.30	38,219.97
March 2020	5,447.25	3,256.60	39,083.17	25,638.90

Atul share price vis-a-vis S&P Sensex closing price



7.7 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.

7.8 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.

7.9 Distribution of shareholding as on March 31, 2020

7.9.1 Shareholding-wise:

Holding	**Shareholders**		**Shares**	
	Numbers	**% of total**	**Numbers**	**% of total**
1 - 10	15,588	42.081	66,551	0.224
11 - 50	11,300	30.505	3,04,487	1.027
51 - 100	3,713	10.024	3,02,283	1.019
101 - 500	4,703	12.696	11,17,740	3.768
501 - 1,000	874	2.359	6,43,040	2.168
1,001 - 2,000	362	0.977	5,12,712	1.729
2,001 - 3,000	116	0.313	2,85,834	0.964
3,001 - 4,000	82	0.221	2,92,214	0.985
4,001 - 5,000	53	0.143	2,42,287	0.817
5,001 - 10,000	100	0.270	7,21,787	2.433
10,001 and above	152	0.410	2,51,72,798	84.866
Total	**37,043**	**100.0**	**2,96,61,733**	**100.00**

7.9.2 Category-wise:

Category	Shares (numbers)	Shareholding (%)
Promoter group	1,32,89,244	44.80
Mutual funds	69,39,875	23.40
Indian public	62,31,645	21.01
Foreign institutional investors	20,43,329	6.89
Bodies corporate	6,70,922	2.26
Insurance companies	2,77,566	0.94
Non-Resident Indians | Other body corporates	1,91,600	0.64
Banks	17,216	0.06
State government	336	0.00
Total	**2,96,61,733**	**100.00**

7.10 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2020 as follows:

98.46% in an electronic form and 1.54% in physical form.

7.11 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.

7.12 Equity shares held by the Non-executive Directors

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

7.13 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

7.14 Address for correspondence

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

7.15 E-mail address of grievance redressal office

shareholders@atul.co.in

7.16 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.

7.17 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 03, 2019 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.

7.18 Tentative Board meeting dates for consideration of results for 2020-21

No.	Particulars	Dates
1.	First quarter results	July 24, 2020
2.	Second quarter and half-yearly results	October 22, 2020
3.	Third quarter results	January 29, 2021
4.	Fourth quarter and annual results	April 30, 2021

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 2019-20, ₹ 0.78 cr was paid by the Company and its subsidiary companies to the Statutory Auditors | entities in network firm | network entity of which the Statutory Auditors are a member.

10. Evaluation by the Independent Directors

The Independent Directors at their meeting held on April 28, 2020 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 28, 2020 in which the accounts for the year ended March 31, 2020 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

Atul (S S Lalbhai)

April 28, 2020 **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, 2020, as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and Clause (b) to (i) of sub-regulation 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
UDIN: A008073B000184590

Ahmedabad
April 28, 2020

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 fourth BRR for 2019-20 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: 2019-20
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: eight*
    ii) National locations: nine

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

Section B: Financial details

1. Paid-up capital: ₹ 29.68 cr
2. Turnover: ₹ 3,824 cr
3. Profit after tax: ₹ 640 cr
4. Spending on Corporate Social Responsibility: ₹ 9.60 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 32.

Section C: Other details

1. Number of subsidiary companies: 20
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 nine 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?	Published annually URL: https://www.atul.co.in/wp-content/uploads/2020/02/BRR-2019-20.pdf

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 2019-20 and what percentage was satisfactorily resolved by the Management?

   During 2019-20, no such complaints were received from the stakeholders and there were no outstanding complaints as on March 31, 2020.

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) *para* Cresol

   ii) Epoxy resins

   iii) Caustic | Chlorine

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 and communicated its Supplier Code of Conduct to all suppliers to follow.

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, fabrication, quality and environment, health and safety standards.

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 is under progress to make many other plants ZLD. Projects to recover and recycle cooling tower blow down water and reuse of steam condensate as a boiler feed are in progress. 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: 2,907 permanent employees as on March 31, 2020
2. Number of employees on temporary | contractual | casual basis: 2,463 as on March 31, 2020
3. Number of permanent women employees: 115 as on March 31, 2020
4. Number of permanent employees with disabilities: six as on March 31, 2020
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 2019-20 and pending as on March 31, 2020: nil
8. Percentage of employees given safety and skill up-gradation training in 2019-20:

Employee category	Employees imparted safety training	Employees imparted skill up-gradation training
Permanent employees	71%	67%
Temporary | contractual | casual employees	100%	74%
Permanent women employees	59%	42%
Permanent employees with disabilities	40%	40%

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, suppliers, consumers, customers, employees, educational institutes, 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 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	• Education • Empowerment • Health • Relief	• Rolled out modern education practices in Kalyani Shala • Generated employment by hiring apprentices • Constructed individual household toilets • Provided financial assistance to needy people
Tribals	• Education • Empowerment • Health	• Provided school education • Imparted vocational training to tribal youth • Promoted sports in rural tribal schools
Women	• Education • Empowerment	• Trained women to become skilled elementary school teachers • Created livelihood opportunities for women
Children	• Education • Infrastructure	• Distributed educational kits to needy children in village schools • Renovated *anganwadi* infrastructure

*Details of various initiatives undertaken by the Company are given at page numbers 32 and 34.

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 2019-20 and what percent was satisfactorily resolved by the Management?

   During 2019-20, 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 related to issues concerning the environment. For example, rainwater harvesting and plantation of trees to preserve biodiversity and conservation. There is a URL on the Company website - https://www.atul.co.in/sustainability/environmental-sustainability

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 continuously improving its environmental performance for its existing products and undertakes thorough investigation for new products. It avoids any project, even if financially viable, if it does not meet norms of CPCB I SPCB.

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, it has implemented initiatives on energy conservation such as recovery of heat from furnace flue gas, installation of VFD on high HP compressors and guillotine damper in PA fan, recovery of steam from distillation operations, heat from fusion furnace and LED lighting.

   The Company complies to renewable energy stipulations with renewable energy certificates (REC) and wind mills.

   At present, it does not have a URL.

6. Are the emissions | waste generated by the Company within permissible limits given by CPCB | SPCB for 2019-20?

   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 2019-20.

7. Number of show cause | legal notices received from CPCB | SPCB which are pending (not resolved to satisfaction) as on end of 2019-20.

   There were no pending show cause notices as on March 31, 2020.

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 of India
   iii) Crop Care Federation of India

iv) Dyestuffs Manufacturers Association of India
v) Ecological and Toxicological Association of Dyes and Organic Pigments Manufacturers
vi) Federation of Indian Export Organisations
vii) Fragrances and Flavours Association of India
viii) Indian Chemical Council
ix) Indian Resins Manufacturers' Association
x) Pesticides Manufacturers and Formulators Association of India

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 16 and 17.

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 ₹ 960 lakhs (2019-20); details of the projects | initiatives undertaken are mentioned at page number 34.

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

   Atul Foundation 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 is pending as on March 31, 2020?

   Around 7%

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, 2020?

   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 43rd Annual General Meeting of the Members of Atul Ltd will be held on Friday, July 31, 2020, at 10:30 am through video conferencing | other audio visual means 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, 2020 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, 2020 and the Report of the Auditors thereon.

2. To confirm the special interim dividend of ₹ 12.50 and interim dividend of ₹ 15 aggregating to ₹ 27.50 per equity share of ₹ 10 each, as dividend paid for the financial year 2019-20.

3. To appoint a Director in place of Mr R A Shah (Director identification number: 00009851) 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 Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 3.10 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2021 as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, (Firm registration number: 000010) for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers be and is hereby ratified and confirmed."

Notes

01. The 43rd Annual General Meeting (AGM) is being held through video conferencing | other audio visual means (VC) in accordance with the procedure prescribed in circular number 20 | 2020 dated May 05, 2020 read with circular number 14 | 2020 dated April 08, 2020 and circular number 17 | 2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (the e-AGM circulars). The Members can attend the AGM through VC by following instructions given in note number 12.3 of the Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India. Keeping in view the guidelines to fight COVID-19 pandemic, the Members are requested to attend the AGM from their respective locations by VC and do not visit the registered office to attend the AGM.

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

03. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2020 are annexed | attached.

04. Unpaid dividend payable to the Members in respect of the 25th dividend onwards, that is, from financial year ended March 31, 2013, 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
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
31st	March 31, 2019	July 31, 2019	150%	July 30, 2026
Special interim dividend	March 31, 2020	October 25, 2019	125%	October 24, 2026
Interim dividend	March 31, 2020	March 11, 2020	150%	March 10, 2027

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.

05. 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 2019-20. 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.

06. Electronic copy of the Annual Report for 2019-20 including the Notice which includes the process and manner of attending the Annual General Meeting through video conferencing | other audio visual means, and e-voting is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants.

07. Printed copy of the Annual Report (including the Notice) is not being sent to the Members in view of the e-AGM circulars.

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

i) Members holding shares in physical mode are requested to provide name, folio number, mobile number, e-mail address, scanned copies of share certificate(s) (both sides), self-attested PAN and Aadhar card through e-mail on shareholders@atul.co.in

ii) Members holding shares in dematerialised mode are requested to provide name, Depository participant ID and Client ID, mobile number, e-mail address, scanned copies of self-attested client master or Consolidated Account statement through e-mail on shareholders@atul.co.in

09. The Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2019-20 will also be available on the website of the Company, www.atul.co.in, which can be downloaded. The electronic copies of the documents which are referred to in this Notice but not attached to it will be made available for inspection. For inspection, the Members are requested to send a request through an e-mail on shareholders@atul.co.in with Depository participant ID and Client ID or Folio number.

10. Electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members on request by sending an e-mail.

11. The Members desiring any information relating to the accounts or have any questions, are requested to write to the Company on shareholders@atul.co.in at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the 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, and the e-AGM circulars, the Company is pleased to provide to the Members facility to attend the Annual General Meeting (AGM) through video conferencing | other audio visual (VC), exercise their right to vote at the AGM by electronic means and the business will be transacted through remote e-voting prior to and during the AGM.

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 Central Depository Services (India) Ltd (CDSL)	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with National Securities Depository Ltd (NSDL)	the 8-character Depository participant (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 (200625006) of Atul Ltd to vote.

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

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 | DP may enter their 10-digit alpha-numeric PAN issued by the Income Tax department. Others are requested to use the sequence number in the PAN field. The sequence number is mentioned in the e-communication.

b) Enter Date of Birth (DoB) as recorded in 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 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.

iv) 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 (200625006) of Atul Ltd to vote.

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

12.1.7 Note for the non-individual Members and the Custodians:

i) Non-individual Members (that is, other than individuals, Hindu Undivided Family, Non-Resident Individual) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

ii) A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed 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 portable document 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.

12.1.9 The remote e-voting period commences on July 28, 2020 (at 9:00 am) and ends on July 30, 2020 (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 24, 2020, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting after the said period. Once the votes on a resolution are cast by the Members, no change will be allowed subsequently. Only the Members who have not cast their votes through remote e-voting may cast their votes during the AGM by attending the AGM through VC by following the aforesaid process.

12.1.10 The voting rights of the Members will be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of July 24, 2020.

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

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

12.2.2 The procedure for e-voting during the AGM is same as per the instructions mentioned in Note number 12.1 for remote e-voting.

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

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

12.3 The Company has availed services of Cisco Webex to provide VC facility to the Members to attend the AGM in collaboration with CDSL. More than 1,000 Members, excluding promoters, large shareholders, Directors, Key Managerial Personnel, Auditors and the Chairmen of Committees of the Board, can participate in the AGM through VC on first-come-first-serve basis.

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

i) Log on to www.evotingindia.com during any time starting from 10:15 am on July 31, 2020.

ii) Click on 'Shareholders | Members' tab.

iii) 'Shareholders | Members' appears, enter user ID | verification code and click on 'Login' tab. If Members are not having remote e-voting login credentials then create the same by following the instructions given in Note number 12.1.6.

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

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

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

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

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

12.3.2 The Members are encouraged to join the Meeting through laptops for better experience.

12.3.3 The Members will be required to ensure high definition web cameras and high speed internet connectivity to avoid any disturbance during the AGM.

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

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

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

12.4 In case of queries or issues regarding e-voting or attending meeting through VC, 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: (+91 22) 23058542 | 43, 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, General Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, e-mail address: shareholders@atul.co.in, telephone: (+91 79) 26461294 | 26463706 or Mr Ankit Patadiya, Joint Manager, Atul Ltd, e-mail address: legal@atul.co.in, telephone: (+91 2632) 230400.

12.5 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.

12.6 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.

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

Name	**Mr R A Shah**
Date of birth	July 07, 1931
Brief résumé	Mr Rajendra Shah is a Director of the Company since May 1983. He is a Senior Partner of Crawford Bayley & Co., a firm of Solicitors and Advocates. Mr Shah holds a degree in Law from the University of Mumbai and has passed Solicitor exam from the Honourable High Court at Mumbai.
Directorship in other companies	**Public companies** BASF India Ltd Godfrey Phillips India Ltd – Chairman Lupin Ltd Pfizer Ltd – Chairman Procter & Gamble Hygiene and Health Care Ltd – Chairman **Foreign company** Jumbo World Holdings Ltd (body incorporated outside India)
Membership in committees of other companies	**Chairman of committees** BASF India Ltd – Nomination and Remuneration Committee Godfrey Phillips India Ltd – Corporate Social Responsibility Committee Pfizer Ltd – Audit Committee Procter & Gamble Hygiene and Health Care Ltd – Audit Committee **Member of committees** BASF India Ltd – Audit Committee BASF India Ltd – Corporate Social Responsibility Committee Godfrey Phillips India Ltd – Audit Committee Godfrey Phillips India Ltd – Nomination and Remuneration Committee Lupin Ltd – Nomination and Remuneration Committee Pfizer Ltd – Nomination and Remuneration Committee Procter & Gamble Hygiene and Health Care Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	14,960

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
Corporate identification number: L99999GJ1975PLC002859
May 14, 2020

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 item of Special business under item number 4 mentioned in the accompanying Notice:

Item number 4

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

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditors, R Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers at a remuneration of ₹ 3.10 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2021.

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
Corporate identification number: L99999GJ1975PLC002859
May 14, 2020

Performance trend

(₹ cr)

Particulars	Ind AS					Schedule VI		
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Operating results								
Net sales	3,824	3,845	3,052	2,639	2,403	2,510	2,307	1,964
Revenue	3,983	3,947	3,186	2,891	2,652	2,571	2,405	2,022
PBIDT	922	768	511	512	485	391	362	268
Finance costs	2	4	9	21	26	24	31	32
PBDT[1]	920	764	502	491	459	367	331	236
Depreciation	117	112	105	91	62	55	54	49
PBT from operations[1]	803	652	397	400	397	312	277	187
Exceptional | Non-recurring items	-	-	-	-	3[2]	-	20[2]	5
PBT	803	652	397	400	400	312	297	192
Tax	163	223	127	115	126	95	84	56
Net profit	640	429	270	285	274	217	213	136
Dividend (including DDT[3])[4]	151	40	33	36	30	30	26	21
Financial position								
Gross block[5]	1,595	1,333	1,243	1,118	945	1,345	1,285	1,202
Net block[5]	1,139	988	989	965	883	578	573	526
Other assets (net)	1,931	1,662	1,209	1,111	1,011	719	719	585
Capital employed	3,070	2,650	2,198	2,076	1,894	1,297	1,292	1,111
Equity share capital	30	30	30	30	30	30	30	30
Other equity	3,040	2,620	2,168	1,891	1,562	986	911	726
Total equity	3,070	2,650	2,198	1,921	1,592	1,016	941	756
Borrowings	-	-	-	155	302	281	351	355
Per Equity share (₹)								
Dividend[6]	27.50	15.00	12.00	10.00	10.00	8.50	7.50	6.00
Book value	1,035	893	741	648	537	343	317	255
EPS	215.82	144.51	91.16	96.18	92.53	73.30	71.74	45.69
Key indicators								
PBIDT %	24.11	19.97	16.74	19.40	20.18	15.58	15.69	13.65
PBDT %	24.06	19.87	16.45	18.61	19.10	14.62	14.35	12.02
PBT %	21.00	16.96	13.01	15.16	16.52	12.43	12.01	9.52
Employee cost %	6.51	5.70	5.93	6.56	6.99	6.14	6.07	6.52
Finance costs %	0.05	0.10	0.29	0.80	1.08	0.96	1.34	1.63
Operating cash flow | total revenue %	21.40	10.06	10.21	12.80	14.13	12.33	5.86	8.24
Asset turnover ratio[7]	2.81	3.04	2.60	2.44	3.10	2.02	1.87	1.70
RoCE %[1]	33.82	32.05	22.38	25.71	30.91	26.76	26.04	21.04
RoNW %[1]	22.38	17.70	13.11	16.23	20.78	22.18	23.45	18.74
Payment to exchequer	640	627	442	307	335	305	267	212

Notes:

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

(₹ cr)

Particulars	Schedule VI							
	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Operating results								
Net sales	1,746	1,508	1,168	1,159	998	895	817	682
Revenue	1,792	1,553	1,204	1,196	1,033	925	837	710
PBIDT	203	194	143	124	97	85	78	68
Finance costs	43	26	26	41	33	28	29	22
PBDT[1]	160	168	117	83	64	57	49	46
Depreciation	44	39	37	32	29	31	29	27
PBT from operations[1]	116	129	80	51	35	26	20	19
Exceptional | Non-recurring items	6	10	-	(5)	3	-	63	-
PBT	122	139	80	46	38	26	83	19
Tax	34	43	27	10	3	1	(1)	3
Net profit	88	96	53	36	35	25	84	16
Dividend (including DDT[3])[4]	16	16	14	10	10	10	10	7
Financial position								
Gross block[5]	1,100	1,002	986	967	936	771	730	685
Net block[5]	474	420	424	443	433	295	273	249
Other assets (net)	550	474	355	384	428	374	349	312
Capital employed	1,024	894	779	827	861	669	622	561
Equity share capital	30	30	30	30	30	30	30	30
Other equity	612	537	454	429	403	270	243	170
Total equity	642	567	484	459	433	300	273	200
Borrowings	382	327	295	368	428	369	349	361
Per Equity share (₹)								
Dividend[6]	4.50	4.50	4.00	3.00	3.00	3.00	3.00	2.00
Book value	216	191	163	155	146	101	92	67
EPS	29.70	30.34	19.15	12.77	12.35	9.98	28.00	6.07
Key indicators								
PBIDT %	11.63	12.86	12.24	10.70	9.72	9.50	9.55	9.97
PBDT %	9.16	11.14	10.02	7.16	6.41	6.37	6.00	6.74
PBT %	6.64	8.55	6.85	4.40	3.51	2.91	2.45	2.79
Employee cost %	6.70	6.76	8.82	7.85	8.12	8.04	10.40	9.97
Finance costs %	2.46	1.72	2.23	3.54	3.31	3.13	3.55	3.23
Operating cash flow | total revenue %	6.73	3.88	8.86	17.23	1.11	7.94	3.20	4.49
Asset turnover ratio[7]	1.67	1.55	1.20	1.22	1.14	1.25	1.19	1.02
RoCE %[1]	16.93	18.46	13.09	11.19	9.42	8.81	8.41	6.98
RoNW %[1]	13.56	16.37	11.24	8.95	8.80	8.73	8.56	6.58
Payment to exchequer	191	167	99	101	98	99	82	70

Notes:

[1]Excluding exceptional items | [2]Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above |

[3]Dividend distribution tax | [4]Paid during the year | [5]Including capital work-in-progress | [6]Proposed | paid for the year | [7]Excluding capital work-in-progress

Financial Statements

Standalone Financial Statements

Consolidated Financial Statements

Independent Auditor's Report

To the Members of Atul Ltd

Report on the audit of the Standalone Financial Statements

Opinion

01. We have audited the accompanying Standalone Financial Statements of Atul Ltd (the Company), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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 authority and a customer, which are disputed. 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.	**Our 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. 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. • Performing 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.
Allowance for credit losses The Company determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations. In calculating expected credit loss, the Company also considers the insurance covers and other securities, besides other related information for its customers, including credit reports, to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. Management has exercised significant judgement in estimating the allowance for credit losses. Refer Note 10 to the Standalone Financial Statements.	Our procedures related to allowance for credit losses for trade receivables included the following, among others: Testing the effectiveness of controls over the: - classification of customers by the businesses and computing the net exposure as at the reporting date, - development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, - completeness and accuracy of information used in the estimation of probability of default and - computation of the allowance for credit losses. Testing the arithmetical accuracy and computation of the allowances prepared by the Management. Testing the allowance for credit loss through alternate scenarios including profiling of customers based on their attributes with various built-in sensitivities around approach, the assumptions and factoring the possible effect of the pandemic, to independently validate the Management estimates.

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

05. The Board of Directors of the 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, the Consolidated Financial Statements and our Auditor's Report thereon.

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

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

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

Management's responsibility for the Standalone Financial Statements

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

10. 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.

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

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

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

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

13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional 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 the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

14. As required by Section 143(3) of the Act, based on our audit we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flows and Statement of changes in equity dealt with by this Report are in agreement with the 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 as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 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.

15. 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
UDIN: 20101708AAAABF6262

Mumbai
April 28, 2020

Annexure A to the Independent Auditor's Report

Referred to in para 14(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

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

01. We have audited the internal financial controls over financial reporting of Atul Ltd (the Company) as of March 31, 2020 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that 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, 2020, 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
UDIN: 20101708AAAABF6262

Mumbai
April 28, 2020

Annexure B to the Independent Auditor's Report

Referred to in para 15 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, is reasonable having regards to size of the Company and nature of its fixed assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year.

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, 2020	Name of entity on the title deed
Freehold land	₹ 0.15 cr	Atul Products Ltd
Freehold land	₹ 10.59 cr	Various individuals*
Building in Delhi	₹ 0.01 cr	Atul Products Ltd

*process of transfer of title deeds in the name of the Company is underway.

