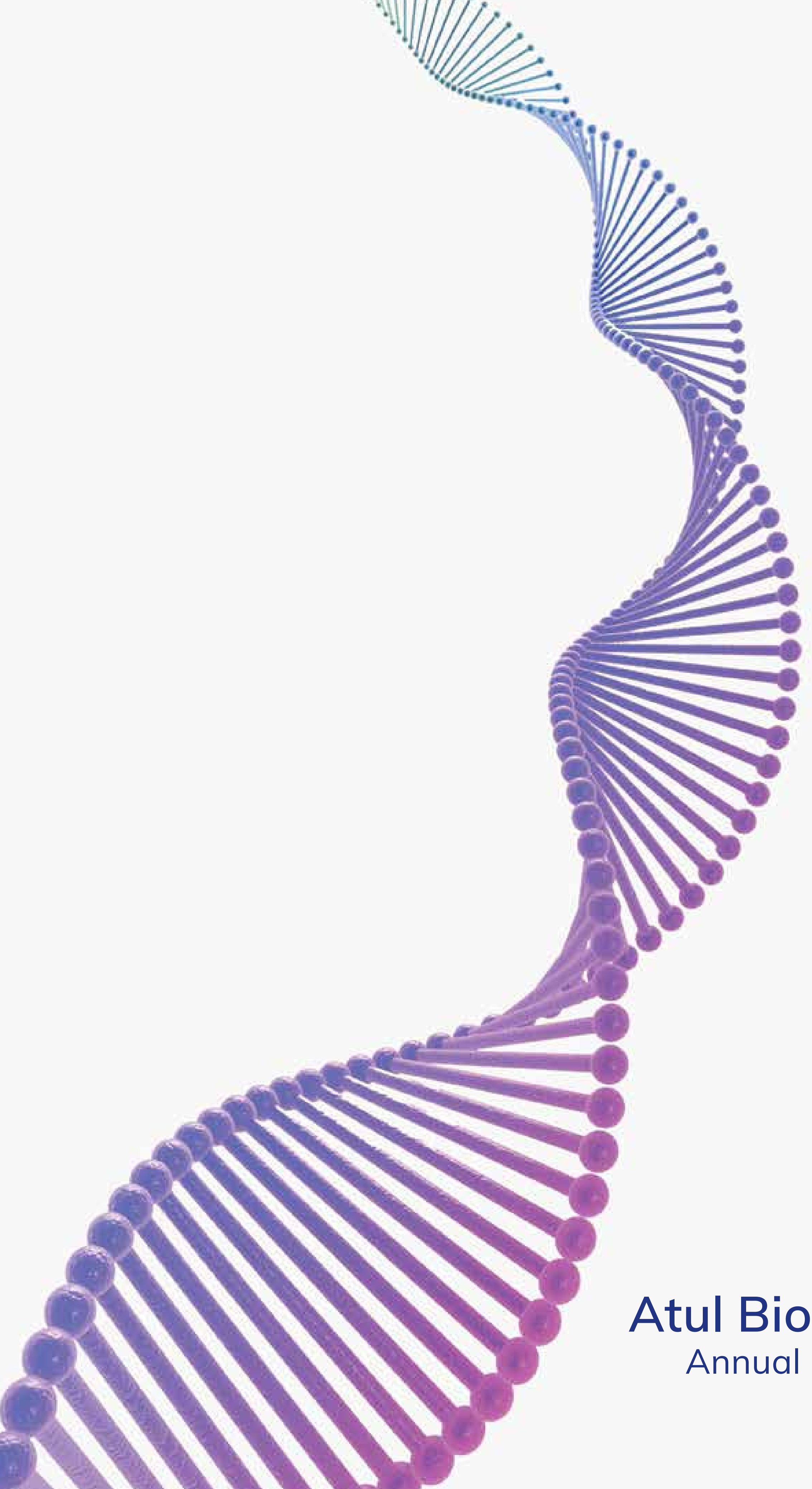

Atul Bioscience Ltd

Annual Report 2024-25

The logo of Atul Bioscience Ltd signifies our commitment to make available high-quality life science chemicals - its double helix, wherein two strands wind around each other like a twisted ladder, reflect our aspiration to grow based on research and technology and serve customers across the world. The colours signal our core - a Company based out of India working with Values.

Innovation is seeing what everybody has seen and thinking what nobody has thought.
– Albert Szent-Györgyi

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Forward-looking statements

In this report, we have shared information and made forward-looking statements to enable investors to know the product portfolio, business logic of our Company and thereby comprehend its prospects. These include all statements other than statements of historical facts, including those regarding the financial position, business strategy, management plans and objectives for future operations. 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 Bioscience Ltd (ABL) is engaged in the manufacturing and marketing of Active Pharmaceutical Ingredients (APIs) and their intermediates, serving customers across the world Pharmaceuticals industry. ABL has manufacturing facilities located in Atul, Gujarat, and Ambernath, Maharashtra. Both sites have been inspected by the US FDA.

ABL is a wholly-owned subsidiary company of Atul Ltd, a member of Lalbhai Group, one of the oldest business houses in India.

The Company manufactures API intermediates for different therapeutic areas, particularly antiasthmatic, antidepressant, antidiabetic, antifungal, anti-infective, anti-inflammatory, antineoplastic, antiretroviral and cardiovascular. It is consistently adding to its manufacturing capacities to fulfil the growing demands of its customers.

Purpose

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

fostering a spirit of continuous learning and innovation

adopting developments in science and technology

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

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

seeking sustained, dynamic growth and securing long-term success

taking responsible care of the surrounding environment

improving the quality of life of the communities we operate in

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.

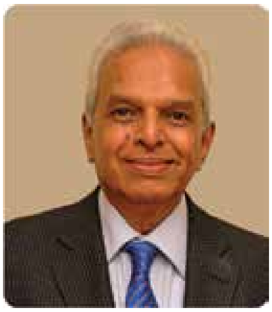
Board of Directors

Sunil Lalbhai

Prabhakar Chebiyyam

Pramod Lele

Rangaswamy Iyer



Ajit Dangi

Latika Pradhan

Jagdish Dore

Gopi Kannan Thirukonda

Vivek Gadre

Astha Lalbhai

Dear Members,

The Board of Directors (Board) presents the annual report of Atul Bioscience Ltd together with the audited Financial Statements for the year that ended on March 31, 2025.

01. Financial results

(₹ lakhs)

	2024-25	2023-24
Sales	13,599	13,090
Revenue from operations	13,672	13,211
Other income	8	13
Total revenue	13,680	13,224
Profit | (Loss) before tax	368	283
Provision for tax	110	89
Profit | (Loss) for the year	258	194
Balance brought forward	1,579	1,387
Transfer from comprehensive income	(9)	(2)
Disposable surplus	1,827	1,579
Balance carried forward	1,827	1,579

02. Performance

Sales increased from ₹ 13,090 lakhs to ₹ 13,599 lakhs during the year. Profit before tax increased by 30% from ₹ 283 lakhs to ₹ 368 lakhs. The earnings per share increased from ₹ 0.67 to ₹ 0.86 and the net cash flow from operating activities increased by 62% from ₹ 1,314 lakhs to ₹ 2,128 lakhs. The borrowings of the Company (including current maturities of long-term borrowings) decreased by 18% from ₹ 5,503 lakhs to ₹ 4,501 lakhs.

03. Dividend

The Board did not recommend dividend for the year ended on March 31, 2025.

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

Information required under Section 134 (3)(m) of the Companies Act, 2013 (the Act), read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms a part of this report, which is given at page number 10.

05. Insurance

The Company has taken adequate insurance for its current and fixed assets, employees and products against various relevant risks.

06. Risk management

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. The Board periodically reviews the risk management framework.

07. Internal financial controls

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2025 and the Board believes that the controls are adequate.

08. Fixed deposits

The Company did not accept any deposits from public and as such no amount on account of principal or interest on deposits from public was outstanding as of March 31, 2025.

09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided during 2024-2025 are given on page number 65.

10. Subsidiary, joint venture and associate company

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

11. Related party transactions

All the transactions entered 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 70. No transactions were entered by the Company that required disclosure in Form AOC-2.

12. Corporate social responsibility

The composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR report are given on page number 11.

In view of the average loss for the preceding three years, no obligation of CSR arises for the year 2024-25.

13. Annual return

Annual return is available on the website of the Company at www.atulbio.co.in

14. Auditors

Statutory Auditors

Deloitte Haskins & Sells LLP Chartered Accountants were appointed as the Statutory Auditors of the Company at the 25th Annual General Meeting (AGM) held on July 15, 2022, until the conclusion of the 30th AGM.

The Auditor's Report for the financial year ended on March 31, 2025, does not contain any qualification, reservation or adverse remark. The report is enclosed with the Financial Statements in this annual report.

Cost Auditors

The Company has maintained cost records as required under the Act. The members ratified the appointment of R Nanabhoy & Co as the Cost Auditors for 2024-25 on July 12, 2024.

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 for the annual accounts for the financial year ended on March 31, 2025, the applicable accounting standards have been followed and there are no material departures.

b) The accounting policies were selected and applied consistently and judgements and estimates were made that 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 this Act, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) The attached annual accounts for the year ended on March 31, 2025, were prepared on a going concern basis.

e) Adequate internal financial controls to be followed by the Company were laid down and they were adequate and operating effectively. This is given under para number 37.

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 Retirement | Reappointment | Appointments

a) Retirement

Dr Ajit Dangi ceased to be a Director on October 18, 2024.

The Board places on record its deep appreciation for his valuable contribution through sustained involvement, critical analysis and insightful guidance during his 11 years tenure with the Company.

b) Reappointment

According to Article 153 of the Articles of Association of the Company, Mr Sunil Lalbhai, Ms Latika Pradhan and Mr Vivek

Gadre, retire by rotation and being eligible, offer themselves for reappointment at the ensuing AGM.

c) Appointment

Subject to approval of the members in the AGM, Mr Jagdish Dore was appointed as a Director, liable to retirement by rotation effective January 17, 2025.

16.2 Policies on appointment and remuneration

The salient features of the Policy are as under:

16.2.1 Appointment

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

a) Qualification: well-educated and experienced in senior leadership positions within the industry

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: up to ₹ 40,000 for attending a Board, Committee and any other meeting

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

- i) Membership of committee(s)
- ii) Profit
- iii) Attendance
- iv) Category (Independent or Non-executive)

16.2.3 Remuneration of Managing Director

This is given under para number 73.

16.3 Criteria and method of annual evaluation

16.3.1 The criteria for evaluation of the performance of

a) the Executive Directors,

b) the Non-executive Directors,

c) the Chairman,

d) the Committees of the Board and

e) the Board as a whole are summarised in the table at the end of the Directors' Report on page number 8.

16.3.2 The Board has carried out an annual evaluation of the performance of:

a) its committees, namely, Audit, Corporate Social Responsibility, Nomination and Remuneration

b) the Independent Directors

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

17. Key Managerial Personnel and other employees

17.1 Appointments and cessations of the Key Managerial Personnel

There were no appointments | cessations of Key Managerial Personnel during 2024-25.

17.2 Remuneration

The Remuneration Policy related to 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) Company performance

b) Business performance

c) Individual performance

d) Work level

18. Analysis of remuneration

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

19. Management Discussion and Analysis

The Management Discussion and Analysis covering the performance of the Company is given on page number 14.

20. Corporate Governance Report

20.1 Report

The Corporate Governance Report is given on page number 16. Details about the number of meetings of the Board held during 2024-25, are given on page number 19. The composition of the Audit Committee is given on page number 22.

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

20.2 Whistleblower Policy

The Board, on the recommendation of the Audit Committee, had approved a vigil mechanism (Whistleblower Policy). The Policy provides an independent mechanism for reporting and resolving complaints about unethical behaviour, actual or suspected fraud and violation of the Code of Conduct of the Company and is displayed on the website of the Company at www.atulbio.co.in/investors

20.3 Secretarial standards

Secretarial standards as applicable to the Company were followed and complied with during 2024-25.

20.4 Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given on page number 23.

21. Acknowledgements

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

For and on behalf of the Board of Directors

(Sunil Lalbhai)
Chairman
DIN: 00045590

Mumbai
April 17, 2025

Evaluation of	Evaluation by	Criteria
Directors	All other Board Members	Qualification, experience, availability and attendance, integrity, commitment, governance, transparency, communication, preparedness, participation and value addition
Committees	Board Members	Composition, process and dynamics

Note:

i) DIN stands for Director identification number.

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

1.1. Energy conservation

1.1.1 Measures taken:

a) maintenance and monitoring of temperatures at an optimum level

b) optimisation of operations of chilled water pumps during reactions

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

1.2. Technology absorption

1.2.1 Research and development

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

The Company focused its R&D efforts on new product development, process improvement of existing products, recovery of process solvents and products from waste.

b) Benefits derived from R&D:

Increase in yield, improvement in raw material consumption, solvent reduction, recovery of products from waste and introduction of new products in the market.

c) Future plan:

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

d) R&D expenditure: nil

1.2.2 Technology absorption, adaptation and innovation

a) Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company upgraded some of its processes and operations by imbibing new technology, using more efficient equipment and introducing automation.

b) Benefits derived as a result of the above efforts, for example, product improvement, cost reduction, product development and import substitution:

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

c) 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

1.3.1 Export sales: activities, development initiatives and future plans
Sales outside India* decreased by 23% from ₹ 2,757 lakhs to ₹ 2,022 lakhs. The Company is taking further steps to strengthen its international marketing network.

