



The logo of Atul Rajasthan Date Palms Ltd reflects our endeavour to green the deserts across the world with tissue culture raised date palm plants so as to enhance the ecology and economy of such regions. The logo attempts to depict transformation of arid regions through propagation of tissue culture raised date palm plants using energy of the sun.

## Contents

Innovation is taking two things that already exist and putting them together in a new way.

~ Tom Freston

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### Forward looking statements

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

## Corporate identity



Atul Rajasthan Date Palms Ltd (ARDP) is engaged in production and marketing of tissue culture raised date palm plants with the aim to enhance the economy and ecology of the arid regions of India. The facility of the Company in Jodhpur, Rajasthan is the first and largest of its kind in India.

Incorporated on March 05, ARDP is a subsidiary company of Atul Ltd with 26% shareholding of Rajasthan Horticulture Development Society, Government of Rajasthan, based on the public-private partnership model.

The formation of ARDP is expected to help India (the largest importer of dates in the world) by producing true to type tissue culture raised date palm plants indigenously, which in turn will help the Indian farmer grow and produce some date fruit varieties in India. ARDP has deployed a state-of-the-art technology, obtained by Atul from the Date Palm Research and Development Centre of the United Arab Emirates University, to produce tissue culture raised date palm plants in India.

# Indomitable Purpose

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

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

# Ingrained Values



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



## Integrity

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

## Understanding

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



## Unity

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

## Responsibility

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



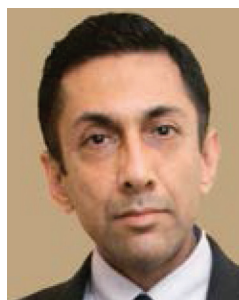
## Excellence

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

## Board of Directors



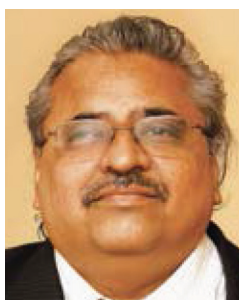
Mr Sanjay Dixit



Mr Sunil Lalbhai



Mr Bharathy Mohanan



Mr Gopi Kannan Thirukonda



Mr Devendra Mehta

# Directors' Report



Dear Members,

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

## 01. Financial results

Particulars	(₹ cr)	
	2019-20	2018-19
Sales	1.82	0.80
Revenue from operations	1.82	0.80
Other income	2.08	3.11
Total revenue	3.90	3.91
Profit before tax	0.02	0.26
Provision for tax	(0.07)	0.02
Profit for the year	0.09	0.24
Balance brought forward	0.96	0.72
Transfer from comprehensive income	-	-
Disposable surplus	1.05	0.96
Less:		
Dividend paid	-	-
Dividend distribution tax (net)	-	-
Balance carried forward	1.05	0.96

## 02. Performance

Sales increased from ₹ 0.80 cr to ₹ 1.82 cr mainly due to higher volumes. The earnings per share decreased from ₹ 30 to ₹ 11.37. Cash flow from operating activities before working capital changes decreased from ₹ 0.89 cr to ₹ 0.60 cr and the net cash out flow from operating activities decreased from ₹ (0.40) cr to ₹ (0.14) cr. The Company has increased its borrowings by 34.41% from ₹ 4.01 cr to ₹ 5.39 cr.

## 03. Dividend

The Board regrets its inability to recommend any dividend.

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

Information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms a part of this Report which is given at page number 9.

## 05. Insurance

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

## 06. Risk management

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

## 07. Internal financial controls

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2020, and the Board believes that the controls are adequate.

## 08. Fixed deposits

During 2019-20, the Company did not accept any fixed deposits.

## 09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at page number 47.

## 10. Subsidiary, associate and joint venture company

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

## 11. Related party transactions

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

## 12. Extract of the Annual Return

This is given at page number 9.

## 13. Auditors

B M Kothari & Company, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 10<sup>th</sup> Annual General Meeting (AGM) held on June 17, 2019 until the conclusion of the 14<sup>th</sup> AGM.

The relevant Notes forming part of the accounts are self-explanatory and give full information and explanation in respect of the observations made by the Auditors in their report.

## 14. 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:

- 14.1 The applicable accounting standards were followed along with proper explanations relating to material departures in the preparation of the annual accounts.
- 14.2 The accounting policies were selected and applied consistently and judgements and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- 14.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 14.4 The attached annual accounts for the year ended March 31, 2020 were prepared on a going concern basis.
- 14.5 Adequate internal financial controls to be followed by the Company were laid down and same were adequate and operating effectively.
- 14.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

## 15. Directors

### 15.1 Appointments | Reappointments | Cessations

- 15.1.1 According to Article 89 of the Articles of Association of the Company, Mr S S Lalbhai retires by rotation and being eligible offers himself for reappointment at the forthcoming Annual General Meeting scheduled on September 10, 2020.

### 15.2 Policies on appointment and remuneration

#### 15.2.1 Appointment

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

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

#### 15.2.2 Remuneration of the Non-executive Independent Directors

Sitting fees: up to ₹ 10,000 for attending a Board, Committee and any other meeting

## 16. Key Managerial Personnel and other employees

### 16.1 Appointments and cessations of Key Managerial Personnel

There were no appointments | cessations of the Key Managerial Personnel during 2019-20.

### 16.2 Remuneration

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

#### 16.2.1 Components:

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





#### 16.2.2 Factors for determining and changing fixed pay:

- i) Existing compensation
- ii) Education
- iii) Experience
- iv) Salary bands
- v) Performance
- vi) Market benchmark

#### 16.2.3 Factors for determining and changing variable pay:

- i) Business performance
- ii) Individual performance
- iii) Grade

### 17. Analysis of remuneration

There is no employee who 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.

### 18. Management Discussion and Analysis

The Management Discussion and Analysis Report covering performance of the Company is given at page number 15.

### 19. Corporate Governance Report

#### 19.1 Statement of declaration given by the Independent Directors.

The Independent Directors have given declarations under Section 149(6) of the Companies Act, 2013.

#### 19.2 Report

The Corporate Governance Report is given at page number 18. Details about the number of meetings of the Board held during 2019-20 are given at page number 20.

#### 19.3 Secretarial standards

Secretarial standards as applicable to the Company were followed and complied with during 2019-20.

#### 19.4 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 at page number 21.

### 20. 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

Atul Sunil Lalbhai Bharathy Mohanan  
 April 24, 2020 **(Vice Chairman) (Managing Director)**

# Annexure to the Directors' Report

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

### 1.1 Conservation of energy

#### 1.1.1 Measures taken:

LED lights, which conserve energy are being considered in place of conventional day light tubes in growth rooms. The effect of LED lights is being studied with respect to light wavelengths for plant growth. Suitable action will be taken based on scientific conclusions for photo period.

### 1.2 Technology absorption:

Two visits of technical teams from Date Palm Research and Development Unit, UAE University, Al-Ain, UAE were conducted specifically for plant initiation techniques in 2019-20.

### 1.3 Foreign exchange earnings and outgo:

Particulars	2019-20	2018-19
(₹)		
<b>Earnings</b>		
Earned from exports	11,73,000	0
<b>Outgo</b>		
Payment of services, etc	1,26,880	0

## 2. Extract of the Annual Return

### Form number MGT - 9

#### Extract of the Annual Return as on March 31, 2020

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

### 2.1 Registration and other details

- » Corporate identification number: U01122RJ2009PLC028415
- » Registration date: March 05
- » Name of the company: Atul Rajasthan Date Palms Ltd
- » Category | Sub-category of the company: company limited by shares
- » Address of the registered office and contact details: Rajkiya Paudhshala, Chopasani, Jodhpur 342 009, Rajasthan, India
- » Whether listed company: no
- » Name, address and contact details of Registrar and Transfer Agent: not applicable

### 2.2 Principal business activities of the Company

No.	Name and description of main products   services	National industrial classification code of the product   service	% to total revenue of the Company*
1.	Tissue culture raised date palm plants	011221	100

\*All the business activities contributing 10% or more of the total revenue of the Company.