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, except goods-in-transit and stocks lying with third parties. 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, a subsidiary, which is covered in the register maintained under Section 189 of the Companies Act, 2013, pursuant to an Order of the Board for Industrial and Financial Reconstruction, during financial year 2013-14. The Company has not granted any loans, secured or unsecured, to other companies, 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 has been stipulated and repayments or receipts of principal amounts have been regular as per stipulations.

c) There is no 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 generally regular in depositing undisputed statutory dues of the year, including provident fund (other than provident fund on certain allowances based on order of the Honourable Supreme Court of India dated

February 28, 2019 in response to various civil appeals of other and according to information and explanations given to us, which is under evaluation by the Management (Refer Note 28.6c)), 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 payable (other than provident fund on certain allowances mentioned above), employees' state insurance, income tax, customs duty, cess, goods and services tax and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

c) There are no disputed dues of customs duty and goods and services tax which have not been deposited as on March 31, 2020. Details of dues of income tax and excise duty which have not been deposited as on March 31, 2020 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 2011-12, 2012-13	1.30	-
		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	0.09	#
		Customs, Excise and Service Tax Appellate Tribunal	1992-2018	1.79	0.14
		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 | # ₹ 9,890

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
UDIN: 20101708AAAABF6262

Mumbai
April 28, 2020

Standalone Balance Sheet as at March 31, 2020

(₹ cr)

	Particulars	Note	As at March 31, 2020	As at March 31, 2019
A	ASSETS			
1	**Non-current assets**			
	a) Property, plant and equipment	2	903.48	917.84
	b) Capital work-in-progress	2	234.89	70.31
	c) Investment properties	3	3.22	3.22
	d) Intangible assets	4	0.63	0.01
	e) Financial assets			
	i) Investments in subsidiary companies and joint venture company	5.1	235.69	202.55
	ii) Other investments	5.2	466.32	526.13
	iii) Loans	6	17.50	-
	iv) Other financial assets	7	2.47	2.22
	f) Income tax assets (net)	28.5	9.18	3.74
	g) Other non-current assets	8	51.89	37.55
	Total non-current assets		**1,925.27**	**1,763.57**
2	**Current assets**			
	a) Inventories	9	427.46	427.81
	b) Financial assets			
	i) Investments	5.3	627.49	197.64
	ii) Trade receivables	10	718.93	762.18
	iii) Cash and cash equivalents	11	5.43	15.39
	iv) Bank balances other than cash and cash equivalents above	12	3.36	13.23
	v) Loans	6	-	4.92
	vi) Other financial assets	7	31.88	17.45
	c) Other current assets	8	109.39	143.69
	Total current assets		**1,923.94**	**1,582.31**
	Total assets		**3,849.21**	**3,345.88**
B	EQUITY AND LIABILITIES			
	Equity			
	a) Equity share capital	13	29.68	29.68
	b) Other equity	14	3,040.70	2,619.88
	Total equity		**3,070.38**	**2,649.56**
	Liabilities			
1	**Non-current liabilities**			
	a) Other financial liabilities	15	2.72	25.00
	b) Provisions	16	19.43	18.70
	c) Deferred tax liabilities (net)	28.5	84.44	122.57
	Total non-current liabilities		**106.59**	**166.27**
2	**Current liabilities**			
	a) Financial liabilities			
	i) Trade payables	18		
	Total outstanding dues of			
	a) Micro enterprises and small enterprises		8.58	7.19
	b) Creditors other than micro enterprises and small enterprises		469.88	410.91
	ii) Other financial liabilities	15	124.47	68.09
	b) Contract liabilities	19	25.03	8.15
	c) Other current liabilities	20	7.41	6.31
	d) Provisions	16	36.87	29.22
	e) Current tax liabilities (net)	28.5	-	0.18
	Total current liabilities		**672.24**	**530.05**
	Total liabilities		**778.83**	**696.32**
	Total equity and liabilities		**3,849.21**	**3,345.88**

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 28, 2020

For and on behalf of the Board of Directors

T R Gopi Kannan
Whole-time Director and CFO

S S Lalbhai
Chairman and Managing Director

L P Patni
Company Secretary

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

Atul
April 28, 2020

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ cr)

Particulars	Note	2019-20	2018-19
INCOME			
Revenue from operations	21	3,905.66	3,915.81
Other income	22	77.61	31.36
Total income		**3,983.27**	**3,947.17**
EXPENSES			
Cost of materials consumed	23	1,739.92	2,025.40
Purchases of stock-in-trade		142.14	93.02
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1.36)	(60.70)
Employee benefit expenses	25	249.25	218.57
Finance costs	26	2.35	3.66
Depreciation and amortisation expenses	2, 4	117.06	111.99
Other expenses	27	931.37	903.33
Total expenses		**3,180.73**	**3,295.27**
Profit before tax		**802.54**	**651.90**
Tax expense			
Current tax	28.5	204.33	236.75
Deferred tax	28.5	(41.96)	(13.49)
Total tax expense		**162.37**	**223.26**
Profit for the year		**640.17**	**428.64**
Other comprehensive income			
a) Items that will not be reclassified to profit | loss			
i) Change in fair value of equity instruments through other comprehensive income (FVOCI)		(59.80)	73.80
ii) Remeasurement gain | (loss) on defined benefit plans		(2.07)	(0.37)
iii) Income tax related to items above		(3.72)	(10.87)
b) Items that will be reclassified to profit | loss			
i) Effective portion of gain | (loss) on cash flow hedges		(1.62)	1.22
ii) Income tax related to item no (i) above		0.41	(0.43)
Other comprehensive income, net of tax		**(66.80)**	**63.35**
Total comprehensive income for the year		**573.37**	**491.99**
Earnings per equity share			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	28.11	215.82	144.51

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah
Partner

T R Gopi Kannan
Whole-time Director and CFO

S S Lalbhai
Chairman and Managing Director

L P Patni
Company Secretary

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

Mumbai
April 28, 2020

Atul
April 28, 2020

Standalone Statement of changes in equity

for the year ended March 31, 2020

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2018		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2019		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2020	**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, 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**
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	-	-	-	-
Hedging gain | (loss) reclassified to the Standalone 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 (refer Note 28.17)	-	-	(39.94)	-	-	(39.94)
As at March 31, 2019	**34.66**	**95.80**	**2,025.94**	**462.69**	**0.79**	**2,619.88**
Profit for the year	-	-	640.17	-	-	640.17
Other comprehensive income, net of tax	-	-	(1.55)	(64.04)	(1.21)	(66.80)
Total comprehensive income for the year	**-**	**-**	**638.62**	**(64.04)**	**(1.21)**	**573.37**
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	(0.03)	0.03	-	-
Hedging gain |(loss) reclassified to the Standalone Statement of Profit and Loss	-	-	-	-	(1.22)	(1.22)
Transactions with owners in their capacity as owners:						
Dividend on equity shares, including dividend distribution tax (refer Note 28.17)	-	-	(151.33)	-	-	(151.33)
As at March 31, 2020	**34.66**	**95.80**	**2,513.20**	**398.68**	**(1.64)**	**3,040.70**

Refer Note 14 for nature and purpose of reserves

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 28, 2020

For and on behalf of the Board of Directors

T R Gopi Kannan
Whole-time Director and CFO

S S Lalbhai
Chairman and Managing Director

L P Patni
Company Secretary

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

Atul
April 28, 2020

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(₹ cr)

	Particulars		2019-20	2018-19
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before tax		802.54	651.90
	Adjustments for:			
	Depreciation and amortisation expenses		117.06	111.99
	Finance costs		2.35	3.66
	Loss on assets sold or discarded		0.35	1.39
	Unrealised exchange rate difference (net)		(17.10)	7.63
	Bad debts and irrecoverable balances written off		3.97	0.20
	Allowance for doubtful debts		4.93	5.01
	Dividend income		(23.09)	(6.11)
	Interest income from financial assets measured at amortised cost		(3.61)	(1.46)
	Liabilities no longer required written back		(2.58)	-
	Advances written off earlier, recovered		(1.81)	-
	Gain on disposal of current investments measured at FVPL (net)		(11.46)	(3.94)
	Gain on disposal of equity investment measured at cost		(2.93)	-
	Gain on disposal of property, plant and equipment		(0.02)	(0.08)
	Operating profit before change in operating assets and liabilities		**868.60**	**770.19**
	Adjustments for:			
	(Increase) | Decrease in inventories		0.35	(48.86)
	(Increase) | Decrease in trade receivables		57.79	(54.79)
	(Increase) | Decrease in other financial assets		2.16	(2.11)
	(Increase) | Decrease in other assets		37.89	(4.19)
	Increase | (Decrease) in trade payables		56.61	(54.91)
	Increase | (Decrease) in other financial liabilities		12.03	17.15
	Increase | (Decrease) in contract liabilities		16.89	8.15
	Increase | (Decrease) in other current liabilities		1.11	(8.36)
	Increase | (Decrease) in provisions		8.37	21.84
	Cash generated from operations		**1,061.80**	**644.11**
	Income tax paid (net of refund)		(209.43)	(247.12)
	Net cash flow from operating activities	A	**852.37**	**396.99**
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Payments towards property, plant and equipment (including capital advances)		(270.02)	(121.25)
	Purchase of intangible assets		(0.67)	-
	Proceeds from disposal of property, plant and equipment		0.57	0.54
	Proceeds from disposal of equity instruments measured at FVOCI		0.03	-
	Purchase of current investments measured at FVPL (net)		(433.40)	(193.70)
	Purchase of equity instruments measured at cost		(33.19)	(60.07)
	Proceeds from disposal of equity instruments measured at cost		2.96	-
	Repayments of loans given		6.93	2.15
	Disbursements of loans		(17.50)	-
	Redemption of | (Investment in) bank deposits (net)		10.99	(10.52)
	Interest received on financial assets measured at amortised cost		3.54	1.35
	Dividend received		21.12	23.32
	Net cash used in investing activities	B	**(708.64)**	**(358.18)**

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(₹ cr)

	Particulars		2019-20	2018-19
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Disbursements | (Repayments) of short-term borrowings (net)		-	(0.01)
	Payments of unclaimed dividend		(1.12)	(0.20)
	Interest paid		(2.35)	(3.66)
	Dividend on equity shares (including dividend distribution tax)		(150.22)	(39.74)
	Net cash used in financing activities	**C**	**(153.69)**	**(43.61)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**	**(9.96)**	**(4.80)**
	Cash and cash equivalents at the beginning of the year		15.39	20.19
	Cash and cash equivalents at the end of the year		5.43	15.39

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 ₹ 9.60 cr (March 31, 2019: ₹ 7.90 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) Optionally convertible cumulative redeemable preference shares of ₹ 20 cr were converted to equity shares of Atul Bioscience Ltd as per the conversion option in such shares during the year.

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

For and on behalf of the Board of Directors

T R Gopi Kannan
Whole-time Director and CFO

S S Lalbhai
Chairman and Managing Director

L P Patni
Company Secretary

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

Mumbai
April 28, 2020

Atul
April 28, 2020

Notes to the Standalone Financial Statements

Background

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

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

Note 1 Significant accounting policies

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

a) Basis of preparation:

i) Compliance with Ind AS:

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

ii) Historical cost convention:

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

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

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

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

ii) The Standalone Financial Statements have been prepared on accrual and going concern basis.

b) Foreign currency transactions:

i) Functional and presentation currency:

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Standalone Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Standalone Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) presented in the Standalone Statement of Profit and Loss are on a net basis within other income | (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). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

c) Revenue recognition:

i) Revenue from contracts with customers:

The Company manufactures and sells chemicals in domestic and international markets, spread across two segments namely Life Science 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 Standalone Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

d) Income tax:

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects 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.

The Company has adopted option available under Section 115 BAA of the Income Tax Act, 1961, hence Minimum Alternate Tax (MAT) is not applicable to the Company from current year onwards. During previous years, MAT under the provisions of the Income Tax Act, 1961 was recognised as current tax in the Standalone Statement of Profit and Loss. The credit available under the Act in respect of MAT paid was recognised as deferred tax asset only when and to the extent there was 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 Standalone 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 Standalone Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

The Company considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company assesses whether the Appendix has an impact on its Standalone Financial Statements.

Upon adoption of Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes including those related to transfer pricing. The Company has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

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 Standalone Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) Leases:

As a lessee:

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

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 Standalone Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Standalone Statement of Profit and Loss.

Fruit bearing plants qualify as Bearer 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 Standalone Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Standalone Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value:

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value of the assets at the end of its useful life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

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

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and equipment[1]	6 to 20 years
Vehicles[1]	6 to 10 years
Office equipment and furniture	5 to 10 years
Roads	5 years
Bearer plant[1]	40 years

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

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 lease term or their useful lives whichever is shorter.

h) Intangible assets:

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

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 effect the sale.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

Due allowances are made for slow | non-moving, defective and obsolete inventories based on estimates made by the Company.

Items such as spare parts, stand-by equipment and servicing equipment 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 investments at fair value through other comprehensive income.

Debt instruments:

Initial recognition and measurement:

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in 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 Standalone Statement of Profit and Loss.

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Standalone Statement of Profit and Loss.

Measured at fair value through other comprehensive income (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 Standalone Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Standalone Statement of Profit and Loss.

Measured at fair value through profit or loss (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 Standalone Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Company has elected to present fair value gains and losses on such equity investments in other comprehensive income and there is no subsequent reclassification of these fair value gains and losses to the Standalone Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Standalone Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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

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

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and 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 receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Company computes expected lifetime losses based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition:

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

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

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

Financial liabilities:

i) Classification as debt or equity:

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) Derecognition:

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

p) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

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 Standalone Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in other income or other expenses. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Standalone Balance Sheet date.

ii) Cash flow hedge:

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Standalone Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain | (loss) on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain | (loss) previously recognised in the cash flow hedging reserve is transferred to the Standalone Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Standalone Statement of Profit and Loss.

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 Standalone Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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 as immature plants.

The oil palm trees are Bearer plant and are therefore presented and accounted as property, plant and equipment. However, the oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted as biological assets until the point of harvest. Harvested oil palm FFB are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Standalone Statement of Profit and Loss.

Mature and immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under separate head of biological assets other than Bearer plant and others under non-current assets.

Biological assets are measured at fair value less costs to sell. Costs to sell include the incremental selling costs, including auction charges, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income tax.

Tissue culture raised matured plants are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Standalone Statement of Profit and Loss. Immature tissue culture raised plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the immature plants at different stages and the fair value measurements are clearly unreliable.

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 Standalone Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it becomes due for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Standalone Statement of Profit and Loss.

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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 Standalone 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 Standalone Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

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 Standalone 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.

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 are adjusted for the effects of all dilutive potential equity shares.

Estimation of uncertainties relating to the global health pandemic COVID-19

Manufacturing facilities of the Company in (Ankleshwar and Atul) Gujarat and (Tarapur) Maharashtra were closed on March 24, 2020 following countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities partially at Ankleshwar and Atul in the second fortnight of April 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services after resumption of the operations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables and inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these Standalone Financial Statements. In assessing recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these Standalone Financial Statements and the Company will continue to closely monitor the developments.

Critical estimates and judgements

Preparation of the Standalone Financial Statements requires use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Standalone Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone Financial Statements. This Note provides an overview of the areas that involves a higher degree of judgements or complexity and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation for income tax: Note 1 (d)

ii) Estimation of useful life of tangible assets: Note 1 (g)

iii) Estimation of provision for inventories: Note 1 (n)

iv) Allowance for credit losses on trade receivables: Note 1 (l)

v) Estimation of claims | liabilities: Note 1 (u)

vi) Estimation of defined benefit obligations: Note 1 (v)

vii) Fair value measurements: Note 28.7

Note 2 Property, plant and equipment

(₹ cr)

Particulars	Land - freehold[1]	Right-of-use leasehold land[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, 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
Disposal, transfer and adjustments	-	-	(1.04)	(19.97)	(2.28)	(0.08)	-	-	(23.37)	(120.03)
As at March 31, 2019	**25.45**	**3.93**	**191.81**	**1,002.93**	**8.53**	**15.98**	**13.49**	**0.33**	**1,262.45**	**70.31**
Additions	6.74	0.00	22.32	68.96	3.25	2.27	0.02	-	103.56	268.81
Disposal, transfer and adjustments	-	-	(0.45)	(4.47)	(1.91)	-	-	-	(6.83)	(104.23)
As at March 31, 2020	**32.19**	**3.93**	**213.68**	**1,067.42**	**9.87**	**18.25**	**13.51**	**0.33**	**1,359.18**	**234.89**
Depreciation | Amortisation										
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, transfer and adjustments	-	-	(0.97)	(18.69)	(1.73)	(0.08)	-	-	(21.47)	-
Up to March 31, 2019	**-**	**0.26**	**27.27**	**302.16**	**1.71**	**6.83**	**6.35**	**0.03**	**344.61**	**-**
For the year[5]	-	0.05	8.01	102.61	1.99	1.80	2.54	0.01	117.01	-
Disposal, transfer and adjustments	-	-	(0.37)	(4.01)	(1.54)	-	-	-	(5.92)	-
Up to March 31, 2020	**-**	**0.31**	**34.91**	**400.76**	**2.16**	**8.63**	**8.89**	**0.04**	**455.70**	**-**
Net carrying amount										
As at March 31, 2019	25.45	3.67	164.54	700.77	6.82	9.15	7.14	0.30	917.84	70.31
As at March 31, 2020	**32.19**	**3.62**	**178.77**	**666.66**	**7.71**	**9.62**	**4.62**	**0.29**	**903.48**	**234.89**

Notes:

[1]Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings having carrying value of ₹ 10.27 cr (March 31, 2019: ₹ 10.23 cr) in favour of the Government of Gujarat and paid a security deposit ₹ 2 cr (March 31, 2019: ₹ 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, 2019: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2019: ₹ 2,000).

[4]Capital work-in-progress mainly comprises addition | expansion projects in progress.

[5]Includes impairment loss of ₹ 1.06 cr being the write-down value of certain property, plant and equipment to the recoverable amount.

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, 2020	As at March 31, 2019
Land - freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	**3.22**	**3.22**

a) Amount recognised in the Standalone Statement of Profit and Loss for investment properties:

The Company has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Standalone Statement of Profit and Loss, since the Company does not receive any rental income, incur any depreciation or other operating expenses.

b) The Company does not have any contractual obligations to purchase, construct or develop, for maintenance or enhancements of investment property.

c) Fair value:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment properties	93.51	110.00
	93.51	**110.00**

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 (refer Note 28.7)

(₹ cr)

Note 4 Intangible assets	Computer software
Gross carrying amount	
As at March 31, 2018	**0.21**
Additions	-
As at March 31, 2019	**0.21**
Additions	0.67
As at March 31, 2020	**0.88**
Amortisation	
Up to March 31, 2018	**0.20**
Amortisation charged for the year	-
Up to March 31, 2019	**0.20**
Amortisation charged for the year	0.05
Up to March 31, 2020	**0.25**
Net carrying amount	
As at March 31, 2019	0.01
As at March 31, 2020	**0.63**

(₹ cr)

Note 5.1 Investments in subsidiary companies and joint venture company		Face value[1]	As at March 31, 2020		As at March 31, 2019	
			Number of shares	Amount	Number of shares	Amount
a)	**Investment in equity instruments (fully paid-up)**					
	Subsidiary companies | joint venture company measured at cost					
	Quoted					
	In subsidiary company measured at cost					
	Amal Ltd[2,3]	10	1,29,703	18.13	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[4]	10	2,90,21,868	52.57	1,53,85,505	22.57
	Atul Biospace Ltd	10	1,10,30,365	13.36	1,05,69,839	11.62
	Atul Finserv Ltd	100	35,98,545	89.12	30,16,516	67.37
		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	60,00,000	4.92	70,00,000	5.24
c)	**Subsidiary company measured at cost**					
	Atul Bioscience Ltd					
	8% optionally convertible cumulative redeemable preference shares[4]	100	-	-	20,00,000	20.00
				235.69		**202.55**

(₹ cr)

Note 5.2 Other investments		Face value[1]	As at March 31, 2020		As at March 31, 2019	
			Number of shares	Amount	Number of shares	Amount
a)	**Investment in equity instruments (fully paid-up)**					
	Other companies measured at FVOCI					
	Quoted					
	Arvind Fashions Ltd	4	8,25,494	12.10	8,25,494	86.11
	Arvind Ltd	10	41,27,471	8.11	41,27,471	37.54
	Arvind SmartSpaces Ltd	10	4,12,747	2.79	4,12,747	5.40
	BASF India Ltd	10	2,61,396	29.41	2,61,396	38.70
	ICICI Bank Ltd	2	1,09,026	3.53	1,09,026	4.36
	Jain Irrigation Systems Ltd	2	-	-	4,000	0.02
	Jain Irrigation Systems Ltd - DVR[5]	2	-	-	200	
	Nagarjuna Fertilizers and Chemicals Ltd	1	-	-	34,650	0.02
	Nagarjuna Oil Refinery Ltd (Previous year ₹ 11,025)	1	-	-	31,500	
	Novartis India Ltd	5	3,74,627	18.81	3,74,627	25.69
	Pfizer Ltd	10	9,58,927	385.78	9,58,927	318.94
	The Anup Engineering Ltd	10	1,52,869	4.98	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	5,03,000	0.01
	Gujarat Synthwood Ltd[6]	10	4,00,000	-	4,00,000	-
b)	**Investment in government or trust securities measured at amortised cost**					
	6 Years National Savings Certificates (deposited with government departments)		-	0.01	-	0.01
				466.32		**526.13**

(₹ cr)

Note 5.3 Current investment	As at March 31, 2020		As at March 31, 2019	
	Number of units	Amount	Number of units	Amount
Investment in mutual funds measured at FVPL				
Unquoted				
Aditya Birla Sun Life Arbitrage Fund	3,52,48,336	73.76	1,35,95,661	14.99
Axis Arbitrage Fund	4,54,47,910	67.53	-	-
DSP Arbitrage Fund	1,02,01,709	11.77	-	-
Edelweiss Arbitrage Fund	38,90,613	5.88	2,34,29,739	24.98
HDFC Arbitrage Fund	4,96,26,820	73.87	95,50,642	9.99
ICICI Prudential Equity Arbitrage Fund	2,52,04,429	68.01	-	-
Nippon Arbitrage Fund	9,56,976	2.00	4,29,28,057	47.20
SBI Arbitrage Fund	2,83,40,502	75.01	21,03,802	2.99
Aditya Birla Liquid Fund	-	-	5,45,935	16.40
Axis Liquid | Short-term Fund	6,06,524	92.33	1,35,338	28.06
HDFC Liquid Fund	1,84,728	72.17	46,535	17.12
Nippon Liquid Fund	-	-	45,244	20.64
SBI Liquid | Short-term Fund	2,71,042	85.16	52,166	15.27
		627.49		**197.64**

Aggregate amount of investments and market value thereof:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate carrying value of quoted investments[3]	483.64	543.48
Aggregate market value of quoted investments	466.76	529.71
Aggregate carrying value of unquoted investments	845.86	382.84
Aggregate amount of impairment in value of investments	-	-

[1]In ₹ and fully paid unless otherwise stated | [2]Subsidiary company by virtue of control | [3]Book value includes equity component of ₹ 18.12 cr (March 31, 2019: ₹ 18.12 cr) recognised on 0% preference shares and loans given to Amal Ltd carried at amortised cost | [4]Converted to equity shares of Atul Bioscience Ltd as per the conversion option in such shares | [5]Shares with differential voting rights carrying value of nil (March 31, 2019: ₹ 8,520) | [6]Under liquidation

(₹ cr)

Note 6 Loans		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
Loan to subsidiary companies (refer Note 28.4 and 28.13)					
i)	Considered good - secured	-	-	4.58	-
ii)	Considered good - unsecured	-	17.50	0.34	-
		-	**17.50**	**4.92**	**-**

(₹ cr)

Note 7 Other financial assets		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Security deposits for utilities and premises	0.87	1.27	0.87	0.89
b)	Derivative financial assets designated as hedges (net)	-	-	1.22	-
c)	Finance lease receivables	-	1.20	-	1.33
d)	Dividends receivable (refer Note 28.4)	2.15	-	0.18	-
e)	Other receivables (including discount receivable, insurance receivable, etc)	28.86	-	15.18	-
		31.88	**2.47**	**17.45**	**2.22**

(₹ cr)

Note 8 Other assets		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Balances with government authorities				
	i) Taxes paid under protest	-	19.14	-	19.64
	ii) GST | VAT receivables	45.14	3.42	81.38	6.50
	iii) Balances with statutory authorities	0.10	-	0.55	-
	iv) Deposits paid under protest	-	0.17	-	0.17
	v) Security deposits	-	2.00	-	2.00
b)	Export incentive receivables	26.81	-	35.31	-
c)	Capital advances	-	27.16	-	9.24
d)	Advances				
	i) Related parties (refer Note 28.4)	1.14	-	0.68	-
	ii) Others	35.89	-	25.04	-
e)	Other receivables	0.31	-	0.73	-
		109.39	**51.89**	**143.69**	**37.55**

(₹ cr)

Note 9 Inventories*		As at March 31, 2020	As at March 31, 2019
a)	Raw materials and packing materials	104.91	104.67
	Add: Goods-in-transit	28.76	19.12
		133.67	123.79
b)	Work-in-progress	125.45	110.62
c)	Finished goods	134.54	146.94
d)	Stock-in-trade	0.65	1.72
e)	Stores, spares and fuel	29.08	40.35
f)	Add: Goods-in-transit	4.07	4.39
		33.15	44.74
		427.46	**427.81**

*Valued at cost or net realisable value, whichever is lower.

