ATUL FINSERV LTD

Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Finserv Ltd together with the audited Financial Statements for the year ended March 31, 2021.

01. Financial results

(₹ cr)

	2020-21	2019-20
Revenue from operations	4.25	0.98
Other income	0.64	0.67
Total revenue	4.89	1.65
Profit | (Loss) before tax	(2.50)	(1.08)
Provision for tax	0.13	0.10
Profit | (Loss) for the year	(2.63)	(1.18)
Profit available for appropriation	-	-
Balance brought forward	(0.10)	1.08
Transfer from OCI	(0.08)	-
Disposable surplus	-	-
Balance carried forward	(2.81)	(0.10)

02. Performance

Revenues increased from ₹ 0.98 cr to ₹ 4.25 cr. Loss increased from ₹ (1.08) cr to ₹ (2.50) cr and the Earning per share decreased from ₹ (3.24) to ₹ (6.22). While the operating loss before working capital changes decreased from ₹ (1.39) cr to ₹ (0.50) cr, the net cash used in operating activities increased from ₹ 0.03 cr to ₹ (6.87) cr.

03. 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 as the Annexure.

04. Insurance

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

05. Risk Management

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

06. Internal financial controls

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

07. Fixed deposits

During 2020-21, the Company did not accept any fixed deposits.

08. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at note numbers __ and _ of the Financial Statements.

09. Subsidiary, associate and joint venture companies

There were no other changes in the subsidiary, associate and joint venture companies which were reported earlier.

10. Related Party Transactions

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

11. Annual Return

Annual Return for 2020-21 is available at the registered office of the Company for inspection by the Members.

12. Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 70th Annual

General Meeting (AGM) held on July 21, 2017 until the conclusion of the 75th AGM in the year 2022.

The Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the Financial Statements.

13. Directors' responsibility statement

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

13.1 In preparation of the financial statement for the financial year ended March 31, 2021, the applicable accounting standards were followed and there are no material departures.

13.2 The Accounting Policies were selected and applied consistently and judgements and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

13.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

13.4 The attached annual accounts for the year ended March 31, 2021 were prepared on a going concern basis.

13.5 Adequate Internal Financial Controls to be followed by the Company were laid down and the same were adequate and operating effectively.

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

14. Directors

14.1 Appointments | Reappointments | Cessations

14.1.1 According to Article 86 (1) of the Articles of Association of the Company, Mr B N Mohanan retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM.

14.2 Policies on appointment and remuneration

14.2.1 Appointment

The Board considers the following factors for appointment of Directors:

i) Qualification: well-educated and experienced in senior leadership positions in industry | profession

ii) Traits: positive attributes and qualities

iii) Independence: criteria prescribed in Section 149 (6) of the Companies Act, 2013 for the Independent Directors, including no pecuniary interest and conflict of interest

14.2.2 Remuneration of the Non-executive Independent Directors

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

14.3 Criteria and method of annual evaluation

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

14.3.2 The Independent Director has 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.

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

i) its Committees namely Allotment Committee,

ii) the Independent Director.

15. Key Managerial Personnel and other employees

15.1 Appointments and cessations of Key Managerial Personnel

There were no appointments | cessations of the Key Managerial Personnel of the Company during 2020-21.

15.2 Remuneration

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

15.2.1 Components:

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

15.2.2 Factors for determining and changing fixed pay
i) Existing compensation
ii) Education
iii) Experience
iv) Salary bands
v) Performance
vi) Market benchmark

15.2.3 Factors for determining and changing variable pay
i) Company performance
ii) Individual performance
iii) Grade

16. Corporate Governance Report

16.1 Statement of declaration given by the Independent Directors

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

16.2 Report

The Corporate Governance Report is given as Annexure. Details about the number of meetings of the Board held during 2020-21 are given therein.

16.3 Secretarial Standards

Secretarial Standards as applicable to the Company were followed and complied with during 2020-21.

16.4 Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given in Corporate Governance Report.

17. Acknowledgements

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

For and on behalf of the Board of Directors

Atul
April 15, 2021 Chairman

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

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

1.1 Conservation of energy

1.1.1 Measures taken
nil

1.2 Technology absorption
No major steps were taken during the current year.

1.3 Total foreign exchange used and earned
nil

Corporate Governance

1. Philosophy

Transparency and accountability are the 2 basic tenets of Corporate 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) short, medium or long-term borrowings
ii) capital expenditure and operating budgets
iii) commission payable to the Directors within the limit set by the Shareholders
iv) contracts in which the Director(s) are deemed to be interested
v) creation of charge on assets in favour of lenders
vi) declaration of interim dividend
vii) joint ventures, collaborations, mergers and acquisitions
viii) loans and investments
ix) matters requiring statutory | Board consent
x) sale of investments and assets
xi) unaudited quarterly financial results and audited annual accounts, 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) declaration of final dividend

2.1.5 Reviewing

i) corporate strategy, major plans of action, Risk Policy, annual budgets and business plans
ii) default in payment of statutory dues
iii) fatal or serious accidents, dangerous occurrences and material environmental matters
iv) foreign exchange exposure and exchange rate movement, if material

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

2.1.6 Setting

i) a corporate culture and the Values

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

2.1.7 Others

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

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

iii) Applying high ethical standards

iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgment 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.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of 4 Members comprising 1 Independent Director and 3 Promoter Directors including a Chairman.

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			
1	T R Gopi Kannan	8	4	-
	Non-executive Directors			
2	B N Mohanan	8	-	-
3	Gautam Chakravarti	1	1	
4	Lalit Patni	8	-	-

Mr Gautam Chakravarti is an Independent Director

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

[2] Memberships | Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies including the Company were considered

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2020-21, the Board met 4 times:

No.	Day	Date	Venue*
1	Friday	April 17, 2020	Atul
2	Friday	August 07, 2020	Atul
3	Saturday	October 31, 2020	Atul
4	Saturday	February 13, 2021	Atul

*All meetings were held through video conference.

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM on August 07, 2020
		Total	Attended	
1	T R Gopi Kannan	4	4	Present
2	B N Mohanan	4	4	Present
3	Gautam Chakravarti	4	4	Present
4	Lalit Patni	4	3	Present

2.6 Appointment | Cessation

» Appointed: Mr Gautam Chakravarti was reappointed as an Independent Director effective July 08, 2020

» Ceased: nil

» Resigned: nil

2.7 Remuneration

No.	Name	Remuneration during the year (`)			
		Sitting fees	Salary and perquisites	Commission	Total
	Chairman				
1	T R Gopi Kannan	–	–	–	–
	Non-executive Directors				
2	B N Mohanan	–	–	–	–
3	Gautam Chakravarti	80,000	–	–	80,000
4	Lalit Patni	–	–	–	–

Sitting fees of up to ` 20,000 per meeting constitute fees paid to the Non-executive Independent Director for attending the Board and Committee meetings.

3. Committees of the Board

The Board has constituted Allotment Committee

3.1 Allotment Committee

3.1.1 Role

i) issue and allot equity shares within the limits approved by the Board of Directors

3.1.2 Composition

No.	Name	Designation
1	L P Patni	Member
2	A A Desai	Member

4. Company policies

4.1 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.

4.2 Prevention of Sexual Harassment of Women at Workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on Prevention of Sexual Harassment of Women at Workplace and constituted Internal Complaints Committee. Status of complaints received during 2020-21 are as under:.

Filed during 2020-21	Nil
Disposed of during 2020-21	Nil
Pending as at the end of 2020-21	Nil

5. 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 2020-21 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 and in the last 3 years no strictures or penalties were imposed on the Company by any statutory authority.

6. Shareholders' information

6.1 General Body meetings

6.1.1 Location and time, where last AGM was held

Year	Location	Date	Time
2018	310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai, Maharashtra, India	August 11, 2018	04:00 pm
2019	310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai, Maharashtra, India	July 13, 2019	04:00 pm
2020	Through video conference at deemed venue at 310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400 028, Maharashtra, India	August 07, 2020	04:00 pm

6.1.2 Special resolutions were passed in the previous 3 AGMs.

6.1.3 Resolutions through postal ballot were not passed.

6.2 Annual General Meeting 2021

Details of the 74th AGM are as under

Year	Location	Date	Time
2021	Through video conference at deemed venue at 310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai – 400 028, Maharashtra, India	August 14, 2021	3:00 pm

As required, particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

6.3 Financial year

April 01 to March 31

6.4 Address for correspondence

310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai 400 028, Maharashtra, India

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

6.5 Tentative Board meeting dates for consideration of results for 2021-22

No.	Particulars	Dates
1	First quarter results	August 14, 2021
2	Second quarter and half-yearly results	October 30, 2021
3	Third quarter results	February 12, 2022
4	Fourth quarter and annual results	April 15, 20222

7. Role of the Company Secretary in overall governance process

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

For Atul Finserv Ltd

Mumbai
April 15, 2021

(T R Gopi Kannan)
Chairman

Chartered Accountants
One International Center
Tower 3, 27th -32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai – 400 013
Maharashtra, India

Tele: + 91 22 6185 4000
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INDEPENDENT AUDITOR'S REPORT

To The Members of Atul Finserv Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Atul Finserv Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, 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 and which includes joint operation accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, but does not include the Financial Statements and our auditor's report thereon.

