

Atul Products Ltd
Annual Report 2023-24

The logo of Atul Products Ltd (APL) features the first letter of Devanagari script, which holds significance in representing its connection to the original Devanagari logo of its parent company, Atul Ltd (Atul). As a wholly-owned subsidiary of Atul, the logo serves as a visual link between the two entities. The use of orange, green and blue colours in the logo mirrors the colours of the Indian flag. This choice of colours symbolises the legacy and deep-rooted connection of APL to a Group that has been actively contributing to the development of India since its independence.

The journey of a thousand miles begins with a single step.

~ Lao Tzu

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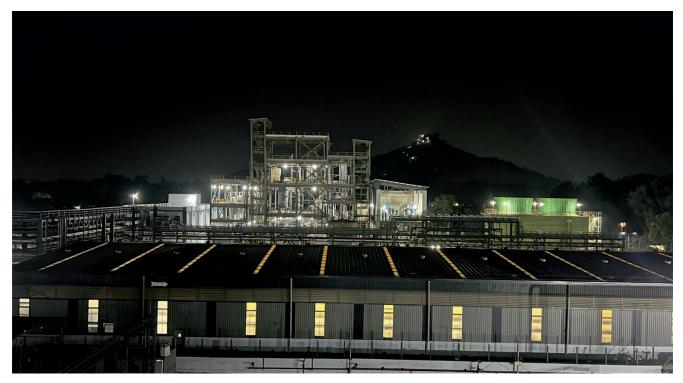
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#### Forward looking statements

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

# **Corporate identity**





Atul Products Ltd is a wholly-owned subsidiary company of Atul Ltd and was incorporated on October 20, 2020. The Company is engaged in the manufacturing and marketing of Caustic and is also in the generation of power, primarily for captive use. The Production capacity for Caustic Soda is 300 tpd and power plant is 50 MW. It commissioned its manufacturing facility in the quarter ended on December 31, 2023.

## **Purpose**

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



fostering a spirit of continuous learning and innovation



adopting developments in science and technology



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



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



seeking sustained, dynamic growth and securing long-term success



taking responsible care of the surrounding environment



improving the quality of life of the communities we operate in

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### **Values**



In an environment where change is a way of life, continuity of Values provides stability and is fundamental to us. We have therefore formalised key Values and are committed to institutionalising them. We will seek to create an environment wherein these Values are consistently practised and nurtured and ensured that they are not compromised.



#### **INTEGRITY**

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



#### **UNDERSTANDING**

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



#### **UNITY**

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



#### RESPONSIBILITY

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



### **EXCELLENCE**

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

# **Board of Directors**



Vivek Gadre



Rajeev Kumar



Lalit Patni



Bharat Joshi



Sudhakar Shetty

Notice

## **Directors' Report**



Dear Members.

The Board of Directors (Board) presents the annual report of Atul Products Ltd together with the audited Financial Statements for the year ended on March 31, 2024.

#### 01. Financial results

(₹ lakhs)

Particulars	2023-24	2022-23
Sales	6,485.40	-
Revenue from operations	6,485.40	-
Other income	66.89	1.00
Total revenue	6,552.29	1.00
Loss before tax	(3,235.38)	(38.47)
Provision for tax	0.09	(1.82)
Loss for the year	(3,235.47)	(36.65)
Balance brought forward	(147.59)	(110.94)
Transfer from comprehensive income	(0.56)	-
Balance carried forward	(3713.73)	(147.59)
Share issue expenses	(330.11)	-

#### 02. Performance

The Company has commissioned its 300 tpd caustic and 50 MW power plant during 2023-24. The Company has achieved ₹ 64.85 cr, revenue from operations. The plant is in the stabilsation stage.

During the year, to optimise capital structure in a tax-efficient manner, the Company has varied rights of preference shareholders by converting 9% cumulative redeemable preference shares of ₹ 10 each into 9.5% non-cumulative redeemable preference shares of ₹ 10 each and converted inter-corporate loans into 9.5% non-cumulative redeemable preference shares of ₹ 10 each.

#### 03. Dividend

The Board did not recommend any dividend on the equity shares for the financial year ended March 31, 2024.

#### Energy conservation, technology absorption and 04. foreign exchange earnings and outgo

Information required under Section 134(3)(m) of the

Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms part of this report, which is given at page number 09.

#### 05. Insurance

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

#### 06. Risk management

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

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses only such accounting software for maintaining its books of accounts that records the audit trail of all transactions, creates an edit log of all changes made, along with when such changes were made and by whom. This feature of recording the audit trail has operated throughout the year and was not tampered with.

In respect of the aforesaid accounting software, after thorough testing and validation, the audit trail was not enabled for direct data changes at the database level given the possible impact on efficient performance of the system. With respect to the audit trails trail at the database level, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, concluded that the internal controls for the year ended March 31, 2024, were effective. The Company is in the process of system upgradation to meet the database level audit trail requirement. We expect to implement this from May 1, 2024.

#### 07. Internal financial controls

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2024, and the Board believes that the controls are adequate.

#### 08. Fixed deposits

During 2023-24, the Company did not accept any fixed deposits.

#### 09. Loans, guarantees, investments and security

During 2023-24, the Company did not give any loan, provide a gurantee or make any investment.

#### 10. Subsidiary, joint venture and associate company

The Company does not have any subsidiary, joint venture or associate company.

#### 11. Related party transactions

All the transactions entered into with the related parties were in the ordinary course of business and on an arm's length basis. Details of such transactions are given on page number 52. No transactions that required disclosure in Form AOC-2 were entered into by the Company.

#### 12. Corporate social responsibility

The provisions of Section 135 of the Act are not applicable to the Company.

#### 13. Annual return

Annual return for 2023-24, is available for inspection at the registered office of the Company.

#### 14. Auditors

B R Shah & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company at the  $1^{st}$  Annual General Meeting (AGM) held on August 03, 2021, until the conclusion of the  $6^{th}$  AGM.

The Auditor's Report for the financial year ended March 31, 2024, does not contain any qualification, reservation or adverse remark. The report is enclosed with the Financial Statements in this annual report.

#### 15. Directors' responsibility statement

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

- a) In preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures.
- b) The accounting policies were selected and applied consistently, the judgements and estimates thus made were reasonable and prudent 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.
- c) Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The attached annual accounts for the year ended March 31, 2024, were prepared on a going concern basis.
- e) Adequate internal financial controls to be followed by the Company were laid down and the same were adequate and operating effectively.
- f) Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.



#### 16. Directors

#### 16.1. Appointments | Reappointments | Cessations

- a) According to the Articles of Association of the Company, Mr Vivek Gadre and Mr Rajeev Kumar retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting.
- b) Subject to the approval of the members, Mr Sudhakara Shetty was appointed as the Whole-time Director and Occupier effective September 20, 2023, for a period of five years.
- c) Mr Sunil Gulati ceased to be a Whole-time Director and Occupier effective, September 20, 2023, and Mr Vasudev Koppaka ceased to be a Director effective, November 30, 2023.

The Board places on record its deep appreciation for his valuable contribution through sustained involvement, critical analysis and valuable guidance.

#### 16.2. Policies on appointment and remuneration

#### 16.2.1. Appointment

While recommending the appointment of the Directors, the Board considers the following factors:

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

#### 16.2.2. Remuneration of the Non-executive Directors

- a) Sitting fees: nil
- b) Commission: nil
- 16.2.3. Remuneration of the Executive Directors

  This is given under paragraph number 14.

#### 17. Key managerial personnel and other employees

17.1. Appointments and cessations of Key Managerial Personnel

Mr Sunil Gulati ceased to be a Whole-time Director and Occupier and Mr Sudhakara Shetty was appointed as the Whole-time Director and Occupier effective, September 20, 2023.

#### 17.2. Remuneration

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

#### 17.2.1. Components:

- a) Fixed pay:
  - i) Basic salary
  - ii) Allowances
  - iii) Perquisites
  - iv) Retirals
- b) Variable pay

#### 17.2.2. Factors for determining and changing fixed pay

- a) Existing compensation
- b) Education
- c) Experience
- d) Salary bands
- e) Performance
- f) Market benchmark

#### 17.2.3. Factors for determining and changing variable pay:

- a) Business performance
- b) Individual performance
- c) Work level

#### 18. Analysis of remuneration

No employee falls within the criteria provided in Section 134(3)(q) and Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Thus, the disclosure of the information in respect thereof is not applicable.

#### 19. Management Discussion and Analysis

The Management Discussion and Analysis covering performance of the Company is given on page number 10.

#### 20. Corporate Governance Report

#### 20.1. Report

The Corporate Governance Report is given at page number 11. Details about the number of meetings of the Board held during 2023-24, are given on page number 14.

#### 20.2. Secretarial standards

Standards as applicable to the Company were followed and complied with during 2023-24.

# 20.3. 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 on page number 15.

#### 21. Acknowledgements

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

For and on behalf of the Board of Directors

Atul Director (Lalit Patni)
April 18, 2024 DIN: 07731459 DIN: 02564572

Notice

## **Annexure to the Directors' Report**



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#### 1. Energy conservation, technology absorption and foreign exchange earnings and outgo

#### 1.1. Energy conservation

#### 1.1.1. Measures taken:

The Company is taking all the necessary steps to conserve energy.

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

The plants are equipped with modern, energy-saving electronic devices and gadgets.

#### 1.2. Technology absorption

#### 1.2.1. Research and development

- i) Specific areas in which research and development (R&D) was carried out by the Company: No major steps were taken during the year.
- ii) Future plan:

The Company is investing in people and equipment further to strengthen its operations and thereby enhance its capability.

### 1.2.2. Technology absorption, adaptation and innovation

- i) Efforts in brief made towards technology absorption, adaptation and innovation:
  - The Company deployed its operations by imbibing the latest technologies.
- ii) Benefits derived as a result of the above efforts:
  - The above efforts have resulted in a decrease in time cycle and an increase in throughput.
- iii) Technology imported during the last three years reckoned from the beginning of the financial year: The Company did not import any technology.

#### 1.3. Foreign exchange earnings and outgo

(₹ cr)

Particulars	2023-24	2022-23
Earnings	-	-
Outgo		
Payment for equipment, etc.	2	21

## **Management Discussion and Analysis**



The Company commissioned its plant and capitalised the facility of 300 tpd Caustic and 50 MW power plant in December 2023. The Company achieved a turnover of <sup>1</sup> 63 cr in the initial four months of operations. Both the plants were under stabilisation at the year end. The products of the Company are used in various industries, such as Pulp and Paper, Alumina, Textile, Soap and Detergent and Water Treatment. The size of the world Chlor-alkali industry is estimated at US\$ 72 bn and is growing at about 5%.

The captive consumption of bulk chemicals is expected to grow as Atul and its Group entities expand their manufacturing capacities for various products, resulting in increased demand for caustic, chlorine, hydrogen, power and steam. The Company is strategically located in the chemical manufacturing belt of South Gujarat and plans to target the market in its vicinity as well as in other parts of Western India. The products manufactured by APL are commodities, where prices are affected as a result of fluctuations in the market. Any such impact can be reduced through backward and forward integration at the Group level and long-term contracts with customers | suppliers.

#### Internal control systems

Internal control systems of the Company are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested, certified and upgraded whenever required by the Statutory as well as

the internal auditors covering all key areas of the business. Significant audit observations and follow-up actions and recommendations thereon are reported to the Senior Management and the Board for their review.