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and delay in usage caused by the slow production pace due to lower off-take in the present situation. In addition to the historical pattern of inventory provision, the Company has considered the likelihood of reduction in sales price, customer orders on hand and margins, including subsequent cancellations, if any, nature and aging of inventories to reflect current and estimated future economic conditions also taking into account the possible effects due to COVID-19. This assessment is also considering the product demand, expected price trend and sales plan in respective industries.

Amounts recognised in the Standalone Statement of Profit and Loss of ₹ 13.59 cr (March 31, 2019: ₹ 12.26 cr).

(₹ cr)

Note 10 Trade receivables		As at March 31, 2020	As at March 31, 2019
a)	Considered good - unsecured		
	i) Related parties (refer Note 28.4)	158.20	164.61
	ii) Others	568.44	601.80
b)	Which have significant increase in credit risk	2.36	3.38
	Less: Allowance for doubtful debts (refer Note 28.8)	(10.07)	(7.61)
		718.93	**762.18**

Trade receivables are valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit losses, the Company has considered the likelihood of increased credit risks, subsequent recoveries, insurance and consequential default considering emerging situations due to COVID-19. This assessment is considering the nature of industries, impact immediately seen in the demand outlook of these industries and the financial strength of the customers in respect of whom amounts are receivable.

Allowance for doubtful debts recognised in the Standalone Statement of Profit and Loss of ₹ 6.22 cr (March 31, 2019: ₹ 6.88 cr).

(₹ cr)

Note 11 Cash and cash equivalents		As at March 31, 2020	As at March 31, 2019
a)	Balances with banks		
	In current accounts	5.31	15.28
b)	Cash on hand	0.12	0.11
		5.43	**15.39**

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, 2020	As at March 31, 2019
a)	Unclaimed dividend	3.26	2.14
b)	Unclaimed interest on public deposit	0.01	0.01
c)	Short-term bank deposit with maturity between 3 to 12 months	0.09	11.08
		3.36	**13.23**

(₹ cr)

Note 13 Equity share capital	As at March 31, 2020	As at March 31, 2019
Authorised		
8,00,00,000 (March 31, 2019: 8,00,00,000) equity shares of ₹ 10 each	80.00	80.00
	80.00	80.00
Issued		
2,96,91,780 (March 31, 2019: 2,96,91,780) equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (March 31, 2019: 2,96,61,733) equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (March 31, 2019: 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:

No.	Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
		Holding %	Number of Shares	Holding %	Number of Shares
1	Aagam Holdings Pvt Ltd	22.42%	66,50,700	22.42%	66,50,700
2	Arvind Farms Pvt Ltd	9.43%	27,96,208	9.35%	27,72,642
3	HDFC Trustee Company Ltd	7.15%	21,21,942	6.01%	17,82,336

(₹ cr)

Note 14 Other equity			As at March 31, 2020	As at March 31, 2019
Summary of other equity balance				
a)	Securities premium		34.66	34.66
b)	General reserve		95.80	95.80
c)	Retained earnings		2,513.20	2,025.94
d)	Other reserves			
	i)	FVOCI equity instruments	398.68	462.69
	ii)	Effective portion of cash flow hedges	(1.64)	0.79
			3,040.70	**2,619.88**

Refer Standalone Statement of changes in equity for detailed movement in other equity balance.

Nature and purpose of other reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. 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 other comprehensive income, 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, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Employee benefits payable	57.93	-	47.70	-
b)	Security deposits	27.53	-	-	22.39
c)	Unclaimed dividends*	3.26	-	2.14	-
d)	Unclaimed matured deposits and interest thereon*	-	-	0.01	-
e)	Creditors for capital goods	32.48	-	16.45	-
f)	Derivative financial liabilities designated as hedges (net)	1.62	-	-	-
g)	Other liabilities (includes discount payable)	1.65	2.72	1.79	2.61
		124.47	**2.72**	**68.09**	**25.00**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020.

(₹ cr)

Note 16 Provisions		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Provision for compensated absences	8.25	19.43	6.56	18.70
b)	Others {refer i (b) and ii below}	28.62	-	22.66	-
		36.87	**19.43**	**29.22**	**18.70**

i) Information about individual provisions and significant estimates

a) Compensated absences:

The Compensated absences cover the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 8.25 cr (March 31, 2019 : ₹ 6.56 cr) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

b) Others:

Regulatory and other claims:

The Company has provided for certain regulatory and other charges for which it has received claims. The provision represents the unpaid amount that it expects to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The Company has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount it expects to incur for which the obligating event has already arisen as on the reporting date.

ii) Movements in provisions:

(₹ cr)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Regulatory and other claims	Effluent disposal	Regulatory and other claims	Effluent disposal
Balance as at the beginning of the year	20.79	1.87	-	1.50
Less: Utilised	-	(1.87)	-	(1.50)
Provision made during the year	5.88	1.95	20.79	1.87
Balance as at the end of the year	**26.67**	**1.95**	**20.79**	**1.87**

Note 17 Borrowings

a) Security details:

Working capital loans repayable on demand from banks (March 31, 2020: nil, March 31, 2019: 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 ₹ 133.02 cr (March 31, 2019: ₹ 102.31 cr).

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

(₹ cr)

	Particulars	As at March 31, 2020	As at March 31, 2019
First charge for current and second charge for non-current borrowings			
i)	Inventories	427.46	427.81
ii)	Trade receivables	718.93	762.18
iii)	Current assets other than inventories and trade receivables	150.06	189.76
		1,296.45	**1,379.75**
First charge for non-current and second charge for current borrowings			
Property, plant and equipment excluding leasehold land		884.71	899.02
Total assets as security		**2,181.16**	**2,278.77**

c) Net debt reconciliation:

(₹ cr)

Particulars	Liabilities from financing activities
	Current borrowings
Net debt as at March 31, 2018	0.01
Repayments	(0.01)
Interest expense	-
Interest paid	-
Net debt as at March 31, 2019	**-**
Repayments	-
Interest expense	-
Interest paid	-
Net debt as at March 31, 2020	**-**

(₹ cr)

Note 18 Trade payables			As at March 31, 2020	As at March 31, 2019
a)	Total outstanding dues of micro enterprises and small enterprises (refer Note 28.14)		8.58	7.19
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises			
	i)	Related party (refer Note 28.4)		
		Acceptances	1.33	-
		Payables	19.04	18.76
	ii)	Others	449.51	392.15
			478.46	**418.10**

(₹ cr)

Note 19 Contract liabilities	As at March 31, 2020	As at March 31, 2019
Advances received from customers	25.03	8.15
	25.03	**8.15**

(₹ cr)

Note 20 Other current liabilities		As at March 31, 2020	As at March 31, 2019
a)	Statutory dues	5.64	4.52
b)	Others	1.77	1.79
		7.41	**6.31**

(₹ cr)

Note 21 Revenue from operations	2019-20	2018-19
Sale of products	3,767.14	3,800.11
Sale of services[1]	56.54	45.13
Scrap sales	9.04	8.74
Processing charges	8.30	8.06
Revenue from contracts with customers	**3,841.02**	**3,862.04**
Export incentives	64.64	53.77
	3,905.66	**3,915.81**

[1]Includes ₹ 53.19 cr (2018-19: ₹ 42.86 cr) on account of freight and insurance in sale of goods on CIF (Cost, Insurance and Freight) which are identified as separate performance obligation under Ind AS 115.

Disaggregation of revenue from contracts with customers:

(₹ cr)

Particulars	2019-20	2018-19
Sale of goods | services		
Life Science Chemicals	**1,177.07**	**1,291.42**
Domestic	629.48	567.35
Export	547.59	724.07
Performance and Other Chemicals	**2,836.15**	**2,789.99**
Domestic	1,544.80	1,605.86
Export	1,291.35	1,184.13
Others	**8.02**	**7.80**
	4,021.24	**4,089.21**
Inter-segment revenue	180.22	227.17
	3,841.02	**3,862.04**

Reconciliation of revenue from contracts with customers recognised at contract price:

(₹ cr)

Particulars	2019-20	2018-19
Contract price	**3,888.21**	**3,886.05**
Adjustments for:		
Consideration payable to customers - discounts[1]	(49.58)	(22.58)
Contract price allocated to unsatisfied performance obligation for sale of services (net)[2]	2.39	(1.43)
Revenue from contract with customers	**3,841.02**	**3,862.04**

[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, 2020 of ₹ 3.73 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2019 for ₹ 6.12 cr. The revenue for exports in progress as at March 31, 2020 will be recognised in 2020-21 upon completion of the exports.

The Company has evaluated the impact of COVID-19 resulting from i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations, ii) onerous obligations, iii) penalties, if any, relating to breaches of agreements and iv) termination or deferment of contracts by customers. It has concluded that the impact of COVID-19 is not material based on the aforesaid evaluation. Due to the nature of the pandemic, it will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

(₹ cr)

Note 22 Other income	2019-20	2018-19
Dividends from equity investment measured at FVOCI	3.68	3.39
Dividends from equity investment measured at cost	5.10	0.19
Dividends from preference shares	-	0.17
Dividends from investments measured at FVPL	14.31	2.36
Interest income from financial assets measured at amortised cost	4.71	2.35
Interest from others	0.80	2.50
Lease income	0.90	0.35
Gain on disposal of property, plant and equipment	0.02	0.08
Gain on sale of investments measured at FVPL	14.39	3.94
Exchange rate difference gain (net)	18.59	10.98
Miscellaneous income	15.11	5.05
	77.61	**31.36**

(₹ cr)

Note 23 Cost of materials consumed	2019-20	2018-19
Raw materials and packing materials consumed		
Stocks at commencement	104.67	107.27
Add: Purchase	1,740.16	2,022.80
	1,844.83	2,130.07
Less: Stocks at close	104.91	104.67
	1,739.92	**2,025.40**

(₹ cr)

Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2019-20	2018-19
Stocks at close		
Finished goods	134.54	146.94
Work-in-progress	125.45	110.62
Stock-in-trade	0.65	1.72
	260.64	259.28
Less: Stocks at commencement		
Finished goods	146.94	97.54
Work-in-progress	110.62	99.11
Stock-in-trade	1.72	1.93
	259.28	198.58
(Increase) | Decrease in stocks	**(1.36)**	**(60.70)**

(₹ cr)

Note 25 Employee benefit expenses	2019-20	2018-19
Salaries, wages and bonus (refer Note 28.6)	223.81	193.90
Contribution to provident and other funds (net) (refer Note 28.6)	15.33	16.82
Staff welfare	10.11	7.85
	249.25	**218.57**

(₹ cr)

Note 26 Finance costs	2019-20	2018-19
Interest on borrowings	0.20	0.14
Interest on financial liabilities at amortised cost	0.97	1.30
Interest on others	0.63	2.19
Other borrowing costs	0.55	0.03
	2.35	**3.66**

(₹ cr)

Note 27 Other expenses	2019-20	2018-19
Power, fuel and water	363.42	391.51
Freight charges	127.09	113.60
Manpower services	57.64	52.69
Consumption of stores and spares	53.73	51.84
Conversion and plant operation charges	51.32	54.14
Plant and equipment repairs	73.49	63.72
Building repairs	42.01	31.28
Sundry repairs	11.01	9.29
Rent	2.32	2.38
Rates and taxes	1.30	1.27
Insurance	11.99	5.85
Commission	17.54	11.64
Travelling and conveyance	17.66	17.50
Payments to the Statutory Auditors		
a) Audit fees	0.34	0.31
b) Tax matters	0.09	0.08
c) Other matters	0.12	0.05
d) Out of pocket expenses	0.04	0.01
Payments to the Cost Auditors		
a) Audit fees	0.03	0.03
b) Other matters	-	-
c) Out of pocket expenses (Current year: ₹ 13,176 and Previous year: ₹ 15,432)		
Directors' fees and travelling	0.24	0.35
Directors' commission (other than the Executive Directors)	0.91	1.02
Bad debts and irrecoverable balances written off	3.97	0.23
Provision for doubtful debts (net)	4.93	5.01
Loss on assets sold, discarded or demolished	0.35	1.39
Expenditure on Corporate Social Responsibility initiatives (refer Note 28.15)	9.60	7.90
Miscellaneous expenses	80.23	80.24
	931.37	**903.33**

Note 28.1 Contingent liabilities

(₹ cr)

Particulars		As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts in respects of:			
i)	Excise duty	0.37	7.21
ii)	Income tax	6.36	7.14
iii)	Customs duty	1.94	1.94
iv)	Others	104.40	102.41

Others include claims on account of water charges and customer claims | potential claims.

The regulatory claims are under litigation at various forums. The Company expects the outcome of the above matters to be in its favour and has, therefore, not recognised provision in relation to these claims. The above excludes interest | penalty unless demanded by the authorities.

Note 28.2 Commitments

a) Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	104.02	69.01

b) The Company has issued a letter of support to its two subsidiary companies during the current year.

Note 28.3 Research and Development

Details of expenditure incurred on approved in-house Research and Development facilities:

(₹ cr)

Particulars	2019-20	2018-19
Capital expenditure on building	-	1.34
Other capital expenditure	4.56	3.88
Recurring expenditure	26.78	24.79
	31.34	**30.01**

Note 28.4 Related party disclosures

Note 28.4 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
01	Aaranyak Urmi Ltd[1]	Subsidiary companies
02	Aasthan Dates Ltd	
03	Amal Ltd[2]	
04	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 Entertainment Ltd	
15	Atul Europe Ltd	
16	Atul Finserv Ltd	
17	Atul Fin Resources Ltd[1]	
18	Atul Hospitality Ltd	
19	Atul Infotech Pvt Ltd[1]	
20	Atul Ireland Ltd	
21	Atul Middle East FZ-LLC	
22	Atul Nivesh Ltd[1]	
23	Atul Polymers Products Ltd (formerly known as Atul Elkay Polymers Ltd)	
24	Atul Rajasthan Date Palms Ltd[1]	
25	Atul (Retail) Brands Ltd	
26	Atul Seeds Ltd	
27	Atul USA Inc	
28	Biyaban Agri Ltd	
29	DPD Ltd[1]	
30	Gujarat Synthwood Ltd[3]	
31	Jayati Infrastructure Ltd	
32	Lapox Polymers Ltd	
33	Osia Dairy Ltd	
34	Osia Infrastructure Ltd	
35	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	
36	Rudolf Atul Chemicals Ltd	Joint venture company
37	Anaven LLP	Joint operation of subsidiary company
38	Samveg Agencies Pvt Ltd	Entity over which control exercised by Key Management Personnel
39	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
40	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
41	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 Trust	
	Urmi Stree Sanstha	
42	Other related parties[4]	
	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	

[1]Investments held through subsidiary companies | [2]Subsidiary company by virtue of control | [3]Under liquidation | [4]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			2019-20	2018-19
a)	Sales and income			
	1	Sale of goods	**610.41**	**637.25**
		Aaranyak Urmi Ltd	0.02	0.04
		Amal Ltd	-	0.10
		Atul Bioscience Ltd	39.70	43.96
		Atul Biospace Ltd	7.91	7.49
		Atul China Ltd	126.58	138.73
		Atul Europe Ltd	188.14	192.86
		Atul Middle East FZ-LLC	-	0.61
		Atul USA Inc	248.06	253.46
	2	Service charges received	**4.97**	**3.02**
		Amal Ltd	0.80	0.43
		Atul Bioscience Ltd	3.75	2.31
		Atul Crop Care Ltd	0.10	0.07
		Atul Finserv Ltd	0.05	0.05
		Atul Infotech Pvt Ltd	0.20	0.12
		Lapox Polymers Ltd	0.07	0.04
	3	Interest received		
		Atul Bioscience Ltd	0.97	0.65
	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)		
	5	Brand usage charges	**0.18**	**-**
		Atul Bioscience Ltd	0.17	-
		Atul Aarogya Ltd (Current year: ₹ 1,000)		-
		Atul Ayurveda Ltd (Current year: ₹ 1,000)		-
		Atul Clean Energy Ltd (Current year: ₹ 1,000)		-
		Atul Entertainment Ltd (Current year: ₹ 1,000)		-
		Atul Hospitality Ltd (Current year: ₹ 1,000)		-
		Atul Polymers Products Ltd (formerly known as Atul Elkay Polymers Ltd) (Current year: ₹ 1,000)		-
		Atul (Retail) Brands Ltd (Current year: ₹ 1,000)		-
		Atul Seeds Ltd (Current year: ₹ 1,000)		-
		Atul Biospace Ltd (Current year: ₹ 1,000)		-
		Atul Crop Care Ltd (Current year: ₹ 1,000)		-
		Atul Fin Resources Ltd (Current year: ₹ 1,000)		-
		Atul Finserv Ltd (Current year: ₹ 1,000)		-
		Atul Infotech Pvt Ltd	0.01	-
		Atul Nivesh Ltd (Current year: ₹ 1,000)		-

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (B) Transactions with subsidiary companies			2019-20	2018-19
b)	**Purchases and expenses**			
	1	Purchase of goods	**35.07**	**41.47**
		Aaranyak Urmi Ltd	0.07	-
		Aasthan Dates Ltd	0.01	0.01
		Amal Ltd	27.40	29.01
		Atul Bioscience Ltd	2.01	2.26
		Atul Biospace Ltd	0.11	0.02
		Atul China Ltd	1.91	6.24
		Atul Europe Ltd	-	0.13
		Atul USA Inc	0.02	0.21
		DPD Ltd	3.54	3.59
		Raja Dates Ltd (Previous year: ₹ 30,000)	-	
	2	Capital purchase	**0.04**	**-**
		Atul Bioscience Ltd	0.04	-
	3	Service charges	**29.47**	**25.33**
		Atul Crop Care Ltd	11.45	9.92
		Atul Finserv Ltd	0.97	0.81
		Atul Infotech Pvt Ltd	3.74	3.08
		Lapox Polymers Ltd	13.31	11.52
	4	Commission	**11.12**	**4.85**
		Atul Brasil Quimicos Ltda	2.39	1.03
		Atul China Ltd	1.99	1.17
		Atul Middle East FZ-LLC	0.96	0.03
		Atul Europe Ltd	4.31	2.44
		Atul USA Inc	1.47	0.18
	5	Reimbursement of expenses	**9.76**	**13.96**
		Aaranyak Urmi Ltd	0.01	0.02
		Amal Ltd	0.02	0.02
		Atul Bioscience Ltd	-	0.02
		Atul Brasil Quimicos Ltda	-	0.02
		Atul China Ltd	0.19	0.32
		Atul Crop Care Ltd	3.87	3.84
		Atul Europe Ltd	0.96	4.91
		Atul Finserv Ltd	0.84	0.72
		Atul Middle East FZ-LLC	2.14	0.70
		Atul USA Inc	0.76	0.54
		Lapox Polymers Ltd	3.11	2.85

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (B) Transactions with subsidiary companies			2019-20	2018-19
c)	**Other transactions**			
	1	Repayment of loans given	**6.63**	**3.00**
		Amal Ltd	6.63	3.00
	2	Direct investment made in equity shares	**53.50**	**40.56**
		Atul Bioscience Ltd[1]	30.00	10.00
		Atul Biospace Ltd	1.75	-
		Atul Finserv Ltd	21.75	30.56
	3	Reimbursements received	**0.16**	**0.08**
		Aaranyak Urmi Ltd (Current year: ₹ 7,332)		-
		Atul Bioscience Ltd (Current year: ₹ 30,376)		0.07
		Atul Europe Ltd	0.15	-
		Atul Infotech Pvt Ltd	0.01	0.01
	4	Redemption of preference shares	**1.00**	**1.00**
		Amal Ltd	1.00	1.00
	5	Loan given	**17.50**	**-**
		Atul Bioscience Ltd	17.50	-
	6	Dividend income	**2.91**	**0.36**
		Atul Bioscience Ltd	0.76	0.17
		Atul Middle East FZ-LLC	2.15	-
		Atul USA Inc	-	0.19
	7	Investment in Preference shares	**-**	**20.00**
		Atul Bioscience Ltd	-	20.00
	8	Investment income	**-**	**0.04**
		Atul Bioscience Ltd	-	0.04

[1]Includes ₹ 20 cr optionally convertible cumulative redeemable preference shares converted into equity shares as per the conversion option in such shares.

(₹ cr)

Note 28.4 (C) Transactions with joint venture company			2019-20	2018-19
a)	**Sales and income**			
	1	Sale of goods	3.01	3.85
	2	Service charges received	3.83	3.29
	3	Lease rent received	0.66	0.54
	4	Brand usage charges	0.03	-
b)	**Purchases and expenses**			
		Purchase of goods	0.19	0.24
c)	**Other transactions**			
	1	Dividends received from equity investment measured at cost	2.19	-
	2	Reimbursements received	0.61	0.66

All above transactions are with Rudolf Atul Chemicals Ltd.

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (D) Transactions with joint operation of subsidiary company			2019-20	2018-19
a)	Sales and income			
	1	Service charges received	0.43	1.51
	2	Lease rent received	0.01	0.01
b)	Other transactions			
	1	Sale of capital work-in-progress	1.48	4.18
	2	Reimbursements received	3.97	1.54

All above transactions are with Anaven LLP.