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

- In connection with our audit of the Financial Statements, our responsibility is to read the other information, and compare with the financial statements of the Joint Operation audited by us, to the extent it relates to joint operation and consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

Management's Responsibility for the Financial Statements

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

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company.

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

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

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

Report on Other Legal and Regulatory Requirements

1. 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, the Statement of Cash Flow 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 Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor’s Report in accordance with 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 company has not paid any remuneration to its directors during the year.

   h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in

Deloitte
Haskins & Sells LLP

"Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order. The said order is not applicable to Joint Operation.

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

Samir R. Shah
Partner
(Membership No. 101708)
UDIN: 21101708AAAACB8419

Place: MUMBAI
Date: April 29, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under "Report on Other legal and regulatory requirements" Section of our report of even date

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of Atul Finserv Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date. Internal Financial Controls over financial reporting is not applicable to the company's Joint Operation and hence it has not been subjected to the audit of its Internal Financial Controls over Financial Reporting.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal financial control over financial reporting of the Company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Samir R. Shah
Partner
(Membership No. 101708)
UDIN: 21101708AAAACB8419

Place: MUMBAI
Date: April 29, 2021

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 under "Report on Other legal and regulatory requirements" section of our report of even date

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

    b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

    c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (1) (c) of CARO 2016 is not applicable.

02. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.

03. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

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

05. According to the information and explanations given to us, the Company has not accepted any deposit during the year.

06. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

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

    a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

    b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

c) There are no dues of Goods and Service Tax as on 31 March 2021 on account of disputes which have not been deposited. Details of dues of Income-tax which have not been deposited as on March 31, 2021 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 (₹)	Amount paid under protest (₹)
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	Assessment year 2017-18	29,12,810	582,562

08. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to bank. The Company has not taken any loans or borrowings from financial institutions, and government or 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 CARO 2016 Order is not applicable.

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

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

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

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

14. According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.

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

a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

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

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

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

Samir R. Shah
Partner
(Membership No. 101708)
UDIN: 21101708AAAACB8419

Place: MUMBAI
Date: April 29, 2021

Atul Finserv Ltd
Standalone Balance Sheet as at March 31, 2021

(₹)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
A ASSETS			
1 Non-current assets			
a) Property,plant and equipment	2	1,13,37,48,637	1,24,59,493
b) Capital work-in-progress	2	-	1,00,86,08,098
c) Financial assets			
i) Investments in subsidiary companies and associate companies	3.1	24,22,84,196	23,22,84,196
ii) Other investments	3.2	98,15,325	75,39,640
iii) Loans	4	4,52,07,403	11,81,473
iv) Other financial assets	5	10,000	10,000
d) Deferred tax assets (net)	25.5	17,52,071	22,64,481
e) Income tax assets (net)	25.5	17,56,113	17,34,248
f) Other assets	6	14,25,77,734	14,60,21,801
Total non-current assets		1,57,71,51,479	1,41,21,03,429
2 Current assets			
a) Inventories	7	3,62,42,650	-
b) Financial assets			
i) Investments	3.3	1,25,49,500	2,03,62,014
ii) Trade receivables	8	4,32,21,710	16,96,284
iii) Cash and cash equivalents	9	52,98,834	49,89,730
iv) Bank balances other than cash and cash equivalents above	10	2,81,578	226
v) Loans	4	12,87,499	4,65,35,177
vi) Other financial assets	5	13,010	-
c) Other assets	6	3,07,51,867	1,55,62,174
Total current assets		12,96,46,648	8,91,45,605
Total assets		1,70,67,98,127	1,50,12,49,034
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11	37,73,76,100	36,33,54,500
b) Other equity	12	55,33,13,349	53,90,19,859
Total equity		93,06,89,449	90,23,74,359
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	13	54,97,83,206	40,93,77,455
ii) Other financial liabilities	14	1,93,21,080	-
b) Provisions	17	2,96,431	2,22,303
Total non-current liabilities		56,94,00,717	40,95,99,758
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	13	-	-
ii) Trade payables	15		
Total outstanding dues of			
a) Micro-enterprises and small enterprises		810	-
b) Creditors other than micro-enterprises and small enterprises		5,73,88,339	2,42,657
iii) Other financial liabilities	14	14,66,91,841	16,04,96,310
b) Other current liabilities	16	25,56,005	2,84,88,063
c) Provisions	17	70,967	47,887
Total current liabilities		20,67,07,961	18,92,74,917
Total liabilities		77,61,08,678	59,88,74,675
Total equity and liabilities		1,70,67,98,127	1,50,12,49,034

The accompanying Notes 1-25 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

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 29, 2021

A P Patadiya
Company Secretary

Atul
April 15, 2021

Atul Finserv Ltd

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹)

Particulars	Note	2020-21	2019-20
INCOME			
Revenue from operations	18	4,79,34,461	1,71,71,682
Other income	19	10,31,699	80
Total income		**4,89,66,160**	**1,71,71,762**
EXPENSES			
Cost of materials consumed	20	2,04,81,400	-
Changes in inventories of finished goods and work-in-progress	21	(32,00,284)	-
Employee benefit expenses	22	80,32,611	86,40,308
Finance costs	23	1,25,62,785	18,65,834
Depreciation and amortisation expenses	2	1,29,21,180	12,61,865
Other expenses	24	2,32,10,662	1,62,15,401
Total expenses		**7,40,08,354**	**2,79,83,408**
Profit | (Loss) before tax		**(2,50,42,194)**	**(1,08,11,646)**
Tax expense			
Current tax	25.5	7,64,328	8,29,416
Deferred tax	25.5	5,12,410	1,88,267
Total tax expense		**12,76,738**	10,17,683
Profit | (Loss) for the year		**(2,63,18,931)**	**(1,18,29,329)**
Other comprehensive income			
a) Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through other comprehensive income (FVOCI)		34,23,763	(43,49,840)
ii) Remeasurement gain | (loss) on defined benefit plans		16,974	(48,790)
iii) Income tax related to item no (ii) above		(4,413)	12,685
Other comprehensive income, net of tax		**34,36,324**	**(43,85,945)**
Total comprehensive income for the year		**(2,28,82,608)**	**(1,62,15,274)**
Earnings per equity share			
Basic and diluted earning ₹ per equity share	25.3	(6.22)	(3.24)

The accompanying Notes 1-25 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

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 29, 2021

A P Patadiya
Company Secretary

Atul
April 15, 2021

Atul Finserv Ltd
Standalone Statement of changes in equity
for the year ended March 31, 2021

A. Equity share capital

(₹)

	Amount
As at March 31, 2019	21,18,97,100
Changes in equity share capital during the year	15,14,57,400
As at March 31, 2020	36,33,54,500
Changes in equity share capital during the year	1,40,21,600
As at March 31, 2021	37,73,76,100

B. Other equity

(₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total other equity
	Securities premium	General reserve	Retained earnings	FVOCI equity instruments	
As at March 31, 2019	37,15,48,315	1,56,25,000	1,08,37,246	(5,41,641)	39,74,68,919
Loss for the year	-	-	(1,18,29,329)	-	(1,18,29,329)
Other comprehensive income	-	-	(36,105)	(43,49,840)	(43,85,945)
Total comprehensive income for the year	-	-	(1,18,65,434)	(43,49,840)	(1,62,15,274)
Securities premium on issue of shares	15,92,98,439	-	-	-	15,92,98,439
Share issue expenses	(15,32,225)				(15,32,225)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	-	-	-
As at March 31, 2020	52,93,14,529	1,56,25,000	(10,28,188)	(48,91,482)	53,90,19,859
Loss for the year	-	-	(2,63,18,931)	-	(2,63,18,931)
Other comprehensive income	-	-	12,561	34,23,763	34,36,324
Total comprehensive income for the year	-	-	(2,63,06,371)	34,23,763	(2,28,82,608)
Share Application money received pending allotment	-	-	-	-	-
Securities premium on issue of shares	3,72,27,348	-	-	-	3,72,27,348
Share issue expenses	(51,250)	-	-	-	(51,250)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	(7,76,282)	7,76,282	-
As at March 31, 2021	56,64,90,627	1,56,25,000	(2,81,10,841)	(6,91,436)	55,33,13,349

Refer Note 12 for nature and purpose of reserves

The accompanying Notes 1-25 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

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 29, 2021

A P Patadiya
Company Secretary

Atul
April 15, 2021

Atul Finserv Ltd
Standalone Statement of Cash Flows
for the year ended March 31, 2021

(₹)