*Free On Board (FOB) value

1.3.2 Total foreign exchange earnings and outgo

(₹ *lakhs*)

Particulars	2024-25	2023-24
Earnings		
Exports - FOB value	2,020.30	2,757.00
Outgo		
Payment for raw materials and capital goods	589.27	262.15
Payment for commission and others	37.11	99.74

2. Corporate social responsibility

2.1. A brief outline of the CSR Policy, programs and scope of the Company

2.1.1 Policy

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

2.1.2 Programs and scope

Atul Foundation will take up projects and | or carry out activities under under six broad programs: a) Education Empowerment, c) Health, d) Relief, e) Infrastructure and f) Conservation with the varied scope of work.

a) Education
   - i) Establish and | or support educational institutions
   - ii) Enhance education in rural areas
   - iii) Support needy and | or meritorious students

b) Empowerment
   - i) Establish and | or support vocational training institutes
   - ii) Promote sustainable livelihood opportunities for women and youth
   - iii) Promote integrated development of rural | tribal areas

c) Health
   - i) Establish and | or improve medical care centres
   - ii) Promote health, nutrition, hygiene and sanitation
   - iii) Promote sports and fitness

d) Relief
   - i) Eradicate hunger and malnutrition
   - ii) Support deserving | needy people
   - iii) Support during natural calamities

e) Infrastructure
   - i) Develop and | or improve rural infrastructure
   - ii) Develop and | or improve rural amenities
   - iii) Develop and | or improve child-friendly infrastructure

f) Conservation
   - i) Conserve natural resources
   - ii) Protect environment | flora and fauna
   - iii) Protect and | or promote art and culture

2.2. Composition of the CSR Committee:

No.	Name of Directors	Designation | Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	Pramod Lele	Chairman | Non-executive Director	1	1
2.	Gopi Kannan Thirukonda	Member | Non-executive Director	1	1
3.	Vivek Gadre	Member | Non-executive Director	1	–

2.3. Details of URL for disclosure of composition of the CSR Committee, CSR Policy and CSR projects on the website of the Company

www.atulbio.co.in/pdf/policies/CSR.pdf

2.4. Impact assessment:

Not applicable

2.5. CSR obligation:

(₹ *lakhs*)

a)	Average net profit of the Company as per Section 135(5)	(212.65)
b)	2% of the average net profit of the Company as per Section 135(5)	NA
c)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	Nil
d)	Amount required to be set-off for the financial year	Nil
	Total CSR obligation for the financial year [b) + c) - d)]	Nil

2.6. CSR amount spent:

(₹ *lakhs*)

a)	Details of the amount spent (ongoing projects and other than ongoing projects) for the financial year	Nil
b)	Amount spent on administrative overheads	Nil
c)	Amount spent on impact assessment	Nil
d)	Total amount spent for the financial year [a)+b)+c)]	Nil

e) CSR amount spent or unspent for the financial year:

(₹ *lakhs)*

	Amount unspent				
Total amount spent for the financial year	**Total amount transferred to the Unspent CSR Account as per Section 135(6)**		**Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)**		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
-	Nil	NA	NA	Nil	NA

f) Excess amount for set-off, if any:

(₹ *lakhs)*

No.	Particulars	Amount
(i)	2% of the average net profit of the Company as per Section 135(5)	-
(ii)	Total amount spent for the financial year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	-
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	-

2.7. Details of unspent CSR amount for the preceding three financial years: nil

2.8. Details relating to the asset(s) created or acquired through CSR spending in the financial year:

(₹ lakhs)

No.	Short particulars of the property | asset(s) [including complete address and location of the property]	Pincode of the property | asset(s)	Date of creation	Amount of CSR amount spend	Details of entity | authority | the beneficiary of the registered owner		
					CSR registration number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

2.9. Reasons for not spending two percent of the average net profit: not applicable

Chairman CSR Committee	Managing Director
Pramod Lele DIN: 00106902	Prabhakar Chebiyyam DIN: 01569332

Management Discussion and Analysis

Atul Bioscience Ltd (ABL) is in the business of manufacturing and marketing of active pharmaceutical ingredients (APIs) and their intermediates. The products are manufactured at Atul and Ambernath sites and are used by customers belonging to the Pharmaceuticals industry under six broad therapeutic categories, namely, antidepressant, antidiabetic, anti-infective, antifungal, antiretroviral, antiviral, cardiovascular, IBS, anti-epileptic, etc. The portfolio of ABL comprises about 40 products, of which Acyclovir, Desvenlafaxine, Fluconazole, Losartan, Mebeverine, Oxcarbazepine, Valacyclovir, Venlafaxine, are some of the APIs.

Sales increased by 4% from ₹ 13,090 lakhs in 2023-2024 to ₹ 13,599 lakhs in 2024-2025, PBT increased from ₹ 283 lakhs in 2023-24 to ₹ 368 lakhs in 2024-25. Sales in India increased by 11% from ₹ 10,460 lakhs to ₹ 11,577 lakhs. Sales outside India decreased by 27% from ₹ 2,757 lakhs to ₹ 2,022 lakhs and formed 15% of the total. Growth on account of volume was about 27%. Seven Drug Master Files were filed during the period, taking the total number of regulatory filings to 25 across the regulated markets. Both the sites of the Company have now cleared US FDA inspections with zero Form 483 observations.

The world Pharmaceuticals industry grew slightly from US$ 1.56 trillion in 2023 to US$ 1.61 trillion in 2024 and is poised to reach US$ 1.7 trillion by 2025, with the conventional pharmaceuticals segment estimated at US$ 1.1 trillion. The API industry, valued at US$ 210 billion in 2024, is projected to reach US$ 359 billion by 2032. Rising prevalence of chronic diseases such as cardiovascular diseases, diabetes and cancer has heightened the demand for effective APIs. Synthetic APIs dominated the market with a share of 71% in 2024, owing to established manufacturing processes, while Biotech APIs are gaining traction due to the rise of biologic drugs and personalised medicines. In summary, while market value of the Pharmaceuticals industry has consistently increased over the past few years, production volume growth has fluctuated, largely due to the unique demands and subsequent stabilisation following the COVID-19 pandemic. The Indian Pharmaceuticals industry was valued at US$ 65 billion in 2024 and is expected to reach about US$ 107 billion by 2030 and further grow to US$ 174 billion in 2033, with a CAGR of 11.32% between 2025 and 2033.

The Company will participate in this growth by – i) leveraging on the regulatory clearances obtained for all the facilities, ii) increasing manufacturing efficiencies, debottlenecking and adding capacities, iii) introducing new products, iv) backward integrating into key raw materials and starting materials, wherever possible and v) forming long-term strategic alliances with other good companies.

The price and demand of some products have seen inconsistency and are likely to vary widely over the short-term. Fluctuations in foreign exchange may also affect input prices and sales realisation. The Company is working to minimise the impact of such aberrations to sustain the operations and identify new opportunities to grow.

Internal control systems

Internal control systems of the Company are commensurate with the nature of its business, size and the complexity. These are routinely tested, certified and upgraded wherever required by the Statutory as well as the Internal Auditors. Significant audit observations and follow-up actions and recommendations thereon are reported to the Senior Management and the Audit Committee for their review. The Company is working with reputed firms specialising in internal audit functions. The efforts are helping to introduce the best practices required to manage its growing business.

Human Resources

The Company considers its people to be its biggest asset. The business terrain is evolving rapidly and witnessing dynamic changes. To address the growing business needs and to adapt to the ever-evolving business environment, we continued to upgrade and enhance our processes related to recruitment, learning and development, talent management and retention. In addition to the above, the Company also made significant improvements in the area of HR automation and digitalisation. Many initiatives pertaining to recruitment, learning and development and performance management were rolled out with the objective to enrich the candidate and employee experience.

Our lives begin to end the day we become silent about things that matter.

~ Martin Luther King Jr

1. Philosophy

Transparency and accountability are the two basic tenets of corporate governance. Atul Bioscience 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 making decisions and acting in an ethical way and in compliance with the applicable legal requirements. It endeavours to continuously improve its corporate governance performance to earn the trust and respect of all its stakeholders.

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

2. Board

2.1 Board business

The normal business of the Board comprises:

2.1.1 Approving:

a) appointment of Cost Auditors

b) capital expenditure and operating budgets

c) commission payable to the Directors within the limit set by the shareholders

d) contracts in which the Director(s) are deemed to be interested

e) cost audit reports

f) creation of a charge on assets in favour of lenders

g) declaration of interim dividend

h) joint ventures, collaborations, mergers and acquisitions

i) loans and investments

j) matters requiring statutory | Board consent

k) sale of investments and assets

l) short, medium and long-term borrowings

m) unaudited quarterly financial results and audited annual accounts, including segment 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

d) the Board nomination process such that it is transparent and results in a diversity of experience, gender, knowledge, perspective and thoughts on 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) 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.

b) 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 a sufficient number of Non-executive Board Members capable of exercising independent judgement to items where there is potential for a 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 of the Company.

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

g) Exercising objective and independent judgement on corporate affairs.

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

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

2.2 Appointment and tenure

2|3rd of the Directors are rotational Directors. 1|3rd of the rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment. The Managing Director is appointed by the members for a period of up to five years.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. Currently, it consists of nine members comprising eight Non-executive Directors.

No.	Name	Directorship(s) in other company(ies)[1]	Membership(s) of the Committee(s) of the Board(s)[2]	Chairpersonship(s) of the Committee(s) of the Board(s)[2]
	Chairman[3]			
1.	Sunil Lalbhai	6	5	1
	Managing Director			
2.	Prabhakar Chebiyyam	2	-	-
	Non-executive Directors			
3.	Pramod Lele	1	1	1
4.	Rangaswamy Iyer	1	2	-
5.	Ajit Dangi[4]	-	-	-
6.	Latika Pradhan	2	2	-
7.	Gopi Kannan Thirukonda	8	4	-
8.	Vivek Gadre	6	-	-
9.	Astha Lalbhai	1	-	-
10.	Jagdish Dore[5]	-	-	-

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

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

[3]Non-executive

[4] up to October 18, 2024

[5]effective January 17, 2025

Sunil Lalbhai, Gopi Kannan Thirukonda, Vivek Gadre and Astha Lalbhai are promoter Directors.

2.4 The Board meeting dates and attendance in meetings

Name	Board meetings and attendance					AGM and attendance
	1	2	3	4	Total attendance	
	Friday, April 19, 2024 at Mumbai	Friday, July 12, 2024 at Mumbai	Friday, October 18, 2024 at Mumbai	Friday, January 17, 2025 at Mumbai		Friday, July 12, 2024
Sunil Lalbhai	✓	✓	✓	✓	4	✓
Prabhakar Chebiyyam	✓	✓	✓	✓	4	✓
Pramod Lele	✓	✓	✓	✓	4	A
Rangaswamy Iyer	✓	✓	✓	✓	4	A
Ajit Dangi	✓	✓	✓	A	3	A
Latika Pradhan	✓	✓	✓	✓	4	A
Gopi Kannan Thirukonda	✓	✓	✓	✓	4	✓
Vivek Gadre	A	✓	A	✓	2	A
Astha Lalbhai	✓	✓	✓	✓	4	A
Total attendees	8	9	8	8		

✓: Present | A: Absent

2.5 Appointment | Cessation

2.5.1 Appointed:

a) Mr Jagdish Dore was appointed as a Director effective January 17, 2025.

2.5.2 Ceased: nil

2.5.3 Resigned:

a) Dr Ajit Dangi resigned as a Director effective October 18, 2024.

2.6 Remuneration

(₹)

No.	Name	Remuneration during 2024-25			
		Sitting fees	Salary and perquisites[2]	Commission	Total
	Chairman				
1.	Sunil Lalbhai	–	–	–	–
	Managing Director				
2.	Prabhakar Chebiyyam	–	–	–	–
	Non-executive Directors				
3.	Pramod Lele	4,10,000	–	–	4,10,000
4.	Rangaswamy Iyer	3,80,000	–	–	3,80,000
5.	Ajit Dangi[1]	2,70,000	–	–	2,70,000
6.	Latika Pradhan	3,20,000	–	–	3,20,000
7.	Gopi Kannan Thirukonda	–	–	–	–
8.	Vivek Gadre	–	–	–	–
9.	Astha Lalbhai	–	–	–	–

[1] up to October 18, 2024

Sitting fees of up to ₹ 40,000 per meeting constitute fees paid to the Non-executive Directors for attending the Board, Committee and other meetings.

Commission of up to 1% of the net profit of the Company to the Non-executive Directors was approved by the members of the Company at the AGM held on July 26, 2021, for five years effective April 01, 2021. The Board approves, within the aforesaid limit, the commission payable to a Non-executive Director.

3. Committees of the Board

The Board has constituted the following Committees:

- Audit Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

3.1. Audit Committee

3.1.1 Role

a) Approving:

i) appointment of the Chief Financial Officer

ii) transactions with related parties and subsequent modifications thereof

b) Conducting:

i) pre-audit discussions with the Auditors regarding the nature and scope of the audit and post-audit

ii) discussion to ascertain any areas of concern

iii) valuation of undertakings or assets, wherever necessary

c) Formulating:

  i) Code of Conduct and related matters

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

d) Reviewing:

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

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

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

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

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

  vi) significant transactions and arrangements entered into by the unlisted subsidiary companies

  vii) statement of related party transactions submitted by the Management

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

    - any changes in accounting policies and practices
    - compliance with accounting standards
    - disclosure of any related party transactions
    - going concern assumption
    - major accounting entries involving estimates, based on exercise of judgement by the Management
    - matters required to be included in the Directors' Responsibility Statement for the Directors' Report
    - qualifications in the draft Audit Report
    - significant adjustments made in the Financial Statements arising out of audit findings

  ix) the Auditors' independence, performance and effectiveness of the audit process

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

  xi) the following information mandatorily:

    - appointment, removal and terms of remuneration of the Chief Internal Auditor
    - Internal Audit Reports relating to weaknesses in the internal control systems
    - Management Discussion and Analysis of financial condition and results of operations
    - management letters | letters of internal control weaknesses issued by the Statutory Auditors
    - statement of related party transactions submitted by the Management

  xii) the functioning of the whistleblowing mechanism

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

xiv) with the Management, the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for purposes other than those stated and the report submitted by the monitoring agency monitoring the utilisation of proceeds of such issues.

e) Others:

i) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

ii) Determining procedures for risk assessment and minimisation, and reviewing them periodically to ensure that the Senior Management controls risks through means of a properly defined framework.

iii) Evaluating internal financial controls and risk management system.

iv) Recommending appointment, remuneration and terms of appointment of the Auditors and approval for payment for any other services.

v) Scrutinising inter-corporate loans and investments.

3.1.2 Composition, meetings and attendance

The Committee comprises the following members, all having relevant experience in financial matters. During 2024-25, four meetings were held:

No.	Name	Designation	Meetings entitled	Meetings attended
1.	Pramod Lele	Chairman	4	4
2.	Rangaswamy Iyer	Member	4	4
3.	Ajit Dangi[1]	Member	3	3
4.	Latika Pradhan	Member	4	4
5.	Gopi Kannan Thirukonda	Member	4	4

[1] up to October 18, 2024

The Chairman, the Managing Director, the Chief Financial Officer, the Company Secretary and the Internal Auditors are permanent invitees to the meetings. Invitation to the Statutory Auditors for the meetings is need based. The Board notes the minutes of the Audit Committee meetings.

3.2 Corporate Social Responsibility Committee

3.2.1 Role

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

b) Formulating and recommending to the Board the annual action plan, which will include:

i) the list of CSR projects or programs that are to be undertaken

ii) the manner of execution

iii) the modalities of utilisation of funds and implementation schedules

iv) monitoring and reporting mechanism

v) details of need and impact assessment

c) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profit in a given year.

d) Monitoring the CSR Policy from time to time.

e) Recommending the amount of expenditure to be incurred on the CSR initiatives, which may not be less than 2% of the average net profit of the last three years.

3.2.2 Composition meetings and attendance

The Committee comprises following members. During 2024-25, one meeting was held:

No.	Name	Designation	Meetings entitled	Meetings attended
1.	Pramod Lele	Chairman	1	1
2.	Gopi Kannan Thirukonda	Member	1	1
3.	Vivek Gadre	Member	1	–

3.3 Nomination and Remuneration Committee

3.3.1 Role

a) Devising a policy on Board diversity.

b) Formulating criteria for evaluation of the Independent Directors and the Board.

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

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

e) Recommending | determining the remuneration of the Executive Director as per the policy.