(₹ cr)

Note 28.4 (E) Key Management Personnel compensation		2019-20	2018-19
Remuneration		**19.48**	**16.82**
1	Short-term employee benefits	17.44	14.68
2	Post-employment benefits[1]	0.94	0.84
3	Commission and other benefits to Non-executive Directors	1.10	1.30
4	Interest on deposits from Directors (Previous year: ₹ 2,181)	-	

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 28.4 (F) Close family members of Key Management Personnel compensation		2019-20	2018-19
Remuneration[1]		**0.70**	**0.50**
1	Astha S Lalbhai	0.41	0.28
2	Saumya S Lalbhai	0.19	0.08
3	Nishtha S Lalbhai	0.10	0.14

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 28.4 (G) Transactions with entities over which Key Management Personnel or their close family members have significant influence			2019-20	2018-19
a)	Sales and income			
		Sale of goods	**0.18**	**0.21**
		Atul Kelavani Mandal	0.05	0.06
		Atul Rural Development Fund (Current year: ₹ 46,289)		0.01
		Atul Vidyalaya Trust	0.13	0.14
		Urmi Stree Sanstha (Current year: ₹ 46,289 and Previous year: ₹ 29,503)		
b)	Purchases and expenses			
		Reimbursement of expenses		
		Urmi Stree Sanstha (Previous year: ₹ 22,860)	-	

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (G) Transactions with entities over which Key Management Personnel or their close family members have significant influence			2019-20	2018-19
c)	**Other transactions**			
	1	Expenditure on Corporate Social Responsibility initiatives	**7.37**	**5.90**
		Atul Foundation Trust	7.37	5.90
	2	Reimbursements received	**0.06**	**0.05**
		Atul Foundation Trust (Previous year: ₹ 386)	0.01	
		Atul Kelavani Mandal	0.01	0.01
		Atul Rural Development Fund (Current year: ₹ 22,174 and Previous year: ₹ 27,772)		
		Atul Vidyalaya Trust	0.04	0.04
		Urmi Stree Sanstha (Current year: ₹ 12,000 and Previous year: ₹ 20,322)		

(₹ cr)

Note 28.4 (H) Outstanding balances as at year end			As at March 31, 2020	As at March 31, 2019
a)	**With subsidiary companies**			
	1	Loans receivable	**17.50**	**6.63**
		Amal Ltd[1]	-	6.63
		Atul Bioscience Ltd	17.50	-
	2	Dividends receivable	**2.15**	**0.17**
		Atul Bioscience Ltd	-	0.17
		Atul Middle East FZ-LLC	2.15	-
	3	Receivables	**157.67**	**160.10**
		Aaranyak Urmi Ltd (Current year: ₹ 20,723)		0.01
		Amal Ltd	0.32	0.17
		Atul Bioscience Ltd	7.37	10.62
		Atul Biospace Ltd (Current year: ₹ 1,180)		0.81
		Atul China Ltd	28.30	37.20
		Atul Crop Care Ltd	0.06	0.01
		Atul Europe Ltd	51.20	53.20
		Atul Finserv Ltd	0.01	0.06
		Atul Infotech Pvt Ltd (Current year: ₹ 16,262 and Previous year: ₹ 995)		
		Atul Middle East FZ-LLC	-	0.61
		Atul Polymers Products Ltd (Formerly known as Atul Elkay Polymers Ltd)	0.07	0.07
		Atul USA Inc	70.33	57.34
		Lapox Polymers Ltd (Previous year: ₹ 300)	0.01	
	4	Payables	**19.04**	**18.76**
		Aaranyak Urmi Ltd (Current year: ₹ 8,790 and Previous year: ₹ 18,337)		
		Aasthan Dates Ltd	0.01	-
		Amal Ltd	6.85	11.12
		Atul Bioscience Ltd	0.60	0.30
		Atul Biospace Ltd (Current year: ₹ 27,750)		-
		Atul Brasil Quimicos Ltda	1.31	0.02
		Atul China Ltd	0.42	0.49
		Atul Crop Care Ltd	2.49	1.35
		Atul Europe Ltd	3.00	2.57
		Atul Finserv Ltd	0.07	0.02
		Atul Infotech Pvt Ltd	0.27	0.26
		Atul Middle East FZ-LLC	0.38	-

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (H) Outstanding balances as at year end			As at March 31, 2020	As at March 31, 2019
		Atul USA Inc	1.10	0.53
		DPD Ltd	1.14	0.68
		Lapox Polymers Ltd	1.40	1.42
	5	Advance given	**1.14**	**0.68**
		DPD Ltd	1.14	0.68
	6	Acceptances	**1.33**	**-**
		Atul Fin Resources Ltd	1.33	-

[1]Interest free loan at amortised cost (Current year: ₹ nil and Previous year: ₹ 4.92 cr) including equity component, pursuant to the order of Board for Industrial and Financial Reconstruction.

(₹ cr)

Note 28.4 (H) Outstanding balances as at year end			As at March 31, 2020	As at March 31, 2019
b)	**With joint venture company**			
	1	Receivables	1.04	1.68
	2	Refundable security deposit	2.20	2.40
	3	Payables (Current year: ₹ 22,818)		0.09

All above balances are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 28.4 (H) Outstanding balances as at year end		As at March 31, 2020	As at March 31, 2019
c)	**With joint operation**		
	Receivables	0.14	3.15

(₹ cr)

Note 28.4 (H) Outstanding balances as at year end			As at March 31, 2020	As at March 31, 2019
d)	**With entities over which Key Management Personnel or their close family members have significant influence**			
	1	Receivables	**0.09**	**0.03**
		Atul Foundation Trust (Current year: ₹ 15,181)		-
		Atul Kelavani Mandal (Previous year: ₹ 45,804)	0.01	
		Atul Rural Development Fund (Previous year: ₹ 41,276)	0.01	
		Atul Vidyalaya Trust	0.07	0.03
		Urmi Stree Sanstha (Current year: ₹ 10,023 and Previous year: ₹ 21,914)		
	2	Payables	**-**	**0.02**
		Atul Rural Development Fund (Previous year: ₹ 15,000)	-	
		Atul Vidyalaya Trust	-	0.02

Note 28.4 (i) 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

During the year the Company has adopted option available under Section 115 BAA of the Income Tax Act, 1961 as per the taxation laws (amendment) Act, 2019 dated December 11, 2019. Accordingly, tax expenses, deferred tax assets | liabilities have been recomputed and impact of this has been recognised in the Standalone Statement of Profit or Loss for the year ended March 31, 2020.

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

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

(₹ cr)

	Particulars	2019-20	2018-19
i)	**Current tax**		
	Current tax on profit for the year	205.42	235.88
	Adjustments for current tax of prior periods	(1.09)	0.87
	Total current tax expense	**204.33**	**236.75**
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	(7.23)	(2.43)
	Decrease | (Increase) in deferred tax assets	(1.83)	(11.06)
	Adjustments for deferred tax of prior periods due to change in statutory tax rate	(32.90)	-
	Total deferred tax expense | (benefit)	**(41.96)**	**(13.49)**
	Income tax expense	**162.37**	**223.26**

b) Income tax expense recognised in the other comprehensive income:

(₹ cr)

	Particulars	2019-20	2018-19
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	(0.52)	(0.13)
	Total current tax expenses	**(0.52)**	**(0.13)**
ii)	**Deferred tax**		
	Fair value equity investment	4.24	11.00
	Effective portion of gain | (loss) on cash flow hedges	(0.41)	0.43
	Total deferred tax expenses | (benefits)	**3.83**	**11.43**
	Income tax expenses	**3.31**	**11.30**

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		2019-20	2018-19
a)	Statutory income tax rate		**25.17%**	34.94%
b)	Differences due to:			
	i)	Non-deductible expenses	0.20%	0.27%
	ii)	Exempt income	(0.86%)	(0.40%)
	iii)	Income tax incentives	-	(0.61%)
	iv)	Impact of rate changes on deferred tax	(4.13%)	-
	v)	Others	(0.15%)	0.05%
	Effective income tax rate		**20.23%**	**34.25%**

The Company has adopted the option available under Section 115 BAA of the Income Tax Act, 1961 accordingly statutory income tax rate is revised to 25.17%.

Note 28.5 Current and deferred tax (continued)

d) Current tax assets

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	3.74	0.67
Add: Taxes paid in advance, net of provision during the year	5.44	3.07
Closing balance	**9.18**	**3.74**

e) Current tax liabilities

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	0.18	8.01
Add: Current tax payable for the year	204.33	236.75
Less: Taxes paid	(204.51)	(244.58)
Closing balance	**-**	**0.18**

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, 2020	Charged | (Credited) to		As at March 31, 2019	Charged | (Credited) to		As at March 31, 2018
		profit or loss[1]	OCI | equity		profit or loss	OCI | equity	
Property, plant and equipment	91.70	(45.88)	-	137.58	(2.75)	-	140.33
Unrealised gain on mutual fund	0.40	0.08	-	0.32	0.32	-	-
Fair value equity investments (net)	15.24	-	4.24	11.00	-	11.00	-
Total deferred tax liabilities	**107.34**	**(45.80)**	**4.24**	**148.90**	**(2.43)**	**11.00**	**140.33**
Provision for leave encashment	(6.97)	1.86	-	(8.83)	(0.25)	-	(8.58)
Provision for doubtful debts	(2.53)	0.13	-	(2.66)	(1.75)	-	(0.91)
Regulatory and other charges	(6.72)	2.07	-	(8.79)	(8.79)	-	-
Investment properties	(6.70)	(0.22)	-	(6.48)	(0.27)	-	(6.21)
Cash flow hedges	0.02	-	(0.41)	0.43	-	0.41	0.02
Total deferred tax assets	**(22.90)**	**3.84**	**(0.41)**	**(26.33)**	**(11.06)**	**0.41**	**(15.68)**
Net deferred tax liabilities | (assets)	**84.44**	**(41.96)**	**3.83**	**122.57**	**(13.49)**	**11.41**	**124.65**

[1]Inculdes ₹ 32.90 cr impact of tax rate changes.

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 the Company scheme, whichever is beneficial. Gratuity is payable at the time of separation or retirement from the Company, whichever is earlier. The benefit vests after five years of continuous service.

Note 28.6 Employee benefit obligations (continued)

(₹ cr)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 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)**	**-**
Current service cost	2.57	-	2.57
Interest expense | (income)	3.36	(3.36)	-
Total amount recognised in profit and loss	**5.93**	**(3.36)**	**2.57**
Remeasurement			
Return on plan assets, excluding amount included in interest expense	-	0.50	0.50
Loss from change in financial assumptions	1.83	-	1.83
Experience (gain)	(0.27)	-	(0.27)
Total amount recognised in other comprehensive income	**1.56**	**0.50**	**2.06**
Employer contributions	-	(4.63)	(4.63)
Benefit payments	(5.28)	5.28	-
As at March 31, 2020	**48.72**	**(48.72)**	**-**

The net liability disclosed above relates to following funded and unfunded plans:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	48.72	46.51
Fair value of plan assets	(48.72)	(46.51)
Deficit of gratuity plan	**-**	**-**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.24%	7.22%
Attrition rate	14.00%	11.87%
Rate of return on plan assets	6.24%	7.22%
Salary escalation rate	8.40%	8.04%

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount rate	1.00%	1.00%	(3.20%)	(3.10%)	3.47%	3.37%
Attrition rate	1.00%	1.00%	(0.41%)	(0.20%)	0.43%	0.21%
Rate of return on plan assets	1.00%	1.00%	(3.20%)	(3.10%)	3.47%	3.37%
Salary escalation rate	1.00%	1.00%	3.36%	3.31%	(3.17%)	(3.11%)

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

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

Major categories of plan assets are as follows

(₹ cr)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Unquoted	in %	Unquoted	in %
Government of India assets	1.18	2.42%	1.18	2.54%
Debt instruments				
Corporate bonds	1.11	2.28%	1.05	2.26%
Investment funds				
Insurance funds	41.28	84.75%	41.41	89.03%
Others	4.98	10.22%	2.71	5.83%
Special deposit schemes	0.16	0.33%	0.16	0.34%
	48.71	**100%**	**46.51**	**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. All deviations from the range are corrected by rebalancing the portfolio. It 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. It has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets.

A large portion of assets consist insurance funds, although it also invests in corporate bonds and special deposit schemes. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are ₹ 3.03 cr.

The weighted average duration of the defined benefit obligation is six years (2019-20: 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, 2020	9.83	8.23	19.59	24.51	62.16
As at March 31, 2019	12.29	6.34	17.79	25.55	61.97

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 contributions equal to 12% of basic salary of employee. The contribution of the Company to the provident fund for all employees is charged to the Standalone Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability is ₹ nil. The Company has contributed the following amounts towards provident fund during the respective period ended:

(₹ cr)

Expenses recognised for the year ended March 31, 2020 (included in Note 25)		As at March 31, 2020	As at March 31, 2019
i)	Defined benefit obligation	10.81	10.29
ii)	Funds	11.14	10.25
iii)	Net assets | (liabilities)	0.33	(0.04)
iv)	Charge to the Standalone Statement of Profit and Loss during the year	0.18	0.28

The assumptions used in determining the present value of obligation:

Particulars		2019-20	2018-19
i)	Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
ii)	Withdrawal rate	5% pa for all age groups	5% pa for all age groups
iii)	Rate of discount	6.24%	7.22%
iv)	Expected rate of interest	8.50%	8.65%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.50%	8.65%

Note 28.6 Employee benefit obligations (continued)

b) Defined contribution plans:

Provident and other funds:

Amount of ₹ 12.78 cr (March 31, 2019: ₹ 14.27 cr) {net of ₹ 0.26 cr (March 31, 2019: ₹ 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 ₹ 4.96 cr (March 31, 2019: ₹ 3.24 cr) is recognised as expense and included in Note 25 'Salaries, wages and bonus'.

c) The Company is studying the legal position on the implications of the relevant judgement of the Supreme Court on applicability of provident fund on its various allowances and is in the process of expeditiously depositing related dues, if any.

Note 28.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	-	466.31	-	-	526.12	-
Preference shares	-	-	4.92	-	-	5.24
Government securities	-	-	0.01	-	-	0.01
Mutual funds	627.49	-	-	197.64	-	-
Trade receivables	-	-	718.93	-	-	762.18
Loans	-	-	17.50	-	-	4.92
Security deposits for utilities and premises	-	-	2.14	-	-	1.76
Dividends receivable	-	-	2.15	-	-	0.18
Derivative financial assets designated as hedges (net)	-	-	-	-	1.22	-
Finance lease receivables	-	-	1.20	-	-	1.33
Cash and bank balances	-	-	8.79	-	-	28.62
Other receivables	-	-	28.86	-	-	15.18
Total financial assets	**627.49**	**466.31**	**784.50**	**197.64**	**527.34**	**819.42**
Financial liabilities						
Trade payables	-	-	478.46	-	-	418.10
Security deposits	-	-	27.53	-	-	22.39
Derivative financial liabilities designated as hedges (net)	-	1.62	-	-	-	-
Employee benefits payable	-	-	57.93	-	-	47.70
Creditors for capital goods	-	-	32.48	-	-	16.45
Other liabilities (includes discount payables)	-	-	7.63	-	-	6.55
Total financial liabilities	**-**	**1.62**	**604.03**	**-**	**-**	**511.19**

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 Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

i)	Financial assets and liabilities measured at fair value as at March 31, 2020	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVOCI:					
	Quoted equity shares	5.2	465.51	-	-	465.51
	Unquoted equity shares[1]	5.2	-	-	0.80	0.80
	Mutual funds at FVPL	5.3	-	627.49	-	627.49
	Total financial assets		**465.51**	**627.49**	**0.80**	**1,093.80**
	Financial liabilities					
	Derivatives designated as hedges:					
	Currency options	15	-	1.62	-	1.62
	Total financial liabilities		**-**	**1.62**	**-**	**1.62**

(₹ cr)

ii)	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	5.2	-	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**

[1]Includes investments in Bharuch Enviro Infrastructure Ltd (70,000 equity shares), Narmada Clean Tech Ltd (7,15,272 equity shares) and OPGS Power Gujarat Pvt Ltd (5,03,000 equity shares) which are for operation purpose 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: This 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.

Note 28.7 Fair value measurements (continued)

b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments

ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Standalone Balance Sheet date

iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model

iv) the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 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.

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

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
	Carrying amount | Fair value	Carrying amount | Fair value
Financial assets		
Investments:		
Preference shares	4.92	5.24
Government securities	0.01	0.01
Loans	17.50	4.92
Security deposits for utilities and premises	2.14	1.76
Finance lease receivables	1.20	1.33
Total financial assets	**25.77**	**13.26**
Financial liabilities		
Security deposits	27.53	22.39
Total financial liabilities	**27.53**	**22.39**

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, it has developed and implemented a comprehensive risk management system to ensure that risks to its continued existence as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

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

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

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

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

v) Risk reporting and monitoring: Focuses on providing to the 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 Company are cash and cash equivalents, investment in mutual funds, borrowings and the cash flow that is generated from operations. It 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 Standalone Balance Sheet date:

(₹ cr)

As at March 31, 2020	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Trade payables	18	478.46	478.46	-	478.46
Security and other deposits	15	27.53	27.53	-	27.53
Employee benefits payable	15	57.93	57.93	-	57.93
Creditors for capital goods	15	32.48	32.48	-	32.48
Other liabilities	15	7.63	4.91	2.72	7.63
Derivatives (settlement on net basis)	15	1.62	1.62	-	1.62
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

Note 28.8 Financial risk management (continued)

b) Management of market risk

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

i) price risk

ii) foreign exchange risk

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

Potential impact of risk		Management policy	Sensitivity to risk
i)	**Price risk**		
	The Company is mainly exposed to 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, 2020 is ₹ 465.52 cr (March 31, 2019: ₹ 525.32 cr). The fair value of mutual funds classified at fair value through profit and loss as at March 31, 2020 is ₹ 627.49 cr (March 31, 2019: ₹ 197.65 cr).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management Policy. 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 ₹ 34.54 cr gain in other comprehensive income (2018-19: ₹ 25.53 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 ₹ 6.27 cr gain in the Standalone Statement of Profit and Loss (2018-19: ₹ 1.98 cr). A 1% decrease in prices may have led to an equal but opposite effect.
ii)	**Foreign exchange risk**		
	The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not its functional currency (₹). The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.	The Company has exposure arising out of export, import and other transactions other than functional risks. It hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is as per the guidelines laid down in its Risk Management Policy.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Standalone Financial Statements, the Company has calculated the impact as follows: 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 ₹ 5.77 cr gain in other comprehensive income (2018-19: gain of ₹ 5.93 cr). A 2% decrease may have led to an increase in additional ₹ 4.28 cr loss in other comprehensive income (2018-19: loss of ₹ 5.17 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 is as follows:

Particulars	As at March 31, 2020					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Cash and cash equivalents (EEFC account)	0.60	4.55	-	-	-	-
Trade receivables	47.61	359.00	2.54	20.99	0.62	5.81
Dividends receivable	0.29	2.15	-	-	-	-
Less:						
Hedged through derivatives[1]						
Currency range options	38.34	289.07	-	-	-	-
Net exposure to foreign currency risk (assets)	**10.16**	**76.62**	**2.54**	**20.99**	**0.62**	**5.81**
Financial liabilities						
Trade payables	9.76	73.61	0.26	2.11	0.05	0.42
Net exposure to foreign currency risk (liabilities)	**9.76**	**73.61**	**0.26**	**2.11**	**0.05**	**0.42**

[1]Includes hedges for highly probable transactions up to next 12 months

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

c) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or ECGC 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, 2018	**2.60**
Changes in loss allowance	5.01
Loss allowance as on March 31, 2019	**7.61**
Changes in loss allowance	2.46
Loss allowance as on March 31, 2020	**10.07**

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. It 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 its treasury department.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2020

(₹ 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	289.07	-	-	1.62	1-12	73.05-75.36	1.62	(1.62)

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 28.8 Financial risk management (continued)

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2020

(₹ 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	1.62	-	1.22	Trade receivables and payables

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 receivables and payables

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
Derivative instruments	**As at March 31, 2020**	**As at March 31, 2019**
Balance at the beginning of the year	**0.79**	**0.03**
Gain | (Loss) recognised in other comprehensive income during the year	(1.62)	1.22
Amount reclassified to revenue during the year	(1.22)	(0.03)
Tax impact on above	0.41	(0.43)
Balance at the end of the year	**(1.64)**	**0.79**

Note 28.9 Capital management

The primary objective of capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. It determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. It is not subject to any externally imposed capital requirements.

Note 28.10 Segment information

In accordance with Ind AS 108, 'Operating Segments', segment information has been given in the Consolidated Financial Statements of Atul Ltd and therefore no separate disclosure on segment information is given in the Standalone Financial Statements.

Note 28.11 Earnings per share

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

Particulars		2019-20	2018-19
Profit for the year attributable to the equity shareholders	₹ cr	640.17	428.64
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	₹	215.82	144.51

Note 28.12 Leases

The Company adopted Ind AS 116, 'Lease' effective from April 01, 2019, and has elected to apply this standard to its leases with modified retrospective approach with the cumulative effect, recognised at the date of initial application.

Initial lease liability has been measured at present value of the remaining lease payments, and discounted at incremental borrowing rate of the Company as on April 01, 2019, with an equivalent amount for the right-of-use asset. The comparative information of previous year is not restated as permitted by Ind AS 116.

a) As a lessee

The Company has taken various residential and office premises under operating lease or leave and license agreements. These are cancellable by the Company, having a term between 11 months and 3 years and have no specific obligation for renewal. Payments are recognised in the Standalone Statement of Profit and Loss under 'Rent' in Note 27.

b) As a lessor

i) Operating lease

The Company has entered into operating leases on its office buildings and land. These are cancellable by the Company, having a term between 11 months and 3 years and have no specific obligation for renewal. Rents received are recognised in the Standalone Statement of Profit and Loss as lease income in Note 22 'Other income'.

ii) Finance lease

a) 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 (MLP), are as under:

(₹ cr)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	0.35	0.40	0.33
Later than 5 years	1.80	0.85	1.80	0.80
Total minimum lease payments receivable	**2.20**	**1.20**	**2.40**	**1.33**
Less: unearned finance income	1.00	-	1.07	-
Present value of minimum lease payments receivable	**1.20**	**1.20**	**1.33**	**1.33**
Less: allowance for uncollectible lease payments	-	-	-	-
	1.20	**1.20**	**1.33**	**1.33**

b) The Company has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option with the Company to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the current rental. It 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, 2020	March 31, 2019	2019-20	2018-19
Subsidiary companies:					
Amal Ltd*	Interest free loan, pursuant to Board for Industrial and Financial Reconstruction order	-	4.92	6.28	7.07
Atul Bioscience Ltd	Purchase of manufacturing facility at Ambernath	17.50	-	17.50	-

*at amortised cost

Notes:

a) Loans given to employees as per the policy of the Company are not considered.

b) The loanees did not hold any shares in the share capital of the Company.