	Particulars		2020-21	2019-20
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit | (Loss) before tax		(2,50,42,194)	(1,08,11,646)
	Adjustments for:			
	Depreciation and amortisation expenses		1,29,21,179	12,61,865
	Finance costs		1,25,62,785	18,65,834
	Unrealised exchange rate difference (net)		(11,473)	(50,347)
	Provision for doubtful advance		-	11,71,724
	Dividend received		(1,13,472)	(14,32,620)
	Interest received		(45,36,029)	(47,66,097)
	Profit on sale of equity investment measured at cost		(7,93,417)	(11,57,311)
	Operating profit | (loss) before change in operating assets and liabilities		**(50,12,622)**	**(1,39,18,598)**
	Adjustments for:			
	(Increase) | Decrease in inventories		(3,62,42,649)	-
	(Increase) | Decrease in trade receivables		(4,15,25,426)	(1,19,107)
	(Increase) | Decrease in other financial assets		(13,010)	91,468
	(Increase) | Decrease in other assets		(1,21,50,481)	(6,35,82,350)
	Increase | (Decrease) in trade payables		5,71,45,681	(4,66,630)
	Increase | (Decrease) in other financial liabilities		(42,45,843)	5,63,93,799
	Increase | (Decrease) in other liabilities		(2,59,32,058)	2,76,84,225
	Increase | (Decrease) in provisions		97,208	695
	Cash generated from operations		**(6,78,79,200)**	**60,83,502**
	Income tax paid (net of refund)		(7,90,606)	(8,56,760)
	Net cash (used in) | generated from operating activities	A	**(6,86,69,806)**	**52,26,742**
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Payment towards capital work in progress (including capital advance)		(23,74,06,469)	(28,48,94,693)
	Purchase of equity investment measured at cost (net)		(1,00,00,000)	(6,81,03,987)
	Sale|(Purchase) of equity investment measured at FVOCI (net)		11,48,078	122
	Proceeds from redemption | (Purchase) of current investment		86,05,930	2,38,47,900
	Repayments | (Disbursements) of loans given (net)		12,21,747	15,68,049
	Short-term bank deposits		(2,81,352)	(226)
	Amount recoverable from | (payable) to joint operation party		-	(2,56,24,600)
	Interest received		45,36,029	47,66,097
	Dividend received		1,13,472	14,32,620
	Net cash used in investing activities	B	**(23,20,62,565)**	**(34,70,08,718)**
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from issue of equity share capital (net of share issue expenses)		5,11,97,698	21,59,69,114
	Disbursements of term loan | non-current borrowings		26,24,05,751	13,12,15,476
	Interest paid		(1,25,61,975)	(18,65,834)
	Net cash flow from financing activities	C	**30,10,41,474**	**34,53,18,756**
	Net decrease in cash and cash equivalents	A+B+C	**3,09,104**	**35,36,780**
	Cash and cash equivalents at the beginning of the year		49,89,730	14,52,950
	Cash and cash equivalents at the end of the year		52,98,834	49,89,730

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) Refer Note 13 (c) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-25 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

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 29, 2021

A P Patadiya
Company Secretary

Atul
April 15, 2021

Background

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

Note 1 Significant accounting policies

a) Statement of Compliance:

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.

b) Basis of preparation:

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

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

ii) Joint operations:

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

Although not required by Ind AS, the Company has provided in Note 25.09 additional information of Atul Finserv Ltd on a standalone basis excluding its interest in its joint operations viz. Anaven LLP.

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

c) 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 equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Debt instruments:

Initial recognition and measurement:

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in the case of financial asset not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the 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 Management of the Company has elected to present fair value gains and losses on such equity investments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

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

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 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. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

Derecognition:
A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, the asset expire or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through Statement of Profit and Loss or other comprehensive income as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

Financial liabilities:
i) Classification as debt or equity:
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.
ii) Initial recognition and measurement:
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.
iii) Subsequent measurement:
Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.
iv) Derecognition:
A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

d) Property, plant and equipment:

Items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Standalone Statement of Profit and Loss.

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

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 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. Estimated useful lives of assets are as follows:

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and equipment[1]	3 to 20 years
Office equipment and furniture	3 to 10 years
Computer and hardware	3 to 10 years

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

e) 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.

f) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

g) Revenue recognition:

i) Revenue from contracts with customers:

The Company manufactures and sells chemicals, providing services in domestic markets, spread across two segments namely i) Performance and Other Chemicals and ii) Investing activity and Business Auxiliary Services.

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

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 30 days. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

ii) Other revenue:

Dividends are recognised in the 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.

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

h) 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.

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.

i) 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.

j) 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.

k) Taxation:

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.

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

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

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.

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.

l) 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 measure 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.

m) 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.

n) 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.

o) 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.

p) 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.

q) 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.

r) Borrowings:

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

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

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

s) Borrowing costs:

Borrowing costs include interest, amortisation of ancillary costs incurred accounted as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction | development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

The Company is in the business of providing support service to Atul Ltd (Holding Company) and group company in India and investment activities. Operations of the Company which were shut down in the last week of March 2020 due to countrywide lockdown, resumed operations in a phased manner from the last week of April 2020 after obtaining the requisite approvals.

The Company has considered possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of loans and trade receivables has considered. In assessing recoverability of loans, the Company has considered the regular service of interest on loan, subsequent recoveries of loan, past trends, credit risk profiles and support of Holding company of the loanee and market value of mortgage assets. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry available up to the date of issuance of these Standalone Financial Statements.

Based on the above assessment, the Company is of the view that carrying amounts of loans and trade receivables 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.

Critical estimates and judgements:

Preparation of the Standalone Financial Statements require use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as 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 involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements 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 in applying accounting policies are:

i) Estimation of useful life of tangible assets: Note 1 (c)
ii) Estimation for income tax: Note 1 (j)
iii) Estimation of defined benefit obligation: Note 1 (g)
iv) Fair value measurements: Note 24.11
v) Estimation of provision for inventories: Note 1 (o)

Note 2 Property, plant and equipment and capital work-in-progress (₹)

Particulars	Buildings	Plant and equipment[1]	Roads	Office equipment and furniture	Computer Equipments	Total	Capital work-in-progress[2]
Gross carrying amount							
As at March 31, 2019	75,52,317	20,41,418	-	24,37,826	23,41,572	1,43,73,133	75,45,70,690
Additions	-	-	-	7,455	7,83,656	7,91,111	25,40,37,408
Disposal, transfer and adjustments	-	3,36,984	-	-	(10,51,502)	(7,14,518)	-
As at March 31, 2020	75,52,317	23,78,402	-	24,45,281	20,73,726	1,44,49,727	1,00,86,08,098
Additions	2,51,28,977	1,09,55,93,663	1,05,52,612	27,16,999	2,18,073	1,13,42,10,324	(1,00,86,08,098)
Disposal, transfer and adjustments	-	-	-	-	-	-	-
As at March 31, 2021	3,26,81,294	1,09,79,72,065	1,05,52,612	51,62,280	22,91,799	1,14,86,60,050	-
Depreciation | Amortisation							
Up to March 31, 2019	1,46,208	1,03,379	-	1,92,331	2,86,451	7,28,369	-
For the year	2,39,157	2,48,313	-	3,09,354	5,04,821	13,01,644	-
Disposal and adjustments	-	1,08,783	-	-	(1,48,562)	(39,779)	-
Up to March 31, 2020	3,85,365	4,60,475	-	5,01,685	6,42,710	19,90,234	-
For the year	3,71,780	1,15,42,066	1,67,083	3,31,218	5,09,032	1,29,21,180	-
Disposal and adjustments	-	-	-	-	-	-	-
Up to March 31, 2021	7,57,145	1,20,02,541	1,67,083	8,32,903	11,51,742	1,49,11,413	-
Net carrying amount							
As at March 31, 2020	71,66,953	19,17,928	-	19,43,596	14,31,016	1,24,59,493	1,00,86,08,098
As at March 31, 2021	3,19,24,149	1,08,59,69,525	1,03,85,529	43,29,377	11,40,057	1,13,37,48,637	-

Notes:

[1] Refer Note 25.15 for disclosure of right-of-use assets under lease.

[2] Capital work-in-progress mainly comprises addition projects in progress.

[3] Refer Note 24.01 for disclosure of contractual commitment for acquisition of property, plant and equipment.