## 2.3 Particulars of the holding, the subsidiary and the associate companies

Name and address of the Company	Corporate identification number	Holding   subsidiary   associate	% of shares held	Applicable Section
Atul Ltd Atul House G I Patel Marg Ahmedabad 380 014, Gujarat India	L99999GJ1975PLC02859	Holding	74	2(46)

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

### 2.4.1 Category-wise shareholding

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2019)				Number of shares held at the end of the year (as at March 31, 2020)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
<b>A.</b>	<b>Shareholding of the promoter and the promoter group</b>									
1.	Indian									
i)	Individuals   Hindu Undivided Family	-	-	-	-	-	-	-	-	-
ii)	Central Government   State Government(s)	21,100	-	21,100	26.02	21,100	-	21,100	26.02	-
iii)	Bodies corporate	60,000	-	60,000	73.98	60,000	-	60,000	73.98	-
iv)	Financial institutions   Banks	-	-	-	-	-	-	-	-	-
v)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub total (A)(1)</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>-</b>
2.	Foreign									
i)	Individuals (Non-Resident Individuals   Foreign Individuals)	-	-	-	-	-	-	-	-	-
ii)	Bodies corporate	-	-	-	-	-	-	-	-	-
iii)	Institutions	-	-	-	-	-	-	-	-	-
iv)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of the promoter and the promoter group (A)=(A)(1)+(A)(2)</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>-</b>
<b>B.</b>	<b>Public shareholding</b>									
1.	Institutions									
i)	Mutual funds   UTI Mutual fund	-	-	-	-	-	-	-	-	-
ii)	Financial institutions   Banks	-	-	-	-	-	-	-	-	-
iii)	Central Government   State Government(s)	-	-	-	-	-	-	-	-	-



Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2019)				Number of shares held at the end of the year (as at March 31, 2020)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
iv)	Venture capital funds	-	-	-	-	-	-	-	-	-
v)	Insurance companies	-	-	-	-	-	-	-	-	-
vi)	Foreign institutional investors	-	-	-	-	-	-	-	-	-
vii)	Foreign venture capital investors	-	-	-	-	-	-	-	-	-
viii)	Trusts	-	-	-	-	-	-	-	-	-
	<b>Sub total (B)(1)</b>	-	-	-	-	-	-	-	-	-
2.	Non-institutions									
i)	Bodies corporate									
a)	Indian	-	-	-	-	-	-	-	-	-
b)	Overseas	-	-	-	-	-	-	-	-	-
ii)	Individuals	-	-	-	-	-	-	-	-	-
a)	Shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-	-	-
b)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
iii)	Non-resident Indians (NRI)	-	-	-	-	-	-	-	-	-
a)	NRI repatriable	-	-	-	-	-	-	-	-	-
b)	NRI non-repatriable	-	-	-	-	-	-	-	-	-
c)	Foreign bodies	-	-	-	-	-	-	-	-	-
d)	Foreign nationals	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total public shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>-</b>
<b>C.</b>	<b>Shares held by custodians and against which depository receipts have been issued</b>									
1.	Promoter and promoter group	-	-	-	-	-	-	-	-	-
2.	Public	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)</b>	-	-	-	-	-	-	-	-	-
	<b>Grand total (A)+(B)+(C)</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>81,100</b>	<b>-</b>	<b>81,100</b>	<b>100</b>	<b>-</b>

## 2.4.2 Shareholding of the promoters

No.	Name of the shareholder	Shareholding as at April 01, 2019			Shareholding as at March 31, 2020			% change in shareholding during the year
		Number of shares held	% of total shares of the Company	% of shares pledged   encumbered to total number of shares	Number of shares held	% of total shares of the Company	% of shares pledged   encumbered to total number of shares	
1.	Atul Ltd	60,000	73.98	–	60,000	73.98	60,000	–
2.	Rajasthan Horticulture Development Society	21,100	26.02	–	21,100	26.02	21,100	–

## 2.4.3 Change in the promoters' shareholding

No.	Particulars	Reason for change	Shareholding as at April 01, 2019		Cumulative shareholding during 2019-20	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
1.	Companies					
	At the beginning of the year		81,100	100.00	81,100	100.00
	Increase   Decrease during the year		–	–	–	–
	At the end of the year		81,100	100.00	81,100	100.00

2.4.4 Shareholding pattern of top ten shareholders (other than the Directors, the promoters and the holders of American Depository Receipts and Global Depository Receipts): not applicable

2.4.5 Shareholding of the Directors and the Key Managerial Personnel: nil

## 2.5 Indebtedness

Indebtedness of the Company including interest outstanding | accrued, but not due for payment:

(₹)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	3,97,74,045	–	–	3,97,74,045
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	3,19,151	–	–	3,19,151
<b>Total i) + ii) + iii)</b>	<b>4,00,93,196</b>	<b>–</b>	<b>–</b>	<b>4,00,93,196</b>
Change in indebtedness during the financial year				
Addition	1,99,00,000	–	–	1,99,00,000
Reduction	61,29,926	–	–	61,29,926
Net change	1,37,70,074	–	–	1,37,70,074
Indebtedness at the end of the financial year				



(₹)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
i) Principal amount	5,34,52,577	–	–	5,34,52,577
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	4,10,693	–	–	4,10,693
<b>Total i) + ii) + iii)</b>	<b>5,38,63,270</b>	<b>–</b>	<b>–</b>	<b>5,38,63,270</b>

## 2.6 Remuneration of the Directors and the Key Managerial Personnel

### 2.6.1 Remuneration to the Managing Director

(₹)

No.	Particulars	B N Mohanan	Total amount
1.	Gross salary		
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961	–	–
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	–	–
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–
2.	Stock option	–	–
3.	Sweat equity	–	–
4.	Commission for 2019-20	–	–
5.	Others	–	–
6.	<b>Total</b>	<b>–</b>	<b>–</b>
7.	Overall ceiling as per the Act	–	–

### 2.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	D R Mehta	Total amount
1.	Non-executive Independent Directors		
i)	Fee for attending the Board, Committee and other meetings	40,000	40,000
ii)	Commission	–	–
	<b>Total 1</b>	<b>40,000</b>	<b>40,000</b>
2.	Non-executive independent Directors		
i)	Fee for attending the Board, Committee and other meetings	–	–
ii)	Commission	–	–
	<b>Total 2</b>	<b>–</b>	<b>–</b>
	<b>Total = (1+2)</b>	<b>40,000</b>	<b>40,000</b>
	Overall ceiling as per the Act		84,00,000

### 2.6.3 Remuneration to the Key Managerial Personnel (KMP) other than the Managing Director

(₹)

No.	Particulars	Company Secretary G S Solanki	Total amount
1.	Gross salary		
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961	6,22,588	6,22,588
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	–	–
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–
2.	Stock option	–	–
3.	Sweat equity	–	–
4.	Commission	–	–
5.	Others	–	–
	<b>Total (A)</b>	<b>6,22,588</b>	<b>6,22,588</b>

### 2.7 Penalties | Punishment | Compounding of offences

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



## Management Discussion and Analysis



During 2019-20, the Company achieved sales of ₹ 1.82 cr, which was achieved by sales through the subsidy scheme of the Directorate of Horticulture, Government of Rajasthan and sales in the open market.

The size of the world Food and Agri business industry is estimated at US\$ 5 tn and is growing at about 1.5% CAGR, while that in India is estimated to be more than US\$ 160 bn and is growing at about 3.5% CAGR. By 2050, the calorific demand is expected to increase by 70%, and crop demand for human consumption and animal feed is expected to increase by at least 100%, for example, it is estimated that 40% of water demand in 2030 is unlikely to be met, and more than 20% of arable land is already degraded. Globally, more than 1 bn people get employment through agriculture.

As per the Food and Agriculture Organisation, United Nations, the world area harvested with date palms is 13,29,973 hectares. In terms of area under date palm cultivation, the five leading nations are as follows: Iraq,

Iran, Algeria, Saudi Arabia and Pakistan. The rise in the demand for tissue culture raised date palms may be attributed to i) new areas being allocated for date palm cultivation and ii) the annual replacement of plants in large global plantations on account of diseases and pests, natural calamities and war. While India houses approximate 16.8% of the world population, it has only 4.2% of water and 2.3% of land resources of the world. Hence Agriculture industry is expected to grow well because of the need to feed a growing population. The Company will participate in this growth by providing true-to-type tissue culture raised date palm planting material of premium varieties for plantation in arid and semi-arid regions in India and abroad. The Government of Rajasthan has further announced to bring 1,500 hectares of land under cultivation in the next four years in Rajasthan state budget for the FY 2020-21.

Global warming, climate change, geo-political scenario in world markets and foreign exchange may affect sales and sales realisations.

# Management Discussion and Analysis

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

## Internal control systems

Internal control systems of the Company are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested, certified and upgraded whenever required by the Statutory as well as the Internal Auditors covering all key areas of business. Significant audit observations and follow up actions and recommendations thereon are reported to the Senior Management and the Audit Committee for their review.

## Human Resources

The Company continued its drive to institutionalise and upgrade its HR processes, to help build a more robust workforce capable of managing dynamic and growing business needs. In particular, it focused on improving its processes relating to integrated development, performance management and succession planning. The requisite training was imparted and employee relations remained cordial.