3.3.2 Composition, meetings and attendance

The Committee comprises the following members. During 2024-25, two meetings were held:

No.	Name	Designation	Meetings entitled	Meetings attended
1.	Ajit Dangi[1]	Chairman	1	1
2.	Rangaswamy Iyer[2]	Member	2	2
3.	Sunil Lalbhai	Member	2	2
4.	Pramod Lele	Member	2	2

[1] up to October 18, 2024 | [2] Chairman effective January 17, 2025

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

4.3 Prevention of sexual harassment of women at the 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 Internal Complaints Committee. The status of complaints during 2024-25, is as under:

Filed during 2024-25	Nil
Disposed of during 2024-25	Nil
Pending as at the end of 2024-25	Nil

4.4 Related party transactions

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

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, amongst others, during 2024-25, 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 and the rules and regulations. In the last three years, no strictures or penalties were imposed on the Company by any statutory authority.

6. Shareholders' information

6.1 Last three Annual General Meetings (AGMs)

Year	Location	Date	Time
2021-22	Atul 396 020, Gujarat, India	July 15, 2022	04:00 pm
2022-23	Mumbai 400 028, Maharashtra, India	July 13, 2023	04:00 pm
2023-24	Mumbai 400 028, Maharashtra, India	July 12, 2024	04:00 pm

6.2 Special resolutions passed in the previous three AGMs: yes

6.3 Resolutions passed through postal ballot: nil

6.4 Annual General Meeting 2025

Details of the 28th AGM are as under:

Year	Location	Date	Time
2024-25	Mumbai 400 028, Maharashtra, India	July 10, 2025	12:00 pm

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

6.5 Financial year

April 01 to March 31

6.6 Location of plants

i) Atul 396 020, Gujarat, India

ii) MIDC, Ambernath 421 506, Maharashtra, India

6.7 Address for correspondence

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

6.8 Tentative Board meeting dates for consideration of results for 2025-26

No.	Particulars	Date
1.	First quarter results	July 10, 2025
2.	Second quarter and half-yearly results	October 09, 2025
3.	Third quarter results	January 15, 2026
4.	Fourth quarter and annual results	April 16, 2026

7. Role of the Company Secretary in overall governance process

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

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

Dr Prabhakar Chebiyyam, Managing Director and Mr Sandip Bole, Chief Financial Officer, issued certificates to the Board. The said certificates were placed before the Board at the meeting held on April 17, 2025, in which the accounts for the year ended March 31, 2025, were considered and approved by the Board.

For Atul Bioscience Ltd

(Prabhakar Chebiyyam)
Managing Director
DIN: 01569332

Mumbai
April 17, 2025

Notice

NOTICE is hereby given that the 28th Annual General Meeting of the members of Atul Bioscience Ltd will be held on Thursday, July 10, 2025, at 12:00 pm at Atul House, 5th Floor, 310-B, Veer Savarkar Marg, Dadar (West), Mumbai 400 028, Maharashtra, 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 on March 31, 2025, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr Sunil Lalbhai (DIN: 00045590) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms Latika Pradhan (DIN: 07118801) who retires by rotation and being eligible, offers herself for reappointment.
4. 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

5. 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, 160 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 Jagdish Dore (DIN: 00298969) in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to retirement by rotation."

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

   "RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 26,500 plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2026, as approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, (Firm registration number: 000010) for conducting a Cost Audit of the applicable products in the category of Drugs and Pharmaceuticals be and is hereby ratified and confirmed."

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 proxy on behalf of not more than 50 members and hold in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy to be 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, by 12:00 pm on July 08, 2025.
2. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ending March 31, 2025, are annexed | attached.
3. The Register of Members and Share Transfer Books of the Company will remain closed from June 16, 2025, to June 23, 2025 (both days inclusive).
4. The physical copies of the documents which are referred to 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 the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide it at the AGM.

7. At the ensuing Annual General Meeting, Mr Sunil Lalbhai retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as under:

Name	Mr Sunil Lalbhai
Date of birth	March 15, 1960
Brief résumé	Mr Sunil Lalbhai is the Chairman of the Company since 2008. He is a member of the Nomination and Remuneration committee of the Board. Mr Lalbhai is the Chairman and Managing Director of Atul Ltd. He is a Member of the Governing Council of Shree Vallabh Shikshan Ashram and a Trustee on the Board of BAIF Development Research Foundation (BAIF). He is a Trustee or a member of some of the other social institutions established by the Lalbhai Group. Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.
Directorship in other companies	**Public companies** Amal Ltd – Chairman Atul Ltd – Chairman and Managing Director Atul Rajasthan Date Palms Ltd – Vice Chairman Britannia Industries Ltd Navin Fluorine International Ltd The Bombay Dyeing and Manufacturing Company Ltd
Membership in committees of other companies	**Chairman of committees** Atul Ltd – Risk Management Committee Britannia Industries Ltd – Nomination and Remuneration Committee The Bombay Dyeing and Manufacturing Company Ltd – Stakeholders Relationship Committee
	Member of committees Amal Ltd – Nomination and Remuneration Committee Atul Ltd – Corporate Social Responsibility Committee Atul Ltd – Investment Committee Atul Ltd – Stakeholders Relationship Committee Britannia Industries Ltd – Audit Committee Navin Fluorine International Ltd - Audit Committee Navin Fluorine International Ltd - Nomination and Remuneration Committee The Bombay Dyeing and Manufacturing Company Ltd – Audit Committee The Bombay Dyeing and Manufacturing Company Ltd – Nomination and Remuneration Committee The Bombay Dyeing and Manufacturing Company Ltd – Strategic Committee
Cessation from directorship of listed company in past three years	Pfizer Ltd
Relationship with other Directors	Mr Sunil Lalbhai and Ms Astha Lalbhai are relatives
Number of shares held in the Company	Nil

8. At the ensuing Annual General Meeting, Ms Latika Prakash Pradhan retires by rotation and being eligible offers herself for reappointment. The information or details pertaining to her are as under:

Name	Ms Latika Prakash Pradhan
Date of birth	September 16, 1954
Brief résumé	Ms Latika Pradhan is a Director of the Company since October 2021. Ms Pradhan has about four decades of experience in various industries, heading finance, legal and secretarial, internal audit and IT functions. Ms Pradhan holds a degree in Law. She is a Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India.
Directorship in other companies	**Public companies** Mafatlal Industries Ltd Teamlease Services Ltd
Membership in committees of other companies	**Chairperson of committee** Mafatlal Industries Ltd – Audit Committee **Member of committees** Teamlease Services Ltd – Audit Committee Teamlease Services Ltd – Nomination and Remuneration Committee Teamlease Services Ltd – Risk Management Committee
Cessation from directorship of listed company in past three years	Fulford India Ltd
Relationship with other Directors	None
Number of shares held in the Company	Nil

9. 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 under:

Name	Mr Vivek Gadre
Date of birth	August 26, 1962
Brief résumé	Mr Vivek Gadre is a Director of the Company since April 2022. He is a Member of the Corporate Social Responsibility Committee of the Board. Mr Gadre has about four decades of experience in various capacities and is currently President, Corporate Strategy, Atul Ltd. Mr Gadre holds a graduate degree in Chemical Engineering from Indian Institute of Technology, Delhi and a postgraduate diploma in Management from Indian Institute of Management, Calcutta.
Directorship in other companies	**Public companies** Atul Ltd Atul Crop Care Ltd Atul Natural Foods Ltd Atul Natural Dyes Ltd Atul Products Ltd Atul Renewable Energy Ltd
Membership in committees of other companies	**Member of committees** Atul Ltd – Corporate Social Responsibility Committee
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

10. The route map for the venue of the Annual General Meeting is given separately.

Explanatory statement

The following explanatory statement, as required by Section 102 of the Companies Act, 2013, sets out material facts, including the nature and concern or interest of the Directors in relation to the item of special business under item numbers 5 and 6 in the accompanying Notice.

Item number 5

The Board of Directors appointed Mr Jagdish Dore as an Additional Director on January 17, 2025. Mr Dore holds office up to the date of the Annual General Meeting. The information or details pertaining to him are as under:

Name	Mr Jagdish Dore
Date of birth	July 23, 1950
Brief résumé	Mr Jagdish Dore was appointed by the Board as an Additional Director effective January 17, 2025. Mr Dore has 46 years of experience in the Pharmaceuticals industry. He is the Managing Director of Sidvim Lifesciences Pvt Ltd. He has also served as the Managing Director of Maylon Laboratories Ltd and Sandoz Pvt Ltd. Mr Dore holds a graduate degree in technology from the Indian Institute of Technology, Chennai, and a postgraduate diploma in Management from Xavier Institute of Management, Jamshedpur.
Directorship in other companies	**Public companies** Nil
Membership in committees of other companies	Nil
	Nil
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

A Notice has been received from a member proposing Mr Dore as a candidate for the office of Director of the Company. Mr Jagdish Dore does not hold by himself or together with his relatives two percent or more of the total voting power of the Company. The Board considers that his association will benefit the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mr Dore as a Director for the approval by the members.

Memorandum of interest

Except Mr Jagdish Dore, being an appointee, none of the Directors of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item number 5.

Item number 6

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

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditors, R Nanabhoy & Co, Cost Accountants, for conducting cost audit of the applicable products in the category of Drugs and Pharmaceuticals at a remuneration of ₹ 26,500 plus taxes as applicable and reimbursement of actual travel and out- of-pocket expenses for the financial year ending March 31, 2026.

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

Memorandum of interest

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

Registered office:	By order of the Board of Directors
Atul 396 020, Gujarat	
India	(Mohit Patel)
Corporate identification number: U24230GJ1997PLC032369	**Company Secretary**
April 17, 2025	

Performance trend

(₹ *lakhs*)

Particulars	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Operating results:										
Net Sales	13,599	13,090	12,952	9,784	13,397	10,500	10,431	7,645	5,728	5,475
Revenues	13,672	13,211	15,836	12,623	14,336	10,679	10,510	7,685	5,771	5,536
EBITDA	1,488	1,896	1,094	1,569	2,349	1,287	1,910	1,815	1,562	1,272
Interest	439	561	631	679	660	496	171	124	155	203
EBTDA[1]	1,049	1,335	463	890	1,689	791	1,739	1,691	1,408	1,070
Depreciation	680	1,052	1,136	1,151	1,014	991	471	321	243	242
PBT from operations*	368	283	(673)	(261)	675	(201)	1,268	1,370	1,165	828
Exceptional | non-recurring items	-	-	-	0	-	-	-	-	-	-
PBT	368	283	(673)	(261)	675	(201)	1,268	1,370	1,165	828
Tax	110	89	(152)	3	191	(73)	462	441	412	281
Net profit	258	194	(521)	(264)	483	(128)	806	929	753	547
Dividends (Including DDT)**	-	-	93	-	848	-	-	-	-	-
Financial position:	-	-	-	-	-	-	-	-	-	-
Gross block ***	13,287	12,570	12,439	12,298	11,789	10,954	9,041	3,867	3,529	2,186
Net block ***	8,239	8,169	8,590	9,180	9,415	9,185	7,854	3,068	3,047	1,946
Other assets (net)	(1,157)	(1,335)	(1,948)	(2,029)	(1,990)	(2,244)	(91)	574	378	1,829
Capital employed	7,082	6,834	6,642	7,152	7,425	6,941	7,764	3,642	3,425	3,776
Equity share capital	2,902	2,902	2,902	2,902	2,902	2,902	1,539	1,084	1,084	1,084
Other equity	4,180	3,931	3,740	4,250	4,523	4,039	4,626	1,275	1,196	1,224
Shareholders' fund	7,082	6,833	6,642	7,152	7,425	6,941	6,165	2,359	2,280	2,308
Borrowings	4,501	5,503	6,185	7,156	7,156	6,200	1,386	1,283	1,145	1,468
Per equity share: (₹)										
Dividends	-	-	-	0.50	6.50	6.00	-			
Book value	24	24	23	25	26	24	40	22	21	21
EPS	0.86	0.67	(1.76)	(0.94)	1.67	(0.45)	6.77	8.57	4.89	5.92
Key indicators										
PBDIT %	10.94	14.48	8.45	16.04	17.53	12.25	18.31	23.74	27.27	23.24
PBDT %	7.71	10.20	3.57	9.10	12.61	7.53	16.67	22.12	24.57	19.54
PBT %	2.71	2.16	(5.20)	(2.67)	5.04	(1.91)	12.16	17.92	20.34	15.13
Interest cost %	3.23	4.28	4.87	6.94	4.93	4.72	1.64	1.62	2.70	3.70
Debt-equity ratio	0.64	0.81	0.93	1.00	0.96	0.89	0.22	0.54	0.50	0.64
Interest coverage ratio	3.39	3.38	1.73	2.31	3.56	2.59	11.19	14.66	10.10	6.28
Asset turnover ratio****	1.02	1.04	1.04	0.80	1.18	1.16	1.19	2.01	2.38	2.59
RoCE %	11.40	6.74	(0.31)	5.73	21.31	4.55	25.01	48.52	42.49	27.59
RoNW %	3.64	2.84	(7.85)	(3.62)	6.73	(1.95)	18.92	40.05	32.80	28.37

Notes:
* Excluding exceptional items
** Dividend distribution tax (DDT)
*** Including capital work in progress
**** Including capital work in progress
Figures for the year prior to 2015-16 are as per IGAAP

To the members of Atul Bioscience Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financials Statements of Atul Bioscience Limited (the Company), which comprise the Balance Sheet as at March 31, 2025, 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 ended on that date, and Notes to the Financials Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financials 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, Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31 2025, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report and its annexures, management discussion and analysis, corporate governance report but does not include the Financials Statements, and our Auditor's report thereon.
- Our opinion on the Financials Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financials Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financials Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financials Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financials 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 accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financials Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financials Statements

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

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

- Identify and assess the risks of material misstatement of the Financials 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Financials Statements 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financials 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.
- Evaluate the overall presentation, structure and content of the Financials Statements, including the disclosures, and whether the Financials Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

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

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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 with reference to Financials Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Financials Statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Financials Statements - Refer Note 28.1 to the Financials Statements;

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 28.13 to the Financials Statements, no funds 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(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") 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, other than as disclosed in the Note 28.13 to the Financials Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention, applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 25100459BMMHJW6105

Place: Mumbai
Date: April 17, 2025

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financials Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Financials Statements of Atul Bioscience Limited (the Company) as at March 31, 2025 in conjunction with our audit of the Ind AS Financials Statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Financials Statements based on the internal control with reference to Financials Statements 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 (the "ICAI") . These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financials Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Financials Statements. 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 Financials Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Financials Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financials Statements included obtaining an understanding of internal financial controls with reference to Financials Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financials 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 Company's internal financial controls with reference to Financials Statements.

Meaning of Internal Financial Controls with reference to Financials Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financials Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to Financials Statements and such internal financial controls with reference to Financials Statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Financials Statements established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner

Place: Mumbai
Date: April 17, 2025

Membership No. 100459
UDIN:25100459BMMHJW6105

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

To the best of our information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment (Capital work-in-progress, and relevant details of right-of-use asset).

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of property, plant and equipment, (Including right-of-use assets) so as to cover all the items once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program all Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The company does not have any immovable properties other than properties where the Company is lessee, and the lease agreements are duly executed in favour of the lessee and hence reporting under clause (i) (c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant, and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanation given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories noticed on such physical verification of inventories when compared with books of accounts.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock details, Creditors for goods details, sales/ purchase detail, debtors detail, drawing power and banking details) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters.