[4] Refer Note 13 for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

(₹)

Note 3.1 Investments in subsidiary companies and associate companies	Face Value	As at March 31, 2021		As at March 31, 2020	
		Number of shares	Amount	Number of shares	Amount
A Investment in equity instruments (Fully paid-up)					
i) Subsidiary companies | Associate companies measured at cost					
Quoted					
In associate company measured at cost					
Amal Ltd	10	45,68,824	20,32,641	45,68,824	20,32,641
Unquoted					
In subsidiary companies measured at cost					
Aaranyak Urmi Ltd	10	2,05,000	20,50,000	2,05,000	20,50,000
Atul Fin Resource Ltd	10	71,53,760	7,49,99,997	71,53,760	7,49,99,997
Atul Nivesh Ltd	10	25,00,000	2,50,00,000	25,00,000	2,50,00,000
In associate companies measured at cost					
Atul Ayurveda Ltd	10	33,333	3,33,330	33,333	3,33,330
Atul Crop Care Ltd	10	13,000	1,30,000	13,000	1,30,000
Atul Entertainment Ltd	10	29,167	2,91,670	29,167	2,91,670
Atul Hospitality Ltd	10	25,000	2,50,000	25,000	2,50,000
Atul Infotech Ltd	10	1,50,080	9,57,19,378	1,50,080	9,57,19,378
Atul Medical Care Ltd	10	29,167	2,91,670	29,167	2,91,670
Atul Rajasthan Date Palm Ltd	1,000	29,998	2,99,98,000	29,998	2,99,98,000
Atul Seeds Ltd	10	39,584	3,95,840	39,584	3,95,840
Jayati Infrastructure Ltd	10	39,584	3,95,840	39,584	3,95,840
Osia Dairy Ltd	10	39,583	3,95,830	39,583	3,95,830
Osia Infrastructure Ltd	10	10,00,000	1,00,00,000	-	-
			24,22,84,196		23,22,84,196

(₹)

Note 3.2 Other investments	Face Value	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
a) Investment in equity instruments (fully paid-up)					
ii) Other companies measured at FVOCI					
Quoted					
Aarti Drugs Ltd	10	8	5,558	2	1,011
Aditya Birla Capital Ltd	10	-	-	1,000	42,200
Akzo Nobel India Ltd	10	1	2,308	1	2,201
Asahi Songwon Colors Ltd	10	1	317	1	74
Asian Paints Ltd	1	10	25,368	10	16,667
Aurobindo Pharma Ltd	1	500	4,40,775	500	2,06,525
Avenue Supermarts Ltd	10	50	1,42,703	50	1,10,035
Balmer Lawrie & Co Ltd	10	-	-	3,000	2,38,350
Banswara Syntex Ltd	10	-	-	4,500	3,20,400
BAYER Cropscience Ltd	10	12	63,666	12	41,505
Bodal Chemicals Ltd	2	5	450	5	212
Camlin Fine Sciences Ltd	10	1,500	2,09,700	1,500	59,100
Clariant Chemicals (India) Ltd	10	2	743	2	456
Cummins India Ltd	2	191	1,75,644	191	62,171
Deepak Nitrite Ltd	2	10	16,570	10	3,866
DIC India Ltd	10	-	-	250	71,300
Dishman Carbogen Amcis Ltd	2	2	218	2	107
EID Parry (India) Ltd	1	10	3,187	10	1,397
Excel Industries Ltd	5	1	841	1	447
GHCL Ltd	10	1	230	1	89
Gujarat Alkalies and Chemicals Ltd	10	1	345	1	224
Hindustan Unilever Ltd	1	1	2,431	1	2,298
IDFC First Bank Ltd	10	15,729	8,76,105	15,729	3,31,882
Indian Toners and Developers Ltd	10	1	140	1	54
J D Orgochem Ltd	1	1	3	1	0
Lupin Ltd	2	5	5,105	5	2,949
Mardia Chemicals Ltd	10	1	-	1	
Marico Ltd	1	80	32,920	80	21,988
Mayur Uniquoters Ltd	10	-	-	500	75,825
Metro Global Ltd	10	1	55	1	34
NACL Industries Ltd	1	12	456	12	268
Navinon Ltd	10	1	-	1	-
Nikhil Adhesives Ltd	10	1	378	1	98
NOCIL Ltd	10	2,001	3,49,375	2,001	1,31,666
Novartis India Ltd	5	10,033	55,38,216	10,033	50,39,074
Orchid Pharma Ltd	10	-	-	1	-
Pidilite Industries Ltd	1	2	3,620	2	2,713
Piramal Enterprises Ltd	2	5	8,760	105	98,574
Power Mech Projects Ltd	10	-	-	20	6,722
Prabhat Dairy Ltd	10	2,500	2,39,375	2,500	1,36,125
Praj Industries Ltd	10	1,000	1,94,650	1,000	55,051
Punjab Alkalies and Chemicals Ltd	10	1	89	1	29
Quess Corp Ltd	10	-	-	94	19,886
Rallis India Ltd	1	10	2,529	10	1,756
RPG Life Sciences Ltd	10	1	387	1	170
Sanghvi Movers Ltd	2	-	-	500	24,475

(₹)

Note 3.2 Othe investments (continued)	Face Value	As at March 31, 2021		As at March 31, 2020	
		Number	Amount	Number	Amount
Sanofi India Ltd	10	1	7,877	1	6,242
Sequent Scientific Ltd	2	5	1,205	5	389
Shreyans Industries Ltd	10	1	101	1	64
Southern Petrochemical Industries Corporation Ltd	10	1	29	1	12
Sree Rayalaseema Hi-Strength Hypo Ltd	10	1	236	1	72
Sudarshan Chemical Industries Ltd	2	10	5,189	10	3,741
Sumitomo Chemical India Ltd	10	25	7,270	25	4,586
Tata Chemicals Ltd	10	1	751	1	223
Tata Consumer Products Ltd	1	1	639	-	-
Tata Motors Ltd	2	3,500	10,56,475	3,500	2,48,675
The Dharamsi Morarji Chemical Co Ltd	10	1	318	1	68
Thomas Cook (India) Ltd	10	-	-	500	12,075
Torrent Phamaceuticals Ltd	5	2	5,082	2	3,943
Uniphos Enterprises Ltd	2	1	85	1	39
UPL Ltd	2	15	9,633	15	4,896
VA Tech Wabag Ltd	2	1,500	3,75,975	1,500	1,24,125
Wockhard Ltd	5	3	1,243	3	519
Unquoted					
Gujarat Synthwood Ltd[1]	10	3,00,800	-	3,00,800	-
			98,15,325		**75,39,640**

[1] Under liquidation

(₹)

Note 3.3 Current investments	As at March 31, 2021	As at March 31, 2020
Unquoted		
Investment in mutual funds	1,25,49,500	2,03,62,014
	1,25,49,500	**2,03,62,014**

Aggregate amount of investments and market value thereof:

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	1,18,47,966	95,72,281
Aggregate market value of quoted investments	1,75,67,05,182	44,63,75,185
Aggregate amount of unquoted investments	25,28,01,055	25,06,13,569
Aggregate amount of impairment in value of investments	-	-

(₹)

Note 4 Loans	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Considered good - unsecured				
Loans to related parties (refer Note 24.04)	-	4,50,00,000	4,50,00,000	-
Loans to others	12,87,499	2,07,403	15,35,177	11,81,473
	12,87,499	**4,52,07,403**	**4,65,35,177**	**11,81,473**

(₹)

Note 5 Other financial assets		As at March 31, 2021		As at March 31, 2020	
		Current	Non-current	Current	Non-current
a)	Security deposits	-	10,000	-	10,000
b)	Other receivable	13,010	-	-	-
		13,010	**10,000**	**-**	**10,000**

(₹)

Note 6 Other assets			As at March 31, 2021		As at March 31, 2020	
			Current	Non-current	Current	Non-current
a)		Balances with the statutory authorities				
	i)	Taxes paid under protest		5,82,562	-	5,82,562
	ii)	GST receivables	2,98,50,000	13,86,20,873	1,47,77,333	14,17,62,835
b)		Capital advance	-	11,71,724	-	15,76,579
		Less: Provision for doubtful advance	-	11,71,724	-	11,71,724
			-	-	-	4,04,856
c)		Others	9,01,867	33,74,299	7,84,841	32,71,548
			3,07,51,867	**14,25,77,734**	**1,55,62,174**	**14,60,21,801**

(₹)

Note 7 Inventories*		As at March 31, 2021	As at March 31, 2020
a)	Raw materials and packing materials	2,05,86,792	-
b)	Finished goods	32,00,284	-
c)	Stores, spares and fuel	1,24,55,574	-
		3,62,42,650	**-**

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

(₹)

Note 8 Trade receivables	As at March 31, 2021	As at March 31, 2020
Considered good - unsecured		
Trade receivables	59,668	-
Related parties (refer Note 24.04)	4,31,62,042	16,96,284
	4,32,21,710	**16,96,284**

(₹)

Note 9 Cash and cash equivalents		As at March 31, 2021	As at March 31, 2020
a)	Balances with banks in current accounts	52,49,736	49,70,801
b)	Cash on hand	49,098	18,930
		52,98,834	**49,89,730**

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

(₹)

Note 10 Bank balances other than cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Short -term bank deposit with original maturity between 3 to 12 months	2,81,578	226
	2,81,578	**226**

(₹)

Note 11 Equity share capital	As at March 31, 2021	As at March 31, 2020
Authorised		
54,00,000 (March 31, 2020: 54,00,000) equity shares of ₹ 100 each	54,00,00,000	54,00,00,000
	54,00,00,000	**54,00,00,000**
Issued, subscribed and paid up		
5,00,000 (March 31, 2020: 5,00,000) equity shares originally of ₹ 100 each, reduced to ₹ 7 each per share fully paid	35,00,000	35,00,000
37,38,761 (March 31, 2020: 35,98,545) equity shares of ₹ 100 each	37,38,76,100	35,98,54,500
	37,73,76,100	**36,33,54,500**

a) Pursuant to Section 100 of the Companies Act, 1956, the capital reduction scheme sanctioned by the High Court of Mumbai dated June 6, 2002, the issued and paid up share capital of the Company was reduced from ₹ 5,00,00,000 divided into 5,00,000 equity shares of ₹ 100 each to ₹ 35,00,000 divided into 5,00,000 equity shares of ₹ 7 each.