#### **Human resources**

The Company believes that people are the foundation on which the business is built, and this remains a key focus area. It continues with its drive to institutionalise and upgrade HR processes. In particular, it focuses on improving its processes related to recruitment, training and development, performance management and succession planning in order to manage a dynamic and growing business.

The training needs are identified based on self-assessment and L+1 assessment. Additionally, there are certain standard courses which everyone is expected to go through, depending upon his (her) grade.

# **Corporate Governance Report**



Leadership and learning are indispensable to each other.
~ John Kennedy



### **Corporate Governance Report**

#### 1. Philosophy

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

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

The Board of Directors (Board) is responsible for and is committed to good corporate governance and plays a critical role in overseeing how the Management serves the short-term 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:

- a) capital expenditure and operating budgets
- b) commission payable to the Directors within the limit set by the shareholders
- c) contracts in which the Director(s) are deemed to be interested
- d) creation of charge on assets in favour of lenders
- e) declaration of interim dividend
- f) joint ventures, collaborations, mergers and acquisitions
- g) loans and investments
- h) matters requiring statutory | Board consent
- i) sale of investments and assets
- j) short, medium or long-term borrowings
- k) unaudited quarterly financial results and audited annual accounts, including segments revenue, results and capital employed

#### 2.1.2 Monitoring:

a) effectiveness of the governance practices and making desirable changes

- b) implementation of performance objectives and corporate performance
- c) potential conflicts of interest of the Management, the Board Members and the shareholders, including misuse of corporate assets and abuse in related party transactions
- the Board nomination process such that it is transparent and results in a diversity of experience, gender, knowledge, perspective and thoughts in the Board
- e) 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:

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

#### 2.1.4 Recommending:

- a) appointment of the Statutory Auditors
- b) final dividend

#### 2.1.5 Reviewing:

- a) corporate strategy, major plans of action, Risk Policy, annual budgets and business plans
- b) default in payment of statutory dues
- c) fatal or serious accidents, dangerous occurrences and material environmental matters
- d) foreign exchange exposure and exchange rate movement
- e) 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:

- a) a well-defined mandate, composition and working procedures of the Committees
- b) a corporate culture and the Values



#### 2.1.7 Others:

- a) 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
- aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the shareholders
- c) applying high ethical standards
- d) assigning sufficient number of Non- executive Board Members, capable of exercising independent judgement to items where there is a potential for conflict of interest
- e) assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus for the Company

- f) encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept updated
- g) exercising objective and independent judgement on corporate affairs
- h) facilitating the Independent Directors to perform their role effectively as the Board Members and also as members of Committees
- i) meeting the expectations of operational transparency of the stakeholders while maintaining confidentiality of information to foster a culture of good decision-making

#### 2.2 Appointment and Tenure

2|3<sup>rd</sup> of the Directors (other than the Independent Directors) are rotational Directors. 1|3<sup>rd</sup> 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. It consists of six members:

No.	Name		Membership(s) of the Committee(s) of the Board(s)²	
1.	Rajeev Kumar	2	-	-
2.	Vivek Gadre	4	-	-
3.	Bharat Joshi	9	_	_
4.	Lalit Patni	8	_	_
5	Sudhakara Shetty	-	_	_
6	Sunil Gulati¹	-	_	_
7	Vasudev Koppaka <sup>2</sup>	-		

<sup>&</sup>lt;sup>1</sup>up to September 20, 2023 | <sup>2</sup>up to November 30, 2023

<sup>&</sup>lt;sup>1</sup>this excludes Directorships in foreign companies and private limited companies.

<sup>&</sup>lt;sup>2</sup>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 2023-24, the Board met 13 times.

Directors	Rajeev Kumar	Vivek Gadre	Bharat Joshi	Lalit Patni	Sudhakara Shetty	Vasudev Koppaka*	Sunil Gulati*
Venue	Atul	Atul	Atul	Atul	Atul		Atul
Date							
Saturday April 01, 2023	✓	✓	1	1	NA	✓	✓
April 11, 2023	1	1	1	1	NA	✓	1
April 21, 2023	1	1	1	1	NA	✓	✓
May 04, 2023	✓	✓	✓	✓	NA	✓	✓
May 12, 2023	✓	✓	✓	✓	NA	✓	✓
May 17, 2023	✓	✓	✓	✓	NA	✓	✓
June 19, 2023	✓	✓	✓	✓	NA	✓	✓
July 01, 2023	✓	✓	1	✓	NA	✓	✓
July 25, 2023	✓	✓	✓	1	NA	✓	✓
September 20, 2023	✓	✓	✓	✓	NA	✓	NA
October 06, 2023	1	1	1	1	1	✓	NA
December 04, 2023	✓	✓	✓	1	✓	NA	NA
January 11, 2024	✓	✓	✓	✓	✓	NA	NA

 $<sup>^{1}</sup>$ up to September 20, 2023 |  $^{2}$ up to November 30, 2023

#### 2.5 Appointment | Cessation

- » Appointed: Mr Sudhakara Shetty was appointed as the Whole-time Director and Occupier effective, September 20, 2023.
- » Ceased: Mr Sunil Gulati ceased to be a Whole-time Director and Occupier effective, September 20, 2023, because of his resignation and Mr Vasudev Koppaka ceased to be a Director effective, November 30, 2023, having retired from Atul Ltd.

#### 2.6 Remuneration

No. Name Rem		Remuneration duri	uneration during 2023-24		
		Sitting fees	Salary and perquisites	Commission	Total
1.	Rajeev Kumar	-	-	-	-
2.	Vasudev Koppaka	-	-	-	-
3.	Vivek Gadre	-	-	-	-
4.	Lalit Patni	-	-	-	-
5.	Bharat Joshi	-	-	-	-
6.	Vasudev Koppaka	-	-	-	-
7	Sunil Gulati	-	-	-	-
8	Sudhakara Shetty	-	-	-	-

The Directors were not paid remuneration or sitting fees for attending the Board meetings.



#### 3. Committees of the Board

The Company did not constitute any statutory committees.

#### 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 Code of conduct

The Company follows the code of conduct adopted by Atul Ltd, its holding company.

All the Directors and the Senior Management personnel have affirmed their compliance with the code of conduct.

#### 4.3 Prevention of sexual harassment of women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on the prevention of sexual harassment of women at the workplace and constituted the Internal Complaints Committee. The status of complaints received during 2023-24 is as under:

Filed during 2023-24	Nil
Disposed of during 2023-24	Nil
Pending as at end of 2023-24	Nil

#### 4.4 Related party transactions

The Company has formulated a Related Party Transactions Policy.

#### 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 2023-24, 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 three 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 the last three AGMs were held:

Year	Location	Date	Time
2021-22	E-7, East site, Atul 396 020, Gujarat, India	August 05, 2022	09:00 am
2022-23	E-7, East site, Atul 396 020, Gujarat, India	August 22, 2023	09:00 am

#### 6.1.2 Special resolutions passed in the previous three AGMs: yes

#### 6.1.3 Resolutions passed through postal ballot: nil

#### 6.2 Annual General Meeting 2024

Details of the 3<sup>rd</sup> AGM are as under:

Year	Location	Date	Time
2023-24	E-7, East site, Atul 396 020, Gujarat, India		09:00 am

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
- Location of plant 6.4 Atul 396 020, Gujarat, India
- Address for correspondence 6.5 E-7, East site, Atul 396 020, Gujarat, India E-mail address: atul\_products@atul.co.in
- Tentative Board meeting dates for consideration of results for 2024-25 6.6

No.	Name	Date
1.	First quarter results	July 10, 2024
	Second quarter and half-yearly results	October 09, 2024
3.	Third quarter results	January 08, 2025
4.	Fourth quarter and annual results	April 16, 2025

For Atul Products Ltd

(Rajeev Kumar) Director

Atul April 18, 2024 DIN: 07731459

### Notice

### **Notice**

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NOTICE is hereby given that the 4th Annual General Meeting of the members of Atul Products Ltd will be held on Friday, August 23, 2024, at 09:00 am at E-7, East site, Atul 396 020, Gujarat, India to transact the following businesses:

#### **Ordinary business:**

- 1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2024, and the Reports of the Directors and the Auditors thereon.
- 2. To appoint a Director in place of Mr Rajeev Kumar (DIN: 07731459) who retires by rotation and being eligible, offers himself for reappointment.
- 3. To appoint a Director in place of Mr Vivek Gadre (DIN: 08906935) who retires by rotation and being eligible, offers himself for reappointment.

#### **Special business:**

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

"RESOLVED THAT pursuant to the provisions of Sections, 152 of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr Sudhakara Shetty (DIN: 10322329), be and is hereby appointed as the Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), approval be and is hereby accorded to the appointment of Mr Sudhakara Shetty (Director identification number: 10322329) as a Whole-time Director of the Company, and his receiving of remuneration, including minimum remuneration for a period of five years from September 20, 2023, as per the draft agreement submitted to this meeting and for identification initialled by the Chairman.

RESOLVED FURTHER THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions of the draft agreement as approved vide this resolution as may be deemed fit from time to time which may have the effect of increasing the remuneration and for considering modifications, if any, by the Central Government in regard to the policy I guidelines

pertaining to managerial remuneration and for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient, necessary, proper or in the best interest of the Company."

#### Notes:

- 1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a member. A person can act as a proxy on behalf of not more than 50 members and hold an aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 09:00 am on August 21, 2024.
- 2. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and other documents required by law to be annexed or attached to the Balance Sheet for the financial year ending March 31, 2024, are annexed | attached.
- The Register of Members and the Share Transfer Books of the Company will remain closed from August 10, 2024, to August 17, 2024 (both days inclusive).
- 4. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days. The members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.
- 5. The Register of Directors and Key Managerial Personnel and their shareholding maintained under the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- 6. The members desiring any information relating to the accounts are requested to write to the Company at least seven days before the date of Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.
- 7. At the ensuing Annual General Meeting, Mr Rajeev Kumar retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as under:

Name	Mr Rajeev Kumar
Date of birth	July 01, 1972
Brief résumé	Mr Rajeev Kumar is the Director of the Company since January 2021.
	Mr Kumar is currently the President – Bulk Chemicals and Intermediates Business, Atul Ltd.
	Mr Kumar holds a graduate degree in Pulp and Paper Technology from the Indian Institute of Technology, Roorkee and also holds a postgraduate degree in Marketing Management from IGNOU.
Directorship in other companies	Public companies
	Amal Ltd
	Amal Speciality Chemicals Ltd
Membership in committees of other companies	Membership in committee
	Corporate Social Responsibility Committee – Amal Ltd
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

8. At the ensuing Annual General Meeting, Mr Vivek Gadre retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as follows:

Name	Mr Vivek Gadre
Date of birth	August 26, 1962
Brief résumé	Mr Vivek Gadre is a Director of the Company since October 2020.
	Mr Gadre is Executive Vice President, Corporate Atul Ltd.
	Mr Gadre holds a graduate degree in Chemical Engineering from the Indian Institute of Technology, New Delhi and a postgraduate diploma in Management from the Indian Institute of Management, Kolkata.
Directorship in other companies	Public companies
	Atul Bioscience Ltd
	Atul Crop Care Ltd
	Atul Natural Dyes Ltd
	Atul Natural Foods Ltd
	Atul Renewable Energy Ltd
Membership in committees of other companies	Membership in committee
	Corporate Social Responsibility Committee – Atul Bioscience Ltd
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil



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

Registered office:

By order of the Board of Directors

E-7, East site, Atul 396 020

Gujarat

India

Corporate identification number: U24304G|2020PLC117189

April 18, 2024

(Rajeev Kumar) **Director** 

DIN: 07731459

#### **Explanatory statement**

The following explanatory statement, as required by Section 102 of the Companies Act, 2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, sets out material facts, including the nature and concern or interest of the Directors in relation to the item number 4 mentioned in the accompanying Notice:

#### Item number 4

Subject to the approval of the shareholders, the Board appointed Mr Sudhakara Shetty as an Additional Director. The Board also appointed Mr Sudhakara Shetty as the Whole-time Director for a period of five years, effective September 20, 2023, to September 19, 2028. The terms of appointment of Mr Sudhakara Shetty is in accordance with applicable provisions of the Companies Act, 2013. His brief résumé is given as follows:

Name	Mr Sudhakara Shetty
Date of birth	September 20, 1968
Brief résumé	Mr Sudhakara Shetty is a Whole-time Director and Occupier since September 20, 2024.
	Mr Shetty is a Vice President Utility and Services in Atul Ltd.
	Mr Shetty holds a graduate degree in in Electronics and Communication Engineering from Mysore University.
Directorship in other companies	Public companies
	Nil
	Foreign companies
	Nil
Membership in committees of other companies	Member of committees
	Nil
Cessation from the directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

The terms of appointment of Mr Sudhakara Shetty are in accordance with applicable provisions of the Companies Act, 2013.

The terms and conditions of the appointment of the Whole-time Director are set out in the draft agreement, which is placed before the AGM. The material terms of the draft agreement are as under:

### i) Responsibilities:

Mr Shetty will have responsibilities of overall supervision of factory of the Company at Atul. He will also discharge the responsibilities of the Occupier. In addition, he will also be responsible for any other duties as may be assigned to him by the Board.

#### ii) Remuneration:

- a) During his tenure, subject to the approval of the shareholders, Mr Shetty will be paid remuneration which may be revised from time to time by Atul Ltd. The Company will either reimburse Atul Ltd 5% of the remuneration (including revision thereof) drawn by him from Atul Ltd or an amount not exceeding as is allowable under the Companies Act, 2013, whichever is lower.
  - For the sake of abundant clarity, it is confirmed that as long as Mr Shetty draws remuneration from Atul Ltd, the payment of his remuneration by Atul Products Ltd for his services to Atul Products Ltd will be discharged only by way of reimbursement to Atul Ltd and not by way of any payments to him.
- b) Mr Shetty will not be entitled to sitting fees for attending meetings of the Board and | or Committees thereof. He will, however, be reimbursed for the actual travelling, lodging, boarding and out-of-pocket expenses incurred by him for attending meetings of the Board or Committees thereof.
- c) The above remuneration and any alteration thereof from time to time are subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under the applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Shetty will be paid the minimum remuneration subject to Schedule V of the Companies Act, 2013.
- iii) Mr Shetty will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- iv) The Directors are at liberty to appoint more than one Whole-time Director.
- v) Notice period of six months will be applicable from either side.

The Board considers that his association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in item number 4 about the appointment of Mr Shetty as the Whole-time Director, effective September 20, 2023, for a period of five years, for approval by the members.

#### Memorandum of interest

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

Registered office:

By order of the Board of Directors

E-7, East site, Atul 396 020

(Rajeev Kumar)

Gujarat

Director

Corporate identification number: U24304GJ2020PLC117189

DIN: 07731459

April 18, 2024

India

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#### To the members of Atul Products Ltd

### Report on the audit of the Financial Statements

#### Opinion

- 01. We have audited the accompanying Financial Statements of Atul Products Ltd (the Company) having CIN: U24304GJ2020PLC117189 which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended and notes to the Financial Statements and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report (hereinafter referred to as the Financial Statements).
- 02. 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, (the Act) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### **Basis for opinion**

03. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities 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 independence 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

# Information other than the Financial Statements and Auditors' Report thereon

- O4. The Management and the Board of Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis but does not include the Financial Statements and our Auditor's Report thereon.
- 05. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- 06. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
- 07. 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.

# Responsibility of Management and those charged with governance for the Financial Statements

08. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect that 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 in accordance with the Ind AS and accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act

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

- 09. In preparing the Financial Statements, the Management is responsible for assessing ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 10. The Board of Directors are responsible for overseeing the financial reporting process of the Company.

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

- 11. 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 can reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
- 12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - a) Identify and assess the risks of material

misstatement of the 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 Companies Act, 2013, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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.

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 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.

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

#### Report on other legal and regulatory requirements

13. As required by 'the Companies (Auditor's Report)
Order, 2020' (the order), issued by the Central

Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 14. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the Directors as on March 31, 2024, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2024, 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 B.
  - g) The Company has not paid any remuneration to its Directors during the current year, hence provisions of Section 197 of the Act is not applicable to the Company.
  - h) With respect to the other matters to be included in the Auditors' Report in

accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- The Company does not have any pending litigations which will impact its financial position.
- The Company did not have any material foreseeable losses on longterm contracts, including derivative contracts.
- iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
  - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign

- entity (funding parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary companies. which incorporated in India, whose Financial Statements have been audited under the Act. nothing has come to our or other Auditor's notice that has caused us or the other Auditors to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- d) The Company did not propose dividend for the previous year and has not declared any interim dividend during the year and until the date of this report. Hence, no reporting is applicable with regards to compliance with Section 123.
- e) Based on our examination which included test checks, the Company, in respect of financial year commencing on April 01, 2023, has used accounting software for maintaining its books of account, which has a feature of recording audit trail (edit log) facility and the same has



operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was not enabled at database level for accounting software to log any direct data changes, as described in note 25.16 to the financial statements. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled.

#### For B R Shah and Associates

Chartered Accountants Firm registration number: 129053W

Deval Desai

**Partner** 

Ahmedabad April 18, 2024 Membership number: 132426 UDIN: 24132426BKABWT6047

### Annexure A to the Independent Auditor's Report

Referred to in paragraph 13 under 'Report on other legal and regulatory requirements' of our report of even date.

- 01. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has physically verified the fixed assets at regular intervals. In our opinion, this periodicity of physical verification is reasonable having regard to size of the Company and nature of its assets.
  - c) According to the information and explanations given by the Management, there are no immovable properties, included in fixed asset of the Company, except for lease hold land against duly executed lease deed, and accordingly the reporting requirements under Clause (i) (c) of the said order are not applicable.
  - d) The Company has not carried our any revaluation of its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year. Hence the reporting requirements under Clause (i) (d) of the said order are not applicable.
  - e) According to the information and explanations given by the Management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence the reporting requirements under clause (i) (e) of the said order are not applicable.
- O2. a) Physical verification of inventory has been conducted by the Management at regular intervals. In our opinion, the frequency of verification is reasonable. On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
  - b) The company has obtained a sanctioned working

- capital limit exceeding five crore rupees in the form of both term loans and overdraft facilities. Additionally, during the fiscal year, the company successfully repaid the utilised amount. As per discussions with the Management and confirmation from the representative of the lender, it has been clarified that due to the preoperative stage of the Company and plant is under capitalisation, there was no obligation for the submission of quarterly returns or statements to the lender bank and hence the company has not submitted such statement till date of audit report.
- 03. The Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loan whether secured or unsecured to companies, firms, limited liability partnerships or other parties. Accordingly, Clause (iii) (a) to (f) of the order are not applicable for the year.
- 04. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act during the year. Accordingly, compliance under Sections 185 and 186 of the Act is not applicable to the Company. Hence, Clause (iv) of the order is not applicable.
- 05. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, Clause (v) of the Order is not applicable.
- 06. We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Company Overview

- 07. a) According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, amounts deducted | accrued in the books of account in respect of undisputed statutory dues including income tax, cess, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have any on-roll employees and hence liability of provident fund and employees' state insurance does not arise. Further, as explained to us, the Company did not have any dues on account of wealth tax, sales tax, service tax, customs duty, excise duty and value added tax during the year.
  - According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of goods and service tax, income tax, cess and other material statutory dues as at March 31, 2024, that have not been deposited on account of any dispute.
- 08. According to the information and explanations given to us, the Company has not disclosed any transactions which were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the provisions of the Income Tax Act, 1961. Accordingly, the provisions of Clause (viii) of the Order is not applicable.
- 09. a) According to the information and explanations given to us, the Company has not made any default in repayment of loan from banks or Financial Institution.
  - b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.

- According to the information and explanations given to us and based on the overall examination of Balance Sheet, the money raised through term loans during the year have been utilised for the purpose for which they were raised.
- d) According to the information and explanations given to us, the Company has not utilised funds raised on short-term basis for long-term purpose.
- e) According to the information and explanations given to us and based on the overall examination of Balance Sheet, the Company has not borrowed any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- According to the information and explanations given to us and based on the overall examination of Balance Sheet, the Company has not raised loans by providing investments held in subsidiaries, joint ventures or associate companies as a security for availment of loan.
- 10. a) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).
  - During the year the Company has issued preference shares to its holding company. The Company has complied with the requirements of section 42 and section 62 of the Act, to the extent applicable. Further, the money raised by way of issue of preference shares have been applied for the purposes for which those are raised.
- During the course of our examination of the 11. a) books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees that has been noticed or reported during the year nor have we been informed of any such case by the Management.

- b) On the basis of the information and explanations given to us, no report under Sub-section (12) of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year under review.
- c) The provisions of vigil mechanism as specified under Section 177(9) of the Act is not applicable to the Company. Also, as represented to us by the Management, there are no whistleblower complaints received by the Company during the year.
- 12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, Clause (xii) of the Order is not applicable.
- 13. According to the information and explanations given by the Management, transactions with related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Indian Accounting Standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under Clause (xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.
- 14. In our opinion and based on our examination, the Company is not required to have an internal audit system as per provisions of the Act. Accordingly, Clause (xiv) of the Order is not applicable.
- 15. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not entered into any non-cash transactions with Directors or any person connected with them. Accordingly, Clause (xv) of the Order is not applicable.
- 16. a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under the Section 45-IA of the Reserve Bank of India Act. 1934.

- Accordingly, the provisions of Clause (xvi) (a) of the Order is not applicable.
- b) In our opinion and according to the information and explanations given to us, the Company has not conducted any non-banking financial or housing finance activities.
- c) In our opinion and according to the information and explanations given to us, the Company is not a core investing company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) Based on the written representation provided to us by the Management, there is no core investment company within the Group (as defined in the core investment companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause (xvi) (d) of the Order is not applicable.
- 17. The Company has incurred cash losses in the financial year and in the immediately preceding financial year of ₹809.33 lakh and ₹34.10 lakh respectively.
- 18. There has been no resignation of the Statutory Auditors during the year and accordingly Clause (xviii) of the Order is not applicable.
- 19. On the basis of the financial ratios disclosed in Note 25.11 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Plan of the Management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a



- period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- 20. According to the information and explanations given by the Management, the provisions of Section 135(5) of the Companies Act, 2013 are not applicable to the Company. Hence, the provisions of Clause (xx) of the Order is not applicable.
- 21. According to the information and explanations given by the Management and based on the information obtained from the Management and audit procedures performed, the Company does not have any subsidiary, joint venture or associate entity. Hence, the provisions of Clause (xxi) of the Order is not applicable

#### For B R Shah and Associates

Chartered Accountants Firm registration number: 129053W

Deval Desai

**Partner** 

Ahmedabad Membership number: 132426 April 18, 2024 UDIN: 24132426BKABWT6047

### Annexure B to the Independent Auditor's Report

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

### Report on the internal financial controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

#### Opinion

We have audited the internal financial controls with reference to Financial Statements of Atul Products Ltd (the Company) as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, 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 (the Guidance Note).