# Corporate Governance Report



The mind is everything.  
What you think you become.  
~ Buddha



# Corporate Governance Report

## 1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance.

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

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

## 2. Board

### 2.1 Board business

The normal business of the Board comprises:

#### 2.1.1 Approving:

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

#### 2.1.2 Monitoring:

- i) potential conflicts of interest of the Management, the Board Members and the shareholders, including misuse of corporate assets and abuse in related party transactions

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

#### 2.1.3 Noting:

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

#### 2.1.4 Recommending:

- i) appointment of the Statutory Auditors
- ii) final dividend

#### 2.1.5 Reviewing:

- i) corporate strategy, major plans of action, Risk Policy, annual budgets and business plans
- ii) default in payment of statutory dues
- iii) fatal or serious accidents, dangerous occurrences and material environmental matters
- iv) foreign exchange exposure and exchange rate movement, if material
- v) the integrity of the accounting and financial reporting systems, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards

#### 2.1.6 Setting:

- i) a corporate culture and the Values
- ii) a well-defined mandate, composition and working procedures of the committees

#### 2.1.7 Others:

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



- ii) Aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the shareholders
- iii) Applying high ethical standards
- iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgement to items where there is a potential for conflict of interest
- v) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus of the Company
- vi) Encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept up-to-date
- vii) Exercising objective and independent judgement on corporate affairs
- viii) Facilitating the Independent Directors to perform their role effectively as the Board Members and also as the Members of Committees
- ix) Meeting the expectations of operational transparency of the stakeholders while maintaining confidentiality of information in order to foster a culture of good decision making

## 2.2 Appointment and tenure

2|3<sup>rd</sup> of the Directors (other than the Independent Directors) are rotational Directors. 1|3<sup>rd</sup> of rotational Directors retire in every Annual General Meeting and, if eligible, offer themselves for reappointment. The Managing Director is appointed by the Members for a period up to five years.

## 2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. It consists of five Members comprising one Independent Director and four promoter Directors (including Vice Chairman and the Managing Director). The Independent Director is eminent professional, drawn from amongst the persons with skill, experience and knowledge in one or more fields of finance, law, management or any other discipline related to the business of the Company.

No.	Name	Directorship(s) in other company(ies) <sup>1</sup>	Membership(s) of the Committee(s) of the Board(s) <sup>2</sup>	Chairmanship(s) of the Committee(s) of the Board(s) <sup>2</sup>
	<b>Vice Chairman</b>			
1.	S S Lalbhai	7	2	1
	<b>Managing Director</b>			
2.	B N Mohanan	8	–	–
	<b>Non-executive Directors</b>			
3.	S S Dixit <sup>3</sup>	–	–	–
4.	T R Gopi Kannan	8	3	–
5.	D R Mehta	7	3	1

D R Mehta is an Independent Director.

<sup>1</sup>This excludes Directorships of foreign companies and private limited companies.

<sup>2</sup>Memberships | Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies including the Company were considered.

<sup>3</sup>Nominees of Rajasthan Horticulture Development Society, Government of Rajasthan

## 2.4 Board meetings

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

No.	Day	Date	Venue
1.	Monday	April 22, 2019	Jodhpur
2.	Monday	August 19, 2019	Jaipur
3.	Monday	December 16, 2019	Atul
4.	Friday	March 13, 2020	Atul

## 2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM on June 17, 2019
		Total	Attended	
	<b>Vice Chairman</b>			
1.	S S Lalbhai	4	4 <sup>1</sup>	Present
	<b>Managing Director</b>			
2.	B N Mohanan	4	4 <sup>1</sup>	Present
	<b>Non-executive Directors</b>			
3.	S S Dixit	4	4 <sup>2</sup>	Present
4.	T R Gopi Kannan	4	4 <sup>3</sup>	Present
5.	D R Mehta	4	4 <sup>2</sup>	Present

<sup>1</sup>One Board meeting was attended through video conference.

<sup>2</sup>Two Board meetings were attended through video conference.

<sup>3</sup>Four Board meetings were attended through video conference.

## 2.6 Appointment | Cessation

- » Appointed: nil
- » Ceased: nil
- » Resigned: nil

## 2.7 Remuneration

No.	Name	Remuneration during 2019-20			
		Sitting fees	Salary and perquisites	Commission	Total
	<b>Vice Chairman</b>				
1.	S S Lalbhai	–	–	–	–
	<b>Managing Director</b>				
2.	B N Mohanan	–	–	–	–
	<b>Non-executive Directors</b>				
3.	S S Dixit	–	–	–	–
4.	T R Gopi Kannan	–	–	–	–
5.	D R Mehta	40,000*	–	–	40,000*

\*Sitting fees of up to ₹ 10,000 per meeting constitute fees paid to the Independent Directors for attending the Board, Committee and other meetings.



### 3. Committees of the Board

The Board has constituted the Nomination and Remuneration committee.

#### 3.1 Nomination and Remuneration Committee

##### 3.1.1 Role

- i) Devising a policy on the Board diversity
- ii) Formulating criteria for evaluation of the Independent Directors and the Board
- iii) Formulating criteria for determining qualifications, traits and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of performance of every Director
- v) Recommending | determining remuneration of the Executive Director as per the Policy

##### 3.1.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	B N Mohanan	Member
2.	D R Mehta	Member

##### 3.1.3 Meetings and attendance

During 2019-20, no meeting was held.

### 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.ardp.co.in](http://www.ardp.co.in)

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 workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace. Status of complaints received during 2019-20 are as under:

Filed during 2019-20	nil
Addressed   closed during 2019-20	nil
Pending as at end of 2019-20	nil

## 5. Affirmation and disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2019-20 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company complied with the statutory provisions, rules and regulations and in the last three years, no strictures or penalties were imposed on the Company by any statutory authority.

## 6. Shareholders' information

### 6.1 General Body meetings

6.1.1 Location and time, where last three AGMs were held:

Year	Location	Date	Time
2016-17	Rajkiya Paudhshala, Chopasani Jodhpur 342 009, Rajasthan, India	June 12, 2017	4:00 pm
2017-18	Rajkiya Paudhshala, Chopasani Jodhpur 342 009, Rajasthan, India	June 11, 2018	4:00 pm
2018-19	Rajkiya Paudhshala, Chopasani Jodhpur 342 009, Rajasthan, India	June 17, 2019	4:00 pm

6.1.2 Special resolutions passed in the previous three AGMs: nil

6.1.3 Resolutions passed through postal ballot: nil

### 6.2 Annual General Meeting 2020

Details of the 11<sup>th</sup> AGM are as under:

Year	Location	Date	Time
2019-20	Rajkiya Paudhshala, Chopasani Jodhpur 342 009, Rajasthan, India	September 10, 2020	3:00 pm

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

### 6.3 Financial year

April 01 to March 31





#### 6.4 Address of correspondence

Rajkiya Paudhshala, Chopasani, Jodhpur 342 009, Rajasthan, India

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

#### 6.5 Tentative Board meeting dates for consideration of results for 2020-21

No.	Name	Date
1.	First quarter results	August 05, 2020
2.	Second quarter and half-yearly results	November 15, 2020
3.	Third quarter results	February 14, 2021
4.	Fourth quarter and annual results	April 17, 2021

#### 7. Role of the Company Secretary in overall governance process

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

For and on behalf of the Board of Directors

Atul  
April 24, 2020

(Sunil Lalbhai)  
**Vice Chairman**

(Bharathy Mohanan)  
**Managing Director**

# Notice

NOTICE is hereby given that the 11<sup>th</sup> Annual General Meeting of the Members of Atul Rajasthan Date Palms Ltd will be held on Thursday, September 10, 2020 at 03:00 pm at Panth Krishi Bhawan, Jaipur 302 005 Rajasthan, India through video conferencing | other audio visual means to transact the following business:

## Ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2020 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr S S Lalbhai (DIN: 00045590) who retires by rotation and being eligible, offers himself for reappointment.

## Special business:

3. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

**RESOLVED that** pursuant to the provisions of Section 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification or re-enactment thereof and subject to such approvals as may be necessary, approval of the members of the Company be and is hereby accorded to the reappointment of Mr B N Mohanan (DIN: 00198716) as the Managing Director of the Company with effect from May 01, 2021 for a period of three years upon the terms and conditions mentioned in the draft agreement submitted to this meeting and for identification initiated by the Chairman with the authority to the Board of Directors of the Company to alter and vary the terms and conditions of the said appointment and | or agreement in such manner as the Board may deem fit.