(iii) The Company has granted unsecured loans to any other parties during the year, in respect of which:

(a) The Company has provided unsecured loans during the year and details of which are given below:

Amount (₹ lakhs)

	Particulars	Loans
A.	Aggregate amount granted / provided during the year:	
-	Others (Employees)	10.46
B.	Balance outstanding as at balance sheet date in respect of the above cases:	
-	Others- (Employees)	4.62

The Company has not provided any guarantee or security and advances in the nature of loans to any other entity during the year.

(b) The loans provided and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) According to the information and explanation given to us, the Company has not granted any loans, made investments, or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

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

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund payable, Employees' State Insurance, Income Tax, Sales tax, Service Tax, duty of customs, duty of excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2025, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2025, on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Unpaid Amount (₹ In lakh)
Goods and Service tax Act, 2017	Tax, and penalty	Commissioner Appeal, Mumbai	July 2017 to March 2020	14.80*
The Gujarat Value Added Tax, 2003	Tax, Interest and penalty.	Commissioner Appeal, Surat	2017-18	7.85

* Paid under protest ₹ 1.48 lakh

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (Act No. 43 of 1961) during the year.

(ix) (a) In our opinion, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest borrowings or in the payment of interest.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the Financials Statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

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

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financials Statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 31, 2024 and the final of the internal audit reports were issued after the balance sheet date covering the period January 01, 2025 to February 28, 2025 for the period under audit.

(xv) In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its Directors or Directors of the holding company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) In our opinion, the Group does not have any core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financials Statements and our knowledge of the Board of Directors and Management plans 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 which is not mitigated (refer note 28.14 to the Financials Statements) indicating 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.

(xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Ketan Vora
Partner
Membership No. 100459
UDIN: 25100459BMMHJW6105

Place: MUMBAI
Date: April 17, 2025

Balance Sheet as at March 31, 2025

(₹ lakhs)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
A ASSETS			
1. Non-current assets			
a) Property, plant and equipment	2	7,780.85	7,762.51
b) Capital work-in-progress	2	445.15	381.41
c) Goodwill	3	856.13	856.13
d) Other intangible assets	3	12.60	25.18
e) Financial assets			
i) Investments	4	0.70	0.70
ii) Other financial assets	5	48.07	45.70
f) Income tax assets (net)	6	88.10	94.03
g) Other non-current assets	7	122.33	132.23
Total non-current assets		**9,353.93**	**9,297.89**
2. Current assets			
a) Inventories	8	2,796.22	3,362.44
b) Financial assets			
i) Trade receivables	9	2,286.04	2,806.28
ii) Cash and cash equivalents	10	261.96	123.39
iii) Bank balances other than (ii) above	11	30.65	29.42
iv) Other financial assets	5	5.41	4.42
c) Other current assets	7	516.57	730.11
Total current assets		**5,896.85**	**7,056.06**
Total assets		**15,250.78**	**16,353.95**
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	2,902.19	2,902.19
b) Other equity	13	4,180.17	3,931.43
Total equity		**7,082.36**	**6,833.62**
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
i) Borrowings	14	3,375.00	4,500.54
ii) Other financial liabilities	15	202.10	197.88
b) Provisions	16	71.76	54.82
c) Deferred tax liabilities (net)	28.4	245.66	214.85
Total non-current liabilities		**3,894.52**	**4,968.09**
2. Current liabilities			
a) Financial liabilities			
i) Borrowings	14	1,125.54	1,002.15
ii) Trade payables	17		
Total outstanding dues of			
a) Micro-enterprises and small enterprises		98.16	154.05
b) Creditors other than micro-enterprises and small enterprises		2,615.81	3,084.61
iii) Other financial liabilities	15	397.61	183.39
b) Contract liabilities	18	2.32	90.40
c) Other current liabilities	19	28.22	26.09
d) Provisions	16	6.24	11.55
Total current liabilities		**4,273.90**	**4,552.24**
Total liabilities		**8,168.42**	**9,520.33**
Total equity and liabilities		**15,250.78**	**16,353.95**

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner
Membership No.100459

Mumbai
April 17, 2025

For and on behalf of Board of Directors

Prabhakar Chebiyyam
Managing Director
(DIN:01569332)

Sunil Lalbhai
Chairman
(DIN:00045590)

Mohit Patel
Company Secretary

Sandip Bole
Chief Financial Officer

Mumbai
April 17, 2025

Statement of Profit and Loss for the year ended on March 31, 2025

(₹ *lakhs*)

Particulars	Note	2024-25	2023-24
INCOME			
Revenue from operations	20	13,672.47	13,210.81
Other income	21	7.71	13.07
Total income		**13,680.18**	**13,223.88**
EXPENSES			
Cost of materials consumed	22	7,036.87	7,116.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	376.82	(168.14)
Power, fuel and water		1,292.12	1,226.12
Employee benefit expenses	24	1,313.96	1,132.88
Finance costs	25	439.11	560.52
Depreciation and amortisation expenses	26	680.49	1,052.32
Other expenses	27	2,172.61	2,020.72
Total expenses		**13,311.98**	**12,941.02**
Profit before tax		**368.20**	**282.86**
Tax expense			
Current tax	28.4	66.92	2.05
Excess | short provision of tax	28.4	12.71	1.73
Deferred tax	28.4	30.81	85.00
Total tax expense		**110.44**	**88.78**
Profit for the year		**257.76**	**194.08**
Other comprehensive income			
Items that will not be reclassified to profit | loss			
i) Remeasurement gains | (loss) on defined benefit plans		(12.05)	(2.92)
ii) Income tax related to item above	28.4	3.03	0.73
Other comprehensive income, net of tax		**(9.02)**	**(2.19)**
Total comprehensive income for the year		**248.74**	**191.89**
Earnings per equity share of ₹ 10 each			
Basic earnings (₹)	28.10	0.86	0.67
Diluted earnings (₹)	28.10	0.86	0.67

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Mumbai
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Mumbai
April 17, 2025

Statement of Changes in Equity for the year ended on March 31, 2025

A. Equity share capital

(₹ lakhs)

Particulars	Note	Amount
Balance as at April 01, 2023		**2,902.19**
Changes in equity share capital during the year		-
Balance as at March 31, 2024		**2,902.19**
Changes in equity share capital during the year		-
Balance as at March 31, 2025	12	**2,902.19**

B. Other equity

(₹ lakhs)

Particulars	Capital contribution from Atul Ltd	Reserves and surplus		Total
		Securities premium	Retained earnings[1]	
Balance as at April 01, 2023	**167.17**	**2,185.63**	**1,386.74**	**3,739.53**
Profit for the year	-	-	194.08	194.08
Other comprehensive income, net of tax	-	-	(2.19)	(2.19)
Total comprehensive income for the year	-	-	**191.89**	**191.89**
Balance as at March 31, 2024	**167.17**	**2,185.63**	**1,578.63**	**3,931.43**
Profit for the year	-	-	257.76	257.76
Other comprehensive income, net of tax	-	-	(9.02)	(9.02)
Total comprehensive income for the year	-	-	**248.74**	**248.74**
Balance as at March 31, 2025	**167.17**	**2,185.63**	**1,827.37**	**4,180.17**

[1]Includes balance of remeasurement loss on defined benefit plans of ₹ 12.03 lakhs (March 31,2024 : ₹ 3.01 lakhs).

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner
Membership No.100459

Mumbai
April 17, 2025

For and on behalf of Board of Directors

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Mumbai
April 17, 2025

Statement of Cash Flows for the year ended on March 31, 2025

(₹ lakhs)

	Particulars		2024 -25	2023-24
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before tax		368.20	282.86
	Adjustments for:			
	Depreciation and amortisation expenses		680.49	1,052.32
	Finance costs		436.02	520.37
	Loss | (gain) on disposal of property, plant & equipment (net)		(0.76)	44.87
	Dividend income		(0.37)	-
	Interest income		(1.33)	(1.62)
	Operating profit before change in operating assets and liabilities		**1,482.25**	**1,898.80**
	Adjustments for:			
	(Increase)| Decrease in inventories		566.22	5.86
	(Increase)| Decrease in non-current and current assets		743.08	(421.43)
	(Increase)| Decrease in non-current and current liabilities		(589.43)	(244.05)
	Cash generated from operations		**2,202.12**	**1,239.18**
	Income tax paid (net of refund)		(73.70)	74.79
	Net cash flow from operating activities	A	**2,128.42**	**1,313.97**
B.	CASH FLOW FROM INVESTING ACTIVITIES			
	Payments for property, plant and equipment (including capital advances and CWIP)		(553.01)	(324.52)
	Interest received		1.33	1.62
	Net cash used in investing activities	B	**(551.68)**	**(322.90)**

(₹ *lakhs*)

	Particulars		2024 -25	2023-24
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Repayments of borrowings		(1,002.15)	(7,782.04)
	Proceeds from borrowings		-	7,100.00
	Interest paid		(436.02)	(520.37)
	Net cash used in financing activities	**C**	**(1,438.17)**	**(1,202.41)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**	**138.56**	**(211.34)**
	Cash and cash equivalents at the beginning of the financial year		123.39	334.73
	Cash and cash equivalents at the end of the financial year (refer Note 10)		261.96	123.39

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

Notes:

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

ii) Reconciliation of changes in liabilities arising from financing activities

(₹ *lakhs*)

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings	Total
Net debt as at April 01, 2023	**1,652.69**	**4,532.04**	**6,184.73**
Current maturities of long-term debt	(1,002.15)	1,002.15	-
(Repayments) | Disbursements	3,850.00	(4,532.04)	(682.04)
Interest expense	520.37	-	520.37
Interest paid	(520.37)	-	(520.37)
Net debt as at March 31, 2024	**4,500.54**	**1,002.15**	**5,502.69**
Current maturities of long-term debt	(1,125.54)	1,125.54	-
(Repayments) | Disbursements	-	(1,002.15)	(1,002.15)
Interest expense	436.02	-	436.02
Interest paid	(436.02)	-	(436.02)
Net debt as at March 31, 2025	**3,375.00**	**1,125.54**	**4,500.54**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner
Membership No.100459

Mumbai
April 17, 2025

For and on behalf of Board of Directors

Prabhakar Chebiyyam
Managing Director
(DIN:01569332)

Sunil Lalbhai
Chairman
(DIN:00045590)

Mohit Patel
Company Secretary

Sandip Bole
Chief Financial Officer

Mumbai
April 17, 2025

Background

Atul Bioscience Ltd (ABL) is a wholly owned subsidiary company of Atul Ltd (Atul), a member of Lalbhai Group, one of the oldest business houses of India. Company has marketing office at Floor 15, C wing, Lotus Corporate Park, Western Express Highway, Goregaon (East), Mumbai 400 063, Maharashtra. It has manufacturing facilities at Atul (Gujarat) and Ambernath (Maharashtra) locations.

Atul Bioscience Ltd (ABL) is engaged in manufacturing and marketing of Active Pharma Ingredients (API) and their intermediates and is serving customers belonging to the global Pharmaceutical industry. Atul has been serving customers belonging to diverse industries particularly Adhesives, Agriculture, Animal Feed, Automobile, Chemical, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sports and Leisure, Textile, Tyre and Wind Energy.

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

b) Basis of preparation

i) Historical cost convention

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

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

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

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

iii) The accounting policies are applied consistently 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 the 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:

New and amended Ind ASs effective from April 01, 2024

The Ministry of Corporate Affairs (MCA) notifies new standards | amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended on March 31, 2025, the MCA has notified Ind AS 117 Insurance Contracts and amendments to Ind AS 116 Leases, relating to sale and leaseback transactions, applicable to the Company effective from April 01, 2024. The Company has evaluated the new pronouncements | amendments and there is no material impact on its Financial Statements.

New and amended Ind ASs in issue but not yet effective

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which will be applicable from April 01, 2025.

c) Foreign currency transactions

i) 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 dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) presented in the Statement of Profit and Loss are on a net basis within other income.

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 on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

d) Revenue recognition

i) Revenue from operations

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

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

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

ii) 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 through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

e) Income tax

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

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

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

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

The Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes, 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. The Company applies significant judgement in identifying uncertainties over income tax treatments.

f) Leases

As a lessee

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

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

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

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

g) Property, plant and equipment

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

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

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statment of Profit and Loss.

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

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

Depreciation methods, estimated useful lives and residual value

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

Depreciation is computed on a pro-rata basis on the straight-line method from the month of acquisition| until the last completed month before the assets are sold or disposed of.

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

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

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

Land accounted under finance lease is amortised on a straight-line basis over the primary period of lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as own assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

h) Intangible assets

i) Goodwill

Goodwill represents the cost of the acquired businesses in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

ii) Computer software

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

Computer software cost is amortised over a period of 3 years using the straight-line method.

iii) Non compete fees

Non compete fees represent future economic benefits arising out of potential business. Such assets are measured on initial recognition at cost. Following initial recognition, non compete fees are carried at cost less any accumulated amortisation and accumulated impairment losses if any.

Amortisation methods, estimated useful lives and residual value

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually and adjusted prospectively, if appropriate.

Estimated useful lives of the intangible assets are as follows

Asset category	Estimated useful life
Non - compete fees	up to 5 years
Computer software	up to 3 years

i) Impairment

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

j) Capital work-in-progress

The cost of PPE under construction at the reporting date is disclosed as 'Capital work-in-progress.' The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid for the acquisition| construction of PPE which are outstanding at the Balance Sheet date are classified under the 'Capital Advances'.

k) Cash and cash equivalents

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

l) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash generated from | (used) in operating, investing and financing activities of the Company are segregated.

m) 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 significant increase in credit risk.

n) Trade and other payables

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

o) Inventories

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

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

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

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

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

p) Investments and other financial assets

Classification and measurement:

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

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

ii) those measured at amortised cost

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

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

Debt instruments:

Initial recognition and measurement

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in case the financial asset is not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement

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

Measured at amortised cost

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

Measured at fair value through other comprehensive income (FVTOCI)

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

Measured at fair value through profit or loss (FVTPL)

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments

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

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

Investments in subsidiary companies, associate companies and joint venture company

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Company computes expected lifetime losses based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition

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

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

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

Financial liabilities

i) Classification as debt or equity

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

ii) Initial recognition and measurement

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

iii) Subsequent measurement

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

iv) Derecognition

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

q) Offsetting financial instruments

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

r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. 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 non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

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

s) Borrowing costs

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

t) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

u) Employee benefits

i) Defined benefit plan

a) Gratuity

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it becomes due for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss.

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

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

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

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

b) Provident fund

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

ii) Defined contribution plan

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

iii) Short-term employee benefits

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

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

iv) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

v) 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.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

w) Ordinary shares

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buy-back are recognised as a deduction from equity, net of any tax effects.