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

c) Movement in equity share capital

(₹)

Particulars	Number of shares	Equity share capital
As at March 31, 2019	35,16,516	21,18,97,100
Add : Share issue to Atul Ltd	5,82,029	9,32,54,500
As at March 31, 2020	40,98,545	30,51,51,600
Add : Share issue to Atul Ltd	1,40,216	5,82,02,900
As at March 31, 2021	42,38,761	36,33,54,500

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

No	Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd (Holding Company)	100.00%	42,38,761	100.00%	40,98,545

(₹)

Note 12 Other equity	As at March 31, 2021	As at March 31, 2020
a) Securities premium	56,64,90,627	52,93,14,529
b) General reserve	1,56,25,000	1,56,25,000
c) Retained earnings	(2,81,10,841)	(10,28,188)
d) Other reserves		
FVOCI equity instruments	(6,91,436)	(48,91,482)
	55,33,13,349	53,90,19,859

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.As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.

d) FVOCI - equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities to other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

(₹)

Note 13 Borrowings	Maturity	Terms of repayment	Effective interest rate p.a.	As at March 31, 2021		As at March 31, 2020	
				Current	Non-current	Current	Non-current
a) Secured							
Rupee term loan from bank	84 Months	20 equal quarterly instalment of ₹ 0.38 cr each starting from April 2021 till Jan 2026	6 months MCLR + 0.10% i.e. 8.10% (PY: 8.20 %)	-	60,75,13,206	-	40,93,77,455
b) Unsecured							
Loan from related parties	60 Months	8 equal quarterly instalment of ₹ 6.25 crores each starting from September 2024	12 months Axis bank MCLR + 135 BPS i.e. 9.0% (PY: NA)		6,42,70,000		-
				-	67,17,83,206	-	40,93,77,455
Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 14)					(12,20,00,000)	-	-
				-	54,97,83,206	-	40,93,77,455

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

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

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
First charge for non-current and current borrowings		
Property, plant and equipment	1,11,09,56,352	1,24,19,049
Capital work-in-progress	-	1,00,86,08,098
Capital advance	-	4,04,856
	1,11,09,56,352	1,02,14,32,003

c) Net debt reconciliation:

(₹)

Particulars	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
Net debt as at March 31, 2019	-	27,81,61,980	27,81,61,980
Disbursements	-	13,12,15,476	13,12,15,476
Interest expense	-	10,50,556	10,50,556
Interest paid	-	(10,50,556)	(10,50,556)
Net debt as at March 31, 2020	-	40,93,77,456	40,93,77,456
Disbursements	-	26,24,05,751	26,24,05,751
Interest expense	-	1,21,67,696	1,21,67,696
Interest paid	-	(1,21,67,696)	(1,21,67,696)
Net debt as at March 31, 2021	-	67,17,83,206	67,17,83,206

(₹)

Note 14 Other financial liabilities		As at March 31, 2021		As at March 31, 2020	
		Current	Non-current	Current	Non-current
a)	Current maturities of long-term debt (refer Note 13)	12,20,00,000	-	-	-
b)	Employee benefits obligation	5,96,952	-	8,68,765	-
c)	Security deposits	36,58,129	-	49,40,134	-
d)	Interest accrued but not due on term loan	70,21,997	-	-	-
e)	Creditors for capital goods	98,20,243	-	12,90,62,812	-
f)	Amount payable to a joint operation (share of joint operation)	-	-	2,56,24,600	-
g)	Lease liability	35,94,522	1,93,21,080	-	-
		14,66,91,841	1,93,21,080	16,04,96,310	-

(₹)

Note 15 Trade payables			As at March 31, 2021	As at March 31, 2020
a)	Total outstanding dues of micro enterprises and small enterprises		810	-
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises			
	i)	Related party (refer Note 24.04)	63,02,401	28,570
	ii)	Others	5,10,85,938	2,14,087
			5,73,89,149	2,42,657

(₹)

Note 16 Other current liabilities		As at March 31, 2021	As at March 31, 2020
a)	Statutory dues (net)	2,94,291	2,84,88,063
b)	Others	22,61,714	-
		25,56,005	2,84,88,063

(₹)

Note 17 Provisions		As at March 31, 2021		As at March 31, 2020	
		Current	Non-current	Current	Non-current
a)	Provision for leave entitlement	70,967	2,96,431	47,887	2,22,303
		70,967	2,96,431	47,887	2,22,303

(i) Information about individual provisions and significant estimates

a) Leave entitlement

The leave entitlement covers the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 70,967 (March 31, 2020: ₹ 47,887) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(₹)

Note 18 Revenue from operations	2020-21	2019-20
Sale of products	3,40,75,836	-
Business auxiliary services	84,15,707	98,15,653
Revenue from contracts with customers:	**4,24,91,543**	**98,15,653**
Dividend from equity investment measured at FVOCI[1]	1,11,248	1,60,502
Dividend on current investments	2,224	12,72,118
Interest from others	45,36,029	47,66,097
Gain on investment measured at FVPL	7,93,417	11,57,311
	4,79,34,461	**1,71,71,682**

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

(₹)

Note 19 Other income	2020-21	2019-20
Exchange rate difference gain (net)	11,473	-
Miscellaneous income	10,20,226	80
	10,31,699	**80**

(₹)

Note 20 Cost of materials consumed	2020-21	2019-20
Raw materials and packing materials consumed		
Stocks at commencement	-	-
Add: Purchase	4,10,68,193	-
	4,10,68,193	-
Less: Stocks at close	2,05,86,792	-
	2,04,81,400	**-**

Note 21 Changes in inventories of finished goods and work-in-progress	2020-21	2019-20
Stocks at close		
Finished goods	32,00,284	-
Work-in-progress	-	
	32,00,284	-
Less: Stocks at commencement		
Finished goods	-	-
Work-in-progress	-	-
	-	-
(Increase) | Decrease in stocks (net)	**(32,00,284)**	**-**

(₹)

Note 22 Employee benefit expenses	2020-21	2019-20
Salaries, wages and bonus (refer Note 24.10)	75,37,488	81,85,689
Contribution to Provident and other funds (refer Note 24.10)	4,72,489	3,79,895
Staff welfare expenses	22,634	74,724
	80,32,611	**86,40,308**

(₹)

Note 23 Finance costs	2020-21	2019-20
Fees	3,93,748	7,69,175
Interest on borrowing	1,21,67,696	10,50,556
Interest on Income tax	1,341	46,103
	1,25,62,785	**18,65,834**

(₹)

Note 24 Other expenses	2020-21	2019-20
Manpower services	1,51,42,799	1,18,32,230
Power, fuel and water	41,07,177	2,74,451
Legal and professional fees	2,29,700	3,64,875
Consumption of stores and spares	1,63,760	-
Repairs	12,128	-
Travelling and conveyance	4,25,452	4,26,185
Insurance	1,98,408	-
Payments to the Statutory Auditors		
a) Audit fees	3,37,635	1,71,000
Directors' fees	80,000	80,000
Provision for doubtful advance	-	11,71,724
Rent paid	61,475	50,000
Bank charges	15,484	6,28,107
Exchange rate difference loss (net)	-	6,57,744
Miscellaneous expenses	24,36,644	5,59,086
	2,32,10,662	**1,62,15,401**

Note 25.01 Contingent liabilities

a) Claims against the Company not acknowledged as debts
The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledged as debts in respects of:		
i) Income tax	29,12,810	29,12,810

Note 25.02 Commitments

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

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	38,45,198	4,02,40,796

b) The Company has a commitment of ₹ nil (Previous year: ₹ 5,12,48,948) towards capital contribution to joint operation.