**RESOLVED FUTHER THAT** Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required to give effect to the above resolution.

## Notes

1. The 11<sup>th</sup> Annual General Meeting (AGM) is being held through video conferencing | other audio visual means (VC) in accordance with the

procedure prescribed by the Ministry of Corporate Affairs (MCA) vide circular number 20 | 2020 dated May 05, 2020 read with circular number 14 | 2020 dated April 08, 2020 and circular number 17 | 2020 dated April 13, 2020 (the e-AGM circulars). The Members can attend the AGM through VC by following instructions given in note number 9.1 of the Notice. For the purpose of recording proceedings, the AGM will be deemed to be held at Panth Krishi Bhawan, Jaipur 302 005 Rajasthan, India (AGM venue). Keeping in view the guidelines issued on account of the COVID-19 pandemic, Members are requested to attend the AGM through VC and not visit the AGM venue.

2. Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM Circulars through video conferencing | other audio visual means, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a Member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and | or vote.
3. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended | on March 31, 2020 are annexed | attached.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from September 09, 2020 to September 10, 2020 (both days inclusive).
5. An electronic copy of the Annual Report for 2019-20 including the Notice which comprises the process and manner of attending the Annual General Meeting through video conferencing | other audio visual means and e-voting is being sent to all the Members on their registered email address.
6. A printed copy of the Annual Report and Notice is not being sent to Members in view of e-AGM circulars.



7. An electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members up on request.
8. The Members desiring any information relating to the accounts or have any questions, are requested to write to the Company on [sec@ardp.co.in](mailto:sec@ardp.co.in) at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide it at the AGM.
9. In compliance with the e-AGM circulars, the Company is pleased to provide the Members with a facility to attend the to attend the Annual General Meeting (AGM) through video conferencing | other audio visual means (VC) and exercise their right to vote at the 11<sup>th</sup> AGM by electronic means.
  - 9.1 The instructions for attending the AGM through VC are as under:
    - i) The Company has availed services of Cisco Webex for providing VC facility to the Members to attend the AGM.
    - ii) A separate communication for attending the AGM through VC will be sent to all Members.
- iii) Members are encouraged to join the Meeting through laptops for a better experience.
  - iv) Members will be required to use their laptop cameras and high speed internet connections to avoid any disturbance during the AGM.
  - v) Participants connecting from mobile devices | tablets | laptops using mobile hotspot may experience audio | video loss due to fluctuations in their respective networks. It is therefore recommended to use a stable Wi-Fi | LAN connection to mitigate any kind of aforesaid glitches.
  - vi) The Members who wish to express their views during the AGM are requested to register themselves as a speaker by providing their name, demat account number | folio number, email address and mobile telephone number to the Company at [sec@ardp.co.in](mailto:sec@ardp.co.in) The request should reach the Company at least seven days before the date of the AGM.
10. At the ensuing Annual General Meeting, Mr S S Lalbhai retires by rotation and being eligible offers himself for reappointment.

The information or details pertaining to him are as under:

<b>Name</b>	<b>Mr S S Lalbhai</b>
Date of birth	March 15, 1960
Brief résumé	Mr S S Lalbhai is a Director of the Board since 2009 and the Vice Chairman since 2014. 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	<b>Public companies</b> Atul Bioscience Ltd – Chairman Atul Ltd – Chairman and Managing Director Amal Ltd – Chairman Navin Fluorine International Ltd Pfizer Ltd The Bombay Dyeing and Manufacturing Company Ltd
Membership in committees of other companies	<b>Chairman of Committees</b> Atul Ltd – Risk Management Committee The Bombay Dyeing and Manufacturing Company Ltd – Stakeholders Relationship Committee Pfizer Ltd – Risk Management Committee Navin Fluorine International Ltd – Nomination and Remuneration Committee <b>Member of Committee</b> Atul Ltd – Corporate Social Responsibility Committee Atul Ltd – Investment Committee Atul Ltd – Stakeholders Relationship Committee The Bombay Dyeing and Manufacturing Company Ltd – Nomination and Remuneration Committee Navin Fluorine International Ltd – Audit Committee Pfizer Ltd – Stakeholders Relationship Committee
Relationship with other Directors	None
Number of shares held in the Company	nil

11. At the ensuing Annual General Meeting, Mr B N Mohanan is proposed to be reappointed as Managing Director of the Company.

The information or details pertaining to him are as under:

<b>Name</b>	<b>Mr B N Mohanan</b>
Date of birth	May 26, 1950
Brief résumé	Mr B N Mohanan is the Managing Director of the Company since 2009. Mr Mohanan has 47 years of experience in various capacities and is currently the President, Utilities and Services and the Occupier of Atul Ltd. He is also the Managing Director of Atul Biospace Ltd. He holds a graduate degree in Engineering (Honors) from the University of Calicut.



Directorship in other companies	<b>Public companies</b> Aasthan Dates Ltd - Chairman Atul Biospace Ltd - Managing Director Atul Clean Energy Ltd - Chairman Atul Finserv Ltd Atul Ltd Atul Seeds Ltd Biyaban Agri Ltd - Chairman Raja Dates Ltd - Chairman <b>Foreign companies</b> Atul Middle East FZ-LLC DPD Ltd - Chairman
Membership in committees of other companies	Atul Ltd – Corporate Social Responsibility Committee Atul Ltd – Risk Management Committees
Relationship with other Directors	None
Number of shares held in the Company	1

### Explanatory statement

The following Explanatory statement, as required by Section 102 of the Companies Act, 2013, sets out all material facts including the nature, concern or interest of the Directors in relation to Special Business mentioned in the accompanying notice dated April 24, 2020.

#### Item number 3

The Board of Directors of the Company, subject to the approval of Members at the Annual General Meeting have considered and recommended the terms and conditions for reappointment of Mr B N Mohanan as the Managing Director of the Company effective May 01, 2021 for a period of three years with renewal option on the same terms and conditions.

Mr Mohanan will be attaining 70 years of age during the proposed term of reappointment, which requires approval of shareholders by way of special resolution at the General Meeting.

He has been actively looking after the affairs of the Company since 2009 and his reappointment will benefit the Company in its operations.

The terms and conditions and remuneration relating to his appointment as the Managing Director are as per the existing agreement. The material terms of the agreement are as under:

- I. The Managing Director shall perform the duties and exercise the powers which have been or from time to time may be assigned to or vested in him and subject to the superintendence, control and direction of the Board of Directors of the Company.
- II. The Managing Director shall, unless prevented by ill-health throughout the said term, devote such part of his time, attention and abilities to the business of the Company as may be required by the Board of Directors and shall obey the orders from time to time of the Board of Directors of the Company and in all respect conform to and comply with the directions and regulations made by the Board of Directors and shall well and faithfully serve the Company and use his utmost endeavors to promote the interests thereof.
- III. The Managing Director shall continue the said office with effect from May 01, 2021 for a period of three years with renewal option on the same terms and conditions.

- IV. Remuneration: Payment of remuneration to the Managing Director is by way of reimbursement to Atul Ltd. Atul Ltd is entitled to receive 10% reimbursement from the Company every year based on the time spent by the Managing Director for the work of the Company which will not exceed 50% of the salary drawn by him from Atul Ltd.
- V. Sitting fees: The Managing Director shall not be entitled to sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall, however, be reimbursed the actual traveling, lodging and boarding expenses incurred by him for attending meetings of the Board of Directors and | or committees thereof.
- VI. Overall limit: The reimbursement referred to in Clause IV and any alteration thereof from time to time is subject to the limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company on the remuneration of the Managing Director and Whole time Director(s), if any, of the Company taken together. Provided, however, that in the event of absence or inadequacy of profit, the reimbursement shall not exceed the limit provided in the Schedule V to the Companies Act, 2013.
- VII. Rate-able proportion: If the employment of the Managing Director shall cease during the currency of any financial year, the reimbursement under clause IV payable to him or his executors or administrators as the case may be shall be a rateable proportion of what he must have received if he had lived and been employed for the whole of that year.
- VIII. Reimbursement: The Managing Director shall be entitled to reimbursement of all expenses including travelling, entertainment and other out-of-pocket expenses actually and properly incurred in connection with the business of the Company.
- IX. Non-exclusive: The Directors are at liberty from time to time to appoint any other person or persons to be Managing Director jointly with the Managing Director.
- X. Notice period of six months will be applicable from either side.
- XI. Compensation: If at any time the office of the Managing Director is determined before the expiry of his term of office, the Managing Director shall be entitled to compensation for loss of office in accordance with and subject to the restrictions laid down in Section 202 of the Companies Act, 2013.
- XII. Arbitration: In the event of any dispute or difference arising out of this agreement between the parties, such dispute or difference shall be referred to arbitration in accordance with the provisions of The Arbitration And Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force shall apply to every reference thereof. The venue of the arbitration shall be at Jodhpur only.