Note 28.14 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under 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, 2020	As at March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.88	7.24
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Current year: ₹ 460)		0.01
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year (Current year: ₹ 42,745)		1.11
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	0.01	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 ₹ 9.60 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	9.60	-	9.60

Note 28.16 Offsetting financial assets and liabilities

The Company has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet.

b) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer to Note 17 for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement such collateral can be adjusted against the amounts due.

Note 28.17 Dividend on equity shares

Dividend on equity shares declared and paid during the year:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Final dividend of ₹ 15.00 per share for the year 2018-19 (2017-18: ₹ 12.00 per share)	44.49	35.59
Dividend distribution tax on final dividend[1]	8.95	4.34
Interim dividend of ₹ 27.50 per share for the year 2019-20	81.57	-
Dividend distribution tax on interim dividend[1]	16.32	-
	151.33	**39.94**

[1]Dividend distribution tax (net) pertaining to the current year include credit in respect of tax paid under Section 115(O) of the Income Tax Act, 1961 by the Company on dividend received from its subsidiary companies.

Note 28.18 Events after the reporting period

There was no significant event after the end of the reporting period which requires any adjustment or disclosure in the Standalone Financial Statements.

Note 28.19 Rounding off

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

Note 28.20 Regrouping | reclassification

Figures for the previous year have been regrouped | reclassified wherever necessary, to conform to the presentation of current year.

Note 28.21 Authorisation for issue of the Standalone Financial Statements

The Standalone Financial Statements were authorised for issue by the Board on April 28, 2020.

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

Samir R. Shah
Partner

Mumbai
April 28, 2020

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

Atul
April 28, 2020

Independent Auditor's Report

To the Members of Atul Ltd

Report on the audit of the Consolidated Financial Statements

Opinion

01. We have audited the accompanying Consolidated Financial Statements of Atul Ltd (the Company or the Parent) and its subsidiary companies, (the Parent and its subsidiary companies together referred to as the Group) which includes the share of profit of the Group in its joint venture company, which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity, for the year then ended and a summary of significant accounting policies and other explanatory information and which includes a joint operation 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, 2020, 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 and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in para 11 of under 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.	Our 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. 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. • Performing 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 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.
Allowance for credit losses The Company determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations. In calculating expected credit loss, the Company also considers the insurance covers and other securities, besides other related information for its customers, including credit reports, to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID-19. The Management has exercised significant judgement in estimating the allowance for credit losses Refer Note 11 to the Consolidated Financial Statements.	Our procedures related to allowance for credit losses for trade receivables included the following, among others: Testing the effectiveness of controls over the - classification of customers by the businesses and computing the net exposure as at the reporting date, - development of the methodology for the allowance for credit losses, including consideration of the current and estimated future economic conditions, - completeness and accuracy of information used in the estimation of probability of default and - computation of the allowance for credit losses. Testing the arithmetical accuracy and computation of the allowances prepared by the Management. Testing the allowance for credit loss through alternate scenarios including profiling of customers based on their attributes with various built-in sensitivities around approach, the assumptions and factoring the possible effect of the pandemic, to independently validate the Management estimates.

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

05. The Board of Directors of the Parent is responsible for the other information. The other information comprises the information included in the Letter to shareholders, Operational highlights, Financial charts, Directors' report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Report, Dividend Distribution Policy and Performance trend but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's Reports thereon.

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

07. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the subsidiary companies audited by the other Auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other Auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their Financial Statements audited by other Auditors.

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

Management's responsibility for the Consolidated Financial Statements

09. The Board of Directors of the Parent is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated Cash Flows and Consolidated changes in equity of the Group including its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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.

10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its joint venture company are responsible for assessing the ability of the 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 respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the Group and of its joint venture company.

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

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

13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional 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 joint venture company to cease to continue as a going concern.

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

    f) Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint venture company to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

    We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other matters

14. We did not audit the Financial Statements | financial information of 28 subsidiary companies, whose Financial Statements | financial information reflect total assets of ₹ 336.21 cr as at March 31, 2020, total revenues of ₹ 726.09 cr and net cash outflows amounting to ₹ 5.18 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.

15. We did not audit the Financial Statements | financial information of 4 subsidiary companies, whose financial information reflect total assets of ₹ 2.17 cr as at March 31, 2020, total revenue of ₹ 2.23 cr and net cash outflow amounting to ₹ 0.14 cr for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements | financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, is based solely on such unaudited Financial Statements | financial information. In our opinion and according to the information and explanations given to us by the Management, these Financial Statements | financial information are not material to the Group.

16. Our opinion on the Consolidated Financial Statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors and the Financial Statements | financial information certified by the Management.

Report on other legal and regulatory requirements

17. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other Auditors on separate Financial Statements | financial information of the subsidiary companies incorporated in India, referred in the Other matters section 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), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

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

    e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2020 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, 2020 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 to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of those companies, for the reasons stated therein.

Reporting on the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls under Section 143(3)(i) of the Act is not applicable to the joint operation of the Group as it is a Limited Liability Partnership.

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

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

i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company.

ii. The Group and its joint venture company did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and 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
UDIN: 20101708AAAABG4323

Mumbai
April 28, 2020

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, 2020, we have audited the internal financial controls over financial reporting of the Parent, its subsidiary companies and 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 control over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. The internal financial control over financial reporting of the Company includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions

are recorded as necessary to permit preparation of 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 iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

Inherent limitations of internal financial controls over financial reporting

07. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

08. In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors referred to in the Other matters paragraph 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, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the 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, 26 subsidiary companies, 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
UDIN: 20101708AAAABG4323

Mumbai
April 28, 2020

Consolidated Balance Sheet as at March 31, 2020

(₹ cr)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 **Non-current assets**			
a) Property, plant and equipment	2	1,061.52	1,049.15
b) Capital work-in-progress	2	368.14	172.27
c) Investment properties	3	3.22	3.22
d) Goodwill	4	29.14	32.31
e) Other intangible assets	4	16.25	19.61
f) Biological assets other than bearer plants	5	14.75	13.15
g) Investments accounted for using the equity method	6.1	18.53	15.74
h) Financial assets			
i) Investments	6.2	467.09	527.46
ii) Loans	7	0.12	0.22
iii) Other financial assets	8	3.31	1.53
i) Income tax assets (net)	29.5	12.92	8.42
j) Deferred tax assets	29.5	6.91	0.52
k) Other non-current assets	9	66.77	38.10
Total non-current assets		**2,068.67**	**1,881.70**
2 **Current assets**			
a) Inventories	10	503.37	511.82
b) Biological assets	5	13.15	9.03
c) Financial assets			
i) Current investment	6.3	651.69	208.81
ii) Trade receivables	11	719.73	698.47
iii) Cash and cash equivalents	12	26.19	37.59
iv) Bank balances other than cash and cash equivalents above	13	9.18	16.91
v) Loans	7	0.15	0.15
vi) Other financial assets	8	32.95	21.09
d) Other current assets	9	125.40	158.40
Total current assets		**2,081.81**	**1,662.27**
Total assets		**4,150.48**	**3,543.97**
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	14	29.68	29.68
b) Other equity	15	3,125.22	2,676.03
Equity attributable to owners of Atul Ltd		3,154.90	2,705.71
Non-controlling interests		26.37	23.80
Total equity		**3,181.27**	**2,729.51**
Liabilities			
1 **Non-current liabilities**			
a) Financial liabilities			
i) Borrowings	16	86.58	43.14
ii) Other financial liabilities	17	9.67	28.03
b) Provisions	18	20.06	19.13
c) Deferred tax liabilities (net)	29.5	114.75	139.48
d) Other non-current liabilities	19	6.38	7.45
Total non-current liabilities		**237.44**	**237.23**
2 **Current liabilities**			
a) Financial liabilities			
i) Borrowings	16	10.39	9.32
ii) Trade payables			
Total outstanding dues of			
a) Micro enterprises and small enterprises	20	8.62	7.74
b) Creditors other than micro enterprises and small enterprises	20	469.01	371.89
iii) Other financial liabilities	17	168.26	138.61
b) Contract liabilities	21	25.49	8.46
c) Other current liabilities	19	11.61	10.67
d) Provisions	18	37.67	29.87
e) Current tax liabilities (net)	29.5	0.72	0.67
Total current liabilities		**731.77**	**577.23**
Total liabilities		**969.21**	**814.46**
Total equity and liabilities		**4,150.48**	**3,543.97**

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 28, 2020

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

S S Lalbhai
Chairman and Managing Director

Atul
April 28, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ cr)

Particulars	Note	2019-20	2018-19
INCOME			
Revenue from operations	22	4,093.06	4,037.81
Other income	23	78.04	34.86
Total income		**4,171.10**	**4,072.67**
EXPENSES			
Cost of materials consumed	24	1,814.41	2,112.55
Purchases of stock-in-trade		150.34	100.62
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	5.28	(107.09)
Employee benefit expenses	26	300.90	259.84
Finance costs	27	9.40	7.41
Depreciation and amortisation expenses	2, 4	130.21	118.91
Other expenses	28	920.12	905.11
Total expenses		**3,330.66**	**3,397.35**
Profit before share of net profit of investments accounted for using equity method and tax		**840.44**	**675.32**
Share of net profit of joint venture company accounted for using the equity method		4.98	5.02
Profit before tax		**845.42**	**680.34**
Tax expense			
Current tax	29.5	212.90	243.62
Deferred tax	29.5	(38.39)	0.70
Total tax expense		**174.51**	**244.32**
Profit for the year		**670.91**	**436.02**
Other comprehensive income			
a) Items that will not be reclassified to profit | loss			
i) Change in fair value of equity instruments through other comprehensive income (FVOCI)		(60.23)	73.83
ii) Remeasurement gain | (loss) on defined benefit plans		(2.09)	(0.17)
iii) Income tax related to items above		(3.71)	(10.92)
iv) Share of other comprehensive income of joint venture company accounted for using the equity method (net of tax)			
b) Items that will be reclassified to profit | loss			
i) Effective portion of gain | (loss) on cash flow hedges		(1.62)	1.22
ii) Exchange differences on translation of foreign operations		7.42	(3.11)
ii) Income tax related to item no i) above		(2.99)	(0.43)
Other comprehensive income, net of tax		**(63.22)**	**60.42**
Total comprehensive income for the year		**607.69**	**496.44**
Profit is attributable to:			
Owners of the Company		666.46	432.23
Non-controlling interests		4.45	3.79
		670.91	**436.02**
Other comprehensive income is attributable to:			
Owners of the Company		(63.22)	60.42
Non-controlling interests		-	-
		(63.22)	**60.42**
Total comprehensive income is attributable to:			
Owners of the Company		603.24	492.65
Non-controlling interests		4.45	3.79
		607.69	**496.44**
Earnings per equity share attributable to owners of the Company			
Number of shares		29,661,733	29,661,733
Basic and diluted earnings ₹ per equity share of ₹ 10 each	29.11	224.69	145.72

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 28, 2020

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

S S Lalbhai
Chairman and Managing Director

Atul
April 28, 2020

Consolidated Statement of changes in equity

for the year ended March 31, 2020

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2018		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2019		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2020	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, 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 retained earnings on disposal of FVOCI equity instruments	-	-	0.02	(0.02)	-	-	-	-	-
Transfer to general reserves	-	0.05	(0.05)	-	-	-	-	-	-
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**
Profit for the year	-	-	666.46	-	-	-	666.46	4.45	670.91
Other comprehensive income, net of tax	-	-	(1.56)	(64.48)	(1.21)	1.18	(66.07)	-	(66.07)
Total comprehensive income for the year	**-**	**-**	**664.90**	**(64.48)**	**(1.21)**	**1.18**	**600.39**	**4.45**	**604.84**
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	(0.03)	0.03	-	-	-	-	-
Transfer to general reserves	-	0.28	(0.28)	-	-	-	-	-	-
Hedging gain | (loss) reclassified to the Statement of Profit and Loss	-	-	-	-	(1.22)	-	(1.22)	-	(1.22)
Transactions with owners in their capacity as owners:									
Dividend on equity shares, including dividend distribution tax	-	-	(151.50)	-	-	-	(151.50)	-	(151.50)
Transactions with non-controlling interests	-	-	1.52	-	-	-	1.52	(1.88)	(0.36)
Transfer to foreign currency translation reserve	-	-	(2.84)	-	-	2.84	-	-	-
As at March 31, 2020	**34.66**	**97.69**	**2,576.56**	**398.18**	**(1.64)**	**19.77**	**3,125.22**	**26.37**	**3,151.59**

Refer Note 14 for nature and purpose of reserves

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah
Partner

T R Gopi Kannan
Whole-time Director and CFO

S S Lalbhai
Chairman and Managing Director

L P Patni
Company Secretary

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

Mumbai
April 28, 2020

Atul
April 28, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ cr)

	Particulars		Note	2019-20	2018-19
A	CASH FLOW FROM OPERATING ACTIVITIES				
	Profit before tax			845.42	680.34
	Adjustments for:				
	Depreciation and amortisation expense		2, 4	130.21	118.91
	Finance costs		26	9.40	7.41
	Loss on assets sold or discarded		27	0.41	1.39
	Unrealised exchange rate difference (net)			(21.11)	8.32
	Effect of exchange rates on translation of operating cash-flows			4.12	(2.98)
	Bad debts and irrecoverable balances written off			4.66	-
	Allowance for doubtful debts		28	5.17	5.01
	Dividend income		22	(19.10)	(6.03)
	Interest income from financial assets measured at amortised cost			(3.02)	(0.38)
	Changes in fair value of biological assets		22	(1.93)	(2.50)
	Advances recovered written off earlier			(1.81)	-
	Liability no longer required written back			(2.59)	-
	Gain on disposal of current investments measured at FVPL (net)		23	(11.68)	(3.96)
	Gain on disposal of property, plant and equipment		22	(0.69)	(0.09)
	Income on account of government grants			(1.07)	-
	Share of profit on joint venture company			(4.98)	(5.02)
	Operating profit before change in operating assets and liabilities			**931.41**	**800.42**
	Adjustments for:				
	(Increase) | Decrease in inventories | biological assets		10	4.65	(100.40)
	(Increase) | Decrease in trade receivables			(3.64)	11.59
	(Increase) | Decrease in other financial assets			2.58	(3.44)
	(Increase) | Decrease in other assets			21.79	(13.12)
	Increase | (Decrease) in trade payables			94.27	(79.37)
	Increase | (Decrease) in other financial liabilities			20.38	19.14
	Increase | (Decrease) in contract liabilities			17.03	8.46
	Increase | (Decrease) in other current liabilities			0.93	(7.50)
	Increase | (Decrease) in provisions			8.75	21.94
	Cash generated from operations			1,098.15	657.72
	Income tax paid (net of refund)			(216.77)	(254.14)
	Net cash flow from operating activities	A		**881.38**	**403.58**
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Payments towards property, plant and equipment (including capital advance)			(373.99)	(208.35)
	Proceeds from disposal of property, plant and equipment			0.57	-
	Proceeds from sale of equity investment measured at FVOCI			0.12	3.77
	Repayments of loans			0.74	-
	Disbursements of loans			-	(0.17)
	Redemption of | (Investment in) bank deposits (net)			8.85	(9.50)
	Purchase of current investments measured at FVPL (net)			(446.20)	(203.12)
	Interest received on financial assets measured at amortised cost			2.95	0.38
	Dividend received			21.30	9.53
	Net cash used in investing activities	B		**(785.66)**	**(407.46)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(₹ cr)

	Particulars		Note	2019-20	2018-19
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Disbursements | (Repayments) of term loans | non-current borrowings			52.72	45.35
	Repayments of working capital loans | current borrowings			0.98	(6.50)
	Payments of unclaimed dividend			(1.12)	(0.19)
	Transaction with non-controlling interests			(3.32)	8.71
	Interest paid			(9.40)	(7.42)
	Dividend on equity shares (including dividend distribution tax)			(150.41)	(41.04)
	Proceeds from sale of equity investment measured at cost			2.96	0.01
	Net cash used in financing activities	**C**		**(107.59)**	**(1.08)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**		**(11.87)**	**(4.96)**
	Cash and cash equivalents at the beginning of the year			37.59	42.67
	Net effect of exchange gain | (loss) on cash and cash equivalents			0.47	(0.12)
	Cash and cash equivalents at the end of the year			26.19	37.59

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 ₹ 10.09 cr (March 31, 2019: ₹ 8.31 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

For and on behalf of the Board of Directors

Samir R. Shah
Partner

T R Gopi Kannan
Whole-time Director and CFO

S S Lalbhai
Chairman and Managing Director

L P Patni
Company Secretary

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

Mumbai
April 28, 2020

Atul
April 28, 2020

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

ii) The Consolidated Financial Statements have been prepared on accrual and going concern basis.

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 Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are one or more changes to elements of control described above.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary, to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

ii) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest in a joint venture company and a joint operation.

Joint venture company

Interest in joint venture company is accounted for using the equity method {see (iv) below}.

Joint operation

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statement under the appropriate headings.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and other comprehensive income of the entity. Dividends received or receivable from associate companies and joint venture company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (m) below.

v) Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

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 entity operates ('functional currency'). The Consolidated Financial Statements are presented in Indian Rupee (₹), which is also the functional currency of the Company.

ii) Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated 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). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

iii) Group companies:
The results and financial position of foreign operations (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 manufactures and sells chemicals in domestic and international markets, spread across two segments namely Life Science 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 upto 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:

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects 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.

The Group considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realise the benefits of those deductible differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in 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.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments. The Group assesses whether the Appendix had an impact on its Consolidated Financial Statements.

Upon adoption of Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions based on past experience pertaining to income taxes including those related to transfer pricing. The Group has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

f) Government grants:

a) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

b) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

c) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

g) Leases:

As a lessee:

The Group assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Group has the right to direct the use of the asset.

At the commencement date of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor:

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature. Leases of property, plant and equipment where the Group as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

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 plants under development (immature) and then capitalised as a Bearer plants (mature) to be depreciated over their estimated useful life.

The plantations destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plants (mature) or being carried under Bearer plants 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:

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value at the end of its life of the assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

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

Asset category	Estimated useful life
Buildings	30 to 60 years
Roads	5 years
Plant and equipment[1]	6 to 20 years
Office equipment and furniture	5 to 10 years
Vehicles[1]	6 to 10 years
Bearer plants[1]	40 years

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

The property, plant and equipment including land acquired under finance leases are depreciated over the useful life of the asset or over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other income.

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	3 years
Non-compete fees	5 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 | non-moving, defective 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 (OCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss: 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 receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Group computes expected lifetime losses based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition:

A financial asset is derecognised only when the Group:

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, 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.

x) Biological assets:

The biological assets of the Group comprises 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 twelve months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants 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 separate head of biological assets other than Bearer plants and others under non-current assets.

The Bearer plants are recognised and measured as per Ind AS 16 (refer Note 5). The oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets other than Bearer plants until the point of harvest. Harvested oil palm FFBs are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Consolidated Statement of Profit and Loss. Farming cost like labour and other costs are recognised in the Consolidated Statement of Profit and Loss.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

Tissue culture raised (matured plants) are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Consolidated Statement of Profit and Loss. Immature tissue culture plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the immature plants at different stages and the fair value measurements are clearly unreliable.

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 twelve 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.

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.

Estimation of uncertainties relating to the global health pandemic COVID-19

The plants of the Group in India were closed on March 24, 2020 following countrywide lockdown due to COVID-19. The Group has since obtained required permissions and restarted its manufacturing facilities in the second fortnight of April 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Group and ongoing discussions with customers, vendors and service providers, the Group is positive of serving customer orders and obtaining regular supply of raw materials and logistics services after resumption of the operations. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of trade receivables and inventories. In assessing recoverability of trade receivables, the Group has considered subsequent recoveries, past trends, credit risk profiles of customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these Consolidated Financial Statements. In assessing recoverability of inventories, the Group has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Group is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from than estimated as at the date of approval of these Consolidated Financial Statements and the Group will continue to closely monitor the developments.

Critical estimates and judgements

Preparation of the Consolidated Financial Statements requires the use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements. This note provides an overview of the areas that involves 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 Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation for income tax: Note 1 (e)

ii) Estimation of useful life of tangible assets: Note 1 (i)

iii) Estimated goodwill impairment: Note 1 (j)

iv) Estimation of provision for inventories: Note 1 (q)

v) Allowance for credit losses on trade receivables: Note 1 (r)

vi) Estimation of claims | liabilities: Note 1 (y)

vii) Estimation of defined benefit obligations: Note 1 (z)

viii) Consolidation decisions and classification of joint arrangements: Note 1 (b) and Note 29.14

Note 2 Property, plant and equipment

(₹ cr)

Particulars	Land - freehold[1]	Right-of-use leasehold land	Buildings[1,2,7]	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plants	Total	Capital work-in-progress[3]
Gross carrying amount										
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	1.09	-	122.19	196.10
Acquisition	-	25.79	10.23	10.73	-	0.18	0.10	-	47.03	
Disposal, transfer and adjustments	-	-	(1.15)	(20.17)	(2.28)	(0.08)	-	(0.02)	(23.70)	(120.03)
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**
Additions	6.74	-	56.40	76.55	3.61	3.01	0.02	-	146.33	342.20
Disposal, transfer and adjustments	(3.02)	-	(0.50)	(4.81)	(1.91)	-	-	-	(10.24)	(146.33)
As at March 31, 2020	**45.58**	**41.79**	**277.22**	**1,131.98**	**10.43**	**23.00**	**13.50**	**6.08**	**1,549.58**	**368.14**
Depreciation | Amortisation										
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, transfer 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**	**-**
For the year[4]	-	0.41	9.49	109.00	2.08	2.37	2.54	0.15	126.04	-
Disposal, transfer and adjustments	-	-	(0.41)	(0.58)	(1.47)	0.14	-	-	(2.32)	-
Up to March 31, 2020	**-**	**0.91**	**38.61**	**425.12**	**2.29**	**11.67**	**8.89**	**0.57**	**488.06**	**-**
Net carrying amount										
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
As at March 31, 2020	**45.58**	**40.88**	**238.61**	**706.86**	**8.14**	**11.33**	**4.61**	**5.51**	**1,061.52**	**368.14**

Notes:

[1]Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Group has created first charge over its certain land and buildings having carrying value of ₹ 10.27 cr (March 31, 2019: ₹ 10.23 cr) in favour of the Government of Gujarat and paid security deposit ₹ 2 cr (March 31, 2019: ₹ 2 cr).

[2]Includes premises on ownership basis ₹ 1.10 cr (March 31, 2019: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2019: ₹ 2,000).