Note 25.03 Earning per share
Earning per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

(₹)

Particulars		2020-21	2019-20
Profit for the year attributable to the equity shareholders	₹	(2,63,18,931)	(1,18,29,329)
Basic | Weighted average number of equity shares outstanding during the year	Number	42,30,694	36,46,754
Nominal value of equity share **(₹)** of 5,00,000 equity share	₹	7	7
Nominal value of equity share **(₹) of** equity share	₹	100	100
Basic and diluted EPS	₹	(6.22)	(3.24)

Note 25.04 (A) Related party information

Name of the related party and description of relationship:

No	Name of the related party	Description of relationship
	Party where control exists	
1	Atul Ltd	Holding company
2	Atul Fin Resource Ltd	Subsidiary companies
3	Atul Nivesh Ltd	
4	Aaranyak Urmi Ltd	
5	Anaven LLP	Joint operation
6	Nouryon Chemical International B.V (formerly Akzo Nobel Chemicals International B.V.)	Partner
	Parties under common control with whom transactions have taken place during the year	
6	Amal Ltd	Fellow subsidiaries
7	Atul Bioscience Ltd	
8	Atul Infotech Pvt Ltd	
9	Atul Rajasthan Date Palms Ltd	
10	Osia Infrastructure Ltd	
11	Lapox Polymers Ltd	
12	Rudolf Atul Chemicals Ltd	Joint
13	Nouryon Industrial Chemical B.V. (formerly Akzo Nobel Industrial Chemical B.V.)	Subsidiary company of partner - Nouryon Chemical International B.V.
14	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	

(₹)

Note 25.04 (A) Transactions with Holding company		2020-21	2019-20
1	Sales of Goods		
	Atul Ltd	3,59,27,276	-
2	Purchase of goods		
	Atul Ltd	51,41,819	-
3	Capital goods purchased		
	Atul Ltd	28,82,554	95,16,704
4	Service charges received		
	Atul Ltd	74,83,509	98,15,653
	Atul Fin Resources Ltd	9,32,198	-
5	Service charges paid		
	Atul Ltd	5,33,628	4,98,720
6	Issuance of equity share to (including security premium)		
	Atul Ltd	5,12,48,948	21,75,01,670
	Loan taken during the year		
	Atul Ltd	3,42,70,000	-
7	Reimbursement of expense		
	Atul Ltd	1,87,68,909	2,82,86,468

(₹)

Note 25.04 (A) Transactions with Holding company (continued)		2020-21	2019-20
8	Interest payable		
	Atul Ltd	18,58,710	-
9	Brand usage charges paid		
	Atul Ltd	500	1,000
10	Lease rent		
	Atul Ltd	6,60,562	50,000
11	Outstanding balances as at year end		
	Trade Receivables		
	Atul Ltd	4,30,70,344	16,75,849
	Atul Fin Resources Ltd	87,389	
	Trade Payables		
	Atul Ltd	89,35,617	-
	Atul Ltd	3,42,70,000	

(₹)

Note 25.04 (B) Transactions with subsidiary companies of holding company		2020-21	2019-20
1	Reimbursement of expense		
	Amal Ltd	-	26,797
	Atul Bioscience Ltd	2,376	1,04,924
	Atul Infotech Pvt Ltd	-	-
2	Direct investment made in equity shares		
	Atul Fin Resources Ltd	-	4,99,99,997
	Atul Infotech Pvt Ltd	-	1,74,99,810
	Atul Ayurveda Ltd	-	83,330
	Atul Entertainment Ltd	-	41,670
	Atul Medical Care Ltd	-	41,670
	Atul Seeds Ltd	-	1,45,840
	Jayati Infrastructure Ltd	-	1,45,840
	Osia Dairy Ltd	-	1,45,830
	Osia Infrastructure Ltd	1,00,00,000	
3	Interest received		
	Atul Bioscience Ltd	42,24,452	42,85,720
4	Outstanding balances as at year end		
	Loan		
	Atul Bioscience Ltd	4,50,00,000	4,50,00,000
	Trade Payable		
	Atul Bioscience Ltd	26,194	28,570

(₹)

Note 25.04 (C) Transactions with joint venture company of holding company		2020-21	2019-20
1	Reimbursement of expense		
	Rudolf Atul Chemicals Ltd	720	19,738
2	Outstanding balances as at year end		
	Receivable		
	Rudolf Atul Chemicals Ltd	-	20,435

(₹)

Note 25.04 (d) Transactions with subsidiary company of partner		2020-21	2019-20
1	Purchase of services		
	Nouryon Industrial Chemical B.V. (formerly Akzo Nobel Industrial Chemical B.V.)	19,51,963	-
2	Service charges paid		
	Nouryon Industrial Chemical B.V. (formerly Akzo Nobel Industrial Chemical B.V.)	17,65,030	-
3	Loan taken during the year		
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	3,00,00,000	-
4	Reimbursement of expense		
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	5,90,000	-
5	Interest payable		
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	18,34,580	-
6	Outstanding balances as at year end		
	Loan		
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	3,00,00,000	-

i) There are no provisions for doubtful debts or amounts written back in respect of debts due to or due from related parties.

ii) Related party relationship is as identified by the Company and relied upon by the Auditors.

Note 25.05 Current and deferred tax

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

a) Income tax expense

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax		
Current tax on profits for the year	7,64,328	8,28,998
Adjustments for current tax of prior periods	-	418
Total current tax expense	7,64,328	8,29,416
Deferred tax		
(Decrease) | increase in deferred tax liabilities	6,43,08,430	1,66,969
Decrease | (increase) in deferred tax assets	(6,37,96,020)	21,298
Total deferred tax expense | (benefit)	5,12,410	1,88,267
Income tax expense	12,76,738	10,17,683

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

(₹)

	Particulars	2020-21	2019-20
i)	Current tax		
	Remeasurement gain | (loss) on defined benefit plans	(4,413)	12,685
	Income tax expense	(4,413)	12,685

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	As at March 31, 2021	As at March 31, 2019
Statutory income tax rate	15.60%	15.60%
Differences due to:		
Profit on sale on Investments measured at FVOCI	-	-
Income exempt from income tax - Dividend income	-0.49%	-0.49%
Others	0.39%	0.39%
Effective income tax rate	15.50%	15.50%

d) Current tax assets

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	17,34,248	16,94,219
Add: Current tax payable for the year	7,59,914	8,42,101
Less: Taxes paid	(7,38,049)	(8,02,072)
Closing balance	17,56,113	17,34,248

e) Deferred tax assets

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

(₹)

Particulars	As at March 31, 2021	(Charged) | Credited to profit or loss | OCI	As at March 31, 2020	(Charged) | Credited to profit or loss | OCI	As at March 31, 2019
Property, plant and equipment	6,48,58,775	6,43,91,679	4,67,095	1,04,284	3,62,811
Leave encashment	(25,280)	(25,099)	(181)	(181)	-
Unrealised gain on mutual fund	21,498	(58,149)	79,647	62,865	16,782
Total deferred tax liabilities	6,58,24,038	6,43,08,430	5,46,562	1,66,969	3,79,593
MAT credit entitlement	(24,01,640)	(5,09,663)	(18,91,977)	(7,26,276)	(11,65,701)
Provision for doubtful advances	-	3,65,578	(3,65,578)	(3,65,578)	-
Borrowing cost	(41,21,542)	(41,21,542)	-	-	-
Unused tax losses	(6,10,52,927)	(6,04,99,438)	(5,53,489)	11,13,152	(16,66,641)
Total deferred tax assets	(6,75,76,109)	(6,47,65,066)	(28,11,044)	21,299	(28,32,342)
Net deferred tax liabilities | (assets)	(17,52,071)	(4,56,635)	(22,64,481)	1,88,268	(24,52,749)

Note 25.06 Micro, Small and Medium Enterprises Development

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

Note 25.07 Consolidated Financial Statements

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

The Financial Statements are separate Financial Statement of the Company.

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

Note 25.08 Segment information

a) Description of segments and principal activities

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

b) Operating segment

(₹)

	Particulars	Performance and Other Chemicals		Investing activity and Business Auxiliary Services		Total	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
i)	Segment revenue						
	Gross revenue	3,45,29,991	18,78,061	1,34,04,470	1,52,93,621	4,79,34,461	1,71,71,682
	Net revenue from operations	3,45,29,991	18,78,061	1,34,04,470	1,52,93,621	4,79,34,461	1,71,71,682
ii)	Segment results						
	Profit | (Loss) before finance cost and tax	(1,82,33,872)	(1,42,96,106)	57,54,462	53,50,293	(1,24,79,409)	(89,45,812)
	Less: Finance costs	1,25,62,305	18,65,834	480	-	1,25,62,785	18,65,834
	Less: Other unallocable expenditure (net of unallocable income)					-	-
	Profit | (Loss) before tax	(3,07,96,176)	(1,61,61,939)	57,53,982	53,50,293	(2,50,42,194)	(1,08,11,646)
iii)	Other information						
	Segment assets	1,39,33,16,660	1,19,53,91,102	31,34,81,467	30,58,57,932	1,70,67,98,127	1,50,12,49,035
	Unallocated common assets	-	-	-	-	-	-
	Total assets	1,39,33,16,660	1,19,53,91,102	31,34,81,467	30,58,57,932	1,70,67,98,127	1,50,12,49,035
	Segment liabilities	77,48,81,991	59,74,09,456	12,26,687	14,65,219	77,61,08,678	59,88,74,675
	Unallocated common liabilities	-	-	-	-	-	-
	Total liabilities	77,48,81,991	59,74,09,456	12,26,687	14,65,219	77,61,08,678	59,88,74,675
	Additions to assets and intangible	12,56,02,226	39,45,81,694	-	64,683	12,56,02,226	39,46,46,378
	Unallocated additions to assets and intangible assets	-	-	-	-	-	-
	Total capital expenditure[1]	12,56,02,226	39,45,81,694	-	64,683	12,56,02,226	39,46,46,378
	Depreciation	1,29,02,663	12,43,703	18,517	18,162	1,29,21,180	12,61,865
	Unallocated depreciation	-	-	-	-	-	-
	Total depreciation	1,29,02,663	12,43,703	18,517	18,162	1,29,21,180	12,61,865

c) Geographical segment

(₹)