The Board considers that his association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in item number 03 in the Notice in relation to the reappointment of Mr Mohanan as the Managing Director for three years for the approval by the Members as a Special Resolution.

### **Memorandum of interest**

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

Registered office:

Directors

Rajkiya Paudhshala, Chopasani

Jodhpur 342 009, Rajasthan

India

Company identification number: U01122RJ2009PLC028415

September 08, 2020

By order of the Board of Directors

(G S Solanki)

**Company Secretary**

# Independent Auditor's Report



## To the Members of Atul Rajasthan Date Palms Ltd

### Report on the audit of the Financial Statements

#### Opinion

1. We have audited the accompanying Financial Statements of Atul Rajasthan Date Palms Ltd (the Company), which comprise the Balance Sheet as at March 03, 2020, and the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flow and Statement of changes in equity for the year then ended and summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act 2013 (the Act) in the manner so required by and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (IndAs) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, its cash flows and changes in equity for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.
  - a) Recognition and valuation of biological assets: As per Ind AS 41, the Company can recognise biological assets only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably. Mature plants are required to be valued at fair value and immature at cost less any accumulated depreciation and any accumulated impairment losses.

We assessed the maturity cycle of the plants as described to us and checked their classification among mature and immature plants in accordance with the same.

Our audit approach consisted of testing the design and operating effectiveness of the internal controls and substantive testing as follows and we:

- consisted of testing the design cost of the plants in different stages as made by the Company,
  - read, analysed and evaluated the biological assets valuation report taken by the Company from a registered valuer and
  - reviewed the calculation of fair value of mature plants in context with Ind AS 113 along with Ind AS 41.
- b) Government grants: As per Ind AS 20, for gross presentation of government grants of capital nature, a deferred income account is required to be created and the same is required to be amortised

over the life of the assets. We have assessed the Company's policy regarding recognition of grant and verified the amortisation thereof in proportion to the depreciation on the assets i.e. over the life of the assets in the ratio same as that of the depreciation.

- c) The management has stated that there will be no impact of COVID-19 on the going concern assumption of the Company and that it will be able to continue its operations for the foreseeable future.
- 5. The COVID-19 pandemic may cause overall economic uncertainty, however the financial effect cannot be ascertained for such an event occurring after the reporting period. However the Management has stated that there is no such subsequent event after the reporting date which has an effect on the Financial Statements on the reporting date.

#### **Management's responsibility for the Financial Statements**

- 6. The Board of Directors of the Company is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow, changes in equity of the Company in accordance with IndAS and other accounting principles generally accepted in India.
- 7. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

#### **Auditor's responsibilities for the audit of the Financial Statements**

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

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

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





- b. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- d. Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work; and ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- g. We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- h. We also provide in-charge of 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**
10. As required by Section 143(3) of the Act, 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 accounts 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 and the Statement of Cash Flows and Statement of changes in equity dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on March 31, 2020 taken on record by the Board of Directors, none of the Directors is

- disqualified as on March 31, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company does not have any pending litigations which will impact its financial position.
- b) The Company does not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- c) There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.
11. As required by the Companies (Auditor's Report) Order, 2016 (the Order), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **B M Kothari & Company**  
Chartered Accountants  
Firm registration number: 002022C

Amit Kothari  
**Partner**  
Membership number: 073374

Jodhpur  
April 24, 2020

## Annexure A to the Independent Auditor's Report



Referred to in paragraph 10(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

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

1. We have audited the internal financial controls over financial reporting of Atul Rajasthan Date Palms Ltd (the Company) as of March 31, 2020 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### Management's responsibility for internal financial controls

2. The Management of the Company is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's responsibility

3. Our responsibility is to express an opinion on internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### Meaning of internal financial controls over financial reporting

6. Internal financial control over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. Internal financial control over financial reporting of the Company includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and 3) provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

### **Inherent limitations of internal financial controls over financial reporting**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B M Kothari & Company**  
Chartered Accountants  
Firm registration number: 002022C

Jodhpur  
April 24, 2020

Amit Kothari  
**Partner**  
Membership number: 073374

## **ANNEXURE B to the Independent Auditor's Report**

### **Referred to in paragraph 11 under 'Report on other legal and regulatory requirements' section of our report of even date**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) These fixed assets have been physically verified by the Management at reasonable intervals, as per information and explanation given to us there were no material discrepancies noticed on such verification.
- c) The immovable properties consist of building including the laboratory building constructed by the Company and all capital expenses had been capitalised by the Company. The land is under lease, and the lease rights are in the name of the Company.
- ii) a) The Management of the Company has carried out physical verification of inventory at reasonable intervals.
- b) The procedure of physical verification of inventory followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory and it was stated that no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act (the Act).
- iv) There are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets. There is no continuing failure to correct major weaknesses in internal control system.
- v) The Company has not accepted any deposits and the directives issued by the Reserve Bank of



India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under in relation to accepting of deposits are not applicable.

- vi) It was stated by the Management that the maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act.
- vii) The Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, cess, goods and service tax and any other statutory dues with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- viii) The Company has not defaulted in repayment of dues to a financial institution or bank.
- ix) The Company had availed long-term working capital term loan from banks during the year under audit which were applied for the purpose for which the loans were obtained.
- x) As per information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.
- xi) The Company had not paid any managerial remuneration to any Directors including the

Managing Directors or whole time Directors as such the provisions under of Section 197 read with Schedule V to the Act are not applicable.

- xii) The Company is not a Nidhi Company, hence this clause is not applicable.
- xiii) The all transactions with related parties of the company has been complied with Section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares of fully or partly convertible debentures during the year under review.
- xv) The Company has not entered into any non-cash transactions with Directors or person connected with them during the year.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **B M Kothari & Company**  
Chartered Accountants  
Firm registration number: 002022C

Jodhpur  
April 24, 2020

Amit Kothari  
**Partner**  
Membership number: 073374

# Balance Sheet as at March 31, 2020

(₹)			
Particulars	Note	As at March 31, 2020	As at March 31, 2019
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
a) Property, plant and equipment	2	5,29,36,912	5,74,47,463
b) Intangible assets	3	2,43,85,176	3,12,94,051
c) Biological assets other than bearer plants	4	9,11,18,002	8,62,06,801
d) Financial assets			
i) Other financial assets	5	1,21,823	1,31,823
e) Other non-current assets	6	22,908	11,364
<b>Total non-current assets</b>		<b>16,85,84,821</b>	<b>17,50,91,502</b>
<b>2 Current assets</b>			
a) Biological assets other than bearer plants	4	4,08,47,417	3,58,88,013
b) Inventories	7	16,68,284	12,90,074
c) Financial assets			
i) Trade receivables	8	21,66,800	5,78,740
ii) Cash and cash equivalents	9	25,90,414	2,32,122
d) Other current assets	6	10,94,751	4,37,376
<b>Total current assets</b>		<b>4,83,67,666</b>	<b>3,84,26,325</b>
<b>Total assets</b>		<b>21,69,52,486</b>	<b>21,35,17,826</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	10	8,11,00,000	8,11,00,000
b) Other equity		1,05,24,634	96,23,569
<b>Total equity</b>		<b>9,16,24,634</b>	<b>9,07,23,569</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	11	2,00,00,000	1,00,000
ii) Other financial liabilities	12	2,98,741	2,18,506
b) Provisions	13	74,248	58,337
c) Deferred tax liabilities (net)	22.2	50,29,942	57,48,935
d) Other non-current liabilities	14	6,37,88,702	7,44,59,327
<b>Total non-current liabilities</b>		<b>8,91,91,633</b>	<b>8,05,85,105</b>
<b>2 Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	11	3,38,63,270	3,99,93,196
ii) Trade payables	15	18,09,138	20,21,018
b) Other current liabilities	14	4,49,070	1,83,943
c) Provisions	13	14,741	10,996
<b>Total current liabilities</b>		<b>3,61,36,219</b>	<b>4,22,09,153</b>
<b>Total liabilities</b>		<b>12,53,27,852</b>	<b>12,27,94,258</b>
<b>Total equity and liabilities</b>		<b>21,69,52,486</b>	<b>21,35,17,826</b>

The accompanying Notes 1-22 form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