# 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 control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 internal financial controls of the Company with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by ICAI. 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 with reference to the Financial Statements were 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 with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to the Financial Statements of the Company.

# Meaning of internal financial controls with reference to the Financial Statements

The internal financial controls with reference to the Financial Statements of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. The internal



financial controls with reference to the Financial Statements of a Company includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that might have a material effect on the Financial Statements.

### Inherent limitations of internal financial controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Financial Statements, 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 with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B R Shah and Associates

**Chartered Accountants** Firm registration number: 129053W

Deval Desai

**Partner** 

Ahmedabad Membership number: 132426 April 18, 2024 UDIN: 24132426BKABWT6047

# Balance Sheet as at March 31, 2024

(₹ lakhs)

Particular	s	Note	As at March 31, 2024	As at March 31, 2023
A ASS	ETS			
1	Non-current assets			
	a) Property, plant and equipment	2	84,311.04	238.10
	b) Capital work-in-progress	2	3,447.81	71,583.12
	c) Intangible assets	2.1	25.01	-
	d) Financial assets			
	i) Other financial assets	3	237.48	221.05
	e) Income tax assets (net)	25.03	10.31	9.24
	f) Other non-current assets	4	8,132.07	9,076.72
	Total non-current assets		96,163.72	81,128.23
2	Current assets			
	a) Inventories	5	1,105.43	-
	b) Financial assets			
••••••	i) Investments	6	291.21	-
	ii) Trade receivables	7	1,942.85	_
		8	1,942.85	20.20
	iii) Cash and cash equivalents	- <del>-</del>		36.30
	iv) Other financial assets	3	0.81	0.10
	c) Other current assets	4	4,708.57	3,262.47
	Total current assets		8,221.81	3,298.87
	Total assets		1,04,385.53	84,427.10
EQU	ITY AND LIABILITIES			
Equi	ty			
	a) Equity share capital	9	500.00	500.00
	b) Other equity	10	45,323.46	(147.59)
	Total equity		45,823.46	352.41
	Liabilities			
1.	Non-current liabilities			
	a) Financial liabilities			
	i) Borrowings	11	49,303.19	63,745.00
	ii) Lease liabilities	25.11	164.90	230.27
	b) Provisions	12	15.63	1.40
	Total non-current liabilities		49,483.72	63,976.67
2.	Current liabilities			
	a) Financial liabilities			
	i) Borrowings	11	56.71	12,300.00
	ii) Trade payables			
	Total outstanding dues of			
	a) Micro-enterprises and small enterprises	13	42.32	-
	b) Creditors other than micro-enterprises and small enterprises	13	1,488.78	0.75
	iii) Lease liabilities	25.11	14.70	20.11
	iv) Other financial liabilities	14	6,609.18	7,671.41
	b) Contract liabilities	15	809.90	_
	c) Other current liabilities	16	55.49	105.64
***************************************	d) Provisions	12	1.27	0.11
······································	Total current liabilities		9,078.35	20,098.02
	Total liabilities		58,562.07	84,074.69
	***************************************	†		84,427.10
	Total equity and liabilities	.ii	1,04,385.53	84,427

The accompanying Notes 1-25 form an integral part of the Financial Statements.

In terms of our report attached

For B R Shah & Associates Charterted Accountants FRN: 129053W

Deval Desai

**Partner** Membership No. 132426

Ahmedabad April 18, 2024 For and on behalf of the Board of Directors

Bharat Joshi (DIN: 02952299) **Director** 

Lalit Patni (DIN:02564572) **Director** 

> Atul April 18, 2024

Notice

# Statement of Profit and Loss for the year ended on March 31, 2024



₹ lakhs)

D	NI-4-	2022 24	(₹ lakhs
Particulars	Note	2023-24	2022-23
INCOME			
Revenue from operations	17	6,485.40	_
Other income	18	66.89	1.00
Total income		6,552.29	1.00
EXPENSES			
Cost of materials consumed	19	477.79	_
Changes in inventories of finished goods and work-in-progress	20	(177.44)	-
Power, fuel and water	21	4,602.84	-
Employee benefit expenses	22	213.21	2.64
Finance costs	23	1,872.07	-
Depreciation and amortisation expenses	2	2,426.14	2.55
Other expenses	24	373.06	34.28
Total expenses		9,787.67	39.47
Profit   (Loss) before tax		(3,235.38)	(38.47)
Tax expense	25.03		
Current tax		0.09	(1.82)
Deferred tax		-	-
Total tax expense		0.09	(1.82)
Profit   (Loss) for the year		(3,235.47)	(36.65)
Other comprehensive income			
Items that will not be reclassified under profit   (loss)			
i) Remeasurement gain   (loss) on defined benefit plans (net of taxes)		(0.56)	-
Other comprehensive income, net of tax		(0.56)	-
Total comprehensive income for the year		(3,236.03)	(36.65)
Earnings per equity share of ₹ 10 each			
Basic earnings (₹)	25.08	(64.71)	(0.73)
Diluted earnings (₹)	25.08	(64.71)	(0.73)

The accompanying Notes 1-25 form an integral part of the Financial Statements.

In terms of our report attached	For and on behalf of the Board of Directors
For B R Shah & Associates	Bharat Joshi
Chartered Accountants	(DIN: 02952299)
FRN: 129053W	<b>Director</b>
Deval Desai Membership No. 132426	Lalit Patni (DIN:02564572) <b>Director</b>
Ahmedabad	Atul
April 18, 2024	April 18, 2024

# Statement of changes in equity for the year ended on March 31, 2024

### A. Equity share capital

(₹ lakhs)

Particulars	Note	Amount
As at March 31, 2022		500.00
Changes in equity share capital during the year		-
As at March 31, 2023		500.00
Changes in equity share capital during the year		-
As at March 31, 2024	9	500.00

### B. Other equity

(₹ lakhs)

Particulars	Equity component of non-cumulative redeemable preference shares	Reserves and surplus Retained earnings	Total other equity
As at March 31, 2022	-	(110.94)	(110.94)
Profit   (Loss) for the year	-	(36.65)	(36.65)
As at March 31, 2023	-	(147.59)	(147.59)
Profit   (Loss) for the year	-	(3,235.47)	(3,235.47)
Other comprehensive income, net of tax	-	(0.56)	(0.56)
Issued during the year	49,037.19	-	49,037.19
Share issue expenses, net of tax	-	(330.11)	(330.11)
As at March 31, 2024	49,037.19	(3,713.73)	45,323.46

The accompanying Notes 1-25 form an integral part of the Financial Statements.

In terms of our report attached	For and on behalf of the Board of Directors
For B R Shah & Associates	Bharat Joshi
Chartered Accountants	(DIN: 02952299)
FRN: 129053W	<b>Director</b>
Deval Desai Membership No. 132426	Lalit Patni (DIN:02564572) <b>Director</b>
Ahmedabad	Atul
April 18, 2024	April 18, 2024

# Statement of Cash Flows for the year ended on March 31, 2024



(₹ lakhs)

	Particulars		2023-24	2022-23
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit   (Loss) before tax		(3,235.38)	(38.47)
	Adjustments for:			
	Depreciation and amortisation expenses		2,426.14	2.55
	Finance costs		1,872.07	-
	Unrealised exchange rate difference (net)		(56.13)	3.01
	Interest income		(20.01)	(0.47)
	Interest from others		(0.47)	(0.53)
	Gain on disposal of current investments measured at FVTPL (net)		(1.23)	-
	Operating Profit   (loss) before changes in operating assets and liabilities		985.00	(33.91)
	Adjustments for:			
	(Increase)   Decrease in inventories		(1,105.43)	-
	(Increase)   Decrease in non-curent and current assets		(3,096.67)	(8,329.13)
	(Increase)   Decrease in non-curent and current liabilities		2,363.54	45.29
			(1,838.56)	(8,283.84)
	Cash used in operations		(853.57)	(8,317.75)
	Less:			_
	Income tax paid (net of refund)		1.16	(1.61)
	Net cash used in operating activities	Α	(854.73)	(8,316.14)
В	CASH FLOW FROM INVESTING ACTIVITIES			
	Payments towards property, plant and equipment (including capital advances)		(14,122.62)	(38,132.05)
	Redemption of   (Investment in) bank deposits (net)		(16.43)	(221.05)
	Redemption of   (Investment in) current investments measured at FVTPL (net)		(289.98)	-
	Interest received		20.48	0.05
	Net cash used in investing activities	В	(14,408.55)	(38,353.05)
С	CASH FLOW FROM FINANCING ACTIVITIES			
	Disbursements of borrowings <sup>1</sup>		31,778.23	50,705.00
	Repayment of loan		(9,973.15)	-
	Interest paid		(6,044.54)	(4,009.90)
	Payment of lease liabilities		(30.50)	(30.50)
	Share issue expenses		(330.11)	-
	Net cash flow from financing activities	С	15,399.93	46,664.60
	Net increase in cash and cash equivalents	A+B+C	136.64	(4.59)
	Cash and cash equivalents at the beginning of the year		36.30	40.89
	Cash and cash equivalents at the end of the year (refer to note 8)		172.94	36.30

 $<sup>^1</sup>$  During the year 2023-24, unsecured borrowings (from Atul Ltd) and 9% cumulative redeemable preference shares, aggregating ₹ 67,021.85 lakhs and ₹ 94,50.00 lakhs, respectively were converted into 76,47,18,500 9.5% non-cumulative redeemable preference shares at ₹ 10 per share.

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Net debt as at the beginning of the year	76,045.00	25,340.00
Disbursements	31,778.24	50,705.00
Repayments and Equity component of non-cumulative redeemable preference shares	(59,010.34)	
Interest expense	6,591.54	4,009.90
Interest paid	(6,044.54)	(4,009.90)
Net debt as at the end of the year	49,359.90	76,045.00

The accompanying Notes 1-25 form an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

For B R Shah & Associates Chartered Accountants FRN: 129053W Bharat Joshi (DIN: 02952299) **Director** 

Deval Desai

Lalit Patni (DIN:02564572)

Membership No. 132426

N:02564572) **Director** 

Ahmedabad April 18, 2024 Atul April 18, 2024

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

ii) Reconciliation of changes in liabilities arising from financing activities.

## **Notes** to the Financial Statements

#### **Background**

Atul Products Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India, having CIN U24304GJ2020PLC117189. The Company is a wholly-owned subsidiary of Atul Ltd. Its registered office is located at E-7, East site, Atul 396 020, Valsad, Gujarat, India and its principal place of business is located at Atul 396 020, Gujarat, India.