Particulars	In India		Outside India		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Segment revenue	4,79,34,461	1,71,71,682	-	-	4,79,34,461	1,71,71,682
Carrying cost of assets by location of	1,70,67,98,127	1,50,12,49,035	-	-	1,70,67,98,127	1,50,12,49,035
Additions to assets and intangible assets	12,56,02,226	39,46,46,378	-	-	12,56,02,226	39,46,46,378

[1] Including capital work-in-progress and capital advances

d) Other disclosures:

i) The Company has disclosed business segment as the operating segment which have been identified in line with the Ind AS 108 'Operating Segments' taking into account the organisation structure as well as the differing risks and returns.

ii) The segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

iii) Segment revenue received from business auxiliary services represents revenue from holding company and once fellow subsidiary of ₹ 84,15,707 (Previous year: ₹

iv) Segment revenue received from performance and other chemicals represents single customer ,revenue from holding company of ₹ 3,40,75,836 (Previous year: ₹ nil).

Note 25.09 Additional information

The Financial Statements include proportionate share of assets, liabilities, income and expenditure of the Company in its joint operations, namely Anaven LLP. Below are supplementary details of Atul Finserv Ltd on standalone basis excluding interest in the aforesaid joint operations:

Standalone Balance Sheet as at March 31, 2021

(₹)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
A ASSETS			
1 Non-current assets			
a) Property,plant and equipment	ii	21,927	40,444
b) Financial assets			
i) Investments in subsidiary, associate companies and joint operation	iii.i	91,22,84,196	85,10,34,996
ii) Other Investments	iii.ii	98,15,325	75,39,639
iii) Loans	iv	4,52,07,403	11,81,473
iv) Other Financial Assets	v	10,000	10,000
c) Deferred tax assets (net)	xx.iv	17,52,071	22,64,481
d) Income tax assets (net)	xx.iv	17,09,767	15,66,470
e) Other non-current assets	vi	5,82,562	5,82,562
Total non-current assets		97,13,83,252	86,42,20,064
2 Current assets			
a) Financial assets			
i) Investments	iii.iii	91,53,879	97,78,216
ii) Trade receivables	vii	10,41,319	16,96,284
iii) Cash and cash equivalents	viii	6,02,508	23,78,990
iv) Loans	iv	12,87,499	4,65,35,177
v) Other finacial assets	v	13,010	-
Total current assets		1,20,98,215	6,03,88,667
Total assets		98,34,81,467	92,46,08,731
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	ix	37,73,76,100	36,33,54,500
b) Other equity	x	60,48,78,681	55,97,89,012
Total equity		98,22,54,781	92,31,43,512
Liabilities			
1 Non-current liabilities			
a) Provisions	xi	2,96,431	2,22,303
Total non-current liabilities		2,96,431	2,22,303
1 Current liabilities			
a) Financial liabilities			
i) Trade payables	xii		
Total outstanding dues of			
a) Micro enterprises and small enterprises		-	-
b) Creditors other than micro enterprises and small enterprises		1,32,179	1,07,658
ii) Other financial liabilities	xiii	5,96,952	8,68,765
b) Other current liabilities	xiv	1,30,159	2,18,607
c) Provisions	xi	70,967	47,887
Total current liabilities		9,30,257	12,42,918
Total liabilities		12,26,688	14,65,221
Total equity and liabilities		98,34,81,467	92,46,08,732

Note 25.09 Additional information (continued)

Statement of Profit and Loss
for the year ended March 31, 2021

(₹)

Particulars	Note	2020-21	2019-20
INCOME			
Revenue from operations	xv	1,34,04,470	1,52,93,621
Other income	xvi	10,20,226	80
Total income		**1,44,24,696**	**1,52,93,701**
EXPENSES			
Employee benefit expenses	xvii	80,32,611	86,40,308
Finance costs	xviii	480	-
Depreciation and amortisation Expenses	ii	18,517	18,162
Other expenses	xix	6,19,106	12,84,938
Total expenses		**86,70,713**	**99,43,408**
Profit before tax		**57,53,982**	**53,50,293**
Tax expense			
Current tax	xx.iv	7,64,328	8,29,416
Deferred tax	xx.iv	5,12,410	5,49,012
Total tax expense		**12,76,738**	**13,78,428**
Profit for the year		**44,77,245**	**39,71,866**
Other comprehensive income			
a Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through other comprehensive income (FVOCI)		34,23,763	(43,49,840)
ii) Remeasurement gain | (loss) on defined benefit plans		16,974	(48,790)
iii) Income tax related to items above		(4,413)	12,685
Other comprehensive income, net of tax		**34,36,324**	**(43,85,945)**
Total comprehensive income for the year		**79,13,569**	**(4,14,079)**
Earnings per equity share			
Basic and diluted earning ₹ per equity share	xx.i	1.06	1.09

Statement of changes in equity

for the year ended March 31, 2021

A. Equity share capital

(₹)

Particulars	Amount
As at March 31, 2019	30,51,51,600
Changes in equity share capital during the year	5,82,02,900
As at March 31, 2020	36,33,54,500
Changes in equity share capital during the year	1,40,21,600
As at March 31, 2021	37,73,76,100

B. Other equity

(₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total Other equity
	Securities premium	General reserve	Retained earnings	FVOCI equity instruments	
As at March 31, 2019	37,15,48,315	1,56,25,000	1,58,05,205	(5,41,641)	40,24,36,878
Profit for the year	-	-	39,71,866	-	39,71,866
Other comprehensive income	-	-	(36,105)	(43,49,840)	(43,85,945)
Total comprehensive income for the year	-	-	39,35,761	(43,49,840)	(4,14,079)
Securities Premium on issue of share	15,92,98,439	-	-	-	15,92,98,439
Share issue expenses	(15,32,225)				(15,32,225)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	-	-	-
As at March 31, 2020	52,93,14,529	1,56,25,000	1,97,40,967	(48,91,482)	55,97,89,012
Profit for the year	-	-	44,77,245	-	44,77,245
Other comprehensive income	-	-	12,561	34,23,763	34,36,324
Total comprehensive income for the year	-	-	44,89,805	34,23,763	79,13,569
Share Application money receivedpending allotment	-	-	-	-	-
Securities Premium on issue of share	3,72,27,348	-	-	-	3,72,27,348
Share issue expenses	(51,250)	-	-	-	(51,250)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	(7,76,282)	7,76,282	-
As at March 31, 2021	56,64,90,627	1,56,25,000	2,34,54,490	(6,91,436)	60,48,78,681

Note 25.10 Employee benefit obligations

Funded schemes

a) Defined benefit plans:

Gratuity

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

Balance Sheet amount (Gratuity)

(₹)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2019	15,82,907	(14,20,924)	1,61,983
Current service cost	59,255	-	59,255
Interest expense | (income)	1,11,912	(98,704)	13,208
Total amount recognised in profit and loss	1,71,167	(98,704)	72,463
Remeasurement			
Return on plan assets, excluding amount included in interest expense |	-	29,522	29,522
(Gain) | Loss from change in financial assumptions	45,755	-	45,755
(Gain) | Loss from change in demographic assumptions	(5,836)	-	(5,836)
Experience (gain) | loss	(20,651)	-	(20,651)
Total amount recognised in other comprehensive income	19,268	29,522	48,790
Employer contributions	-	-	-
Benefit payments	(4,75,415)	4,75,415	-
As at March 31, 2020	12,97,927	(10,14,691)	2,83,236
Current service cost	75,972	-	75,972
Interest expense | (income)	80,991	(61,767)	19,224
Total amount recognised in profit and loss	1,56,963	(61,767)	95,196
Remeasurement			
Return on plan assets, excluding amount included in interest expense |	-	(29,817)	(29,817)
(Gain) | Loss from change in financial assumptions	(47,870)	-	(47,870)
(Gain) | Loss from change in demographic assumptions	29,751	-	29,751
Experience (gain) | loss	30,962	-	30,962
Total amount recognised in Other Comprehensive Income	12,843	(29,817)	(16,974)
Employer contributions	-	(2,30,519)	(2,30,519)
Benefit payments	-	-	-
As at March 31, 2021	14,67,733	(13,36,794)	1,30,939

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

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	14,67,733	12,97,927
Fair value of plan assets	(13,36,794)	(10,14,691)
Deficit of Gratuity plan	1,30,939	2,83,236