**For B M Kothari & Co**

Chartered Accountants

Firm registration number: 002022C

**S S Lalbhai**

Vice Chairman

**A Kothari**

Partner

Membership number: 73374

**G S Solanki**

Company Secretary

**B N Mohanan**

Managing Director

Jodhpur  
April 24, 2020

Atul  
April 24, 2020

## Statement of Profit and Loss for the year ended March 31, 2020

Particulars	Note	2019-20	2018-19
(₹)			
<b>INCOME</b>			
Revenue from operations	16	1,81,89,120	79,65,670
Other income	17	2,07,92,699	3,11,37,707
<b>Total income</b>		<b>3,89,81,819</b>	<b>3,91,03,377</b>
<b>EXPENSES</b>			
Employee benefit expenses	18	61,38,005	53,40,578
Finance costs	19	46,12,504	30,41,469
Depreciation and amortisation expenses	2 and 3	1,18,62,171	1,17,69,409
Other expenses	20	1,61,66,196	1,63,57,020
<b>Total expenses</b>		<b>3,87,78,876</b>	<b>3,65,08,476</b>
<b>Profit before tax</b>		<b>2,02,944</b>	<b>25,94,901</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax	22.2	(7,18,993)	1,61,512
<b>Total tax expense</b>		<b>(7,18,993)</b>	<b>1,61,512</b>
<b>Profit for the year</b>		<b>9,21,937</b>	<b>24,33,389</b>
<b>Other comprehensive income</b>			
a) Items that will not be reclassified to profit and loss			
Remeasurement gain   (loss) on defined benefit plans	21	(20,871)	37,027
<b>Total Comprehensive Income for the year</b>		<b>9,01,066</b>	<b>24,70,416</b>
No. of shares		81,100	81,100
Basic and diluted earning ₹ per Equity share of ₹ 1,000 each	22.5	11.37	30.00

**The accompanying Notes 1-22 form an integral part of the Financial Statements**

As per our attached report of even date

For and on behalf of the Board of Directors

**For B M Kothari & Co**

Chartered Accountants

Firm registration number: 002022C

**S S Lalbhai**

Vice Chairman

**A Kothari**

Partner

Membership number: 73374

**G S Solanki**  
Company Secretary

**B N Mohanan**  
Managing Director

Jodhpur  
April 24, 2020

Atul  
April 24, 2020

## Statement of changes in equity for the year ended March 31, 2020

### A. Equity share capital

Particular	Note	Amount (₹)
<b>As at March 31, 2018</b>		<b>8,11,00,000</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2019</b>		<b>8,11,00,000</b>
Changes in equity share capital during the year		-
<b>As at March 31, 2020</b>	10	<b>8,11,00,000</b>

### B. Other equity

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
<b>As at March 31, 2018</b>	<b>71,53,152</b>	<b>71,53,152</b>
Profit for the year	24,33,389	24,33,389
Transfer from deferred government grant	-	-
Other comprehensive income		
Remeasurement gains on defined benefit plans, net of tax	37,027	37,027
<b>Total comprehensive income for the year</b>	<b>24,70,416</b>	<b>24,70,416</b>
<b>As at March 31, 2019</b>	<b>96,23,569</b>	<b>96,23,569</b>
Profit for the year	9,21,937	9,21,937
Transfers		-
<b>Other comprehensive income</b>		
Remeasurement gains on defined benefit plans, net of tax	(20,871)	(20,871)
<b>Total comprehensive income for the year</b>	<b>9,01,066</b>	<b>9,01,066</b>
<b>As at March 31, 2020</b>	<b>1,05,24,634</b>	<b>1,05,24,634</b>

The accompanying Notes 1-22 form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

**For B M Kothari & Co**  
Chartered Accountants  
Firm registration number: 002022C

**S S Lalbhai**  
Vice Chairman

**A Kothari**  
Partner  
Membership number: 73374

**G S Solanki**  
Company Secretary

**B N Mohanan**  
Managing Director

Jodhpur  
April 24, 2020

Atul  
April 24, 2020



## Statement of Cash Flows for the year ended March 31, 2020

Particulars	2019-20	2018-19
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit   (Loss) before tax	2,02,944	25,94,901
Adjustments for:		
Depreciation and amortisation expenses	1,18,62,171	1,17,69,409
Finance costs	46,12,504	30,41,469
Deferred income	(1,06,70,625)	(85,19,230)
Operating profit before change in operating assets and liabilities	60,06,994	88,86,549
Adjustments for:		
(Increase)   decrease in inventories	(3,78,210)	(4,73,244)
(Increase)   decrease in biological assets other than bearer plants	(49,59,404)	(1,08,94,187)
(Increase)   decrease in trade receivables	(15,88,060)	(2,88,590)
(Increase)   decrease in other current assets	(6,57,375)	9,78,135
(Increase)   decrease in other non-current assets	(1,544)	(5,694)
Increase   (decrease) in trade payables	(2,11,880)	(15,39,813)
Increase   (decrease) in other current liabilities	2,65,127	(6,79,197)
Increase   (decrease) in other non-current financial liabilities	80,235	(40,382)
Increase   (decrease) in other non-current liabilities	(20,871)	37,027
Increase   (decrease) in short-term provisions	19,656	32,838
	<b>(74,52,326)</b>	<b>(1,28,83,107)</b>
Cash generated from operations	(14,45,332)	(39,96,558)
Income tax paid (net of refund)	-	-
<b>Net cash used in operating activities</b>	<b>A (14,45,332)</b>	<b>(39,96,558)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase towards property, plant and equipments (including capital advances)	(4,42,745)	(5,98,609)
(Additions)   deletion in biological assets other than bearer plants	(49,11,201)	(1,15,41,928)
<b>Net cash used in investing activities</b>	<b>B (53,53,946)</b>	<b>(1,21,40,537)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Disbursements   (Repayments) of borrowings (net)	1,37,70,074	1,88,59,619
Interest paid	(46,12,504)	(30,41,469)
<b>Net cash inflow from financing activities</b>	<b>C 91,57,570</b>	<b>1,58,18,150</b>
<b>Net change in cash and cash equivalents</b>	<b>A+B+C 23,58,292</b>	<b>(3,18,945)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>2,32,122</b>	<b>5,51,067</b>
<b>Closing balance cash and cash equivalents</b>	<b>25,90,414</b>	<b>2,32,122</b>

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

The accompanying Notes 1-22 form an integral part of the Financial Statements.

As per our attached report of even date

For and on behalf of the Board of Directors

**For B M Kothari & Co**

Chartered Accountants

Firm registration number: 002022C

**S S Lalbhai**

Vice Chairman

**A Kothari**

Partner

Membership number: 73374

**G S Solanki**

Company Secretary

**B N Mohanan**

Managing Director

Jodhpur

April 24, 2020

Atul

April 24, 2020

## Notes to the Financial Statements

### Background

Atul Rajasthan Date Palms Ltd (the Company) is a subsidiary of Atul Ltd. The main object of the Company, among many others, is to carry on the business of tissue cultured date palm plants.

### Note 1 Significant Accounting Policies

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

#### a) Basis of preparation:

##### i) Compliance with Ind AS:

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

##### ii) Historical cost convention:

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

- a) Defined benefit plans: Plan assets are measured at fair value.
- b) Biological assets other than bearer plant: mature date palm plants are measured at fair value.

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

#### b) Foreign currency transactions:

##### i) Functional and presentation currency:

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

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

#### c) Revenue recognition:

##### i) Revenue from contracts with customers:

The Company produces and sells tissue cultured date palm plants in domestic and international markets.

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 the factory gate 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 passage of time is required before payment is due.



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

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer.

Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

**ii) Other revenue:**

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

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

Dividends are recognised in the Statement of Profit and Loss only when the right

to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Lease rental income has been recognised on accrual basis.

**d) Income tax:**

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are

expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

**e) Government grants:**

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

**f) Property, plant and equipment, intangible assets and depreciation:**

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

Subsequent costs are included in the carrying amount of assets 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. Gain or losses arising on

retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Intangible assets consist of technical consultancy and computer software stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment is provided on the straight-line method over the useful lives of assets. Life of intangible assets being computer software is taken as three years considering nature of assets and hence depreciation is provided on pro-rate basis taking into account period of usage during the year.

Technical consultancy amount is appropriated over a period of ten years.

**g) Impairment of assets:**

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

**h) 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.

**i) Trade receivables:**

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.



**j) 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.

**k) Inventories:**

Inventories represent raw material (media inputs) and stores are stated at cost or net realisable value whichever is lower. Cost is determined on moving weighted average basis.

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

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

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

**l) Borrowings:**

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

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

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

**m) 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.

**n) Biological asset other than bearer plants:**

The Company recognises biological assets when, and only when, the Company controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Company and the fair value or cost of the assets can be measured reliably.