Critical estimates and judgements

Preparation of the Financial Statements require use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as 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 useful life of tangible assets: Note 1 (g)

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

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

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

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

vii) Fair value measurements: Note 28.6

viii) Impairment: Note 1 (i)

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

(₹ *lakhs*)

Particulars	Right of - use leasehold land[1]	Buildings[2]	Plant and equipment	Office Equipment and Furniture	Vehicle	Total	Capital work-in-progress[3]
Gross carrying amount							
As at April 01, 2023	**2,578.59**	**2,567.36**	**7,063.68**	**111.35**	**0.02**	**12,321.00**	**118.31**
Additions	-	-	35.14	7.35	-	42.49	343.33
Deductions, transfer and adjustments	-	(27.08)	(201.35)	(17.47)	-	(245.90)	(80.23)
As at March 31, 2024	**2,578.59**	**2,540.28**	**6,897.47**	**101.23**	**0.02**	**12,117.59**	**381.41**
Additions	-	-	667.10	21.20	-	688.30	752.04
Deductions, transfer and adjustments	-	-	(31.35)	(4.25)	-	(35.60)	(688.30)
As at March 31, 2025	**2,578.59**	**2,540.28**	**7,533.22**	**118.18**	**0.02**	**12,770.29**	**445.15**
Depreciation | Amortisation							
As at April 01, 2023	**135.25**	**367.27**	**3,263.09**	**84.28**	**-**	**3,849.89**	**-**
For the year	32.23	104.88	559.90	9.37	-	706.38	-
Deductions, transfer and adjustments	-	(14.30)	(169.70)	(17.19)	-	(201.19)	-
As at March 31, 2024	**167.48**	**457.85**	**3,653.29**	**76.46**	**-**	**4,355.08**	**-**
For the year	31.83	103.32	516.59	16.16	0.01	667.91	-
Deductions, transfer and adjustments	-	-	(29.50)	(4.05)	-	(33.55)	-
As at March 31, 2025	**199.31**	**561.17**	**4,140.38**	**88.56**	**0.01**	**4,989.44**	**-**
Net carrying amount							
As at March 31, 2024	2,411.11	2,082.43	3,244.18	24.77	0.02	7,762.51	381.41
As at March 31, 2025	**2,379.28**	**1,979.11**	**3,392.84**	**29.61**	**0.01**	**7,780.85**	**445.15**

Notes:

[1]The premises of Ambernath plant is constructed on land leased by MIDC. The same is subject to restrictions as per applicable MIDC rules.

[2]The premises of the Company is constructed on land leased by the Holding Company, Atul Ltd.

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

According to assessment of the Management, there are no events or changes in circumstances that suggest impairment of property,plant, and equipment as per Ind AS 36 'Impairment of Assets'. Consequently, no provision for impairment has been recorded.

Refer Note 14 (a) for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

Refer Note 28.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

Capital-work-in process ageing

(₹ *lakhs*)

Particulars	As at March 31, 2025					As at March 31, 2024				
	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	405.83	12.04	27.28	-	445.15	282.30	73.67	25.44	-	381.41

Capital work-in- progress (projects in progress) whose completion is overdue

(₹ *lakhs*)

Particulars	As at March 31, 2025				As at March 31, 2024			
	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
Project 1	30.89	-	-	-	27.29	-	-	-
Project 2	221.76	-	-	-	-	-	-	-
Project 3	-	-	-	-	178.66	-	-	-
	252.65	-	-	-	205.95	-	-	-

(₹ *lakhs*)

Note 3 Intangible assets	Computer software	Non-compete fees	Total	Goodwill
Gross carrying amount				
As at April 01, 2023	**33.35**	**2,000.00**	**2,033.35**	**856.13**
Addition	37.73	**-**	37.73	**-**
As at March 31, 2024	**71.08**	**2,000.00**	**2,071.08**	**856.13**
Addition	-	-	-	-
As at March 31, 2025	**71.08**	**2,000.00**	**2,071.08**	**856.13**
Amortisation				
As at April 01, 2023	**33.32**	**1,666.67**	**1,699.99**	**-**
Amortisation charged for the year	12.58	333.33	345.91	-
As at March 31, 2024	**45.90**	**2,000.00**	**2,045.90**	**-**
Amortisation charged for the year	12.58	-	12.58	-
As at March 31, 2025	**58.48**	**2,000.00**	**2,058.48**	**-**
Net carrying amount				
As at March 31, 2024	25.18	-	25.18	856.13
As at March 31, 2025	**12.60**	**-**	**12.60**	**856.13**

Significant estimate - Impairment of goodwill

The Company has carried out impairment assessment as at March 31, 2025, for its all intangible assets. For this purpose, goodwill acquired in business combination is allocated to the cash generating unit (CGU), which benefits from the synergies of the acquisition. The Company internally reviews the goodwill for impairment at the CGU level.

The goodwill of ₹ 856.13 lakhs pertains to the Ambernath manufacturing facility, active pharma ingredients business of Polydrug Laboratories Pvt Ltd, which was acquired by the Company as a continuing business effective January 01, 2019. The recoverable amount of this Ambernath manufacturing facility is determined based on value in use, which is derived by using five years cash flow projections with following key assumptions:

Particulars	Assumptions
Annual growth rate	Based on the estimated market share
Terminal growth rate	1%
Weighted average cost of capital % (WACC) before tax	11.99%
Expected gross margins	Based on prior experience

Cash flow projections, as approved by the Board, are based on the expected market shares, gross margins, and prior experience and are reflective of past experience throughout the period. As at March 31, 2025, the estimated recoverable amount of the CGU exceeded its carrying amount.

Note 4 Non-current investments	Face Value	As at March 31, 2025		As at March 31, 2024	
		Number of shares	Amount (₹ lakhs)	Number of shares	Amount (₹ lakhs)
Investment in equity instruments (unquoted) in foreign fellow subsidiary company measured at cost					
Atul Brasil Quimicos Ltd	R$ 1	2,188	0.70	2,188	0.70
			0.70		**0.70**

(₹ *lakhs*)

Note 5 Other financial assets		As at March 31, 2025		As at March 31, 2024	
		Non-Current	Current	Non-Current	Current
a)	Security deposits	47.43	-	45.06	-
b)	Advance recoverable in cash or kind	-	5.41	-	4.42
c)	Balance with banks in fixed deposits, with maturity beyond 12 months*	0.64	-	0.64	-
		48.07	**5.41**	**45.70**	**4.42**

* Bank deposits above are held as lien in favour of various government agencies

(₹ *lakhs*)

Note 6 Income tax assets (net)	As at March 31, 2025		As at March 31, 2024	
	Non-Current	Current	Non-Current	Current
Tax paid in advance, net of provisions (refer Note 28.4)	88.10	-	94.03	-
	88.10	**-**	**94.03**	**-**

(₹ *lakhs*)

Note 7 Other assets		As at March 31, 2025		As at March 31, 2024	
		Non-Current	Current	Non-Current	Current
a)	Advances other than capital advances				
	i) Balances with government authorities	120.70	474.26	130.60	626.53
	ii) Others	1.63	42.31	1.63	103.58
		122.33	**516.57**	**132.23**	**730.11**

(₹ lakhs)

Note 8 Inventories		As at March 31, 2025	As at March 31, 2024
a)	Raw materials and packing materials	631.76	847.09
	Add: Goods-in-transit	-	0.00
		631.76	**847.09**
b)	Work-in-progress	850.40	795.86
		850.40	**795.86**
c)	Finished goods	1,118.58	1,549.94
		1,118.58	**1,549.94**
d)	Stores, spares and fuel	195.48	169.55
		195.48	**169.55**
		2,796.22	**3,362.44**

Notes:

(i) Measured at the lower of cost and net realisable value

(ii) Amounts recognised in the Statement of Profit and Loss Provision for slow and non-moving inventories has been made during the year ₹ Nil (Previous year: ₹ 455.20 lakhs)

(iii) Refer Note 14 (c) for information on inventories have been offered as security against the working capital facilities provided by the bank.

(₹ lakhs)

Note 9 Trade receivables		As at March 31, 2025	As at March 31, 2024
Undisputed trade receivable Considered good - unsecured			
a)	Related parties (refer Note 28.3)	0.86	8.89
b)	Others	2,309.18	2,821.39
		2,310.04	**2,830.28**
Less: Allowance for doubtful debts		(24.00)	(24.00)
		2,286.04	**2,806.28**

Notes:

(i) Amount of provision is recognised in the Statement of Profit and Loss of Nil (previous year: Nil)

(ii) Trade receivables are valued considering provision for allowance using expected credit loss method. This assessment is considering the nature of industries, impact immediately seen in the demand outlook of these industries and the financial strength of the customers in respect of whom amounts are receivable.

(iii) Refer Note 14 (c) for information on trade receivables have been offered as security against the working capital facilities provided by the bank.

Trade receivables ageing *(₹ lakhs)*

No.	Particulars	As at March 31, 2025 Outstanding for following period from due date						
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	Undisputed trade receivables: considered good	1,901.29	389.78	-	-	-	-	**2,291.07**
2.	Undisputed trade receivables: which have significant increase in credit risk	-	-	16.21	0.07	0.76	1.93	**18.97**
3.	Allowance for doubtful debts	-	(5.03)	(16.21)	(0.07)	(0.76)	(1.93)	**(24.00)**
	Total	**1,901.29**	**384.75**	**-**	**-**	**-**	**-**	**2,286.04**

(₹ *lakhs*)

No.	Particulars	As at March 31, 2024 Outstanding for following period from due date						
		Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	Undisputed trade receivables: considered good	2,034.99	782.51	-	-	-	-	**2,817.50**
2.	Undisputed trade receivables: which have significant increase in credit risk	-	-	9.96	0.82	1.00	1.00	**12.78**
3.	Allowance for doubtful debts	-	(11.22)	(9.96)	(0.82)	(1.00)	(1.00)	**(24.00)**
	Total	**2,034.99**	**771.29**	**-**	**-**	**-**	**-**	**2,806.28**

(₹ *lakhs*)

Note 10 Cash and cash equivalents		As at March 31, 2025	As at March 31, 2024
a)	Balances with banks		
	In current accounts	261.96	123.39
		261.96	**123.39**

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

(₹ *lakhs*)

Note 11 Bank balances other than cash and cash equivalents above	As at March 31, 2025	As at March 31, 2024
Short-term bank deposit with original maturity between 3 to 12 months*	30.65	29.42
	30.65	**29.42**

* Bank deposits above include deposits lien marked in favour of various government agencies

(₹ *lakhs*)

Note 12 Equity share capital	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	₹ lakhs	Number of Shares	₹ lakhs
Authorised				
Equity shares of ₹ 10 each	3,00,00,000	3,000.00	3,00,00,000	3,000.00
8% redeemable optionally convertible cumulative preference shares of ₹ 100 each	30,00,000	3,000.00	30,00,000	3,000.00
		6,000.00		**6,000.00**
Issued				
Equity shares of ₹ 10 each	2,90,21,868	2,902.19	2,90,21,868	2,902.19
		2,902.19		**2,902.19**
Subscribed				
Equity shares of ₹ 10 each	2,90,21,868	2,902.19	2,90,21,868	2,902.19
		2,902.19		**2,902.19**

a) Movement in equity share capital

(₹ *lakhs*)

Particulars	Number of shares	Equity share capital
As at April 01, 2023	**2,90,21,868**	**2,902.19**
Changes during the year	-	-
As at March 31, 2024	**2,90,21,868**	**2,902.19**
Changes during the year	-	-
As at March 31, 2025	**2,90,21,868**	**2,902.19**

b) Terms and rights attached to equity shares

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

i) Equity shares:

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

ii) Dividend:

The Company has not proposed any dividend this year.

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

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Holding %	Number of shares	Holding %	Number of shares
Atul Ltd	100%	2,90,21,868	100%	2,90,21,868

d) Shareholding of promoters

(₹ *lakhs*)

No.	Promoter name	As at March 31, 2025			As at March 31, 2024		
		Number ofshares	% of total shares	% Change during the year	Number ofshares	% of total shares	% Change during the year
1.	Atul Ltd	2,90,21,868	100%	-	2,90,21,868	100%	-

(₹ *lakhs*)

Note 13 Other equity		As at March 31, 2025	As at March 31, 2024
a)	Securities premium	2,185.63	2,185.63
b)	Retained earnings	1,827.37	1,578.63
c)	Capital contribution from Atul Ltd[1]	167.17	167.17
	Balance as at the end of the year	**4,180.17**	**3,931.43**

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

[1]capital contribution from Atul Ltd represents equity component of 8% redeemable optionally convertible cumulative preference shares.

Nature and Purpose of reserves

a) **Securities premium**

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

b) **Retained earnings**

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

c) **Other comprehensive income**

Other comprehensive income is remeasurements gains | losses till date on defined benefit plans, net of tax.

(₹ lakhs)

Note 14 Borrowings	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
a) **Secured:**				
Loan from bank	3,500.00	-	3,500.00	-
b) **Unsecured:**				
Loan from related parties (refer Note 28.3)	1,000.54	-	2,002.69	-
	4,500.54	**-**	**5,502.69**	**-**
Current maturities of long-term debts	(1,125.54)	1,125.54	(1,002.15)	1,002.15
	3,375.00	**1,125.54**	**4,500.54**	**1,002.15**

	Type of loan	Nature of security	Interest rate	Terms of repayment
i)	Loans from bank			
	Federal bank	Secured	8.00% (March 31, 2024: 8.25%)	To be repaid in 16 quarterly installment after moratorium of 1 year.
ii)	Loans from related parties:			
	Atul Ltd	Unsecured	8.8% (March 31, 2024: 8.8%)	Payable within one year to two years ₹ 250.54 lakhs
	Atul Nivesh Ltd	Unsecured	9.95% (March 31, 2024: 9.55%) 10.0% (March 31, 2024: 9.65%)	To be repaid by September 2028 ₹ 250 lakhs To be repaid by January 2027 ₹ 100 lakhs
	Atul Finserv Ltd	Unsecured	10.0% (March 31, 2024: 9.65%)	To be repaid by January 2026 ₹ 400 lakhs (extend time to time mutually agreed)

a) **Security details:**

Term loan from bank of ₹ 3,500 lakhs (March 31, 2024 ₹ 3,500 lakhs) is secured by hypothecation of first pari passu charge on entire movable fixed assets of the company to the extend of bank limit.

Collateral: Exclusive charge over Industrial land and Building at Plot no 37, MIDC, Dist. Thane.

b) Quarterly statement of current assets filed with banks during the year are in agreement with the books of accounts.

c) Working capital loans replayable on demand from banks is secured by hypothecation of first pari passu charge over entire current asset present and future to the extend of bank limit.