The Company is formed with the opportunity to set up manufacturing facilities for basic and speciality chemicals. The Company has commissioned its 300 tpd Caustic and 50 MW power plant in December 2023.

#### Note 1 Material accounting policies

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

#### a) Statement of compliance

The Financial Statements comply with 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 Financial Statements have been prepared

on a historical cost basis.

- ii) The Financial Statements have been prepared on accrual and going concern basis.
- to all the periods presented in the Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between 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 or non-current classification of assets and liabilities.
- iv) Recent accounting pronouncements effective from April 01, 2024:

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. As of April 01, 2024, there have been no such notifications applicable.

#### c) Foreign currency transactions

#### i) Functional and presentation currency

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

#### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in the Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences in 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.

#### d) Revenue recognition

#### i) Revenue from operations

Revenue is recognised when the 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 the factory gate of the Company, or at the 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, with only the passage of time required before the payment is due.

Company Overview

Revenue is measured based on the consideration to which the Company expects to be entitled as per the contract with a customer. The consideration is determined based on the transaction 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, revenue revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Return of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government that are levied on sales such as, goods and services tax.

#### ii) Other income

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### Income tax e)

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 income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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.

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

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

The Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes, including including those related to transfer pricing as per Appendix C to Ind AS 12. 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. Significant judgement is applied by the Company in identifying uncertainties over income tax treatments.

#### f) Lease

#### As a lessee

The Company assesses whether a contract is, or contains a lease, at the 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 the 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 the lease arrangements in which it is lessee, except for short-term leases (leases with a term of 12 months or less), leases of low value assests and, for contract where the lessee and lessor have the 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 the commencement date, the lease liability is measured at the present value of the lease payments to be paid during the non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets are initially recognised at the amount of the initial measurement of the corresponding lease liability, which includes lease payments made at or before the 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. The lease liability is subsequently measured by increasing the carrying amount to reflect the 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.

#### g) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes directly attributable expenditure to the acquisition of the items. Acquisition cost may also include transfers from the equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance

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

Property, plant and equipment that are not ready for intended use as on the date of the Balance sheet are disclosed as 'capital work-in-progress'.

# Depreciation methods, estimated useful lives and residual value

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

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

Asset category	Estimated useful life
Buildings	30 years
Plant and equipment <sup>1</sup>	6 to 25 years
Vehicles	6 to 10 years
Office equipment and furniture	3 to 10 years
Roads	5 years

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

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

#### h) Intangible assets

Computer software includes enterprise resource planning applications and other costs relating to such softwares that provide significant future



economic benefits. These costs comprise license fees and the cost of system integration services.

Company Overview

The computer software cost is amortised over a period of three years using the straight-line method.

#### i) Cash and cash equivalents

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

#### j) Trade receivables

Trade receivables are recognised at the amount of transaction price (net of variable consideration) 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. Trade receivables overdue more than 180 days are considered in which there is a significant increase in credit risk.

#### k) Trade and other payables

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

#### I) Inventories

Inventories are stated at either the cost or the net realisable value, whichever is lower. The cost is determined on a periodic moving weighted average basis.

The net realisable value represents the estimated selling price for inventories less all the estimated costs of the completion and the costs necessary to effect the sale.

The cost comprises all the costs of purchase, the costs of conversion and the other costs incurred in bringing the inventory to the present location and condition.

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

Items such as spare parts, stand-by equipments and servicing equipments that are not plant and machinery, get classified as inventory.

#### m) Investments and other financial assets

Classification and measurement

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii) those measured at amortised cost
- iii) those measured at carrying cost for equity instruments of subsidiary companies and joint venture company

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

#### n) 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 expired.

#### o) 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.

#### p) 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 rate 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 facilities will be drawn down. If not, 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 noncash 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.

#### q) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

#### r) 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 the 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.

#### s) Employee benefits

#### Defined benefit plan

#### Gratuity

Gratuity liability is a defined benefit obligation and is computed on the basis of actuarial valuation by an actuary appointed for the purpose, as per the projected unit credit method at the end of each financial year. The liability or assets recognised in the balance sheet with respect to the defined benefit gratuity plan 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 represented by the creation of the separate funds and is used to meet the liability as and when it becomes

due for payment in the future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liablity with a corresponding charge to the statement of Profit and loss.

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

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

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

#### Defined contribution plan

Contributions to the defined contribution schemes such as a contribution to the provident fund and the labour welfare fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes, as the Company has no further defined obligations beyond the monthly contributions.

#### Short-term employee benefits

All employee benefits payable within 12 months of service such as salaries, wages, bonuses, ex-gratia, medical benefits, etc, are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

#### Other long-term employee benefits

The liabilities for earned leave 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.

#### t) 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.

To calculate diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1(e)
- ii) Estimation of the useful life of Property, plant & equipment: Note 1(g)
- iii) Estimation of provision for inventories: Note 1(k)
- iv) Fair value measurements: Note 25.04
- v) Estimation of defined benefit obligations: Note 1(r)

Particulars	Right-of-use leasehold land <sup>1</sup>	Buildings	Plant & Equipments	Vehicles	Roads	Office Equipment	Furniture and fixtures	Total	Capital work-in- progress <sup>2</sup>
Gross carrying amount									
As at March 31, 2022	277.82	-	-	-	-	5.36	4.58	287.76	18,637.54
Additions	-	-	-	-	-	-	-	-	52,945.58
Disposals, transfers and adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2023	277.82	-	-	-	-	5.36	4.58	287.76	71,583.12
Additions	-	2,544.69	83,576.21	0.21	365.82	9.77	47.01	86,543.71	18,408.40
Disposals, transfers and adjustments	(80.35)	-	-	-	-	-	-	(80.35)	(86,543.71)
As at March 31, 2024	197.47	2,544.69	83,576.21	0.21	365.82	15.13	51.59	86,751.12	3,447.81
Depreciation   Amortisation									
Up to March 31, 2022	18.52	-	-	-	-	0.60	0.21	19.33	-
For the year	27.78	-	-	-	-	1.70	0.85	30.33	-
Disposals, transfers and adjustments	-	-	-	-	-	-	-	-	-
Up to March 31, 2023	46.30	-	-	-	-	2.30	1.06	49.66	-
For the year	19.75	26.76	2,354.79	0.07	24.39	2.38	2.00	2,430.14	-
Disposals, transfers and adjustments	(39.72)	-	-					(39.72)	
Up to March 31, 2024	26.33	26.76	2,354.79	0.07	24.39	4.68	3.06	39.72	-
Net carrying amount									
As at March 31, 2023	231.52	-	-	-	-	3.06	3.52	238.10	71,583.12
As at March 31, 2024	171.14	2,517.93	81,221.42	0.14	341.43	10.45	48.53	84,311.04	3,447.81

#### Notes:

Refer Note 25.01 for disclosure of contractual commitment for acquisition of property, plant and equipment.

#### Capital work-in-progress ageing

(₹ lakhs)

Particulars As at March 31, 2024				024		As at March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,057.65	2,365.83	24.33	-	3,447.81	52,945.58	18,612.78	24.76	-	71,583.12

#### Capital work-in-progress completion schedule

Particulars	As at March 31, 2024				As at March 31, 2023				
	To be completed in				To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,447.81	-	-	-	52,945.58	18,612.78	24.76	-	

 $<sup>^{\</sup>rm 1}$  Refer Note 25.11 for disclosure of right-of-use assets under lease.

<sup>&</sup>lt;sup>2</sup> Capital work-in-progress mainly comprises projects in progress.

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(₹ lakhs)

Note 2.1 Intangible Assets	Computer Software
Gross carrying amount	
As at March 31, 2022	-
As at March 31, 2023	-
Additions	35.70
As at March 31, 2024	35.70
Depreciation   Amortisation	
Upto March 31, 2022	-
As at March 31, 2023	-
For the Year	10.69
As at March 31, 2024	10.69
Net carrying amount	
As at March 31, 2023	_
As at March 31, 2024	25.01

Company Overview

## (₹ lakhs)

Note 3 Other financial assets		As at March	າ 31, 2024	As at March 31, 2023		
		Non-current	Current	Non-current	Current	
a)	Security deposits for utilities and premises	236.30	-	221.05	-	
b)	Other receivables	1.18	0.81	-	0.10	
		237.48	0.81	221.05	0.10	

Note 4 Other assets		As at March	As at March 31, 2024		
		Non- current	Current	Non- current	Current
a)	Prepaid expenses	2.77	83.74	-	-
b)	Interest receivable	-	-	-	0.42
c)	GST receivable	8,036.44	4,587.52	8,332.62	3,262.05
d)	Capital advances	92.86	-	744.10	-
e)	Other advances		37.31		-
		8,132.07	4,708.57	9,076.72	3,262.47

(₹ lakhs)

Not	e 5 Inventories	As at March 31, 2024	As at March 31, 2023
a)	Raw materials	522.01	-
b)	Finished goods and work-in-progress	177.44	-
c)	Stores, spares and fuel	405.98	-
***************************************		1,105.43	-

#### Notes:

- i) Measured at lower cost and net realisable value
- ii) Secured against working capital facilities provided by the bank

(₹ lakhs)

Note 6 Investments	As at March 31, 2024	As at March 31, 2023
Unquoted		
Investments in mutual funds measured at FVTPL	291.21	-
	291.21	-

(₹ lakhs)

	e 7 Trade receivables	As at March 31, 2024	
	sidered good - unsecured		
a)	Related parties (refer Note 25.02)	783.13	-
b)	Others	1,159.72	-
		1,942.85	-

#### Notes:

#### Trade receivables ageing

No.	Particulars	As at March 31, 2024						
		Not due	Less than 6 months			2-3 years	More than 3 years	Total
1.	Undisputed trade receivables: considered good	1,787.38	155.47	_	-	-	-	1,942.85
	Allowance for doubtful debts	-	-	-	-	-	-	_
	Total	1,787.38	155.47	-	-	-	-	1,942.85

i) Trade receivables consist of customers for which ongoing credit evaluation is performed on the financial condition of the account receivables. Based on evaluation, allowance for doubtful debts recognised in the Statement of Profit and Loss is Nil.

Not	e 8 Cash and cash equivalents	As at March 31, 2024	As at March 31, 2023
a)	Balances with banks in current accounts	172.94	36.30
		172.94	36.30

Company Overview

Note 9 Equity share capital	As at March	As at March 31, 2023		
	Number of shares	₹ lakhs	Number of shares	₹ lakhs
Authorised				
Equity shares of ₹ 10 each, fully paid	50,00,000	500.00	50,00,000	500.00
	50,00,000	500.00	50,00,000	500.00
Issued and subscribed				
Equity shares of ₹ 10 each, fully paid	50,00,000	500.00	50,00,000	500.00
	50,00,000	500.00	50,00,000	500.00

#### Rights, preferences and restrictions: a)

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.