Biological assets of the Company comprise of mature and immature earlier we have used tissue cultured date palm plants. Plants which are ready for dispatch less than 12 months from the reporting date are classified under current assets under a separate head of biological assets other than bearer plants and the rest as non-current assets under the head of biological assets other than bearer plants.

Expenditure incurred on biological assets (mature plants) are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms of Ind AS 41. The gain or loss arising on initial recognition of such biological assets at fair value less costs to sell and from a change in fair value less costs to sell of biological assets are included in the Statement of Profit and Loss for the period in which it arises.

The valuation of biological assets (immature plants) has been made in accordance with paragraph 30 of Ind AS 41 and is being measured

at cost less accumulated impairment loss, if any as quoted market prices are not available for the immature plants at different stages and for which alternative fair value measurements are unreliable.

**o) 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.

**p) Employee benefits:**

**Defined benefit plan:**

**Gratuity:**

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per

projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it 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.

**Defined contribution plan:**

Contributions to defined contribution schemes such as contribution to provident fund, SBI public provident fund, superannuation fund, employees' state insurance corporation, national pension scheme and labours welfare fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company



has no further defined obligations beyond the monthly contributions.

#### Short-term employee benefits:

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

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

#### Other long-term employee benefits:

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

#### q) Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

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

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

The production unit of the Company in Jodhpur, Rajasthan remained close from March 24, 2020 following the countrywide lockdown due to COVID-19. The Company has since obtained required permissions and partially resumed operations since April 15, 2020. Based on the immediate assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is positive of serving customer orders and obtaining regular supply of raw materials and logistics services after resumption of the operations. The Company has considered the possible effects that may result from the pandemic on the carrying amounts of trade receivables and inventories. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on the industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these Financial Statements. In assessing recoverability of inventories, the Company has considered the latest selling prices, customer orders on hand and margins. Based on the above assessment, the Company is of the view that carrying amounts of trade receivables and inventories are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these Financial Statements and the Company will continue to closely monitor the developments.

#### Critical estimates and judgements:

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

The areas involving critical estimates or judgements are:

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

ii) Estimation of useful life of tangible | intangible assets: Note 1 (f)

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

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

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

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

vii) Fair value measurements: Note 22.4

(₹)

## Note 2 Property, plant and equipment

Particulars	Building	Plant and equipment	Office equipment and furniture	Vehicles	Total
<b>Gross carrying amount</b>					
<b>As at March 31, 2018</b>	5,20,27,178	2,22,11,301	1,71,42,406	-	9,13,80,885
Additions	-	5,94,774	3,835	-	5,98,609
Deductions and adjustments	-	-	-	-	-
<b>As at March 31, 2019</b>	5,20,27,178	2,28,06,075	1,71,46,241	-	9,19,79,494
Additions	-	2,55,911	1,27,324	59,510	4,42,745
Deductions and adjustments	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>5,20,27,178</b>	<b>2,30,61,986</b>	<b>1,72,73,565</b>	<b>59,510</b>	<b>9,24,22,239</b>
<b>Depreciation   Amortisation   Impairment</b>					
<b>Depreciation   Amortisation (adjustment)</b>					1,48,967
<b>Up to March 31, 2018</b>	52,67,787	88,00,466	1,56,03,244	-	2,98,20,464
For the year	17,55,929	26,96,468	4,08,137	-	48,60,534
Deductions and adjustments	-	-	-	-	-
<b>Up to March 31, 2019</b>	70,23,716	1,14,96,934	1,60,11,381	-	3,46,80,998
For the period up to March 2020	17,55,928	27,60,666	4,35,289	1,413	49,53,296
Deductions and adjustments	-	-	-	-	-
<b>Up to March 31, 2020</b>	<b>87,79,644</b>	<b>1,42,57,600</b>	<b>1,64,46,670</b>	<b>1,413</b>	<b>3,96,34,294</b>
<b>Net carrying amount</b>					
As at March 31, 2019	4,50,03,462	1,13,09,141	11,34,860	-	5,74,47,463
<b>As at March 31, 2020</b>	<b>4,32,47,534</b>	<b>88,04,386</b>	<b>8,26,895</b>	<b>58,097</b>	<b>5,29,36,912</b>





(₹)

<b>Note 3 Intangible assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Technical cosuntancy</b>		
Opening gross carrying amount   Deemed cost	5,82,36,324	5,82,36,324
Additions	-	-
Closing gross carrying amount	5,82,36,324	5,82,36,324
Depreciation   Amortisation   Impairment		
Opening accumulated depreciation	2,69,42,273	2,00,33,398
For the year	69,08,875	69,08,875
Closing accumulated depreciation	3,38,51,148	2,69,42,273
<b>Net carrying amount</b>	<b>2,43,85,176</b>	<b>3,12,94,051</b>

(₹)

<b>Note 4 Biological assets</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Opening carrying amount	12,20,94,814	9,96,58,699
Additions   Change in value of bio-logical assets	98,70,605	2,24,36,115
Closing carrying amount	13,19,65,419	12,20,94,814
Current portion	4,08,47,417	3,58,88,013
<b>Non-current portion</b>	<b>9,11,18,002</b>	<b>8,62,06,801</b>

(₹)

<b>Note 5 Other financial assets</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
a) Security deposits	-	1,21,823	-	1,31,823
	-	<b>1,21,823</b>	-	<b>1,31,823</b>

(₹)

<b>Note 6 Other assets</b>	<b>As at March 31, 2020</b>		<b>As at March 31, 2019</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
a) Balances with government authorities				
i) Tax paid in advance, net of provisions	-	22,908	-	11,364
b) Prepayment	-	-	-	-
i) Others	9,19,608	-	1,86,158	-
c) Others	1,75,143	-	2,51,218	-
	<b>10,94,751</b>	<b>22,908</b>	<b>4,37,376</b>	<b>11,364</b>

(₹)

<b>Note 7 Inventories</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
a) Raw materials	-	-
Add: Goods-in-transit	-	-
	-	-
b) Stores, spares and fuel	16,68,284	12,90,074
c) Add: Goods-in-transit	-	-
	16,68,284	12,90,074
	<b>16,68,284</b>	<b>12,90,074</b>

(₹)

<b>Note 8 Trade receivables</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Unsecured, considered good		
i) Trade receivables	21,66,800	5,78,740
<b>Total receivables</b>	<b>21,66,800</b>	<b>5,78,740</b>
Current portion	21,66,800	5,78,740

(₹)

<b>Note 9 Cash and cash equivalents</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
a) Balances with banks		
i) In current accounts	25,90,414	2,32,122
b) Cash on hand	-	-
	<b>25,90,414</b>	<b>2,32,122</b>

There are no repatriations restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(₹)

<b>Note 10 Equity share capital</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
<b>Authorised</b>		
1,00,000 (1,00,000) equity shares of ₹ 1,000 each	10,00,00,000	10,00,00,000
	<b>10,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued</b>		
81,100 (81,100) equity shares of ₹ 1,000 each	8,11,00,000	8,11,00,000
	<b>8,11,00,000</b>	<b>8,11,00,000</b>
<b>Subscribed</b>		
81,100 (81,100) equity shares of ₹ 1,000 each, fully paid	8,11,00,000	8,11,00,000
	<b>8,11,00,000</b>	<b>8,11,00,000</b>



- i) 81,100 equity shares of ₹ 1,000 each, fully paid-up, aggregating ₹ 8,11,00,000 were allotted at par, pursuant to resolution approved by the Board of Directors at their meeting held on July 27, 2009, June 30, 2011 and December 12, 2012.
- ii) Of the above 59,997 equity shares of ₹ 1,000 each are held by Atul Ltd (30,001 equity shares directly and 29,996 equity shares through its subsidiary Atul Finserv Ltd).
- iii) Of the above, 30,001 equity shares of ₹ 1,000 each, fully paid-up, aggregating ₹ 3,00,01,000 were allotted pursuant to a contract without payment being received in cash.

**a) Movement in equity share capital**

(₹)

Particular	Equity share capital
1 As at March 31, 2018	8,11,00,000
2 As at March 31, 2019	8,11,00,000
3 As at March 31, 2020	8,11,00,000

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

(₹)

No.	Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd	37%	30,001	37%	30,001
2	Atul Finserv Ltd	37%	29,996	37%	29,996
3	Rajasthan Horticulture Development Society	26%	21,099	26%	21,099

(₹)

Note 11 Borrowings	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Secured				
i) Working capital term loan from banks	-	2,00,00,000	-	1,00,000
ii) Working capital loans repayable on demand from banks	3,38,63,270	-	3,99,93,196	-
	3,38,63,270	2,00,00,000	3,99,93,196	1,00,000
	-	-	-	-
	<b>3,38,63,270</b>	<b>2,00,00,000</b>	<b>3,99,93,196</b>	<b>1,00,000</b>

**Security details:**

First *pari-passu* charged on all current assets both present and future. First *pari-passu* charged on all movable fixed assets (including biological assets) of the borrower both present and future.