The carrying amount of assets hypothecated | mortaged as security for borrowing limits are:

(₹ *lakhs*)

	Particulars	As at March 31, 2025	As at March 31, 2024
i)	Property, plant and equipment	7,780.85	7,762.51
ii)	Capital work-in-progess	445.15	381.41
ii)	Current assets	5,896.85	7,056.06
	Total assets as security	**14,122.85**	**15,199.98**

(₹ *lakhs*)

	Note 15 Other financial liabilities	As at March 31, 2025		As at March 31, 2024	
		Non-current	Current	Non-current	Current
a)	Employees benefits payable (refer Note 28.5)	88.97	165.88	84.75	152.68
b)	Creditors for capital goods	-	225.66	-	28.84
c)	Security Deposit	113.13	5.22	113.13	-
d)	Others	-	0.85	-	1.87
		202.10	**397.61**	**197.88**	**183.39**

(₹ *lakhs*)

Note 16 Provisions	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Provision for compensated absences (refer Note 28.5)	71.76	6.24	54.82	11.55
	71.76	**6.24**	**54.82**	**11.55**

(₹ *lakhs*)

	Note 17 Trade payables	As at March 31, 2025	As at March 31, 2024
a)	Total outstanding dues of micro-enterprises and small-enterprises (refer Note 28.11)	98.16	154.05
b)	Total outstanding dues of creditors other than micro-enterprises and small-enterprises		
	i) Related parties (refer Note 28.3)	1,638.78	1,966.46
	ii) Others	977.03	1,118.15
		2,713.97	**3,238.66**

Trade payables ageing

(₹ *lakhs*)

Sr. No.	Particulars	As at March 31, 2025 Outstanding for following periods from due date of payment					
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	89.82	2.18	0.42	0.43	5.31	98.16
2.	Others	1,004.37	1,598.54	2.38	2.14	8.38	2,615.81
		1,094.19	**1,600.72**	**2.80**	**2.57**	**13.69**	**2,713.97**

(₹ *lakhs*)

Sr. No.	Particulars	As at March 31, 2024 Outstanding for following periods from due date of payment					
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	71.69	63.92	0.43	6.05	11.96	154.05
2.	Others	1,236.84	1,832.65	4.04	0.84	10.24	3,084.61
		1,308.53	**1,896.57**	**4.47**	**6.89**	**22.20**	**3,238.66**

(₹ *lakhs*)

Note 18 Contract liabilities		As at March 31, 2025	As at March 31, 2024
a)	Advance received from customers	2.32	90.40
		2.32	**90.40**

(₹ *lakhs*)

Note 19 Other current liabilities		As at March 31, 2025	As at March 31, 2024
a)	Statutory dues	28.22	26.09
		28.22	**26.09**

(₹ *lakhs*)

Note 20 Revenue from operations	2024-25	2023-24
Sale of products	13,599.11	13,089.68
Sale of services	4.36	-
Scrap sales	30.20	64.25
	13,633.67	**13,153.93**
Revenue from contracts with customers:		
Export incentives	38.68	56.60
Processing charges	0.12	0.28
	13,672.47	**13,210.81**

Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging upto 90 days. These contracts are mainly for sale of goods in domestic and international markets besides sale of scrap. Delivery of goods are either at ex-works or at an alternate agreed place at an agreed point in time. The contracts do not grant for any rights to return to the customer. Returns of goods are accepted by the Company only on exception basis.

(₹ *lakhs*)

Note 21 Other income	2024-25	2023-24
Dividends from equity investments measured at cost	0.37	-
Interest income from financial assets meausred at amortised cost	1.33	1.62
Interest from others	2.96	5.45
Miscellaneous income	3.05	6.00
	7.71	**13.07**

(₹ *lakhs*)

Note 22 Cost of materials consumed	2024-25	2023-24
Raw materials and packing materials consumed		
Stocks at commencement	847.09	910.00
Add: Purchases	6,821.54	7,053.69
	7,668.63	**7,963.69**
Less: Stocks at close	631.76	847.09
	7,036.87	**7,116.60**

(₹ *lakhs*)

Note 23 Changes in inventories of finished goods and work-in-progress	2024-25	2023-24
Stocks at close		
Finished goods	1,118.58	1,549.94
Work-in-progress	850.40	795.86
	1,968.98	**2,345.80**
Less: Stocks at commencement		
Finished goods	1,549.94	1,689.37
Work-in-progress	795.86	488.29
	2,345.80	**2,177.66**
(Increase) | Decrease in stocks	**376.82**	**(168.14)**

(₹ *lakhs*)

Note 24 Employee benefit expenses	2024-25	2023-24
Salaries, wages and bonus (refer Note 28.5)	1,213.47	1,045.02
Contribution(net) to provident and other funds (refer Note 28.5)	70.24	65.79
Staff welfare	30.25	22.07
	1,313.96	**1,132.88**

(₹ *lakhs*)

Note 25 Finance costs	2024-25	2023-24
Interest on borrowings	436.02	520.37
Interest on income tax	-	0.08
Interest on others	3.09	40.07
	439.11	**560.52**

(₹ *lakhs*)

Note 26 Depreciation and amortisation expenses	2024-25	2023-24
Depreciation on property, plant and equipment (refer Note 2)	667.91	706.38
Amortisation of intangible assets (refer Note 3)	12.58	345.91
	680.49	**1,052.29**

(₹ *lakhs*)

Note 27 Other expenses	2024-25	2023-24
Consumption of stores and spares	65.87	80.31
Contract labour charges	226.50	197.91
ETP charges	135.96	138.30
Building repairs	131.52	105.70
Plant and equipment repairs	464.55	347.11
Sundry repairs	46.04	24.71
Rent	0.04	0.04
Rates and taxes	30.83	25.79
Insurance	70.79	66.25
Freight charges	66.39	60.94
Commission	37.93	45.34
Travelling and conveyance	5.36	4.90
Payments to the Statutory Auditors		
a) Audit fees	6.86	6.86
b) Other matters	0.91	0.91
Payments to the Cost Auditors		
a) Audit fees	0.27	0.26
b) Out of pocket expense	-	0.42
Directors' fees and travelling	13.80	10.80
Directors' commission (other than the Executive Directors)	2.50	4.00
Manpower services	447.65	409.79
Testing analysis and inspection charges	158.32	147.66
Loss on assets sold, discarded or demolished	(0.76)	44.87
Net exchange rate difference (gain) | loss	17.86	-
Security charges	56.85	52.21
Brand usage charges	2.44	2.50
Legal and professional charges	26.13	13.37
Miscellaneous expenses	158.00	229.77
	2,172.61	**2,020.72**

Note 28.1 Contingent liabilities

(₹ *lakhs*)

Particulars	As at March 31, 2025	As at March 31, 2024
Claims against the Company not acknowledged as debts in respects of:		
Gujarat Value Added Tax	7.85	7.85
Custom Duty	-	7.96
GST	16.28	14.80

The regulatory claims are under litigation at various forums, the company expects the outcome of the above matter in it's favour. Therefore, the company not recognised provision in relation to this claim.

Note 28.2 Commitments

Capital commitments

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

(₹ *lakhs*)

Particulars	As at March 31, 2025	As at March 31, 2024
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	60.54	21.12

Note 28.3 Related party disclosures

28.3 (a) Related party information

No.	Name of the related party	Description of relationship
01.	Atul Ltd	Holding Company
02.	Aaranyak Urmi Ltd	Subsidiary companies of holding company
03.	Aasthan Dates Ltd	
04.	Amal Ltd	
05.	Amal Speciality Chemicals Ltd	
06.	Atul Aarogya Ltd	
07.	Atul Adhesives Pvt Ltd	
08.	Atul Ayurveda Ltd	
09.	Atul Biospace Ltd	
10.	Atul Brasil Quimicos Ltda	
11.	Atul China Ltd	
12.	Atul Clean Energy Ltd	
13.	Atul Consumer Products Ltd	
14.	Atul Crop Care Ltd	
15.	Atul Deutschland GmbH	
16.	Atul Entertainment Ltd	
17.	Atul Europe Ltd	
18.	Atul Finserv Ltd	
19.	Atul Fin Resources Ltd	

No.	Name of the related party	Description of relationship
20.	Atul Healthcare Ltd	Subsidiary companies of holding company
21.	Atul Hospitality Ltd	
22.	Atul Infotech Pvt Ltd	
23.	Atul Ireland Ltd	
24.	Atul Lifescience Ltd	
25.	Atul Middle East FZ-LLC	
26.	Atul Natural Dyes Ltd	
27.	Atul Natural Foods Ltd	
28.	Atul Nivesh Ltd	
29.	Atul Paints Ltd	
30.	Atul Polymers Products Ltd	
31.	Atul Products Ltd	
32.	Atul Rajasthan Date Palms Ltd	
33.	Atul Renewable Energy Ltd	
34.	Atul (Retail) Brands Ltd	
35.	Atul Seeds Ltd	
36.	Atul USA Inc	
37.	Biyaban Agri Ltd	
38.	DPD Ltd	
39.	Jayati Infrastructure Ltd	
40.	Osia Dairy Ltd	
41.	Osia Infrastructure Ltd	
42.	Raja Dates Ltd	
43.	Sehat Foods Ltd	
44.	Valsad Institue of Medical Sciences Ltd	Associate company
45.	Rudolf Atul Chemicals Ltd	Entity jointly controlled by Holding Company
46.	Anaven LLP	Joint operation of subsidiary company of holding company
47.	**Key Management Personnel**	
	Sunil Lalbhai	Chairman
	Prabhakar Chebiyyam	Managing Director
	Pramod Lele	Non-executive Director
	Rangaswamy Iyer	Non-executive Director
	Ajit Dangi (Resigned effective October 18, 2024)	Non-executive Director
	Latika Pradhan	Non-executive Director
	Astha Lalbhai	Non-executive Director
	Vivek Gadre	Non-executive Director
	Jagdish Dore (Appointed effective January 17, 2025)	Non-executive Director

No.	Name of the related party	Description of relationship
	Sandip Bole	Chief Financial Officer
	Mohit Patel	Company Secretary
48.	Welfare funds	Organisations over which significant influence exercised by Key Management Personnel
	Atul Foundation Trust	
49.	Crawford Bayley & Co.	Director of Holding Company is partner
50.	Khaitan & Co.	Director of Holding Company is partner
51.	Other related parties	
	Atul Bioscience Staff Gratuity Fund	Post-employment benefit plan of Atul Bioscience Ltd

Note 28.3 (b) Transactions with Holding Company

(₹ *lakhs*)

	Particulars	2024-25	2023-24
	Sales and income		
1.	Sale of goods	72.88	210.45
2.	Sales of fixed assets	0.33	-
	Purchases and expenses		
1.	Purchase of raw material	4,044.09	3,220.00
2.	Purchase of power, fuel and water	697.50	683.44
3.	Purchase of property, plant and equipment	23.56	38.13
4.	ETP service charges	102.17	113.20
5.	Staff service charges	402.71	438.73
6.	Reimbursement paid	3.18	1.69
7.	Lease rent	0.04	0.04
8.	Interest on borrrowings	75.56	447.72
9.	Brand usage charges	2.50	2.50
	Transfers under finance arrangements		
1.	Borrowings taken	-	3,250.00
2.	Borrowings repaid	1,002.15	7,452.04

Terms and conditions:

a) Transactions with Atul Ltd pertaining to a) purchase of goods, power, fuel, water, b) ETP service charges, c) lease rent d) interest and e) brand usage charges were at normal commercial terms.

b) Staff service charges and other expenses were reimbursed to Atul Ltd on cost basis.

c) Transaction relating to dividend was on same terms and conditions that applied to all shareholders.

Note 28.3 (c) Transactions with fellow subsidiary companies

(₹ *lakhs*)

	Particulars	2024-25	2023-24
1.	**Interest on borrowings**	**72.95**	**68.70**
	Atul Finserv Ltd	38.88	37.80
	Atul Nivesh Ltd	34.07	30.90
2.	**Service charges paid**	**30.95**	**43.89**
	Atul Infotech Pvt Ltd	30.95	43.89
3.	**Purchase of goods**	**73.22**	**2.40**
	Osia Infrastructure Ltd	1.17	2.40
	Atul Product Ltd	72.05	-
4.	**Borrowings taken**	**-**	**350.00**
	Atul Finserv Ltd	-	
	Atul Nivesh Ltd	-	350.00
5.	**Borrowings repaid**	**-**	**330.00**
	Atul Finserv Ltd	-	-
	Atul Nivesh Ltd	-	330.00
6.	**Dividend income**	**0.37**	-
	Atul Brasil Quimicos Ltda	0.37	-

Note 28.3 (d) Key Management Personnel compensation

(₹ *lakhs*)

	Particulars	2024-25	2023-24
1.	**Employment benefits**	**52.92**	**12.50**
	Short-term employee benefits	52.92	12.50
	Post-employment benefits[1]		
2.	**Non executive Directors**	**17.50**	**10.80**
	Sitting fees paid to non executive directors	13.80	10.80
	Provision for commission	3.70	4.00

[1] Compensation for gratuity and compensated absences are paid by the Holding Company

There are no other categories of compensation payable to Key Management Personnel

Note 28.3 (e) Transactions with entity where Director of Holding Company is a partner

(₹ *lakhs*)

1	Professional fees	2024-25	2023-24
	Crawford Bayley & Co.	-	0.97

Note 28.3 (f) Outstanding balances of Holding Company at year end

(₹ *lakhs*)

	Particulars	As at March 31, 2025	As at March 31, 2024
1	Payables	1,594.33	1,966.79
2	Borrowings	250.54	1,252.69

Note 28.3 (g) Outstanding balances of fellow subsidiary companies at year end

(₹ *lakhs*)

	Particulars	As at March 31, 2025	As at March 31, 2024
	Borrowings	**750.00**	**750.00**
1.	Atul Finserv Ltd	400.00	400.00
2.	Atul Nivesh Ltd	350.00	350.00
	Payables	**40.77**	**10.91**
1.	Atul Infotech Pvt Ltd	8.36	8.62
2.	Osia Infrastructure Ltd	0.24	2.29
3.	Atul Product Ltd	32.17	-
	Receivable	**0.37**	-
1	Atul Brasil Quimicos Ltda	0.37	-

Note 28.3 (h) Outstanding balances of entity where Director of Holding Company is a partner as at year end

(₹ *lakhs*)

	Particulars	As at March 31, 2025	As at March 31, 2024
1.	Payables	**-**	**0.97**
	Crawford Bayley & Co.	-	0.97

Note 28.3 (i) Terms and conditions:

i. Transactions relating to preference dividend, equity dividend and issue of new equity shares were on same terms and conditions that applied to all shareholders. The loans taken from related parties were generally for short term at interest rate ranging from 8.00% to 10.00% per annum.

ii. Transactions with Atul Ltd pertaining to a) purchase of goods, power, fuel, water, b) ETP service charges, c) lease rent d) Staff service charges and other expenses were reimbursed to Atul Ltd on cost basis.

iii. All outstanding balances are unsecured and are repayable in cash.