#### Equity shares

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

#### ii) Dividend

The dividend proposed by the Board, if any, is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

No.	Name of the shareholder	As at Marc	h 31, 2024	As at March 31, 2023	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd (Holding Company)	99.9999%	4,999,994	99.9999%	4,999,994

Reconciliation of the number of shares outstanding and the amount of equity share capital: c)

Particulars	As at Marc	h 31, 2024	As at March 31, 2023	
	Number of shares	₹ lakhs	Number of shares	₹lakhs
Balance as at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Add: Issue of equity shares	-	-	-	-
Balance as at the end of the year	50,00,000	500.00	50,00,000	500.00

#### d) Shareholding of promoters

No.	Promoter name	As at March 31, 2024			As at March 31, 2023		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1.	Atul Ltd	49,99,994	99.9999%	0.00%	49,99,994	99.9999%	0.00%
2.	Atul Ayurveda Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
3.	Atul Consumer Products Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
4.	Atul Clean Energy Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
5.	Atul Entertainment Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
6.	Osia Infrastructure Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
7.	Atul Crop Care Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%

(₹ lakhs)

Note 10 Other equity	As at March 31, 2024	As at March 31, 2023
Retained earnings	(3,713.73)	(147.59)
Other reserves		
i) Equity component of non-cumulative redeemable preference shares	49,037.19	-
Balance as at the end of the year	45,323.46	(147.59)

## Nature and purpose of reserves

#### a) Retained earnings

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

Note	Note 11 Borrowings		As at March 31, 2024		n 31, 2023
		Non-current	Current	Non-current	Current
a)	Unsecured loans from holding Company (refer note a)	-	-	76,045.00	-
b)	9.5% non-cumulative redeemable preference shares	34,181.67	-	-	-
c)	Secured loan from financial institutions		-	-	-
i)	Secured Loan from HDFC Bank (refer note b)	5,670.88	-	-	-
ii)	Secured Loan from Federal Bank (refer note b)	9,507.35	-	-	-
	Amount of current maturities of long-term debt disclosed under the head 'current borrowing'	(56.71)	56.71	(12,300.00)	12,300.00
		49,303.19	56.71	63,745.00	12,300.00

#### Notes:

During the year, prepayment was done for the unsecured loan, amounting to ₹ 9,973.15 lakhs, unsecured loans a) aggregating ₹ 67,021.85 lakhs and 9% cumulative redeemable preference shares aggregating ₹ 9,450 lakhs were converted into, 76,47,18,500 9.5% non-cumulative redeemable preference shares at face value of ₹ 10 each.

Company Overview

b) Security details:

> Term loans from banks (March 31, 2024: ₹ 15,178.23 lakhs, March 31, 2023: nil) are secured by the whole immovable and movable properties including machinery, machinery spares, tools and accessories, inventory and other movable assets to the extent of the bank limit.

Terms | Rights Attached to preference shares c)

> The Company has only one class of 9.5% non-cumulative redeemable preference shares, having a par value of ₹ 10 Per Share. These shares are redeemable at par after 7 years with ₹ 16,534 lakhs, annually starting from the financial year 2031-32 to 2035-36. These preference shares are held by Atul Ltd, the holding Company. The Company has not declared any dividend on preference shares during the year.

#### d) Preference share capital

(₹ lakhs)

Details of preference share capital:	As at March 31, 2024	As at March 31, 2023
Authorised		
93,02,70,000 9.5% non-cumulative redeemable preference shares of ₹ 10 each	93,027.00	-
Issued, subscribed and paid -up		
82,67,18,500 9.5% non-cumulative redeemable preference shares of ₹ 10 each	82,671.85	-

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

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	84,139.90	6.58
Capital work-in-progress	3,447.81	71,583.12
Trade receivables	1,942.85	-
Cash and cash equivalents	172.94	36.30
Other current financial assets	0.81	0.10
Other current assets	4,999.78	3,262.47
Inventories	1,105.43	-
Total assets as security	95,809.52	74,888.57

Note 12 Provisions		As at March	າ 31, 2024	As at March 31, 2023		
		Non-current	Current	Non-current	Current	
a)	Provision for retirement benefits	5.79	0.01	0.46	0.00	
b)	Provision for compensated absences	9.84	1.26	0.94	0.11	
		15.63	1.27	1.40	0.11	

- a) Information about individual provisions and significant estimates
  - i) Compensated absences:

The Compensated absences cover the liability for earned leave. Out of the total amount disclosed above, the amount of ₹ 1.26 lakhs (March 31, 2023: 0.11 lakhs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(₹ lakhs)

Note	e 13 Trade payables	As at March 31, 2024	As at March 31, 2023
a)	Total outstanding dues of micro-enterprises and small enterprises (refer Note 25.09)	42.32	-
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises		
	- Others	1,488.78	0.75
		1,531.10	0.75

#### Trade payables ageing

(₹ lakhs)

No.	Particulars		As at March 31, 2024							
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total		
1.	MSME	-	42.32	0.00	-	-	-	42.32		
2.	Others	319.68	759.70	409.40	-	-	-	1,488.78		
3.	Disputed dues – MSME	-	-	-	-	-	-	-		
4.	Disputed dues – Others	-	-	-	-	-	-	-		
	Total	319.68	802.02	409.40	-	-	-	1,531.10		

No.	Particulars	As at March 31, 2023							
		Unbilled	Not due				More than 3 years	Total	
1.	MSME	-	-	-	-	-	-	-	
2.	Others	0.75	-	-	-	-	-	0.75	
3.	Disputed dues – MSME	-	-	-	-	-	-	-	
4.	Disputed dues – Others	-	-	-	-	-	-	-	
	Total	0.75	-	-	-	-	-	0.75	

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Note 14 Other financial liabilities		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
a)	Employee benefits payable	-	67.78	-	9.68
b)	Security deposits	-	0.51	-	-
c)	Creditor for capital goods of micro-enterprises and small enterprises (refer Note 25.09)	-	2,040.56	-	2,359.51
d)	Creditor for capital goods other than microenterprises and small enterprises				
	i) Related parties (refer note 25.02)	-	449.76	-	112.35
	ii) Others	-	4,050.57	-	5,189.87
		-	6,609.18	-	7,671.41

Company Overview

## (₹ lakhs)

Note	e 15 Contract liabilities	As at March 31, 2024	As at March 31, 2023
a)	Advances received from customers	809.90	-
***************************************		809.90	_

## (₹ lakhs)

Note	e 16 Other current liabilities	As at March 31, 2024	As at March 31, 2023
a)	Statutory dues	55.22	105.62
b)	Others	0.27	0.02
		55.49	105.64

Note 17 Revenue from operations	2023-24	2022-23
Sale of chemicals	5,334.94	-
Sale of steam	1,146.53	-
Scrap sales   Other revenue	3.93	-
Revenue from contracts with customers	6,485.40	-

(₹ lakhs)

Note 18 Other income	2023-24	2022-23
Income from investments in mutual funds measured at FVTPL	1.23	-
Interest income from financial assets measured at amortised cost	20.01	0.47
Interest from others	0.47	0.53
Exchange rate difference gain (net)	44.77	-
Miscellaneous income	0.41	-
	66.89	1.00

## (₹ lakhs)

Note 19 Cost of material consumed	2023-24	2022-23
Raw materials consumed		
Stock at commencement	-	-
Add: Purchase	999.80	-
	999.80	-
Less: Stock at close	522.01	-
	477.79	-

#### (₹ lakhs)

Note 20 Changes in inventories of finished goods & work-in-progress	2023-24	2022-23
Stocks at close		
Finished goods	177.44	
	177.44	
Less : Stock at commencement		
Finished goods	-	
	-	
(Increase)   Decrease in stocks	(177.44)	

Note 21 Power, fuel and water	2023-24	2022-23
Power, fuel and water	4,602.84	-

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(₹ lakhs)

Note 22 Employee benefit expenses	2023-24	2022-23
Salaries, wages and bonus	193.66	2.13
Contribution (net) to provident and other funds (refer Note 25.1)	13.89	0.09
Staff welfare	5.66	0.42
	213.21	2.64

Company Overview

(₹ lakhs)

Note 23 Finance costs	2023-24	2022-23
Interest on borrowings - secured loan	1,266.18	-
Interest on others	551.11	-
Other borrowing costs		-
- Corporate guarantee charges	54.78	-
	1,872.07	-

Note 24 Other expenses	2023-24	2022-23
Plant operation charges	5.86	-
Freight and cartage	87.48	-
Effluent treatment expenses	48.28	-
Business auxiliary services	112.37	8.98
Legal and professional expenses	5.27	2.08
Sundry repairs	26.80	-
Rates and taxes	5.44	2.19
Insurance	34.46	-
Travelling and conveyance	-	0.25
Remuneration to the Statutory Auditors		
a) Audit fees	4.50	1.20
b) Out of pocket expenses	0.27	0.04
Exchange rate difference - loss (net)	-	18.89
Miscellaneous expenses	42.32	0.65
	373.06	34.28

#### Note 25.01 Commitments and contingent liabilities

#### **Capital commitments**

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

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
For purchase of property, plant and equipment	2,185.38	9,261.79

#### **Contingent liabilities**

The Company does not have any contingent liability or disputable claims as at March 31, 2024, and March 31, 2023.

#### Corporate guarantees

The Company has not provided any corporate guarantees or any security as at March 31, 2024, as well as March 31, 2023, for loans or any other financial aid obtained by its holding company, any group entities or by any other person.

#### Note 25.02 Related party disclosures

#### Note 25.02 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1.	Atul Ltd	Holding company
2.	Aaranyak Urmi Ltd	Subsidiary of holding company
3.	Aasthan Dates Ltd	Subsidiary of holding company
4.	Amal Ltd	Subsidiary of holding company
5.	Amal Speciality Chemicals Ltd	Subsidiary of holding company
6.	Anchor Adhesives Pvt Ltd	Subsidiary of holding company
7.	Atul Aarogya Ltd	Subsidiary of holding company
8.	Atul Ayurveda Ltd	Subsidiary of holding company
9.	Atul Bioscience Ltd	Subsidiary of holding company
10.	Atul Biospace Ltd	Subsidiary of holding company
11.	Atul Brasil Quimicos Ltda	Subsidiary of holding company
12.	Atul China Ltd	Subsidiary of holding company
13.	Atul Clean Energy Ltd	Subsidiary of holding company
14.	Atul Consumer Products Ltd	Subsidiary of holding company
15.	Atul Crop Care Ltd	Subsidiary of holding company
16.	Atul Deutschland GmbH	Subsidiary of holding company
17.	Atul Entertainment Ltd	Subsidiary of holding company
18.	Atul Europe Ltd	Subsidiary of holding company
19.	Atul Finserv Ltd	Subsidiary of holding company

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No.	Name of the related party	Description of relationship
20.	Atul Fin Resources Ltd	Subsidiary of holding company
21.	Atul Healthcare Ltd	Subsidiary of holding company
22.	Atul Hospitality Ltd	Subsidiary of holding company
23.	Atul Infotech Pvt Ltd	Subsidiary of holding company
24.	Atul Ireland Ltd	Subsidiary of holding company
25.	Atul Lifescience Ltd	Subsidiary of holding company
26	Atul Middle East FZ-LLC	Subsidiary of holding company
27.	Atul Natural Dyes Ltd	Subsidiary of holding company
28.	Atul Natural Foods Ltd	Subsidiary of holding company
29.	Atul Nivesh Ltd	Subsidiary of holding company
30.	Atul Paints Ltd	Subsidiary of holding company
31.	Atul Polymers Products Ltd	Subsidiary of holding company
32.	Atul Rajasthan Date Palms Ltd	Subsidiary of holding company
33.	Atul Renewable Energy Ltd	Subsidiary of holding company
34.	Atul (Retail) Brands Ltd	Subsidiary of holding company
35.	Atul Seeds Ltd	Subsidiary of holding company
36.	Atul USA Inc	Subsidiary of holding company
37.	Biyaban Agri Ltd	Subsidiary of holding company
38.	DPD Ltd	Subsidiary of holding company
39.	Jayati Infrastructure Ltd	Subsidiary of holding company
40.	Osia Dairy Ltd	Subsidiary of holding company
41.	Osia Infrastructure Ltd	Subsidiary of holding company
42.	Raja Dates Ltd	Subsidiary of holding company
43.	Sehat Food Ltd	Subsidiary of holding company
	Key management personnel	
1.	Lalit Patni	Non-executive Director
2.	Vivek Gadre	Non-executive Director
3.	Rajeev Kumar	Non-executive Director
4.	Bharatkumar Joshi	Non-executive Director
5.	Sudhakara Shetty	Whole-time Director and Occupier