[3]Capital work-in-progress mainly comprises addition | expansion projects in progress.

[4]Includes impairment loss of ₹ 1.06 cr being the write-down value of certain property, plant and equipment to the recoverable amount.

[5]Refer Note 16 for information on property, plant and equipment hypothecated | mortgaged as security by the Group.

[6]Refer Note 29.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

[7]Refer Note 29.12 for disclosure of right-of-use assets under lease.

(₹ cr)

Note 3 Investment properties	As at March 31, 2020	As at March 31, 2019
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, 2020	As at March 31, 2019
Investment properties	93.51	110.00
	93.51	**110.00**

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 and goodwill	Computer software	Non-compete fees	Total	Goodwill
Gross carrying amount				
As at March 31, 2018	**0.22**	**-**	**0.22**	**23.75**
Additions	0.18	20.00	20.18	-
Acquisition	0.14	-	0.14	8.56
As at March 31, 2019	**0.54**	**20.00**	**20.54**	**32.31**
Additions	0.80	-	0.80	-
Disposal, transfer and adjustments	-	-	-	(3.17)
As at March 31, 2020	**1.34**	**19.46**	**21.34**	**29.14**
Amortisation				
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**	**-**
Amortisation charged for the year	0.16	4.00	4.16	-
Up to March 31, 2020	**0.42**	**4.67**	**5.09**	**-**
Net carrying amount				
As at March 31, 2019	0.28	19.33	19.61	32.31
As at March 31, 2020	**0.92**	**14.79**	**16.25**	**29.14**

Significant estimate - Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit (CGU), representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the operating segment of the Group. The impairment loss of the CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the CGU pro-rata on the basis of the carrying amount of such asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss. It is not reversed in the subsequent period.

The goodwill of ₹ 20.58 cr pertains to the control acquisition of Amal Ltd. The recoverable amount of the cash generating unit has been determined based on the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal has been determined based on closing quoted share price of Amal Ltd on an active market as on March 31, 2020.

The goodwill of ₹ 8.56 cr pertains to the Ambernath manufacturing facility, Active Pharma Ingredients business of Polydrug Laboratories Pvt Ltd, which was acquired by a subsidiary company during the previous year. The recoverable amount of this Ambernath manufacturing facility is determined based on value in use, which is derived by using five years cash flow projections with following key assumptions:

Particulars	Assumptions
Annual growth rate	Based on the estimated market share
Terminal growth rate	1%
Weighted average cost of capital % (WACC) before tax	18.1%
Expected gross margins	Based on prior experience

Cash flow projections are based on the expected market share, gross margins and prior experience.

The Management believes that any reasonably possible change in the key assumptions may not cause the carrying amount to exceed the recoverable amount of the cash generating units. Accordingly, there was no impairment recorded during the year.

Note 5 Biological assets

a) Biological assets of the Group consist:

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, 2020		March 31, 2019	
	Mature	Immature	Mature	Immature
Opening balance	**9.03**	**13.15**	**11.20**	**11.50**
Increase due to production	0.19	12.48	0.17	11.70
Change due to biological transformation	10.68	(10.31)	10.05	(10.05)
Decrease due to sale	(8.56)	-	(13.42)	-
Decrease due to write off	(0.30)	(0.57)	(0.13)	-
Change in fair value due to price changes	2.11	-	1.16	-
Closing balance	**13.15**	**14.75**	**9.03**	**13.15**
Current assets	13.15		9.03	-
Non-current assets*		14.75	-	13.15
Biological assets shown in Balance Sheet	**13.15**	**14.75**	**9.03**	**13.15**

*Non-current biological asset is expected to take more than 12 months from reporting date to become ready for dispatch.

As at March 31, 2020 the Group had 13,721 mature plants (March 31, 2019: 14,380) and 1,12,814 immature plants (March 31, 2019: 3,42,716).

During current year the Group has sold 1,10,557 plants (March 31, 2019: 1,52,898).

(₹ cr)

Note 6.1 Investments accounted for using the equity method	Place of business	% of ownership interest	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments (fully paid-up)				
Unquoted investment in joint venture company:				
Rudolf Atul Chemicals Ltd	India	50	15.74	10.72
Add: Group share of profit for the year			4.98	5.02
Less: Dividend received			(2.19)	-
Total equity accounted investments			**18.53**	**15.74**

(₹ cr)

Note 6.2 Other investments		Face value[1]	As at March 31, 2020		As at March 31, 2019	
			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	1,000	0.01
	Arvind Fashions Ltd	4	8,25,494	12.10	8,25,494	86.11
	Arvind Ltd	10	41,27,471	8.11	41,27,471	37.54
	Arvind SmartSpaces Ltd	10	4,12,747	2.79	4,12,747	5.40
	Aurobindo Pharma Ltd	1	500	0.02	500	0.04
	Avenue Supermarket Ltd	10	50	0.01		
	Balmer Lawrie & Co Ltd	10	3,000	0.02	2,000	0.04
	Banswara Syntex Ltd	10	4,500	0.03	4,500	0.03
	BASF India Ltd	10	2,61,396	29.41	2,61,396	38.70
	Camlin Fine Sciences Ltd	10	1,000	0.01	1,000	0.01
	Cummins India Ltd	2	191	0.01	191	0.01
	DIC India Ltd	10	250	0.01	250	0.01
	ICICI Bank Ltd	2	1,09,026	3.53	1,09,026	4.36
	IDFC First Bank Ltd	10	15,729	0.03	15,729	0.09
	Jain Irrigation Systems Ltd	2	-	-	4,000	0.02
	Jain Irrigation Systems Ltd - DVR[2]	2	-		200	
	Mayur Uniquoters Ltd	10	500	0.01	500	0.02
	Nagarjuna Fertilizers and Chemicals Ltd	1	-	-	34,650	0.02
	Nagarjuna Oil Refinery Ltd	1	-	-	31,500	-
	NOCIL Ltd	10	2,001	0.01	2,001	0.03
	Novartis India Ltd	5	3,84,660	19.33	3,84,660	26.40
	Piramal Enterprises Ltd	2	105	0.01	105	0.03
	Pfizer Ltd	10	9,58,927	385.78	9,58,927	318.94
	Power Mech Projects Ltd	10	20		20	0.01
	Prabhat Dairy Ltd	10	2,500	0.01	2,500	0.02
	Praj Industries Ltd	10	1,000	0.01	1,000	0.02
	Sanghavi Movers Ltd	2	500		500	0.01
	Tata Motors Ltd	2	3,500	0.02	3,500	0.06
	The Anup Engineering Ltd	10	1,52,869	4.98	1,52,869	8.54
	Thomas Cook (I) Ltd	10	500		500	0.01
	VA Tech Wabag Ltd	2	1,500	0.01	1,500	0.05
	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

(₹ cr)

Note 6.2 Other investments		Face value[1]	As at March 31, 2020		As at March 31, 2019	
			Number of shares	Amount	Number of shares	Amount
	OPGS Power Gujarat Pvt Ltd	0.19	5,03,000	0.01	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 National Highways Authority of India bonds			-		0.10
				467.09		**527.46**

(₹ cr)

Note 6.3 Current investment	As at March 31, 2020		As at March 31, 2019	
	Number of units	Amount	Number of units	Amount
Investment in mutual funds measured at FVPL				
Unquoted				
Aditya Birla Sun Life Arbitrage Fund	3,52,78,244	74.74	1,35,97,777	15.01
Axis Arbitrage Fund	5,67,53,266	79.34	85,03,999	9.39
DSP Arbitrage Fund	1,17,21,118	13.37	-	-
Edelweiss Arbitrage Fund	38,90,613	5.88	2,34,29,739	24.97
HDFC Arbitrage Fund	4,96,28,957	74.09	95,52,694	10.20
ICICI Prudential Equity Arbitrage Fund	2,52,04,429	68.01	-	-
Nippon Arbitrage Fund	10,16,137	2.07	4,29,87,219	47.27
SBI Arbitrage Fund	3,00,07,595	78.34	21,08,831	3.49
Aditya Birla Liquid Fund	-	-	5,72,113	17.19
Axis Liquid | Short-term Fund	6,36,308	98.43	1,35,821	28.16
HDFC Liquid Fund	1,84,728	72.17	46,535	17.12
Nippon Liquid Fund	202	0.09	45,446	20.73
SBI Liquid | Short-term Fund	2,71,042	85.16	52,166	15.28
		651.69		**208.81**

Aggregate amount of investments and market value thereof:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments	466.26	526.53
Aggregate market value of quoted investments	466.26	526.53
Aggregate amount of unquoted investments	671.05	225.48
Aggregate amount of impairment in value of investments	-	-

[1]In ₹ and fully paid unless otherwise stated | [2]Shares with differential voting rights (DVR) carrying value of ₹ nil (March 31, 2019: ₹ 8,520) | [3]Under liquidation

(₹ cr)

Note 7 Loans	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Loan to others				
Considered good - unsecured	0.15	0.12	0.15	0.22
	0.15	**0.12**	**0.15**	**0.22**

(₹ cr)

Note 8 Other financial assets		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Security deposits for utilities and premises	0.90	2.10	0.94	1.53
b)	Derivative financial assets designated as hedges (net)	-	-	1.22	-
c)	Finance lease receivables	-	1.20	-	
d)	Balance with banks in fixed deposits, with maturity beyond 12 months	-	0.01	-	-
e)	Dividend receivable	-	-	0.01	-
f)	Other receivables (including discount receivable, insurance receivable, etc)	32.05	-	18.92	-
		32.95	**3.31**	**21.09**	**1.53**

(₹ cr)

Note 9 Other assets			As at March 31, 2020		As at March 31, 2019	
			Current	Non-current	Current	Non-current
a)	Balances with government authorities					
	i)	Taxes paid under protest	-	19.19	-	19.64
	ii)	GST | VAT receivable	53.20	17.61	92.83	6.50
	iii)	Balances with statutory authorities	0.34	-	0.57	-
	iv)	Deposit paid under protest	-	0.17	-	0.17
	v)	Security deposit	-	2.08	-	2.05
b)	Export incentive receivables		27.01	-	35.38	-
c)	Capital advances		-	27.20	-	9.74
d)	Prepayment					
		Others	43.83	-	26.61	-
e)	Other receivables		1.02	0.52	3.01	-
			125.40	**66.77**	**158.40**	**38.10**

(₹ cr)

Note 10 Inventories*		As at March 31, 2020	As at March 31, 2019
a)	Raw materials and packing materials	112.12	112.06
	Add: Goods-in-transit	28.76	20.72
		140.88	132.78
b)	Work-in-progress	130.65	110.78
c)	Finished goods	196.27	220.35
d)	Stock-in-trade	0.65	1.73
e)	Stores, spares and fuel	30.85	41.79
	Add: Goods-in-transit	4.07	4.39
		34.92	46.18
		503.37	**511.82**

*Valued at cost or net realisable value whichever is lower.

Inventories are valued considering provision for allowance for obsolescence, inventory carrying risk and delay in usage caused by the slow production pace due to lower off-take in present situation. In addition to the historical pattern of inventory provision, the Group has considered the likelihood of reduction in sales price, customer orders on hand and margins, including subsequent cancellations, if any, nature and aging of inventories to reflect current and estimated future economic conditions also taking into account the possible effects due to COVID-19. This assessment is also considering the product demand, expected price trend and sales plan in respective industries.

Amounts recognised in the Consolidated Statement of Profit and Loss of ₹ 13.79 cr (March 31, 2019: ₹ 12.35 cr).

(₹ cr)

	Note 11 Trade receivables	As at March 31, 2020	As at March 31, 2019
a)	Considered good - unsecured	727.67	702.51
b)	Which have significant increase in credit risk	2.37	3.57
	Less: Allowance for doubtful debts (refer Note 29.8)	(10.31)	(7.61)
		719.73	**698.47**

Trade receivables are valued considering provision for allowance using expected credit loss method. In addition to the historical pattern of credit losses, the Group has considered the likelihood of increased credit credit risks, subsequent recoveries, insurance and consequential default considering emerging situations due to COVID-19. This assessment is considering the nature of industries, impact immediately seen in the demand outlook of these industries and the financial strength of the customers in respect of whom amounts are receivable.

Allowance for doubtful debts recognised in the Consolidated Statement of Profit and Loss of ₹ 6.46 cr (March 31, 2019: ₹ 6.88 cr).

(₹ cr)

	Note 12 Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
a)	Balances with banks		
	In current accounts	26.06	37.47
b)	Cash on hand	0.13	0.12
		26.19	**37.59**

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, 2020	As at March 31, 2019
a)	Unclaimed dividend	3.26	2.14
b)	Unclaimed interest on public deposit	0.01	0.01
c)	Short-term bank deposit with maturity between 3 to 12 months	5.91	14.76
		9.18	**16.91**

(₹ cr)

Note 14 Equity share capital	As at March 31, 2020	As at March 31, 2019
Authorised		
8,00,00,000 (March 31, 2019: 8,00,00,000) equity shares of ₹ 10 each	80.00	80.00
	80.00	80.00
Issued		
2,96,91,780 (March 31, 2019: 2,96,91,780) equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (March 31, 2019: 2,96,61,733) equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (March 31, 2019: 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:

No.	Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
		Holding %	Number of Shares	Holding %	Number of Shares
1	Aagam Holdings Pvt Ltd	22.42%	66,50,700	22.42%	66,50,700
2	Arvind Farms Pvt Ltd	9.43%	27,96,208	9.35%	27,72,642
3	HDFC Trustee Company Ltd	7.15%	21,21,942	6.01%	17,82,336

(₹ cr)

Note 15 Other equity	As at March 31, 2020	As at March 31, 2019
Summary of other equity balance		
a) Securities premium	34.66	34.66
b) General reserve	97.69	97.41
c) Retained earnings	2,576.56	2,064.79
d) Other reserves		
i) FVOCI equity instruments	398.18	462.63
ii) Effective portion of cash flows hedges	(1.64)	0.79
iii) Exchange difference in translating the Financial Statements of a foreign operation	19.77	15.75
	3,125.22	**2,676.03**

Refer Consolidated Statement of changes in equity for detailed movement in other equity balance.

Nature and purpose of other reserves

a) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve
General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956 and local laws of respective foreign subsidiary companies.

c) Retained earnings
Retained earnings are the profits that the 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**	**As at March 31, 2020**		**As at March 31, 2019**	
				Current	**Non-current**	**Current**	**Non-current**
a)	Secured						
	i) Rupee term loan from banks (refer Note a)	July 2025	20 equal quarterly installments	-	40.94	-	27.82
		December 2025	22 equal quarterly installments	-	32.78	-	2.00
	ii) Foreign currency term loan from banks (refer Note b)	May 2023	50 equal monthly installments	-	0.99	-	0.99
		August 2023	48 equal monthly installments starting from September 2019	-	16.85	-	10.37
	iii) Working capital loans from banks (refer Note c)	1 - 12 months	Repayable on demand	3.39	2.00	4.32	-
b)	Unsecured						-
	i) Rupee term loan from a bank	March 2021	8 quarterly installments	-	4.52	-	4.17
	ii) Loan from banks including foreign banks	1 - 6 months	1 - 6 months	-	-	-	-
	iii) Loan from Related Parties	1 - 6 months	1 - 6 months	7.00	-	5.08	-
				10.39	**98.08**	**9.40**	**45.35**
	Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 17)			-	(11.50)	-	(2.21)
	Interest accrued disclosed under the head 'Other financial liabilities' (refer Note 17)				-	(0.08)	-
				10.39	**86.58**	**9.32**	**43.14**

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 ₹ 133.02 cr (March 31, 2019: ₹ 102.31 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, 2020	As at March 31, 2019
First charge for current and second charge for non-current borrowings			
i)	Inventories	465.04	454.25
ii)	Trade receivables	739.05	799.82
iii)	Current assets other than inventories and trade receivables	160.14	193.60
		1,364.23	**1,447.67**
First charge for non-current and second charge for current borrowings			
Property plant and equipment excluding leasehold land		1,100.22	1,082.57
Total assets as security		**2,464.45**	**2,530.24**

c) Net debt reconciliation:

(₹ cr)

Particulars	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
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**
(Repayments) | Disbursements	0.99	52.73	53.71
Interest expense	1.29	3.84	5.13
Interest paid	(1.29)	(3.84)	(5.13)
Net debt as at March 31, 2020	**10.39**	**98.08**	**108.47**

(₹ cr)

Note 17 Other financial liabilities		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Current maturities of long-term debt (refer Note 16)	11.50	-	2.21	-
b)	Employee benefits payable	59.54	-	49.53	-
c)	Security deposits	28.10	-	-	25.42
d)	Interest accrued but not due (refer Note 16)	-	-	0.08	-
e)	Unclaimed dividends*	3.26	-	2.14	-
f)	Unclaimed matured deposits and interest thereon*	-	-	0.01	-
g)	Derivative financial liabilities designated as hedges (net)	1.62	-	-	-
h)	Creditor for capital goods	57.46	-	81.78	-
i)	Lease liabilities#	-	6.71	-	-
j)	Other liabilities (includes discount payable)	6.78	2.96	2.86	2.61
		168.26	**9.67**	**138.61**	**28.03**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2020.

#Refer Note 29.12 for disclosure of lease liabilities.

(₹ cr)

Note 18 Provisions		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Provision for compensated absences	9.06	20.06	7.19	19.13
b)	Others {refer i (b) and (ii) below}	28.61	-	22.68	-
		37.67	**20.06**	**29.87**	**19.13**

i) Information about individual provisions and significant estimates:

a) Compensated absences:

The Compensated absences cover the liability for sick and earned absences. Out of the total amount disclosed above, the amount of ₹ 9.06 cr (March 31, 2019: ₹ 7.19 cr) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

b) Others:

Regulatory and other claims:

The Group has provided for certain regulatory and other charges for which claims have been received by the 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.

ii) Movements in provisions:

(₹ cr)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Regulatory and other claims	Effluent disposal and others	Regulatory and other claims	Effluent disposal and others
Balance as at the beginning of the year	20.79	1.89	-	3.18
Less: Utilised	-	(1.89)	-	(3.18)
Provision made during the year	5.88	1.95	20.79	1.89
Balance as at the end of the year	**26.67**	**1.95**	**20.79**	**1.89**

(₹ cr)

Note 19 Other liabilities		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Deferred income on account of government grant received	-	6.38	-	7.45
b)	Statutory dues	9.84	-	8.88	-
c)	Others	1.77	-	1.79	-
		11.61	**6.38**	**10.67**	**7.45**

(₹ cr)

Note 20 Trade payables		As at March 31, 2020	As at March 31, 2019
a)	Total outstanding dues of micro enterprises and small enterprises	8.62	7.74
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	469.01	371.89
		477.63	**379.63**

(₹ cr)

Note 21 Contract liabilities	As at March 31, 2020	As at March 31, 2019
a) Advances received from customers	25.49	8.46
	25.49	**8.46**

(₹ cr)

Note 22 Revenue from operations	2019-20	2018-19
Sale of products	3,954.29	3,921.34
Sale of services[1]	55.48	45.15
Scrap sales	9.50	9.16
Commission received	0.20	0.13
Processing charges	8.30	8.06
Revenue from contracts with customers	**4,027.77**	**3,983.84**
Export incentives	65.29	53.97
	4,093.06	**4,037.81**

[1]Includes ₹ 53.30 cr (2018-19: ₹ 42.86 cr) on account of freight and insurance in sale of goods on CIF (Cost, Insurance and Freight) which are identified as separate performance obligation under Ind AS 115.

Disaggregation of revenue from contracts with customers:

(₹ cr)

Particulars	2019-20	2018-19
Sale of goods | services		
Life Science Chemicals	**1,230.45**	**1,334.70**
Domestic	650.51	586.06
Export	579.94	748.64
Performance and Other Chemicals	**2,940.71**	**2,846.34**
Domestic	1,554.19	1,609.88
Export	1,386.52	1,236.46
Others	**36.83**	**29.97**
	4,207.99	**4,211.01**
Inter-segment revenue	180.22	227.17
	4,027.77	**3,983.84**

Reconciliation of revenue from contracts with customers recognised at contract price:

(₹ cr)

Particulars	2019-20	2018-19
Contract price	**4,078.30**	**4,007.89**
Adjustments for:		
Consideration payable to customers - discounts[1]	(52.92)	(22.62)
Contract price allocated to unsatisfied performance obligation for sale of services (net)[2]	2.39	(1.43)
Revenue from contract with customers	**4,027.77**	**3,983.84**

[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, 2020 of ₹ 3.73 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2019 for

₹ 6.12 cr. The revenue for exports in progress as at March 31, 2020 will be recognised in 2020-21 upon completion of the exports.

The Group has evaluated the impact of COVID-19 resulting from i) the possible constraints to continue its operations and revisions in costs to fulfill the pending obligations, ii) onerous obligations, iii) penalties, if any, relating to breaches of agreements and iv) termination or deferment of contracts by customers. The Group has concluded that the impact of COVID-19 is not material based on the said evaluation. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties relating to revenue in future periods.

(₹ cr)

Note 23 Other income	2019-20	2018-19
Dividend from equity investment measured at FVOCI	4.61	3.62
Dividends from investments measured at FVPL	14.49	2.41
Interest income from financial assets measured at amortised cost	4.12	3.04
Interest from others	1.21	2.22
Lease income	0.90	0.55
Fair value changes in biological assets	1.93	2.50
Gain on disposal of property, plant and equipment	0.69	0.09
Gain on sale of investment measured at FVPL	11.68	3.96
Exchange rate difference gain (net)	21.98	10.67
Miscellaneous income	16.43	5.80
	78.04	**34.86**

(₹ cr)

Note 24 Cost of materials consumed	2019-20	2018-19
Raw materials and packing materials consumed		
Stocks at commencement	113.67	113.38
Add: Purchase	1,812.86	2,108.87
Add: Inventory acquired on business combination	-	3.97
	1,926.53	2,226.22
Less: Stocks at close	112.12	113.67
	1,814.41	**2,112.55**

(₹ cr)

Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2019-20	2018-19
Stocks at close		
Finished goods	196.27	220.35
Work-in-progress	130.65	110.78
Stock-in-trade	0.66	1.73
	327.58	332.86
Add: Inventory acquired on Business Combination		
Finished goods	-	0.63
Work-in-progress	-	1.54
	-	2.17
Less: Stocks at commencement		
Finished goods	220.35	122.25
Work-in-progress	110.78	99.42
Stock-in-trade	1.73	1.93
	332.86	223.60
(Increase) | Decrease in stocks	**5.28**	**(107.09)**

(₹ cr)

Note 26 Employee benefit expenses	2019-20	2018-19
Salaries, wages and bonus (refer Note 29.6)	271.24	231.67
Contribution to Provident and other funds (refer Note 29.6)	17.84	19.01
Staff welfare	11.82	9.16
	300.90	**259.84**

(₹ cr)

Note 27 Finance costs	2019-20	2018-19
Interest on borrowings	4.51	0.67
Interest on financial liabilities at amortised cost	0.97	1.30
Interest on others	3.30	5.22
Other borrowing costs	0.62	0.22
	9.40	**7.41**

(₹ cr)

Note 28 Other expenses	2019-20	2018-19
Power, fuel and water	372.95	399.53
Freight charges	127.83	114.36
Manpower services	34.15	31.85
Consumption of stores and spares	57.94	54.96
Conversion and plant operation charges	52.21	55.03
Plant and equipment repairs	78.00	68.17
Building repairs	42.48	31.71
Sundry repairs	11.02	9.29
Rent	2.19	3.04
Rates and taxes	1.51	1.36
Insurance	13.27	6.94
Commission	0.02	7.36
Travelling and conveyance	18.89	18.72
Payments to the Statutory Auditors	1.37	1.00
Payments to the Cost Auditors	0.03	0.03
Directors' fees and travelling	1.92	1.66
Directors' commission (other than the Executive Directors)	0.91	1.09
Bad debts and irrecoverable balances written off	4.66	0.23
Provision for doubtful debts (net)	5.17	5.01
Loss on assets sold, discarded or demolished	0.41	1.39
Expenditure on Corporate Social Responsibility initiatives	10.09	8.31
Miscellaneous expenses	83.10	84.07
	920.12	**905.11**

Note 29.1 Contingent liabilities

(₹ cr)

Particulars		As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debts in respect of:			
i)	Excise duty	0.37	7.21
ii)	Income tax	6.65	7.38
iii)	Sales tax | VAT	0.72	0.67
iv)	Customs duty	1.94	1.94
v)	Others	104.40	102.43
vi)	Corporate guarantee	0.70	0.68

Others include claims on account of water charges and customer claims | potential claims.