Note 28.4 Current and deferred tax

The major components of income tax expense for the years ended March 31, 2025 and March 31, 2024 are:

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

(₹ *lakhs*)

	Particulars	2024-25	2023-24
i)	**Current tax**		
	Current tax on profit for the year	66.92	2.05
	Adjustments for current tax of prior periods	12.71	1.73
	Total current tax expense	79.63	3.78
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	32.14	(67.82)
	Decrease | (Increase) in deferred tax assets	(1.33)	152.82
	Total deferred tax expense | (benefit)	30.81	85.00
	Income tax expense	**110.44**	**88.78**

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

(₹ *lakhs*)

	Particulars	2024-25	2023-24
i)	**Current tax**		
	Remeasurement gain| (loss) on defined benefit plans	3.03	0.73
	Total current tax expense	3.03	0.73

c) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

	Particulars	2024-25	2023-24
a)	Statutory income tax rate	25.17%	25.17%
b)	Differences due to:		
	Non-deductible expenses	2.30%	3.34%
	Prior period adjustment	3.45%	0.00%
	Other items	0.82%	2.07%
	Effective income tax rate	**31.74%**	**30.58%**

d) Current tax assets

(₹ *lakhs*)

Particulars	As at March 31, 2025	As at March 31, 2024
Opening balance	94.03	173.33
Add: Taxes paid in advance, net of provision during the year	(5.93)	(79.30)
Less: provision	-	-
Closing balance	**88.10**	**94.03**

e) **Movement in deferred tax liabilities | (assets)**

(₹ lakhs)

Particulars	As at March 31, 2025	Charged | (Credited) to		As at March 31, 2024	Charged | (Credited) to		As at March 31, 2023
		profit or loss	OCI | equity		profit or loss	OCI | equity	
Property plant and equipment and Intangible assets	254.53	32.14	-	222.39	(60.36)	-	282.75
Total deferred tax liabilities	**254.53**	**32.14**	**-**	**222.39**	**(60.36)**	**-**	**282.75**
Provision for compensated absences and gratuity	(37.61)	(2.21)	-	(35.40)	(0.81)	-	(34.59)
Unused tax losses| reversal	72.49	5.03	-	67.46	152.82	-	(85.36)
Provision for doubtful debts and provision for inventory	(26.73)	-	-	(26.73)	-	-	(26.73)
Others	(17.02)	(4.15)	-	(12.87)	(6.65)	-	(6.22)
Total deferred tax assets	**(8.87)**	**(1.33)**	**-**	**(7.54)**	**145.36**	**-**	**(152.90)**
Net deferred tax liabilities | (assets)	**245.66**	**30.81**	**-**	**214.85**	**85.00**	**-**	**129.85**

Note 28.5 Employee benefit obligations

Funded schemes

a) **Defined benefit plans**

Gratuity

The Company operates a gratuity plan through the 'Atul Bioscience Staff Gratuity Trust'. Every employee is entitled to a benefit equivalent to last drawn salary of 15 days for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. Gratuity is payable at the time of separation or retirement from the Company, whichever is earlier. The benefits vest after five years of continuous service.

(₹ lakhs)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at April 01, 2023	**141.99**	**(53.76)**	**88.23**
Current service cost	16.03	**-**	16.03
Interest expense | (income)	10.44	(3.95)	6.48
Total amount recognised in profit and loss	**26.47**	**(3.95)**	**22.52**
Remeasurements			
Return on plan assets, excluding amount included in interest expense | (income)	**-**	1.33	1.33
(Gain) | loss from change in demographic assumptions	(1.56)	**-**	(1.56)
(Gain) | loss from change in financial assumptions	5.82	**-**	5.82
Experience (gains) | losses	(2.67)	**-**	(2.67)
Total amount recognised in other comprehensive income	**1.59**	**1.33**	**2.92**
Employer contributions	-		
Benefit payments	4.27	(4.27)	-

(₹ *lakhs*)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
Liability transferred (out) | in	0.16	(0.16)	-
As at March 31, 2024	**165.93**	**(52.27)**	**113.66**
Current service cost	17.02	-	17.02
Interest expense | (income)	11.90	(3.75)	8.15
Total amount recognised in profit and loss	**28.92**	**(3.75)**	**25.17**
Remeasurements			
Return on plan assets, excluding amount included in interest expense | (income)	-	(0.22)	(0.22)
(Gain) | loss from change in demographic assumptions	10.27	-	10.27
(Gain) | loss from change in financial assumptions	3.22	-	3.22
Experience (gains) | losses	(1.22)	-	(1.22)
Total amount recognised in other comprehensive income	**12.27**	**(0.22)**	**12.05**
Employer contributions	-	(20.00)	(20.00)
Benefit payments	(16.46)	6.61	(9.85)
Liability transferred (out) | in	0.19	-	0.19
As at March 31, 2025	**190.85**	**(69.63)**	**121.22**

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

(₹ *lakhs*)

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of funded obligations	190.85	165.93
Fair value of plan assets	(69.63)	(52.27)
Deficit of Gratuity plan	**121.22**	**113.67**
Current	32.25	28.92
Non-current	88.97	84.75

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Discount rate	6.65%	7.17%
Salary escalation rate	10.07%	10.36%
Rate of return on plan assets	6.65%	7.17%
Attrition rate	10.00%	14.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Increase | (decrease) in defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Discount rate	1.00%	1.00%	(6.76)%	(5.01)%	7.68%	5.59%
Salary escalation rate	1.00%	1.00%	7.32%	5.36%	(6.62)%	(4.92)%
Rate of return on plan assets	1.00%	1.00%	(6.76)%	(5.01)%	7.68%	5.59%
Attrition rate	1.00%	1.00%	(1.67)%	(1.12)%	1.85%	1.22%

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

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

Major category of plan assets are as follows:

(₹ lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Unquoted	in %	Unquoted	in %
Investment funds				
Insurer managed fund (Life Insurance Corporation of India)	69.63	100%	52.27	100%
Total	**69.63**	**100%**	**52.27**	**100%**

Risk exposure

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

Interest rate risk

A fall in the discount rate which is linked to the government security 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 asset.

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 assumed level will increase the plan's liability.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, It has a relatively balanced mix of investments in government securities, and other debt instruments.

Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Expected contributions to post-employment benefit plans for the year ending March 31, 2026 are ₹ 30.12 Lakhs

The weighted average duration of the defined benefit obligation is 7 years (2024-25: 7 years). The expected maturity analysis of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2025	14.30	14.95	52.45	260.22	341.92
As at March 31, 2024	24.22	18.34	55.63	167.67	265.86

b) Defined contribution plans:

The Company makes contributions towards provident fund and employee state insurance scheme for qualifying employees as per regulations. The provident fund is administered by the government. 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 above contribution plans is ₹ 19.82 lakhs (March 31, 2024 : ₹ 19.01 lakhs).

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

d) Compensated absences:

The Compensated absences covers the liability for earned leave. Out of the total amount disclosed in Note 16, the amount of ₹ 6.24 lakhs (March 31, 2024 ₹ 11.55 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*)

Particulars	Compensated absences			
	As at March 31, 2025		As at March 31, 2024	
	Non-current	Current	Non-current	Current
Present value of unfunded obligations	71.76	6.24	54.82	11.55

(₹ *lakhs*)

No.	Particulars	UoM	Compensated absences	
			2024-25	2023-24
1.	Expense recognised in the Statement of Profit and Loss	₹ lakhs	13.85	12.04
2.	Discount rate (per annum)	%	6.65%	7.17%
3.	Rate of return on plan assets	%	6.65%	7.17%
4.	Salary escalation rate (per annum)	%	10.00%	10.36%
5.	Retirement age		55,58 & 60 years	58 & 60 years
6.	Atrition Rate	%	10.00%	14.00%
7.	Mortality rate		Indian assured lives mortality 2012-14 (Urban)	Indian assured lives mortality 2012-14 (Urban)

Note 28.6 Fair value measurements

(i) Financial instruments by category

(₹ *lakhs*)

Particulars	As at March 31, 2025			As at March 31, 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortise cost
Financial assets						
Trade receivables	-	-	2,286.04	-	-	2,806.28
Cash and cash equivalents	-	-	261.96	-	-	123.39
Bank balances other than cash and cash equivalents above	-	-	30.65	-	-	29.42
Other receivables	-	-	52.84	-	-	49.48
Bank deposits with more than 12 months maturity	-	-	0.64	-	-	0.64
Total financial assets	**-**	**-**	**2,632.13**	**-**	**-**	**3,009.21**
Financial liabilities						
Borrowings	-	-	4,500.54	-	-	5,502.69
Trade payables	-	-	2,713.97	-	-	3,238.66
Creditor for capital goods	-	-	225.66	-	-	28.84
Retention money	-	-	-	-	-	
Other	-	-	0.85	-	-	1.87
Security deposits	-	-	118.35	-	-	113.13
Total financial liabilities	**-**	**-**	**7,814.22**	**-**	**-**	**9,122.62**

(ii) Fair value hierarchy and valuation technique used to determine fair value

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. Company does not have any investments required under Level 3.

(₹ lakhs)

Assets and liabilities measured at fair value - recurring fair value measurements	Note	As at March 31, 2025	As at March 31, 2024
		Investment in equity instruments	Investment in equity instruments
Level 1		-	-
Level 2		-	-
Level 3*	4	-	-

The difference between the fair value and the carrying amount of the investment in equity instruments is not expected to be material and hence has not been fair valued as per Ind As 107 "Financial Investment Disclosures"

*Excludes investments in shares of fellow subsidiaries which are carried at cost and hence is not required to be disclosed .

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have a quoted price. The fair value of all equity instruments which are traded on the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net assets value (NAV).

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

(₹ lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
	Carrying amount | Fair value	Carrying amount | Fair value
Financial assets		
Trade receivables	2,286.04	2,806.28
Cash and cash equivalents	261.96	123.39
Bank balances other than cash and cash equivalents above	30.65	29.42
Security deposits	47.43	45.06
Other receivables	5.41	4.42
Bank deposits with more than 12 months maturity	0.64	0.64
Total financial assets	**2,632.13**	**3,009.21**

Particulars	As at March 31, 2025	As at March 31, 2024
	Carrying amount | Fair value	Carrying amount | Fair value
Financial liabilities		
Borrowings	4,500.54	5,502.69
Trade Payable	2,713.97	3,238.66
Employee benefits payable	254.85	237.43
Creditor for capital goods	225.66	28.84
Security Deposits	118.35	113.13
Other	0.85	1.87
Total financial liabilities	**7,814.22**	**9,122.62**

The carrying amounts of trade receivables, trade payables, other receivables, bank deposits with more than 12 months maturity, creditors for capital goods, cash and cash equivalents and bank balances other than cash and cash equivalents, interest accrued but not due, interim dividend payable on equity shares, employee benefit payables, retention money, other financial liabilities are considered to be the same as their fair values.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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

(iv) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes including level 3 fair values.

Note 28.7: Financial risk management

1. Business activities of the Company expose it to a variety of financial risks, namely market risks (that is foreign exchange risk, interest rate risk), credit risk and liquidity risk. The management of the Company has the overall responsibility for the establishment and oversight of risk management framework of the Company. The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities of the Company. The risk management of the Company focuses on the unpredictability of these elements and seeks to minimise the potential adverse effects on its financial performance.

(a) Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The approach of the Company to manage liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow could undermine the credit rating of the Company and impair investor confidence.

(i) Maturities of financial liabilities

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

(₹ *lakhs*)

As at March 31, 2025	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	14	4,500.54	1,125.54	3,375.00	4,500.54
Trade payables	17	2,713.97	2,713.97	-	2,713.97
Other financial liabilities	15	599.71	397.61	202.10	599.71
Total non-derivative liabilities		**7,814.22**	**4,237.12**	**3,577.10**	**7,814.22**

(₹ *lakhs*)

As at March 31, 2024	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	14	5,502.69	1,002.15	4,500.54	5,502.69
Trade payables	17	3,238.66	3,238.66	-	3,238.66
Other financial liabilities	15	381.27	183.39	197.88	381.27
Total non-derivative liabilities		**9,122.62**	**4,424.20**	**4,698.42**	**9,122.62**

(b) Management of credit risk

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

i) Trade Receivables

Sales to a new party is usually against advance | under a Letter of Credit (LC). As a policy LC of only top banks is accepted. More than 50% of sales is either on advance or under LC. Further, trade receivables for sales on open terms are monitored monthly and in case of overdue, timely alerts are provided. Our historical experience of collecting receivables, supported by the level of default, is that credit risk is low.

ii) Other financial assets

The Company maintains exposure in cash and cash equivalents and term deposits with banks. The same are maintained with banks or financial institutes of repute. Credit limits and concentration of exposure are actively monitored by the finance department of the Company. The maximum exposure to credit risk as at March 31, 2025 and March 31, 2024 is the carrying value of each class of financial assets as disclosed in Note 4, 5, 9, 10, and 11.

(c) Management of market risk

The size and nature of operations of company expose it to various market risks which may affect the income and expenses of the Company, or the value of its financial instruments. The objective of the management of the Company of market risk is to maintain this risk within acceptable parameters, while optimising returns. The exposure of the Company to, and management of, these risks is explained below:

	Potential impact of risk	Management policy	Sensitivity to risk
i)	**Interest rate risk**		
	The main interest rate risk of the Company arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Some part of the borrowings of the Company are at variable rates denominated in ₹. As at March 31, 2025, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 4,250 lakhs (March 31, 2024: ₹ 4,250 lakhs) and due to fixed rate borrowings amounted to ₹ 250.54 lakhs (March 31, 2024: ₹ 1,252.69 lakhs)	The Company manages interest rate risks by keeping mixture of loans from group and third parties with fixed as well as floating rate loans. The borrowings are at amortised cost. Further the Company keeps a watch on RBI policy and market movements to arrive at decision so as to hedge the exposure or keep it open.	As an estimation of the approximate impact of the interest rate risk, the Company has calculated the impact of a 100 bps increase in interest rates may have led to approximately an additional ₹ 42.5 lakhs (2023-24: 42.5 lakhs) gain in profit. A 100 bps decrease in interest rates may have led to an equal but opposite effect.
ii)	**Foreign exchange risk**		
	The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (') of the Company. The risk is measured through a forecast of highly probable foreign currency cash flows.	The Company has exposure arising out of export, import and other transactions other than functional risks. The same is as per the guidelines laid down in its Risk Management Policy.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Financial Statements, the Company has calculated the impact as follows:For financial assets and liabilities not denominated in Indian rupee (INR) and future commercial transactions, INR depreciates against USD by ₹ 1 as on the reporting date may have led to an increase in additional ₹ 4.03 lakhs gain in profit and loss (2023-24: loss of ₹ 4.82 lakhs). INR appreciates against USD by ₹ 1 may have led to an equal but opposite effect.

(i) **Foreign currency risk**

Foreign currency risk exposure:

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

(₹ *lakhs*)

Particulars	As at March 31, 2025		As at March 31, 2024	
	US$ mn	₹ lakhs	US$ mn	₹ lakhs
Financial assets				
Trade receivables	0.51	431.98	0.60	500.26
Exposure to foreign currency risk (assets)	**0.51**	**431.98**	**0.60**	**500.26**
Financial liabilities				
Trade payables	0.11	96.31	0.12	98.41
Net exposure to foreign currency risk (liabilities)	**0.11**	**96.31**	**0.12**	**98.41**
Net exposure to foreign currency risk	**0.40**	**335.67**	**0.48**	**401.85**

Note 28.8: Capital management

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

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

Total equity includes retained earnings, share capital, security premium, other comprehensive income | (loss), capital contribution and equity capital pending allotment of shares. Total debt includes current debt plus non-current debt (refer note 28.14 (b) for debt-equity ratio).