Vot	e 25.	02 (B) Transactions with holding company	2023-24	2022-23	
a)	Sal	es and income			
	1.	Sale of goods	3,563.17	-	
		Atul Ltd	3,563.17	-	
၁)	Purchase and expenses				
	1.	Purchase of goods and services	714.96	68.05	
		Atul Ltd	714.96	68.05	
	2.	Service charges	167.60	201.41	
		Atul Ltd	167.60	201.41	
	3.	Reimbursement of expenses	8.27	17.79	
		Atul Ltd	8.27	17.79	
	4.	Lease rent expense	29.85	35.48	
		Atul Ltd	29.85	35.48	
:)	Oth	ner transactions			
	1.	Unsecured borrowings	950.00	50,705.00	
		Atul Ltd	950.00	50,705.00	
	2.	Unsecured borrowings repayment	9,973.15	-	
		Atul Ltd	9,973.15	-	
	3.	Conversion of unsecured borrowings from holding company to 9.5% non-cumulative redeemable preference shares	67,021.85	-	
		Atul Ltd	67,021.85	-	
	4.	Investment in 9% cumulative redeemable preference shares	9,450.00	-	
		Atul Ltd	9,450.00	-	
	5.	Conversion of 9% cumulative redeemable preference shares to 9.5% non-cumulative redeemable preference shares	9,450.00	-	
		Atul Ltd	9,450.00	-	
	6.	Investment in 9.5% non-cumulative redeemable preference shares by holding company	6,200.00	-	
		Atul Ltd	6,200.00	-	
	7.	Corporate guarantee given by holding company	20,000.00	-	
		Atul Ltd	20,000.00	-	
	8.	Interest on unsecured borrowings	5,469.12	4,009.90	
		Atul Ltd	5,469.12	4,009.90	

Notice



Not	e 25.	02 (C) Transactions with subsidiary of holding company	2023-24	2022-23
a)	Pur	chase and expenses		
	1.	Purchase of goods and services:	291.73	808.50
	•	Osia Infrastructure Ltd	257.68	808.50
		Amal Speciality Chemicals Ltd	20.99	-
		Atul Infotech Pvt Ltd	13.06	-

Company Overview

(₹ lakhs)

No.	te 2!	5.02 (D) Outstanding balances as at year end	As at March 31, 2024	As at March 31, 2023
a)	Wi	th holding company		
	1	Unsecured borrowings payable	-	76,045.00
	2	9.5% non-cumulative redeemable preference shares (face value)	82,671.85	-
	3	Payables	419.49	58.13
	4	Receivables	783.13	-
	5	Advances received	269.82	-
	6	Corporate guarantee	20,000.00	-
b)	Wi	th subsidiary of holding company		
	1	Payables:	29.15	54.22
		Osia Infrastructure Ltd	17.33	54.22
		Amal Speciality Chemicals Ltd	9.02	-
		Atul Infotech Pvt Ltd	2.80	-

#### Note 25.02 (E) Terms and condition

- Sales to, and purchases from related parties, were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available, at cost plus margin.
- 2 All outstanding balances are unsecured and are repayable in cash and cash equivalent.

#### Note 25.03 Current and deferred tax

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

Par	ticulars	2023-24	2022-23
i)	Current tax		
	Current tax on profit for the year	0.09	-
	Adjustments for current tax of prior periods	-	(1.82)
	Total current tax expense	0.09	(1.82)
ii)	Deferred tax		
	Increase   (Decrease) in deferred tax liabilities	1,296.34	-
	(Increase)   Decrease in deferred tax assets	1,830.49	-
	(Increase)   Decrease in deferred tax assets recognised to the extent of deferred tax liabilities	1,296.34	-
	Total deferred tax expense   (benefit)	-	-
	Income tax expense	0.09	(1.82)

#### b) Income tax assets

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	9.24	8.50
Add: Taxes paid in advance	12.92	12.22
Less: Refund received (net off interest)	11.76	13.30
Less: Current tax provision	0.09	(1.82)
Closing balance	10.31	9.24

#### Note 25.04 Fair value measurements

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments:						
Mutual funds	291.21	-	-	-	-	-
Trade receivables	-	-	1,942.85	-	-	-
Security deposits for utilities and premises	-	-	236.30	-	-	221.05
Other receivables	-	-	1.99	-	-	0.10
Cash and cash equivalents	-	-	172.94	-	-	36.30
Total financial assets	291.21	-	2,354.08	-	-	257.45
Financial liabilities						
Borrowings	-	-	49,359.90	-	-	76,045.00
Lease liabilities	-	-	179.60	-	-	250.38
Trade payables	-	-	1,531.10	-	-	0.75
Other financial liabilities	-	-	6,609.18	-	-	7,671.41
Total financial liabilities	-	-	57,679.78	-	-	83,967.54

Company Overview

#### Note 25.05 Financial risk management

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

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

#### a) Management of liquidity risk

The principal sources of liquidity of the Company cash, cash equivalents, and investments in mutual funds. It believes that the current cash and cash equivalents, tied-up borrowing lines are sufficient to meet the requirements. Accordingly, liquidity risk is perceived to be low.

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

(₹ lakhs)

Contractual maturities of financial liabilities as at March 31, 2024	Less than 1 year	More than 1 year	Total
Borrowings	56.71	49,303.19	49,359.90
Lease liabilities	14.70	164.90	179.60
Trade payables	1,531.10	-	1,531.10
Other financial liabilities	6,609.18	-	6,609.18

			(Clairis)
Contractual maturities of financial liabilities as at March 31, 2023	Less than 1 year	More than 1 year	Total
Borrowings	12,300.00	63,745.00	- / -
Lease liabilities	20.11	230.27	250.38
Trade payables	0.75	-	0.75
Other financial liabilities	7,671.41	-	7,671.41

#### b) Interest rate risk

The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.

As an estimation of the approximate impact of interest rate risk, with respect to borrowings, the Company has calculated an impact of 25 bps change in interest rates. A 25 bps increase in interest rates might have led to approximately an additional annual impact of ₹ 37.95 lakhs (2022-23: ₹ 190.11 lakhs). A 25 bps decrease in interest rates might have led to an equal but opposite effect.

#### c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost or fair value through profit and loss, and deposits with banks and financial institutions, as well as credit exposure to trade | non-trade customers including outstanding receivables. Credit risk is managed through policies surrounding credit risk management.

- i) Credit risk management
   Credit risk is managed through the policy surrounding Credit risk management.
- ii) Provision for expected credit losses

#### Trade receivables

Trade receivables consist of customers, for which ongoing credit evaluation is performed on the financial condition of the account receivables. As the Company has commenced operations during the year, there are no old outstanding trade receivables and hence the credit risk is perceived to be low.

#### Note 25.06 Capital management

The primary objective of capital management of the Company is to maximise shareholder value. The Company monitors capital using the 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, other equity and share capital. Total debt includes current debt plus non-current debt.

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt	49,359.90	76,045.00
Total equity	45,823.46	352.41
Debt-equity Ratio (%)	108%	21579%

#### Note 25.07 Segment information

The Company operates in a single business segment which is the manufacturing of bulk chemicals. There are no separate reportable segments as per Ind AS - 108 on 'Operating Segment' and no further disclosures are required.

During the year, out of total sales, the Company has made sales to two customers to whom sales exceed 10% of the total revenue of the Company. The total revenue from these customers amounts to ₹ 4,520.54 lakhs.

#### Note 25.08 Earnings per share

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

Company Overview

Particulars		2023-24	2022-23
Loss for the year attributable to the equity shareholders	₹lakhs	(3,235.47)	(36.65)
Basic   Weighted average number of equity shares outstanding during the year	Number	50,00,000	50,00,000
Nominal value of equity share	₹	10	10
Basic EPS	₹	(64.71)	(0.73)
Diluted EPS	₹	(64.71)	(0.73)

#### Note 25.09 Disclosure requirement under MSMED Act, 2006

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

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid to any supplier as at the end of each accounting year	2,082.88	2,359.51
The amount of interest paid by the buyer under MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	-	-

The above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under 'The Micro, Small and Medium Enterprise Development Act, 2006' as at March 31, 2024. The auditors have relied upon in respect of this matter.

#### Note 25.10 Employee benefit obligations

#### a) Defined benefit plan

Gratuity

The Company operates a defined benefit plan (the gratuity plan). Under this plan, every employee is entitled to a benefit equivalent to the last drawn salary of 15 days for each completed year of service, subject to a maximum of ₹ 20 lakhs in accordance with, the Payment of Gratuity Act, 1972, or the Company scheme whichever is more beneficial. Gratuity is payable at the time of separation or retirement from the Company, whichever occurs earlier. The benefits vest after five years of continuous service.

#### **Balance Sheet amount (Gratuity)**

(₹ lakhs)

Particulars	Present value of obligation
As at March 31, 2022	-
Current service cost	0.46
As at March 31, 2023	0.46
Current service cost	4.31
Past service cost	-
Interest expense   (income)	0.03
Total amount recognised in profit and loss	4.34
Remeasurements	
Liability transferred In   Acquisitions	0.43
Return on plan assets, excluding amount included in interest expense   (income)	-
(Gain)   Loss from change in demographic assumptions	(0.28)
(Gain)   Loss from change in financial assumptions	0.38
Experience (gains)   losses	0.47
Total amount recognised in other comprehensive income	0.56
Employer contributions	-
Benefit payments	-
As at March 31, 2024	5.80

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

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded obligations	5.80	0.46
Fair value of plan assets	-	-
Deficit of gratuity plan recognised as provision (refer Note 12)	5.80	0.46



#### Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2024	· ·
Mortality rate	Indian assured lives mortality (2012-14) Urban	Indian assured lives mortality (2012-14) Urban
Discount rate	7.19%	7.39%
Attrition rate	14.00%	13.00%
Salary growth rate	10.36%	9.84%

#### 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 assur		ssumptions	Decrease in o	assumptions
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Discount rate	1.00%	1.00%	(0.52)	(0.05)	0.61	0.05
Attrition rate	1.00%	1.00%	(0.30)	(0.03)	0.33	0.03
Salary growth rate	1.00%	1.00%	0.58	0.05	(0.51)	(0.04)

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

#### Risk exposure

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

#### 1. Interest rate risk

A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark-to-market value of the assets depending on the duration of the asset.