The regulatory claims are under litigation at various forums. The Group expects the outcome of the above matters to be in its favour and has, therefore, not recognised provision in relation to these claims. The above excludes interest | penalty unless demanded by the authorities.

Note 29.2 Commitments

a) Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	109.24	97.84

b) The Group has a commitment of ₹ 5.12 cr (Previous year: ₹ nil) 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	2019-20	2018-19
Capital expenditure on building	-	1.34
Other capital expenditure	4.56	3.88
Recurring expenditure	26.78	24.79
	31.34	**30.01**

Note 29.4 Related party disclosures

Note 29.4 (A) Related party information

Name of the Related party and nature of relationship

No.	Name of the related party	Description of relationship
01	Aagam Holdings Pvt Ltd	Entity over which control exercised by Key Management Personnel
02	Aayojan Resources Pvt Ltd	
03	Adhigam Investments Pvt Ltd	
04	Samveg Agencies Pvt Ltd	
05	Rudolf Atul Chemicals Ltd	Joint venture company
06	Rudolf GmbH	Entity over which control exercised by Joint venture partner
07	Rudolf Hub 1922 S.r.l	
08	Key Management Personnel	
	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
	Amal Ltd	
	R Kumar	Managing Director
	A R Jadeja	Director
	S A Shah	Director
	S Mahalakshmi	Director
	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
	Atul Europe Ltd	
	Dr E Sharkey	Director
	J Collonge	Director
	S Nabar	Director
	DPD Ltd	
	A M Batra	Director
	Dr A 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
09	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
10	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 Trust	
	Urmi Stree Sanstha	
11	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			2019-20	2018-19
a)	**Other transactions**			
	1	Loan taken	**-**	**5.00**
		Aagam Holdings Pvt Ltd	-	5.00
	2	Repayment of loan received	**-**	**11.50**
		Aagam Holdings Pvt Ltd	-	11.50
	3	Interest paid on loan	**-**	**0.60**
		Aagam Holdings Pvt Ltd	-	0.60
	4	Lease rent received		
		Aagam Holdings Pvt Ltd (Current year: ₹ 15,000 and Previous year: ₹ 18,000)		
		Aayojan Resources Pvt Ltd (Current year: ₹ 5,000 and Previous year: ₹ 16,000)		
		Adhigam Investment Pvt Ltd (Current year: ₹ 10,000 and Previous year: ₹ 12,000)		
	5	Sale of property	**0.73**	**-**
		Aagam Holdings Pvt Ltd	0.73	-

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (C) Transactions with joint venture company			2019-20	2018-19
a)	**Sales and income**			
	1	Sale of goods	3.01	3.85
	2	Service charges received	3.83	3.29
	3	Lease rent received	0.66	0.54
	4	Interest received	0.52	0.09
	5	Brand usage charges	0.03	-
b)	**Purchase and expenses**			
	1	Purchase of goods	0.19	0.24
	2	Reimbursement of expenses (Current year: ₹ 19,738 and Previous year: ₹ 9,979)		
c)	**Other transactions**			
	1	Dividends received from equity investment measured at cost	2.19	-
	2	Reimbursement received	0.61	0.66
	3	Inter corporate deposit given	2.00	5.00
	4	Inter corporate deposit received back	-	5.00

All above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 29.4 (D) Transactions with entity over which control exercised by joint venturer			2019-20	2018-19
a)	**Sales and income**			
	1	Commission received	**0.82**	**0.61**
		Rudolf GmbH	0.82	0.61
b)	**Purchases and expenses**			
	1	Purchase of goods	**11.72**	**14.00**
		Rudolf GmbH	11.72	14.00
	2	Insurance expense	**0.04**	**0.05**
		Rudolf GmbH	0.04	0.05
	3	Business promotion and development	**0.89**	**-**
		Rudolf Hub 1922 S.r.l	0.89	-

All above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 29.4 (E) Key Management Personnel compensation		2019-20	2018-19
Remuneration		**20.24**	**17.36**
1	Short-term employee benefits	18.15	15.18
2	Post-employment benefits[1]	0.94	0.84
3	Commission and other benefits to Non-Executive | Independent Directors	1.15	1.34
4	Interest on deposits from Directors (Previous year: ₹ 2,181)	-	

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (F) Close family members of Key Management Personnel compensation		2019-20	2018-19
Remuneration[1]		**0.70**	**0.50**
1	Astha S Lalbhai	0.41	0.28
2	Saumya S Lalbhai	0.19	0.08
3	Nishtha S Lalbhai	0.10	0.14

[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 (G) Transactions with entities over which Key Management Personnel or their close family members have significant influence			2019-20	2018-19
a)	**Sales and income**			
	1	Sale of goods	**0.18**	**0.21**
		Atul Kelavani Mandal	0.05	0.06
		Atul Rural Development Fund (Current year: ₹ 42,289)		0.01
		Atul Vidyalaya Trust	0.13	0.14
		Urmi Stree Sanstha (Current year: ₹ 21,608 and Previous year: ₹ 29,503)		
b)	**Purchases and expenses**			
	1	Reimbursements		
		Urmi Stree Sanstha (Previous year: ₹ 22,860)	-	
c)	**Other transactions**			
	1	Expenditure on Corporate Social Responsibility initiatives	**8.16**	**6.42**
		Atul Foundation Trust	7.91	6.19
		Atul Rural Development Fund	0.25	0.23
	2	Reimbursements received	**0.06**	**0.05**
		Atul Foundation Trust (Previous year: ₹ 386)	0.01	
		Atul Kelavani Mandal	0.01	0.01
		Atul Rural Development Fund (Current year: ₹ 22,174 and Previous year: ₹ 27,772)		
		Atul Vidyalaya Trust	0.04	0.04
		Urmi Stree Sanstha (Current year: ₹ 12,000 and Previous year: ₹ 20,322)		

(₹ cr)

Note 29.4 (H) Outstanding balances at the year end			As at March 31, 2020	As at March 31, 2019
a)	**With joint venture company**			
	1	Receivables	8.04	6.76
	2	Refundable security deposit	2.20	2.40
	3	Payables (Current year: ₹ 22,818)		0.09
All above transactions are with Rudolf Atul Chemicals Ltd.				
b)	**With entity over which control exercised by joint venturer**			
	1	Payables	**1.51**	**0.72**
		Rudolf GmbH	0.63	0.72
		Rudolf Hub 1922 S.r.l	0.88	-

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (I) Outstanding balances at the year end			As at March 31, 2020	As at March 31, 2019
a)	**With entities over which Key Management Personnel or their close family members have significant influence**			
	1	Receivables	**0.09**	**0.03**
		Atul Foundation Trust (Current year: ₹ 15,181)		-
		Atul Kelavani Mandal (Previous year: ₹ 45,804)	0.01	
		Atul Rural Development Fund (Previous year: ₹ 41,276)	0.01	
		Atul Vidyalaya Trust	0.07	0.03
		Urmi Stree Sanstha (Current year: ₹ 10,023 and Previous year: ₹ 21,914)		
	2	Payables	**-**	**0.02**
		Atul Rural Development Fund (Previous year: ₹ 15,000)	-	
		Atul Vidyalaya Trust	-	0.02

Note 29.5 Current and deferred tax

During the year the Company and certain subsidiary companies have adopted option available under Section 115 BAA of the Income Tax Act, 1961 as per the taxation laws (amendment) Act, 2019 dated December 11, 2019. Accordingly, tax expenses, deferred tax assets | liabilities have been recomputed and impact of this has been recognised in the Consolidated Statement of Profit or Loss for the year ended March 31, 2020.

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

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

(₹ cr)

Particulars		2019-20	2018-19
i)	**Current tax**		
	Current tax on profit for the year	214.37	242.73
	Adjustments for current tax of prior periods	(1.47)	0.89
	Total current tax expense	**212.90**	**243.62**
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	7.88	24.01
	Decrease | (Increase) in deferred tax assets	(13.37)	(23.31)
	Adjustments for deferred tax of prior periods due to change in statutory tax rate	(32.90)	-
	Total deferred tax expense | (benefit)	**(38.39)**	**0.70**
	Income tax expense	**174.51**	**244.32**

Note 29.5 Current and deferred tax (continued)

b) Income tax expense recognised in statement of other comprehensive income:

(₹ cr)

	Particulars	2019-20	2018-19
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	(0.53)	(0.08)
	Total current tax expense	**(0.53)**	**(0.08)**
ii)	**Deferred tax**		
	Fair value equity investment	4.24	11.00
	Effective portion of gain |(loss) on cash flow hedges	(0.41)	0.43
	Foreign currency translation reserve	3.40	-
	Total deferred tax expense | (benefit)	**7.23**	**11.43**
	Income tax expense	**6.70**	**11.35**

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

		Particulars	2019-20	2018-19
a)	Statutory income tax rate		25.17%	34.94%
b)	Differences due to:			
	i)	Non-deductible expenses	0.19%	0.49%
	ii)	Exempt income	(0.86%)	(0.40%)
	iii)	Income tax incentives	(0.03%)	(1.15%)
	iv)	Effect of deferred tax expense	(3.92%)	-
	v)	Others	0.09%	2.03%
	Effective income tax rate		**20.64%**	**35.91%**

The Company and certain subsidiary companies have adopted the option available under Section 115 BAA of the Income Tax Act, 1961 accordingly statutory income tax rate is revised to 25.17%.

d) Current tax liabilities (net)

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	0.67	8.13
Add: Current tax payable for the year	212.90	243.62
Less: Taxes paid	(212.85)	(251.08)
Closing balance	**0.72**	**0.67**

e) Current tax assets (net)

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	8.42	2.58
Add: Tax paid in advance, net of provisions during the year	4.50	5.84
Closing balance	**12.92**	**8.42**

Note 29.5 Current and deferred tax (continued)

f) Deferred tax liabilities | (assets)

The following is the analysis of deferred tax liabilities | (assets) balances presented in the Consolidated Balance Sheet:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	114.75	139.48
Deferred tax assets	(6.91)	(0.52)
	107.84	**138.96**

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

(₹ cr)

Particulars	As at March 31, 2020	Charged | (Credited) to		As at March 31, 2019	Charged | (Credited) to		As at March 31, 2019
		profit or loss[1]	OCI | equity		profit or loss	OCI | equity	
Property, plant and equipment	100.62	(46.49)	-	147.11	1.88	-	145.23
Fair value equity investments (net)	15.24	-	4.24	11.00	-	11.00	-
Undistributed profit of subsidiary companies	18.93	8.12	-	10.81	10.81	-	-
Foreign currency translation reserve	3.40	-	3.40	-	-	-	-
Unrealised gain on mutual fund	0.39	0.07	-	0.32	0.32	-	-
Effective portion of gains | (loss) on cash flow hedges	0.02	-	(0.41)	0.43	-	0.41	0.02
Provision for leave encashment	(7.44)	1.75	-	(9.19)	(1.10)	-	(8.09)
Provision for doubtful debts	(2.63)	0.03	-	(2.66)	(1.01)	-	(1.65)
Regulatory and other charges	(6.72)	2.07	-	(8.79)	(8.79)	-	-
Investment properties	(6.70)	(0.22)	-	(6.48)	(0.27)	-	(6.21)
Elimination of profits resulting from intragroup transactions	(4.04)	(2.15)	-	(1.89)	0.41	-	(2.30)
MAT credit entitlement	(0.22)	(0.08)	-	(0.14)	(0.03)	-	(0.11)
Others	(3.01)	(1.45)	-	(1.56)	0.79	-	(2.35)
Net deferred tax (assets) | liabilities	**107.84**	**(38.35)**	**7.23**	**138.96**	**3.01**	**11.41**	**124.54**

[1]Inculdes ₹ 32.90 cr impact of tax rate changes

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, 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	-	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**
Current service cost	2.81	-	2.81
Past service cost	-	-	-
Interest expense | (income)	3.49	(3.48)	0.01
Total amount recognised in the Consolidated Statement of Profit and Loss	**6.30**	**(3.48)**	**2.82**
Remeasurement			
Return on plan assets, excluding amount included in interest expense | (income)	-	0.51	0.51
(Gain) from change in demographic assumptions	(0.26)	-	(0.26)
Loss from change in financial assumptions	2.16	-	2.16
Experience (gain)	(0.32)	-	(0.32)
Total amount recognised in other comprehensive income	**1.58**	**0.51**	**2.09**
Employer contributions	-	(4.87)	(4.87)
Benefit payments	(5.56)	5.56	-
As at March 31, 2020	**50.71**	**(50.58)**	**0.13**

The net liability disclosed above relates to following funded and unfunded plans:

(₹ cr)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	50.71	48.39
Fair value of plan assets	(50.58)	(48.30)
Deficit of Gratuity plan	**0.13**	**0.09**

Note 29.6 Employee benefit obligations (continued)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	5.21% to 6.43%	7.22%
Attrition rate	14% to 37%	11.87%
Rate of return on plan assets	5.21% to 6.43%	7.22%
Salary escalation rate	8.40%	8.04%

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount rate	1.00%	1.00%	(3.24%)	(3.14%)	3.51%	3.42%
Attrition rate	1.00%	1.00%	(0.42%)	(0.22%)	0.45%	0.23%
Rate of return on plan assets	1.00%	1.00%	(3.24%)	(3.14%)	3.51%	3.42%
Salary escalation rate	1.00%	1.00%	3.41%	3.36%	(3.21%)	(3.15%)

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 category of plan assets are as follows:

(₹ cr)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Unquoted	in %	Unquoted	in %
Government of India assets	1.18	2.33%	1.18	2.44%
Debt instruments				
Corporate bonds	1.11	2.19%	1.05	2.18%
Investment funds				
Insurance funds	43.14	85.31%	43.19	89.45%
Others	4.98	9.85%	2.70	5.60%
Special deposit scheme	0.16	0.32%	0.16	0.33%
	50.57	**100.00%**	**48.28**	**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. All 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, 2021 are ₹ 3.34 cr.

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

(₹ cr)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Expected defined benefit obligation (gratuity)					
As at March 31, 2020	10.19	8.48	20.34	25.97	64.97
As at March 31, 2019	12.73	6.57	18.38	27.12	64.80

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, 2020.

(₹ cr)

Expenses recognised for the year ended March 31, 2020 (included in Note 26)		As at March 31, 2020	As at March 31, 2019
i)	Defined benefit obligation	10.81	10.29
ii)	Fund	11.14	10.25
iii)	Net asset | (liability)	0.33	(0.04)
iv)	Charge to the Consolidated Statement of Profit and Loss during the year	0.18	0.28

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	2019-20	2018-19
i)	Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate
ii)	Withdrawal rate	5% pa for all age groups	5.0% pa for all age groups
iii)	Rate of discount	6.24%	7.22%
iv)	Expected rate of interest	8.50%	8.65%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.50%	8.65%

b) Defined contribution plans:

Provident and other funds:

Amount of ₹ 15.03 cr (March 31, 2019: ₹ 15.98 cr) {net of ₹ 0.26 cr (March 31, 2019: ₹ 0.21 cr) from the Pradhan Mantri Rojgar Protsahan Yojana} is recognised as expense and included in Note 26 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 5.69 cr (March 31, 2019: ₹ 3.57 cr) is recognised as expense and included in Note 26 ' Salaries, wages and bonus'.

c) The Group is studying the legal position on the implications of the relevant judgement of the Supreme Court on applicability of provident fund on its various allowances and is in the process of expeditiously depositing related dues, if any.

Note 29.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	-	467.08	-	-	527.35	-
Mutual funds	651.69	-	-	208.81	-	-
Government securities	-	-	0.01	-	-	0.01
Investment in National Highways Authority of India bonds	-	-	-	-	-	0.10
Trade receivables	-	-	719.73	-	-	698.47
Loans	-	-	0.27	-	-	0.37
Security deposits for utilities and premises	-	-	3.00	-	-	2.47
Dividend receivable	-	-	-	-	-	0.01
Derivative financial assets designated as hedges (net)	-	-	-	-	1.22	-
Cash and bank balances	-	-	35.37	-	-	54.50
Other receivables	-	-	32.06	-	-	18.92
Total financial assets	**651.69**	**467.08**	**791.64**	**208.81**	**528.57**	**774.85**

Note 29.7 Fair value measurements (continued)

(₹ cr)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings	-	-	108.47	-	-	54.75
Trade payables	-	-	477.63	-	-	379.63
Security deposits	-	-	28.10	-	-	25.42
Derivative financial liabilities designated as hedges (net)	-	1.62	-	-	-	-
Employee benefits payable	-	-	59.54	-	-	49.53
Creditors for capital goods	-	-	57.46	-	-	81.78
Lease liabilities	-	-	6.71	-	-	-
Other liabilities (includes discount payables)	-	-	13.00	-	-	7.70
Total financial liabilities	**-**	**1.62**	**750.91**	**-**	**-**	**598.81**

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

i)	Financial assets and liabilities measured at fair value as at March 31, 2020	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVPL:					
	Mutual funds	6.3	-	651.69	-	651.69
	Financial investments at FVOCI:					
	Quoted equity shares	6.2	466.27	-	-	466.27
	Unquoted equity shares[1]	6.2	-	-	0.81	0.81
	Total financial assets		**466.27**	**651.69**	**0.81**	**1,118.77**
	Financial liabilities					
	Derivatives designated as hedges:					
	Currency options	17	-	1.62	-	1.62
	Biological assets					
	Tissue culture raised date palms		-	-	27.90	27.90
	Total biological assets		**-**	**-**	**27.90**	**27.90**

Note 29.7 Fair value measurements (continued)

(₹ cr)

ii)	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**

[1]Includes investments in Bharuch Enviro Infrastructure Ltd (70,000 equity shares), Narmada Clean Tech Ltd (7,15,272 equity shares) and 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: This 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 techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments,

ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the 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, 2020	As at March 31, 2019
	Carrying amount | Fair value	Carrying amount | Fair value
Financial assets		
Investments:		
Government securities	0.01	0.01
Investment in National Highways Authority of India bonds	-	0.10
Security deposits for utilities and premises	3.00	2.47
Total financial assets	**3.01**	**2.58**
Financial Liabilities		
Borrowings	108.47	54.75
Security deposits	28.10	25.42
Lease liabilities	6.71	-
Total financial liabilities	**143.28**	**80.17**

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, investment in mutual funds, 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:

(₹ cr)

As at March 31, 2020	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	16	108.47	21.89	86.58	108.47
Trade payables	20	477.63	477.63	-	477.63
Security and other deposits	17	28.10	28.10	-	28.10
Employee benefits payable	17	59.54	59.54	-	59.54
Creditors for capital goods	17	57.46	57.46	-	57.46
Other liabilities	17	19.71	16.75	2.96	19.71
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

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, 2020 is ₹ 467.08 cr (March 31, 2019: ₹ 527.35 cr). The fair value of mutual fund classified at fair value through profit and loss as at March 31, 2020 is ₹ 651.69 cr (March 31, 2019: ₹ 208.81 cr).	In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management Policy. 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 ₹ 34.64 cr gain in other comprehensive income (2018-19: ₹ 25.67 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, 2020, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 9.89 cr (March 31, 2019: ₹ 9.40)	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 (2018-19: ₹ 0.02) gain in other comprehensive income. A 25 bps decrease in interest rates would have led to an equal but opposite effect.
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 ₹ 5.53 cr gain in other comprehensive income (2018-19: gain of ₹ 2.91 cr). A 2% decrease would have led to an increase in additional ₹ 3.83 cr loss in other comprehensive income (2018-19: loss of ₹ 2.24 cr).

Note 29.8 Financial risk management (continued)

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, 2020					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Cash and cash equivalents (EEFC account)	0.60	4.55	-	-	-	-
Trade receivables	38.63	291.26	1.97	16.29	6.76	62.90
Less:						
Hedged through derivatives[1]						
Currency range options	38.34	289.07	-	-	-	-
Net exposure to foreign currency risk (assets)	**0.89**	**6.73**	**1.97**	**16.29**	**6.76**	**62.90**
Financial liabilities						
Trade payables	10.45	78.78	0.19	1.55	0.30	2.82
Net exposure to foreign currency risk (liabilities)	**10.45**	**78.78**	**0.19**	**1.55**	**0.30**	**2.82**

[1]Includes hedges for highly probable transactions up to next 12 months

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

c) Management of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or 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, 2018	**2.60**
Changes in loss allowance	5.01
Loss allowance as on March 31, 2019	**7.61**
Changes in loss allowance	2.70
Loss allowance as on March 31, 2020	**10.31**

Note 29.8 Financial risk management (continued)

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, 2020

(₹ 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	289.07	-	-	1.62	1-12	73.05-75.36	1.62	(1.62)

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)

b) Disclosure of effects of hedge accounting on financial performance:

As at March 31, 2020

(₹ 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	1.62	-	1.22	Trade receivables and payables

Note 29.8 Financial risk management (continued)

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 receivables and payables

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
Derivative instruments	**As at March 31, 2020**	**As at March 31, 2019**
Balance at the beginning of the year	**0.79**	**0.03**
Gain | (Loss) recognised in other comprehensive income during the year	(1.62)	1.22
Amount reclassified to revenue during the year	(1.22)	(0.03)
Tax impact on above	0.41	(0.43)
Balance at the end of the year	**(1.64)**	**0.79**

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, 2020	As at March 31, 2019
Total debt	108.47	54.75
Total equity	3,154.90	2,705.71
Debt-equity ratio	0.03	0.02

Note 29.10 Offsetting financial assets and liabilities

The Group has not offset any financial asset and financial liability. The Group offsets a financial asset and a financial liability when it currently has a legal enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Consolidated Balance Sheet.