Note 28.9 Segment information

The operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance, has been identified as the Managing Director of the Company. The Company operates in only one business segment i.e. Active Pharmaceutical Ingredient (API) intermediates. Further, since the revenue generated in India and non-current assets other than financial assets located within India are greater than 90% of the total revenue and total non-current assets other than financial assets respectively of the Company, hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". Revenue of approximately ₹ 2,438.40 lakhs, ₹ 1,426.12 lakhs, ₹ 1,382.43 lakhs, (March 31, 2024 : ₹ 2,133.32 lakhs, ₹ 1,289.45 lakhs, ₹ 1122.26 lakhs) are derived from three external customers attributable to the Active Pharmaceutical Ingredient (API) intermediates segment.

Note 28.10 Earnings per share (EPS)

Particulars		2024-25	2023-24
Profit for the year attributable to the equity shareholders	₹ lakhs	257.76	194.08
Basic and weighted average number of equity shares outstanding during the year	Number	2,90,21,868	2,90,21,868
Nominal value of equity share	₹	10	10
Basic earnings per equity share attributable to equity shareholders of the company	₹	0.86	0.67
Diluted earnings per equity share attributable to equity shareholders of the company	₹	0.86	0.67

Note 28.11 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, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end (includes retention money and creditors for capital goods)	98.16	154.05
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.51	5.35
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	21.19	130.05
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Notes:

1) Outstanding as at March 31, 2025 is ₹ 98.16 Lakhs.
2) 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, 2025. The auditors have relied upon in respect of this matter.

Note 28.12 Expenditure on Corporate Social Responsibility initiatives

a) Gross amount required to be spent by the Company during 2024-25 is ₹ Nil (2023-24 was ₹ Nil)

b) Amount spent during 2024-25 on:

(₹ lakhs)

Particulars	2024-25			2023-24		
	Paid	Payable	Total	Paid	Payable	Total
i) Construction / acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above	-	-	-	-	-	-

c) Details related to spent / unspent obligations:

(₹ lakhs)

	Particulars	2024-25	2023-24
1	Renovation of Aaganwadi	-	-
		-	**-**

Note 28.13 Utilisation of loans, advances and equity investment in entities

There were no loans, advances and investments made in intermediary company during the year.

Note 28.14 Ratios

No.	Ratio	UoM	Formula (refer below table for numerator and denominator details)	As at March 31, 2025	As at March 31, 2024	%Variance	Reason for variance
a)	Current ratio	Times	A ÷ B	1.38	1.99	-30.6%	Long term borrowings become current
b)	Debt-equity ratio	Times	H ÷ I	0.64	0.81	-21.1%	Below threshold of 25%
c)	Debt service coverage ratio	Times	Q ÷ (J + M)	0.88	1.15	-23.8%	Below threshold of 25%
d)	Return on equity ratio	%	P ÷ average of H	3.7%	2.7%	35.0%	Due to profit during the year
e)	Inventory turnover ratio	Times	L ÷ average of D	4.42	3.89	13.6%	Below threshold of 25%
f)	Trade receivables turnover ratio	Times	L ÷ average of E	5.34	5.03	6.2%	Below threshold of 25%
g)	Trade payables turnover ratio	Times	(R+S) ÷ average of G	3.57	3.19	12.0%	Below threshold of 25%
h)	Net capital turnover ratio	Times	L ÷ average of C	5.30	4.00	32.6%	Long term borrowings become current
i)	Net profit ratio	%	P ÷ L	1.89%	1.47%	29.3%	Due to profit during the year
j)	Return on capital employed	%	(M + O) ÷ average of K	6.86%	6.74%	1.7%	Below threshold of 25%
k)	Return on investment	%	(M + O) ÷ average of F	5.11%	5.06%	1.0%	Below threshold of 25%

No.	Base values	UoM	Reference	As at March 31, 2025	As at March 31, 2024
A	Current assets	₹ lakhs	Balance sheet (current assets) - current investments	5,896.85	7,056.06
B	Current liabilities	₹ lakhs	Balance sheet (current liabilities)	4,273.90	3,550.09
C	Working capital	₹ lakhs	A-B	1,622.95	3,505.97
D	Inventories	₹ lakhs	Balance sheet (note 8)	2,796.22	3,362.44
E	Trade receivables	₹ lakhs	Balance sheet (note 9)	2,286.04	2,806.28
F	Total assets	₹ lakhs	Balance sheet (total assets)	15,250.78	16,353.95
G	Trade payables	₹ lakhs	Balance sheet (note 17+15b)	2,939.63	3,239.50
H	Equity	₹ lakhs	Balance sheet (note 12+13)	7,082.36	6,833.62
I	Debt	₹ lakhs	Balance sheet (borrowings note 14)	4,500.54	5,502.69
J	Principal repayments	₹ lakhs	Balance sheet (part of note 14)	1,125.54	1,002.15
K	Capital employed	₹ lakhs	H + I + Deferred tax liability (notes 28.4) - Capital Work-in-progress (notes 2) - Revaluation reserve on investment (change in equity part B)	11,383.41	12,169.74
L	Net sales	₹ lakhs	Statement of Profit and loss (note 19, sales of products, services and processing charges only)	13,603.59	13,089.96
M	Finance cost	₹ lakhs	Statement of Profit and loss (note 25)	439.11	560.52
N	Depreciation	₹ lakhs	Statement of Profit and loss (note 26)	680.49	1,052.32
O	Profit before tax	₹ lakhs	Statement of Profit and loss	368.20	282.86
P	Profit after tax	₹ lakhs	Statement of Profit and loss	257.76	191.89
Q	Net operating income	₹ lakhs	M + N + P	1,377.36	1,804.73
R	Total operating purchase	₹ lakhs	Purchase of Raw Material and stock in trade (note 22) + other expenses (note 27)	10,286.27	10,300.53
S	Capital purchase	₹ lakhs	Addition in Capital Work in Progress (note 2)	752.04	343.33

Note 28.15 Leases

a) As a lessee

Following are the changes in the carrying value of right-of-use assets *(₹ lakhs)*

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	**2,411.11**	**2,443.34**
Additions	-	-
Deletions	-	-
Depreciation | Amortisation	31.83	32.23
Balance at the end of the year	**2,379.28**	**2,411.11**

Contractual maturities of lease liabilities as at March 31, 2025 on undiscounted basis *(₹ lakhs)*

Particulars	As at March 31, 2025
Less than one year	0.04
One to five years	0.16
More than five years	1.30
	1.50

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.

Depreciation charge on the right-of-use asset is disclosed in Note 2 'Property, plant and equipment'

Rent paid to lessor for short-term lease period is recognised into the Statement of Profit and Loss as Rent in Note 27 'Other expenses'.

Cash payments for the principal portion and interest of the lease liabilities is classified within financing activities and short-term lease payments within operating activities

b) As a lessor

The Company has not leased any assets and as such is not a lessor.

Note 28.16 Offseting financial assets and liabilities

Major raw materials are procured from group company and there is no shortfall expected for the same. Out of raw materials procured from external vendors, majority are locally procured and available from multiple vendor locations. There is sufficient inventory of imported raw material to cater to demand and orders in hand and new orders have been continuously executed for further dispatch's.

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

Note 28.17 Assessment of going concern

The Company has re-assessed its ability to continue as a going concern for next 12 months. Based on the assessment made, the company is expected to generate sufficient funds to repay the borrowings .

Note 28.18 Relationship with struck off companies

No.	Name of struck off company	Nature of transactions with struck off company	As at March 31, 2025		As at March 31, 2024	
			Balance (₹ lakhs)	Relationship	Balance (₹ lakhs)	Relationship
1	Shubam Pharmachem Private Limited	Receivable	7.23	-	-	-

Note 28.19 Other statutory information

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

b) The Company has complied 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 wilful defaulter by any bank or financial institution or other lender.

d) The Company has not traded or invested in crypto currency 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) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

i) The Company has not entered into non-cash transaction with its director or director of holding company or person connected with them.

Note 28.20 Rounding off

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

Note 28.21 Authorisation for issue of the Financial Statement

The Financial Statements were authorised for issue by the Board of Directors on April 17, 2025.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner
Membership No.100459

Mumbai
April 17, 2025

For and on behalf of Board of Directors

Prabhakar Chebiyyam
Managing Director
(DIN:01569332)

Sunil Lalbhai
Chairman
(DIN:00045590)

Mohit Patel
Company Secretary

Sandip Bole
Chief Financial Officer

Mumbai
April 17, 2025

Atul Bioscience Ltd

E-12, East site, Atul 396 020, Gujarat, India

Attendance slip

Name of the company: Atul Bioscience Ltd
Registered Office: E-12, East Site, Atul 396 020, Gujarat, India

28th Annual General Meeting

Thursday, July 10, 2025

DP ID		Folio number | Client ID	

Full name of the shareholder | proxy attending the meeting

....

(First name) (Middle name) (Surname)

First holder | joint holder | proxy
(strike out whichever is not applicable)

Full name of the first holder (if joint holder | proxy attending)

....

(First name) (Middle name) (Surname)

....

Signature of the shareholder | proxy

Atul Bioscience Ltd

Proxy form

Registered office: E-12, East site, Atul 396 020, Gujarat, India
{Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014}
Corporate identity number: U24230GJ1997PLC032369

Name of the company: Atul Bioscience Ltd
Registered Office: E-12, East Site, Atul 396 020, Gujarat, India

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

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

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

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

3. Name: ....
   Address: ....
   ....
   E-mail address: ....
   Signature: ....

as my | our proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 28th Annual General Meeting of the Company, to be held on Thursday, July 10, 2025, at 12:00 pm at Atul House, 5th Floor, 310-B, Veer Savarkar Marg, Dadar (West), Mumbai 400 028 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
1.	Adoption of the Financial Statements and Reports thereon for the financial year ended on March 31, 2025
2.	Reappointment of Mr Sunil Lalbhai (Director identification number: 00045590) as a Director.
3.	Reappointment of Ms Latika Pradhan (Director identification number: 07118801) as a Director.
4.	Reappointment of Mr Vivek Gadre (Director identification number: 08906935) as a Director.
5.	Appointment of Mr Jagdish Dore (Director identification number: 00298969) as a Director of the Company.
6.	Ratification of remuneration of R Nanabhoy & Co for Cost Audit

Signed this day .... of 2025.

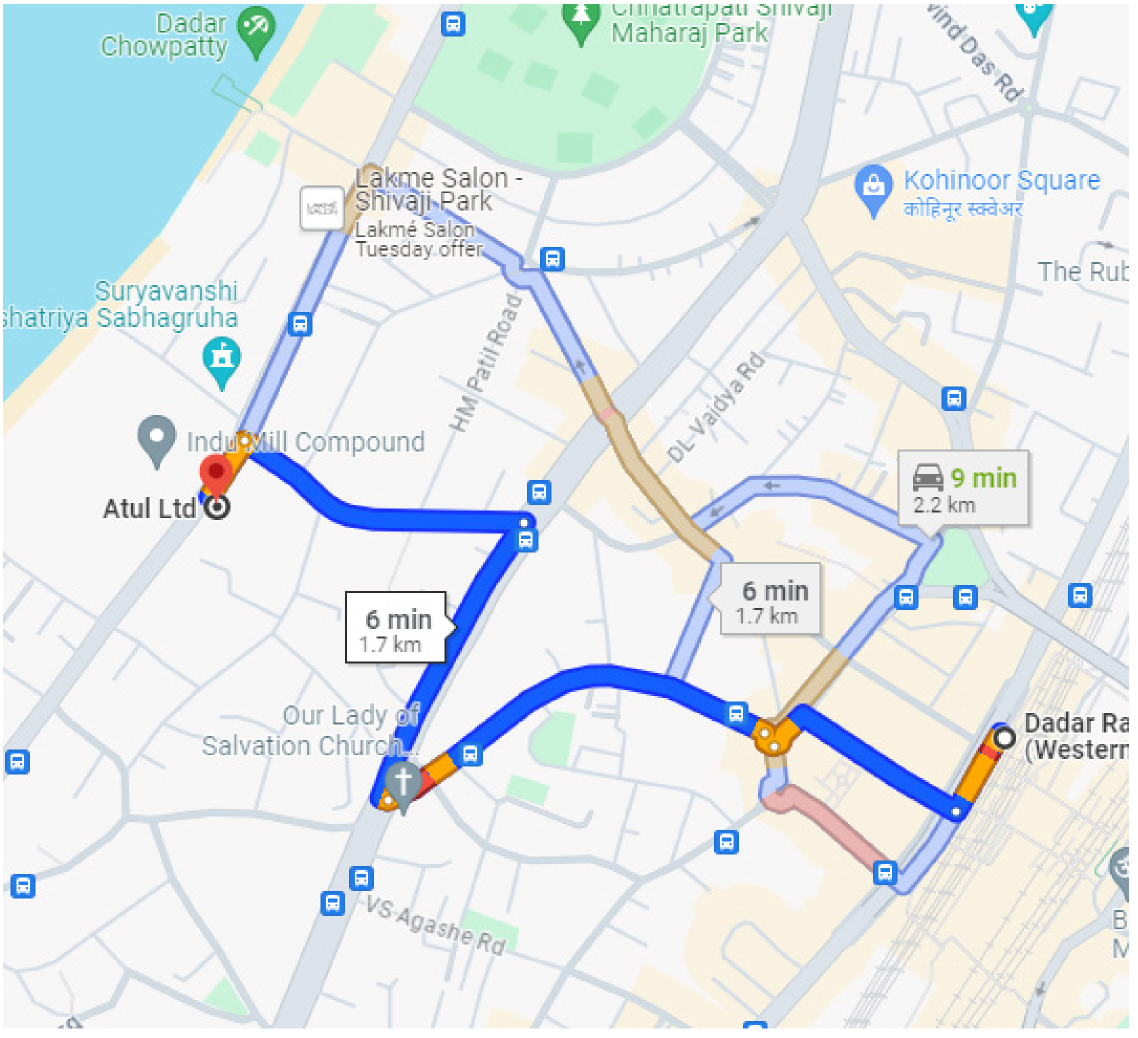
Signature of the member .... Signature of the proxy holder(s) ....

Affix Revenue Stamp here

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

Atul Bioscience Ltd
E-12, East site, Atul 396 020, Gujarat, India

Route map to the venue of the Annual General Meeting



Notes

Notes

Corporate information

Directors

Mr Sunil Lalbhai
(Chairman)

Dr Prabhakar Chebiyyam
(Managing Director)

Mr Pramod Lele

Mr Rangaswamy Iyer

Dr Ajit Dangi
(up to October 18, 2024)

Ms Latika Pradhan

Mr Jagdish Dore
(effective January 17, 2025)

Mr Gopi Kannan Thirukonda

Mr Vivek Gadre

Ms Astha Lalbhai

Chief Financial Officer

Mr Sandip Bole

Company Secretary

Mr Mohit Patel

Statutory Auditors

Deloitte Haskins & Sells LLP

Cost Auditors

R Nanabhoy & Co

Registered office

E-12, East site
Atul 396 020, Gujarat
India
E-mail: sec@atulbio.co.in
Website: www.atulbio.co.in

Bankers

Axis Bank
State Bank of India
Federal Bank

Atul Bioscience Ltd

E-12, East site
Atul 396 020, Gujarat
India