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Discount rate	6.49%	6.24%
Attrition rate	8.00%	14.00%
Rate of return on plan assets	6.49%	6.24%
Salary escalation rate	7.62%	8.40%

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Discount rate	1.00%	1.00%	(2.97%)	(2.99%)	3.21%	3.18%
Attrition rate	1.00%	1.00%	(0.24%)	(0.33%)	0.25%	0.35%
Salary escalation rate	1.00%	1.00%	3.15%	3.08%	(2.97%)	(2.96%)

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

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

Major category of plan assets are as follows:

(₹)

Particulars	March 31, 2021	March 31, 2020
Insurance fund	13,11,963	9,89,860

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are ₹ 141,037

Note 25.10 Employee benefit obligations (continued)

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

(₹)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2021	4,10,222	91,302	8,88,826	4,77,266	18,67,616
As at March 31, 2020	1,75,421	1,62,748	7,01,263	5,68,522	16,07,954

b) **Defined contribution plans:**

Provident fund:

Amount of ₹ 1,46,026 (March 31, 2020: ₹ 1,35,253) is recognised as expense and included in the Note 19 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 1,48,362 (March 31, 2020 : ₹ 51,694) is recognised as expense and included in the Note 19 'Salaries, wages and bonus'.

c) The Company had taken legal opinion from legal experts and based on that, provident fund payable on universal allowances was worked out and an amount of ₹ 80,138 was deposited with provident fund authorities during July, 2020.

d) The Parliament of India has approved the Code on Social Security, 2020 (the Code) which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.

Note 25.11 Fair value measurements

Financial instruments by category

(₹)

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	98,15,325	-	-	75,39,640	-
- Mutual funds	1,25,49,500	-	-	2,03,62,014	-	-
Trade receivables	-	-	4,32,21,710	-	-	16,96,284
Loans	-	-	4,64,94,902	-	-	4,77,16,649
Security deposits	-	-	10,000	-	-	10,000
Amount receivable from a related party into joint operation			13,010			-
Cash and bank balance	-	-	55,80,412	-	-	49,89,957
Total financial assets	1,25,49,500	98,15,325	9,53,20,034	2,03,62,014	75,39,640	5,44,12,891
Financial liabilities						
Borrowings			67,17,83,206			40,93,77,455
Trade payables	-	-	5,73,89,149	-	-	2,42,657
Employee benefits obligation	-	-	5,96,952	-	-	8,68,765
Security deposits			36,58,129			49,40,134
Interest accrued but not due on term loan			70,21,997			-
Lease liability			2,29,15,601			-
Creditor for capital goods			98,20,243			12,90,62,812
Amount payable to a related party into joint operation			-			2,56,24,600
Total financial liabilities	-	-	77,31,85,275	-	-	57,01,16,422

(i) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the 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 under the accounting standard. An explanation of each level follows underneath the table.

(₹)

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Mutual funds			1,25,49,500	-	1,25,49,500
Financial Investments at FVOCI					
Quoted equity instruments		98,15,325	-	-	98,15,325
Total financial assets		98,15,325	1,25,49,500	-	2,23,64,825

(₹)

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Mutual funds			2,03,62,014	-	2,03,62,014
Financial Investments at FVOCI					
Quoted equity instruments		75,39,640	-	-	75,39,640
Total financial assets		75,39,640	2,03,62,014	-	2,79,01,654

There were no transfers between any levels during the year.

Level 1: Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
Level 2: This includes mutual funds which are valued using the closing NAV.

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

The carrying amounts of trade receivables, trade payables, bills receivables, advances receivable in cash, cash and cash equivalents are considered to be the same as their fair values.

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

Note 25.12 Financial risk management

Treasury function of the Company provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk

a) **Management of liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The approach of the Company to manage liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, Management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could manage from borrowing and equity infusion by Holding Company.

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

(₹)

As at March 31, 2021	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	12	67,17,83,206	12,20,00,000	54,97,83,206	67,17,83,206
Trade payables	14	5,73,89,149	5,73,89,149	-	5,73,89,149
Employee benefits obligation	14	5,96,952	5,96,952	-	5,96,952
Security deposits	14	36,58,129	36,58,129	-	36,58,129
Interest accrued but not due on term loan	14	70,21,997	70,21,997	-	70,21,997
Lease liability	14	2,29,15,601	35,94,522	1,93,21,080	2,29,15,601
Creditors for capital goods	14	98,20,243	98,20,243	-	98,20,243
As at March 31, 2020	**Note**	**Carrying amount**	**Less than 12 months**	**More than 12 months**	**Total**
Borrowings	12	40,93,77,455	-	40,93,77,455	40,93,77,455
Trade payables	14	2,42,657	2,42,657	-	2,42,657
Employee benefits obligation	14	8,68,765	8,68,765	-	8,68,765
Security deposits	14	49,40,134	49,40,134	-	49,40,134
Creditors for capital goods	14	12,90,62,812	12,90,62,812	-	12,90,62,812
Amount payable to a related party into joint operation	14	2,56,24,600	2,56,24,600	-	2,56,24,600

b) **Management of market risk**

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

i) price risk

ii) foreign exchange risk

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

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. The fair value of quoted investments of the Company is in fair value through other comprehensive income securities exposes the Company to equity price risks. Equity price risk is related to the change in market reference price of the investments in equity securities. 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 as fair value through Other Comprehensive Income as at March 31, 2021 is ₹ 98,15,325 (March 31, 2020: ₹ 75,39,639).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the risk management policies at group level. Any new investment or divestment must be approved by the Board of Directors, Chief Executive Officer.	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 10% increase in prices would have led to approximately an additional ₹ 3,42,376 gain in other comprehensive income (2019-20: ₹ 434984 loss). A 10% decrease in prices would have led to an equal but opposite effect.

ii) Foreign exchange risk		
The Company has foreign exchange risk arises from future commercial transactions and recognised financial liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows.	The Company has exposure arising out of import other than functional risks.	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 import creditor for capital goods, a 10% increase in rate would have led to approximately an additional ₹ 1,147 gain in the Statement of Profit and Loss (2019-20: ₹ 65,774). A 10% decrease in prices would have led to an equal but opposite effect.

Foreign currency risk exposure:

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

Particulars	As at March 31, 2021				As at March 31, 2020	
	($)	(₹)	(€)	(₹)	(€)	(₹)
Financial liabilities						
Creditors for capital goods	7,500	5,51,475	14,332	12,34,102	12,17,870	9,99,42,619
Net exposure to foreign currency risk (liabilities)	7,500	5,51,475	14,332	12,34,102	12,17,870	9,99,42,619

C) **Credit risk management**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, other balances with banks, loans and other receivables.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. Exposure of the Company and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. Credit risk arising from investment in mutual funds and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings.

D) **Interest rate risk management**

The Company draws term loan, avails cash credit for meeting its funding requirements.Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

Note 25.13 Capital management

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

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

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

(₹)

Particulars	March 31, 2021	March 31, 2020
Total debt	67,17,83,206	40,93,77,455
Total equity	93,06,89,449	90,23,74,359
Debt-Equity ratio	0.72	0.45

Note 25.14 Loans

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

(₹)

Particulars	Purpose	Amount outstanding as at		Maximum balance	
		March 31, 2021	March 31, 2020	2020-21	2019-20
Subsidiary companies of holding company:					
Atul Bioscience Ltd	Funding support	4,50,00,000	4,50,00,000	4,50,00,000	4,50,00,000

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 25.15 Leases

Initial lease liability has been measured at present value of the lease payment and discounted at incremental borrowing rate of the company, with an equivalent amount for the right of use asset.

As a lessee

i) Following are the changes in the carrying value of right-of-use assets:

(₹)

Particulars	March 31, 2021
As at April 01, 2020	-
Addition	2,31,49,082
Deletion	-
Depreciation|Amortisation	3,85,818
As at March 31,2021	2,27,63,264

ii) Following movement in lease liabilities:

(₹)

Particulars	March 31, 2021
As at April 01, 2020	-
Addition	2,31,49,082
Deletion	-
Finance cost accrued	3,65,607
Payment of lease liabilities	5,99,087
As at March 31,2021	2,29,15,602

iii) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

(₹)

Particulars	March 31, 2021
Less than one year	71,89,043
One to five years	3,59,45,216
More than five years	2,75,57,998
Total	7,06,92,257

The Company 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.

Note 25.16 Offsetting financial assets and liabilities

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

a) **Collateral against borrowings**

The Company has hypothecated | mortgaged assets as collateral against a number of its borrowings. Refer to Note 13 for further information on assets hypothecated | mortgaged as security against borrowings. In case of default as per borrowing arrangement such collateral can be adjusted against the amounts due.

Note 25.17 Authorisation for issue of the Standalone Financial Statements

The Standalone Financial Statements were authorised for issue by the Board of Directors on April 15, 2021

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

Samir R. Shah
Partner

Mumbai
April 29, 2021

For and on behalf of the Board of Directors

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

A P Patadiya
Company Secretary

Atul
April 15, 2021