#### 2. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than the assumed level will increase the plan's liability.

#### Expected future cash flows:

The expected future cash flows in respect of gratuity as at balance sheet date will be as follows:

(₹ lakhs)

Particulars	Less than a year	Between 1 - 2 years		Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2024	0.01	0.01	1.32	12.24	13.58
As at March 31, 2023	0.00	0.00	0.07	1.14	1.21

#### b) Defined contribution plans:

The Company pays provident fund contributions to registered provident fund administered by the government at the rate of 12% of the basic salary, as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards the defined contribution plan is  $\mathfrak{T}$  6.75 lakhs (March 31, 2023:  $\mathfrak{T}$  1.11 lakhs).

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

#### Other long term employee benefits

#### c) Compensated absences

Par	articulars	Compensated absences	
		As at March 31, 2024 As at March 3	
i)	Mortality rate	Indian assured lives mortality 2012-14 (Urban)	Indian assured lives mortality 2012-14 (Urban)
ii)	Present value of unfunded obligations (refer Note 12)	11.10	1.05
iii)	Expense recognised in the Statement of Profit and Loss   capitalised (including encashment paid during the year)	10.16	1.05
i∨)	Discount rate (per annum)	7.19%	7.39%
v)	Salary escalation rate (per annum)	10.36%	9.84%
∨i)	Attrition rate	14.00%	13.00%



#### Note 25.11 Leases

#### As a lessee

#### i) Following are the changes in the carrying value of right-of-use assets (Land)

(₹ lakhs)

Particulars	As at March 31, 2024	
Balance at the beginning of the year	231.52	
Other adjustments	(80.35)	
Depreciation   Amortisation	19.97	(27.78)
Balance at the end of the year	171.14	231.52

#### ii) Following movement in lease liabilities

(₹ lakhs)

Particulars	As at March 31, 2024	
Balance at the beginning of the year	250.38	
Finance cost accrued	16.99	17.47
Payment of lease liabilities	(30.50)	(35.47)
Other adjustments	(57.27)	-
Balance at the end of the year	179.60	250.38

# iii) The following table provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ lakhs)

Particulars	As at March 31, 2024	
Less than one year	30.50	36.18
One to five years	122.00	152.09
More than five years	111.83	136.18
Balance at the end of the year	264.33	324.44

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.

Cash payments for the principal portion and interest on the lease liabilities are classified within financing activities, while short-term lease payments are classified within operating activities.

Note 25.12 Ratios #

No.	Ratio	UOM	Formula	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for variance
a)	Current ratio	Times	Α÷Β	0.91	0.16	455%	The Company has commenced its business from December 2023. Thus the ratios do not give appropriate information and are not comparable.
b)	Debt-equity ratio	Times	Ι÷Η	1.08	215.79	-100%	
c)	Debt service coverage ratio	Times	S÷T	0.06	-	-	
d)	Return on Equity ratio	%	P÷ average of H	-14.02%	-10.40%	35%	
e)	Inventory turnover ratio	Times	L ÷ average of D	11.73	-	-	
f)	Trade receivables turnover ratio	Times	L ÷ average of E	0.03	-	-	
g)	Trade payables turnover ratio	Times	R÷ average of G	1.79	-	-	
h)	Net capital turnover ratio	Times	L ÷ average of C	(2.45)	-	-	
i)	Net profit ratio	%	Ο÷L	-49.89%	-	-	
j)	Return on capital employed	%	(M + O) ÷ average of K	-2.82%	-0.06%	4622%	
k)	Return on investment	%					
l)	In Mutual Funds	%	U÷V	7.49%	-	-	

Company Overview

No.	Base values	UoM	Reference	March 31, 2024	March 31, 2023
Α	Current assets	₹lakhs	Balance Sheet (current assets)	8,221.81	3,298.87
В	Current liabilities	₹lakhs	Balance Sheet (current liabilities) - current borrowings and tax liabilities	9,021.64	7,798.02
С	Working capital	₹ lakhs	A-B	(799.83)	(4,499.15)
D	Inventories	₹lakhs	Balance Sheet	1,105.43	-
Е	Trade receivables	₹ lakhs	Balance Sheet	1,942.85	-
F	Total assets	₹ lakhs	Balance Sheet (total assets)	1,04,385.53	84,427.10
G	Trade payables	₹ lakhs	Balance Sheet	1,531.10	0.75
Н	Equity	₹ lakhs	Balance Sheet	45,823.46	352.41
I	Debt	₹lakhs	Balance Sheet	49,359.90	76,045.00
J	Principal repayments	₹lakhs	Balance Sheet	76,995.00	-
Κ	Capital employed	₹lakhs	H + I - capital work-in-progress	91,735.55	4,814.29
L	Net sales	₹lakhs	Statement of Profit and Loss	6,485.40	-
М	Finance cost	₹lakhs	Statement of Profit and Loss	1,872.07	-
Ν	Depreciation	₹lakhs	Statement of Profit and Loss	2,426.14	2.55
0	PBT	₹lakhs	Statement of Profit and Loss	(3,235.38)	(38.47)
Р	Total comprehensive income	₹lakhs	Statement of Profit and Loss	(3,236.03)	(36.65)
Q	Net operating income	₹ lakhs	M + N + P	1,062.18	(34.10)
R	Total operating purchase	₹lakhs	Purchase + R&M + Other expenses	1,372.86	34.28
S	Earnings available for debt service	₹lakhs	Net Profit after taxes + depreciation and amortizations + Interest	1,062.74	(34.10)
Τ	Debt service	₹lakhs	Interest + Lease Payments + Principal Repayments (as per terms)	19,120.58	NA
U	Gain on Mutual Fund Investment	₹lakhs	Realised + Unrealised Gain - Stamp Duty on purchase	1.21	NA
V	Annualised Weighted Average Investment in Mutual Fund	₹lakhs	Weighted Average Investment in Mutual Fund based on daiy investment during the year	16.15	NA

<sup>#</sup> The Company was incorporated on October 10, 2020, and commenced operations from the greenfield project during the quarter that ended on December 31, 2023, so the above ratios do not provide appropriate information.

Based on the ageing and expected dates of the realisation of financial assets, payment of financial liabilities, other information accompanying the financial statements, plans and business assumptions, the Company is confident that no material uncertainty exists as on date that the Company is not capable of meeting its liabilities existing at the date of the Balance Sheet as and when they fall due.

#### Note 25.13 Other statutory information

a) The Company has not entered into any such transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

- b) The Company has compiled with the number of layers prescribed under Clause (87) of Section 2 of the Act, read with the Companies (Restriction on number of Layers) Rules, 2017.
- c) The Company is not declared a wilful defaulter by any bank or financial institution or other lender.
- d) The Company has not traded or invested in cryptocurrency or virtual currency during the financial year.
- e) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- f) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- g) No loans or advances in the nature of loans are granted to promoters, Directors, key managerial personnel and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.
- h) There were no loans, advances and investments made in any intermediary company.
- i) The Company has neither advanced, loaned or invested funds nor received any fund to | from any person or entity for lending or investing or providing a guarantee to | on behalf of the ultimate beneficiary during the reporting periods.
- j) There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- k) The Company has not entered into any non-cash transactions with Directors or any person connected with the Directors.

#### Note 25.14 Relationship with struck off companies

There were no transactions or balances with struck off companies.

#### Note 25.15 Rounding off

Figure less than ₹ 500 have been shown as "0.00" in the relevant notes in these Financial Statements.

#### Note 25.16 Audit trail

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses only such accounting software for maintaining its books of accounts that records the audit trail of all transactions, creates an edit log of all changes made in the books of accounts, along with when such changes were made and by whom. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

In respect of aforesaid accounting software, after thorough testing and validation, audit trail was not enabled for direct data changes at database level in view of the possible impact on the efficiency of the system. In respect of audit trail at database level, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective. The Company is in the process of system upgradation to meet the database level audit trail requirement.

#### Note 25.17 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on April 18, 2024.

For and on behalf of the Board of Directors In terms of our report attached For B R Shah & Associates Bharat Joshi (DIN: 02952299) **Chartered Accountants** FRN: 129053W Director Lalit Patni Deval Desai Membership No. 132426 (DIN:02564572) Director Ahmedabad Atul April 18, 2024 April 18, 2024





E-7, East site, Atul 396 020, Gujarat, India

## Attendance slip

4" Annual General Meeting, Friday, A	August 23, 2024	
DP ID	Folio number   Client ID	
Full name of the shareholder   prox	y attending the meeting	
(First name)	(Middle name)	(Surname)
First holder   joint holder   proxy (strik	e out whichever is not applicable)	
Full name of the first holder (if joint h	older   proxy attending)	
(First name)	(Middle name)	(Surname)
Signature of the shareholder I proxy		



Registered office: E-7, East site, Atul 396 020, Gujarat, India

#### **Proxy form**

{Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014} Corporate identification number: U24304GJ2020PLC117189

Name of the company: Atul Products Ltd

Regist	erea отпсе: E-/, Ea	st site, Atul 396 020, Gujarat, India	
Name	e of the member(s)		
Regis	stered address:		
E-ma	nil address:		
Folio	number   Client ID:	DP ID:	
1. N	ame: ddress:	(s) ofshares of the above named Company, hereb	
	-mail address:	, or failing him   her	
	ame: ddress:		
		, or failing him   her	
	-mail address:	, or failing him   her	
be held	our proxy to attend on Friday, Augus esolutions as are ir	nd and vote (on a poll) for me   us and on my   our behalf at the 4th Annual General Meeting of the Co : 23, 2024 at 9:00 am at E-7 East site, Atul 396 020, Gujarat, India and at any adjournment thereof in dicated below:	mpany, to respect o
No.	Resolutions		
1.	Adoption of the F	inancial Statements and reports thereon for the financial year ended on March 31, 2024	
2.	Reappointment o	f Mr Rajeev Kumar as a Director	
3.	Reappointment o	f Mr Vivek Gadre as a Director	
4	Appointment of N	fr Sudhakara Shetty as a Director	
-	d this day of 2 ture of the member	2024. Signature of the proxy holder(s)	Affix Revenue Stamp here

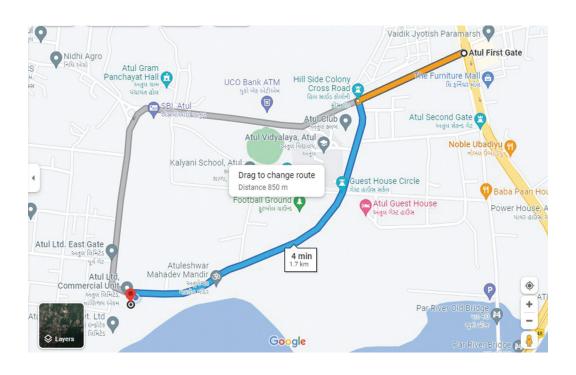
This proxy form in order to be effective must be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.





E-7, East site, Atul 396 020, Gujarat, India

#### Route map



Notes

Company Overview

Notice

Notes

# **Corporate information**

#### **Directors**

Mr Vivek Gadre

Mr Rajeev Kumar

Mr Lalit Patni

Mr Bharat Joshi

Mr Sudhakara Shetty

Auditors

B R Shah & Associates

Registered office

E-7, East site Atul 396 020, Gujarat, India atul\_products@atul.co.in **Bankers** 

Axis Bank Federal Bank HDFC Bank

E-7, East site, Atul 396 020, Gujarat

India