Note 29.10 Offsetting financial assets and liabilities (continued)

b) Collateral against borrowings

The Group has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer to Note 16 for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement such collateral can be adjusted against the amounts due.

Note 29.11 Earnings per share

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

Particulars		2019-20	2018-19
Profit for the year attributable to the equity shareholders	₹ cr	670.91	436.02
Basic | Weighted average number of equity shares outstanding during the year	Number	29,661,733	29,661,733
Nominal value of equity share	₹	10	10
Basic and diluted EPS	₹	224.69	145.72

Note 29.12 Leases

The Group adopted Ind AS 116, 'Lease' effective from April 01, 2019, and has elected to apply this standard to its leases with modified retrospective approach with the cumulative effect, recognised at the date of initial application.

Initial lease liability has been measured at present value of the remaining lease payments and discounted at incremental borrowing rate of the Group as on April 01, 2019, with an equivalent amount for the right-of-use asset. The comparative information of previous year is not restated as permitted by Ind AS 116.

a) As a lessee

i) Following are the changes in the carrying value of right-of-use assets:

(₹ cr)

Particulars	As at March 31, 2020
As at April 01, 2019	7.10
Additions	-
Deletions	-
Depreciation | Amortisation	(0.57)
As at March 31, 2020	6.53

ii) Following movement in lease liabilities:

(₹ cr)

Particulars	As at March 31, 2020
As at April 01, 2019	7.10
Additions	-
Deletions	-
Finance cost accrued	0.35
Payment of lease liabilities	(0.73)
Translation difference	(0.01)
As at March 31, 2020	6.71

Note 29.12 Leases (continued)

iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹ cr)

Particulars	As at March 31, 2020
Less than one year	0.43
One to five years	2.61
More than five years	3.90
Total	6.94

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rent paid to lessor for short-term lease period is recognised into the Consolidated Statement of Profit and Loss as Rent in Note 28 'Other expenses'.

Cash payments for the principal portion and interest of the lease liabilities are classified within financing activities and short-term lease payments within operating activities.

b) As a lessor

i) Operating lease

The Group has entered into operating leases on its office buildings and land. These are cancellable by the Group, having a term between 11 months and three years and have no specific obligation for renewal. Rents received are recognised in the Consolidated Statement of Profit and Loss as lease income in Note 23 'Other income'.

ii) Finance lease

a) The Group 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 (MLP), are as under:

(₹ cr)

Particulars	As at March 31, 2020		As at March 31, 2019	
	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	0.35	0.40	0.33
Later than 5 years	1.80	0.85	1.80	0.80
Total minimum lease payments receivable	**2.20**	**1.20**	**2.40**	**1.33**
Less: unearned finance income	1.00	-	1.07	-
Present value of minimum lease payments receivable	**1.20**	**1.20**	**1.33**	**1.33**
Less: allowance for uncollectible lease payments	-	-	-	-
	1.20	**1.20**	**1.33**	**1.33**

b) The Group has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option with the Group 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, 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
			%	%	%	%
Aaranyak Urmi Ltd	Food products	India	100	100	-	-
Aasthan Dates Ltd	Agri products	India	100	100	-	-
Amal Ltd	Chemicals	India	50	53	50	47
Anchor Adhesives Pvt Ltd	Chemicals	India	100	100	-	-
Atul Aarogya Ltd	Healthcare products	India	100	100	-	-
Atul Ayurveda Ltd	Ayurvedic products	India	100	100	-	-
Atul Bioscience Ltd	Chemicals	India	100	100	-	-
Atul Biospace Ltd	Agri products	India	100	100	-	-
Atul Brasil Qumicos Ltda	Chemicals	Brasil	100	100	-	-
Atul China Ltd	Chemicals	China	100	100	-	-
Atul Clean Energy Ltd	Renewable energy	India	100	100	-	-
Atul Crop Care Ltd	Agri products	India	100	100	-	-
Atul Deutschland GmbH	Chemicals	Germany	100	100	-	-
Atul Entertainment Ltd	Entertainment	India	100	100	-	-
Atul Europe Ltd	Chemicals	UK	100	100	-	-
Atul Finserv Ltd	Investments	India	100	100	-	-
Atul Finresource Ltd	Finance	India	100	100	-	-
Atul Hospitality Ltd	Hospitality	India	100	100	-	-
Atul Infotech Pvt Ltd	Information Technology	India	100	100	-	-
Atul Ireland Ltd	Chemicals	Ireland	100	-	-	-
Atul Middle East FZ-LLC	Chemicals	UAE	100	100	-	-
Atul Nivesh Ltd	Investments	India	100	100	-	-
Atul Polymers Products Ltd (Formerly known as Atul Elkay Polymers Ltd)	Polymers	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	-	-

The Group has sold 2,82,750 shares of Amal Ltd during the year, and holds 49.85% of equity share capital of the said company post this transaction. The Group has considered, *inter alia*, other facts and circumstances including dispersion of holdings of other shareholders, common promoters of both the companies, operational dependency on the company, etc in concluding that Atul Ltd continues to control Amal Ltd as it has existing rights that give it the current ability to direct relevant activities of Amal Ltd.

Note 29.14 Interests in other entities (continued)

b) Non-controlling interests (NCI)

The summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group are described below. The amounts disclosed for each subsidiary company are before inter-company eliminations.

(₹ cr)

Summarised Balance Sheet	Amal Ltd	
	As at March 31, 2020	As at March 31, 2019
Current assets	23.90	22.59
Current liabilities	4.22	14.92
Net current assets	**19.68**	**7.67**
Non-current assets	32.12	31.66
Non-current liabilities	4.65	1.79
Net non-current assets	**27.47**	**29.87**
Net assets	**47.15**	**37.54**
Accumulated NCI[1]	**23.51**	**17.70**

[1]Includes ₹ 1.41 cr on account of change in ownership interest in Amal Ltd.

(₹ cr)

Summarised Statement of Profit and Loss	Amal Ltd	
	2019-20	2018-19
Revenue	34.34	33.44
Profit for the year	9.19	7.75
Other comprehensive income	-	(0.01)
Total comprehensive income	9.19	7.74
Profit allocated to NCI	4.33	3.65
Dividends paid to NCI	-	-

(₹ cr)

Summarised cash flows	Amal Ltd	
	2019-20	2018-19
Cash flows from operating activities	7.27	4.41
Cash flows from investing activities	(2.33)	(3.94)
Cash flows from financing activities	(4.73)	(2.01)
Net increase | (decrease) in cash and cash equivalents	0.21	(1.54)

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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Rudolf Atul Chemicals Ltd	India	50	Joint venture	*	*	18.53	15.74
Total						**18.53**	**15.74**

*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, 2020	As at March 31, 2019
Share in contingent liabilities in respect of disputed demands for income tax of the joint venture company	0.32	0.51
Total commitments and contingent liabilities	**0.32**	**0.51**

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	
	As at March 31, 2020	As at March 31, 2019
Current assets		
Cash and cash equivalents	7.13	3.25
Other assets	24.76	36.33
Total current assets	**31.89**	**39.58**
Total non-current assets	**20.16**	**6.01**
Current liabilities		
Financial liabilities (excluding trade payables)	2.33	2.03
Other liabilities	11.23	10.65
Total current liabilities	**13.56**	**12.68**
Non-current liabilities		
Financial liabilities (excluding trade payables)	1.20	1.28
Other liabilities	0.22	0.16
Total non-current liabilities	**1.42**	**1.44**
Net assets	**37.07**	**31.47**

(₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	As at March 31, 2020	As at March 31, 2019
Opening net assets	31.47	20.74
Profit for the year	9.97	10.73
Other comprehensive income	0.01	-
Dividends paid	(4.38)	-
Closing net assets	**37.07**	**31.47**
Share of Group in %	50%	50%
Share of Group in ₹	18.54	15.74
Carrying amount	**18.54**	**15.74**

Note 29.14 Interests in other entities (continued)

Summarised Statement of Profit and Loss (₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	2019-20	2018-19
Revenue	82.23	83.72
Interest income	1.24	0.62
Depreciation and amortisation	0.40	0.40
Interest expense	0.11	0.13
Income tax expense	3.52	4.55
Profit for the year	**9.97**	**10.73**
Other comprehensive income	0.01	-
Total comprehensive income	**9.98**	**10.73**
Dividends received	**2.19**	**-**

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	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
i)	Segment revenue								
	Gross sales	1,251.95	1,353.43	2,984.50	2,881.58	36.83	29.97	4,273.28	4,264.98
	Less: Inter segment revenue	0.32	1.43	179.90	225.74	-	-	180.22	227.17
	Net revenue from operations	1,251.63	1,352.00	2,804.60	2,655.84	36.83	29.97	4,093.06	4,037.81
ii)	Segment results								
	Profit before finance cost and tax	223.16	229.15	603.97	462.10	11.13	6.26	838.26	697.51
	Less: Finance costs							9.40	7.41
	Less: Other unallocable expenditure (net of unallocable income)							(11.58)	14.78
	Add: Share of net profit of joint venture company							4.98	5.02
	Profit before tax							845.42	680.34

Note 29.15 Segment information (continued)

(₹ cr)

Particulars		Life Science Chemicals		Performance and Other Chemicals		Others		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
iii)	Other information								
	Segment assets	776.45	800.46	1,792.85	1,605.26	127.67	95.70	2,696.97	2,501.42
	Unallocated common assets							1,453.51	1,042.55
	Total assets							4,150.48	3,543.97
	Segment liabilities	242.40	202.75	514.65	388.67	44.84	25.92	801.89	617.34
	Unallocated common liabilities							167.32	197.12
	Total liabilities							969.21	814.46
	Additions to assets and intangible assets	77.77	80.79	263.10	153.53	22.10	10.40	362.97	244.72
	Unallocated additions to assets and intangible assets							(2.51)	0.68
	Total capital expenditure*							360.46	245.40
	Depreciation	39.44	32.43	85.91	81.70	2.14	1.73	127.49	115.86
	Unallocated depreciation							2.72	3.05
	Total depreciation							130.21	118.91

c) Secondary segment - geographical

(₹ cr)

Particulars	In India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment revenue	2,041.10	1,978.13	2,051.96	2,059.68	4,093.06	4,037.81
Carrying cost of assets by location of assets	3,870.00	3,225.26	280.48	318.71	4,150.48	3,543.97
Additions to assets and intangible assets*	360.46	245.40	-	-	360.46	245.40

Other disclosures:

i) The Group has disclosed business segment as the primary segment which has been identified in line with the Ind AS 108 'Operating Segments' taking into account the organisation structure as well as the differing risks and returns.

ii) The segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

iii) The Group accounts for inter segment sales and transfers at market price.

*Including capital work-in-progress and capital advances

Note 29.16 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013

No.	Name of 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	88.01%	3,070.38	94.95%	640.17	106.03%	(66.80)	93.81%	573.37
	Indian subsidiary companies								
01	Aaranyak Urmi Ltd	0.01%	0.15	-	-	-	-	-	-
02	Aasthan Dates Ltd	0.06%	1.76	0.00%	0.02	-	-	0.00%	0.02
03	Amal Ltd	0.73%	25.53	1.36%	9.19	-	-	1.50%	9.19
04	Anchor Adhesives Pvt Ltd	0.01%	0.47	0.00%	0.02	-	-	0.00%	0.02
05	Atul Aarogya Ltd	0.00%	0.14	-	-	-	-	-	-
06	Atul Ayurveda Ltd	0.00%	0.10	-	-	-	-	-	-
07	Atul Bioscience Ltd	1.99%	69.41	(0.19%)	(1.28)	0.05%	(0.03)	(0.21%)	(1.31)
08	Atul Biospace Ltd	0.47%	16.26	0.15%	0.99	-	-	0.16%	0.99
09	Atul Clean Energy Ltd	0.00%	0.10	-	-	-	-	-	-
10	Atul Crop Care Ltd	0.08%	2.67	0.07%	0.49	(0.05%)	0.03	0.09%	0.52
11	Atul Entertainment Ltd	0.00%	0.09	-	-	-	-	-	-
12	Atul Finserv Ltd	2.65%	92.31	0.06%	0.40	0.69%	(0.44)	(0.01%)	(0.04)
13	Atul Fin Resources Ltd	0.23%	7.96	0.06%	0.39	-	-	0.06%	0.39
14	Atul Hospitality Ltd	0.00%	0.09	-	-	-	-	-	-
15	Atul Infotech Pvt Ltd	0.59%	20.74	0.05%	0.32	0.03%	(0.02)	0.05%	0.30
16	Atul Nivesh Ltd	0.08%	2.84	0.02%	0.16	-	-	0.03%	0.16
17	Atul Polymers Products Ltd (Formaly know as Atul Elkay Polymers Ltd)	0.00%	(0.06)	-	-	-	-	-	-
18	Atul Rajasthan Date Palms Ltd	0.26%	9.16	0.01%	0.09	-	-	0.01%	0.09
19	Atul (Retail) Brands Ltd	0.00%	0.09	-	-	-	-	-	-
20	Atul Seeds Ltd	0.00%	0.09	-	-	-	-	-	-
21	Biyaban Agri Ltd	0.01%	0.51	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
22	Jayati Infrastructure Ltd	0.00%	0.09	-	-	-	-	-	-
23	Lapox Polymers Ltd	0.06%	2.19	0.08%	0.53	-	-	0.09%	0.53
24	Osia Dairy Ltd	0.00%	0.09	-	-	-	-	-	-
25	Osia Infrastructure Ltd	0.00%	0.10	-	-	-	-	-	-
26	Raja Dates Ltd	0.10%	3.59	(0.01%)	(0.07)	-	-	(0.01%)	(0.07)
	Foreign subsidiary companies								
01	Atul Brasil Quimicos Ltda	0.03%	1.15	0.18%	1.22	0.35%	(0.22)	0.16%	1.00
02	Atul China Ltd	0.19%	6.50	0.20%	1.37	(0.35%)	0.22	0.26%	1.59
03	Atul Deutschland GmbH	0.01%	0.41	(0.01%)	(0.04)	(0.05%)	0.03	(0.00%)	(0.01)
04	Atul Europe Ltd	1.10%	38.28	0.62%	4.17	(1.71%)	1.08	0.86%	5.25
05	Atul Ireland Ltd	-	-	-	-	-	-	-	-
06	Atul Middle East FZ LLC	0.03%	1.21	0.39%	2.63	(0.38%)	0.24	0.47%	2.87
07	Atul USA Inc	0.82%	28.48	0.74%	4.99	(3.54%)	2.23	1.18%	7.22
08	DPD Ltd	0.68%	23.57	0.75%	5.08	(1.08%)	0.68	0.94%	5.76

Note 29.16 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013 (continued)

No.	Name of 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)
	Joint venture company (investment as per the equity method)								
01	Rudolf Atul Chemicals Ltd	-	-	0.74%	4.98	-	-	0.81%	4.98
	Joint operation								
01	Anaven LLP	1.79%	62.36	(0.23%)	(1.58)	-	-	(0.26%)	(1.58)
	Total (A)	**100%**	**3,488.81**	**100.00%**	**674.23**	**100.00%**	**(63.00)**	**100.00%**	**611.23**
	a) Adjustment arising out of consolidation		**(333.91)**		**(7.77)**		**(0.22)**		**(7.99)**
	b) Non-controlling interests								
01	Amal Ltd		23.51		4.33		-		4.33
02	Atul Rajasthan Date Palms Ltd		2.38		0.02		-		0.02
03	DPD Ltd		0.48		0.10		-		0.10
			26.37		**4.45**		**-**		**4.45**
	Total (B)		**(307.54)**		**(3.32)**		**(0.22)**		**(3.54)**
	Grand Total (A+B)		**3,181.27**		**670.91**		**(63.22)**		**607.69**

Note 29.17 Events after the reporting period

There was no significant event after the end of the reporting period which requires any adjustment or disclosure in the Consolidated Financial Statement.

Note 29.18 Regrouping | reclassification

Figures for the previous year have been regrouped | reclassified wherever necessary, to conform to the presentation of current year.

Note 29.19 Authorisation for issue of the Consolidated Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on April 28, 2020.

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

Samir R. Shah
Partner

Mumbai
April 28, 2020

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

Atul
April 28, 2020

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)	0.32	0.17	-	0.33	-	-	-	-	100.00%
02	Aasthan Dates Ltd	NA	NA	NA	2.10	(0.34)	1.76	-	-	0.03	0.02	-	0.02	-	100.00%
03	Amal Ltd	NA	NA	NA	9.43	16.11	34.40	8.86	0.02	32.60	12.70	3.50	9.20	-	49.85%
04	Anchor Adhesives Pvt Ltd	NA	NA	NA	0.59	(0.12)	0.47	-	-	-	0.03	0.01	0.02	-	100.00%
05	Atul Aarogya Ltd	NA	NA	NA	0.07	0.07	0.14	-	0.07	-	-	-	-	-	41.67%
06	Atul Ayurveda Ltd	NA	NA	NA	0.08	0.02	0.10	-	0.04	-	-	-	-	-	41.67%
07	Atul Bioscience Ltd	NA	NA	NA	29.02	40.39	172.35	102.93	0.01	106.79	(2.01)	(0.73)	(1.28)	0.76	100.00%
08	Atul Biospace Ltd	NA	NA	NA	11.03	5.23	16.63	0.37	9.70	9.70	1.37	0.38	0.99	-	100.00%
09	Atul Brasil Quimicos Ltda	NA	BRL	14.54	1.03	0.12	1.55	0.39	-	1.87	1.02	-	1.02	-	100.00%
10	Atul China Ltd	NA	CNY	10.65	3.61	2.89	28.53	22.03	-	142.65	1.58	0.15	1.43	-	100.00%
11	Atul Clean Energy Ltd	NA	NA	NA	0.10	-	0.10	-	0.05	-	-	-	-	-	28.47%
12	Atul Crop Care Ltd	NA	NA	NA	0.05	2.62	4.09	1.41	0.19	11.45	0.62	0.13	0.49	-	26.00%
13	Atul Deutschland GmbH	NA	Euro	83.05	0.83	(0.42)	0.62	0.21	-	-	(0.05)	-	(0.05)	-	100.00%
14	Atul Entertainment Ltd	NA	NA	NA	0.07	0.02	0.09	-	0.04	-	-	-	-	-	41.67%
15	Atul Europe Ltd	NA	GBP	93.08	30.61	7.67	96.65	58.38	-	212.56	5.28	0.97	4.31	-	100.00%
16	Atul Fin Resources Ltd	NA	NA	NA	7.15	0.81	7.97	0.01	-	0.53	0.52	0.13	0.39	-	100.00%
17	Atul Finserve Ltd	NA	NA	NA	36.34	55.98	92.46	0.15	85.86	0.98	0.54	0.14	0.40	-	100.00%
18	Atul Hospitality Ltd	NA	NA	NA	0.06	0.03	0.09	-	0.02	0.01	0.01	-	0.01	-	41.67%
19	Atul Infotech Pvt Ltd	NA	NA	NA	0.30	20.44	21.37	0.63	0.02	4.23	0.42	0.10	0.32	-	100.00%
20	Atul Ireland Ltd	NA	GBP	93.08	-	-	-	-	-	-	-	-	-	-	100.00%
21	Atul Middle East FZ LLC	NA	AED	20.52	0.62	0.60	1.23	0.02	-	3.37	2.80	-	2.80	2.15	100.00%
22	Atul Nivesh Ltd	NA	NA	NA	2.50	0.34	2.85	0.01	-	0.21	0.21	0.05	0.16	-	100.00%

Statement containing salient features of the Finanical Statements of subsidiary | joint venture companies

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											
23	Atul Polymers Products Ltd (formerly known as Atul Elkay Polymers Ltd)	NA	NA	NA	0.05	(0.11)	0.07	0.13	0.01	-	-	-	-	-	50.00%
24	Atul Rajasthan Date Palms Ltd	NA	NA	NA	8.11	1.05	21.70	12.53	-	1.82	0.02	(0.08)	0.10	-	73.98%
25	Atul (Retail) Brands Ltd	NA	NA	NA	0.10	(0.01)	0.09	-	0.05	-	-	-	-	-	43.05%
26	Atul Seeds Ltd	NA	NA	NA	0.09	-	0.09	-	0.03	-	-	-	-	-	43.98%
27	Atul USA Inc	NA	USD	75.39	15.08	13.40	78.59	50.12	-	334.90	6.99	1.68	5.31	-	100.00%
28	Biyaban Agri Ltd	NA	NA	NA	1.09	(0.58)	0.51	-	-	0.01	(0.01)	-	(0.01)	-	100.00%
29	DPD Ltd	NA	GBP	93.08	2.33	21.25	44.84	21.26	-	21.25	6.00	0.75	5.24	-	98.00%
30	Jayati Infrastructure Ltd	NA	NA	NA	0.09	-	0.09	-	0.03	-	-	-	-	-	43.98%
31	Lapox Polymers Ltd	NA	NA	NA	0.05	2.14	3.96	1.77	0.13	13.31	0.70	0.17	0.53	-	20.00%
32	Osia Dairy Ltd	NA	NA	NA	0.09	-	0.09	-	0.03	-	-	-	-	-	43.98%
33	Osia Infrastructure Ltd	NA	NA	NA	0.10	-	0.10	-	0.05	-	-	-	-	-	42.00%
34	Raja Dates Ltd	NA	NA	NA	4.10	(0.51)	3.67	0.08	-	0.02	(0.07)	-	(0.07)	-	100.00%

AED: United Arab Emirate Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, USD: United States Dollar

Gujarat Synthwood Ltd is under liquidation.

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, 2020	2,918,750	6.13	50.00%	Refer Note 1	NA	18.89	27.42	4.98	5.00
	Joint operation										
01	Anaven LLP	March 31, 2020		61.88	50.00%	Refer Note 2	NA	62.36	(4.16)	(1.58)	(1.58)

Note 1: By representation on the Board of Directors of the joint venture company, the Company participation in the policy making process.

Note 2: This is a jointly controlled entity.

Corporate information

Directors

Mr Sunil Lalbhai
(Chairman and Managing Director)
Mr Rajendra Shah
Mr Bansi Mehta
Mr Samveg Lalbhai
(Managing Director)
Mr Susim Datta
Mr Bharathy Mohanan
(Whole-time Director and President - Utilities and Services)
Mr Srinivasa Rangan
Mr Mukund Chitale
Mr Gopi Kannan Thirukonda
(Whole-time Director and CFO)
Ms Shubhalakshmi Panse
Mr Baldev Arora

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