(₹)

Note 12 Other financial liabilities	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
a) Security deposits	-	2,98,741	-	2,18,506
	-	<b>2,98,741</b>	-	<b>2,18,506</b>

(₹)

Note 13 Provisions	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
a) Provision for leave entitlement	14,741	74,248	10,996	58,337
	<b>14,741</b>	<b>74,248</b>	<b>10,996</b>	<b>58,337</b>

(₹)

Note 14 Other liabilities	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
a) Deferred income on account of government grant received		6,37,88,702		7,44,59,327
a) Employee benefits obligation	3,79,968	-	1,21,636	-
b) Statutory dues	48,041	-	62,307	-
c) Advances received from customers	21,061	-	-	-
	<b>4,49,070</b>	<b>6,37,88,702</b>	<b>1,83,943</b>	<b>7,44,59,327</b>

(₹)

Note 15 Trade payables	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
i) Acceptances		-		-
ii) Related party		-		-
iii) Others		18,09,138		20,21,018
		<b>18,09,138</b>		<b>20,21,018</b>

(₹)

Note 16 Revenue from operations	2019-20	2018-19
Sale of products	1,81,89,120	79,65,670
	<b>1,81,89,120</b>	<b>79,65,670</b>

(₹)

Note 17 Other income	2019-20	2018-19
Interest from others	-	-
Exchange rate difference gain (net)	(5,327)	-
Miscellaneous income	2,07,98,026	3,11,37,707
	<b>2,07,92,699</b>	<b>3,11,37,707</b>



(₹)

<b>Note 18 Employee benefit expenses</b>	<b>2019-20</b>	<b>2018-19</b>
Salaries, wages and bonus	61,08,830	53,00,050
Contribution to provident and other funds	29,175	32,008
Staff welfare	-	8,520
	<b>61,38,005</b>	<b>53,40,578</b>

(₹)

<b>Note 19 Finance costs</b>	<b>2019-20</b>	<b>2018-19</b>
Interest on borrowings	46,00,192	30,38,010
Interest on income tax	12,312	3,459
	<b>46,12,504</b>	<b>30,41,469</b>

(₹)

<b>Note 20 Other expenses</b>	<b>2019-20</b>	<b>2018-19</b>
Consumption of stores and spares	52,66,114	57,51,243
Building repairs	-	1,51,338
Plant and equipment repairs	7,78,056	8,71,277
Insurance	6,92,537	63,763
Freight, cartage and octroi	25,778	63,760
Travelling and conveyance	2,11,777	1,88,248
Payments to the Statutory Auditors		
a) Audit fees	2,41,900	2,12,400
b) Other matters	-	-
c) Out of pocket expenses	-	-
Directors' fees and travelling	47,200	47,200
Manpower services	29,77,736	22,84,417
Bank charges	7,881	76,993
Legal and professional	41,802	1,84,200
Printing and stationary	70,433	80,033
Electricity	23,29,764	24,12,538
Security service	6,18,358	5,65,359
Internet	1,85,787	1,83,560
Green house	3,76,603	7,68,885
Site maintenance	18,09,714	21,51,296
Miscellaneous expenses	4,84,756	3,00,510
	<b>1,61,66,196</b>	<b>1,63,57,020</b>

(₹)

<b>Note 21 Other comprehensive income</b>	<b>2019-20</b>	<b>2018-19</b>
a) Items that will not be reclassified to profit and loss		
Remeasurement gains   (loss) on defined benefit plans	(20,871)	37,027
	<b>(20,871)</b>	<b>37,027</b>

**Note 22.1: Related party disclosures****a) Name of the related party and nature of relationship:**

<b>Name of the related party</b>	<b>Description of relationship</b>
Party where control exists	
1. Atul Ltd	Holding company
2. Atul Finserv Ltd	Subsidiary company of holding company
3. Atul Biospace Ltd	Subsidiary company of holding company
4. Rajasthan Horticulture Development Society	Joint venture partner of holding company
5. Key Management Personnel	
Mr Gaje Singh Solanki	Company Secretary

**b) Summary of related party transactions**

(₹)

<b>No.</b>	<b>Nature of transaction</b>	<b>2019-20</b>	<b>2018-19</b>
<b>a)</b>	<b>Transactions with the Key Management Personnel:</b>		
	<b>Remuneration</b>		
1	Short- term employee benefits <sup>1</sup>	6,22,588	5,08,029
2	Post- employee benefits	-	-
3	Commission and other benefits to Non- executives Directors	-	-
4	Interest on deposit from Directors	-	-
<b>b)</b>	<b>Transactions with subsidiary company of holding company:</b>		
1	Advance taken from Atul Biospace Ltd	2,56,500	-
2	Advance returned to Atul Biospace Ltd	2,56,500	-

<sup>1</sup> Compensation exclude provision for gratuity and compensated absences since then are based on actuarial valuation on an overall company basis.



## Note 22.2: Current and Deferred tax

### a) Income tax expense

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

(₹)

Particulars	March 31, 2020	March 31, 2019
Deferred tax		
(Decrease)   increase in deferred tax liabilities	(7,18,993)	1,61,512
Decrease   (increase) in deferred tax assets	-	-
<b>Total deferred tax expense   (benefit)</b>	<b>(7,18,993)</b>	<b>1,61,512</b>
<b>Income tax expense</b>	<b>(7,18,993)</b>	<b>1,61,512</b>

### b) No deferred tax has been recorded or recognised in other comprehensive income during the years

### c) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

(₹)

Particulars	March 31, 2020	March 31, 2019
Property, plant and equipment		
<b>Total deferred tax liabilities</b>	<b>50,29,942</b>	<b>57,48,935</b>
<b>Total deferred tax assets</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax liabilities</b>	<b>50,29,942</b>	<b>57,48,935</b>

### Movement in deferred tax liabilities | assets

	Property plant and equipment	Total
<b>At March 31, 2018</b>	<b>55,87,423</b>	<b>55,87,423</b>
(Charged)   credited		
- to profit or loss	1,61,512	1,61,512
<b>At March 31, 2019</b>	<b>57,48,935</b>	<b>57,48,935</b>
(Charged)   credited		
- to profit or loss	(7,18,993)	(7,18,993)
<b>At March 31, 2020</b>	<b>50,29,942</b>	<b>50,29,942</b>

(₹)

Note 22.3 : Employee benefit obligations	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Leave entitlement	14,741	74,248	10,996	58,337
Gratuity	-	(19,238)	-	(68,798)
Other employee benefits	2,76,480	-	1,89,314	-
<b>Total employee benefit obligations</b>	<b>2,91,221</b>	<b>55,010</b>	<b>2,00,310</b>	<b>(10,461)</b>

## Gratuity

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

(₹)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>March 31, 2019</b>	<b>3,39,270</b>	<b>4,08,068</b>	<b>(68,798)</b>
Current service cost	34,321	-	34,321
Interest expense   (income)	25,377	30,523	(5,146)
<b>Total amount recognised in profit and loss</b>	<b>59,698</b>	<b>30,523</b>	<b>29,175</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense   (income)	-	(1,959)	1,959
(Gain )   Loss from change in demographic assumptions	(4,790)	-	(4,790)
(Gain )   Loss from change in financial assumptions	18,342	-	18,342
Experience (gain)   Loss	5,360	-	5,360
<b>Total amount recognised in other comprehensive income</b>	<b>18,912</b>	<b>(1,959)</b>	<b>20,871</b>
Employer contributions	-	486	(486)
Benefit payments	-	-	-
<b>March 31, 2020</b>	<b>4,17,880</b>	<b>4,37,118</b>	<b>(19,238)</b>

(₹)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>March 31, 2018</b>	<b>3,16,679</b>	<b>3,80,040</b>	<b>(63,361)</b>
Current service cost	36,893	-	36,893
Interest expense   (income)	24,416	29,301	(4,885)
<b>Total amount recognised in profit and loss</b>	<b>61,309</b>	<b>29,301</b>	<b>32,008</b>
Remeasurements			
Return on plan assets, excluding amount included in interest expense   (income)	-	(1,691)	1,691
(Gain )   Loss from change in demographic assumptions	(3,581)	-	(3,581)
(Gain )   Loss from change in financial assumptions	11	-	11
Experience (gain)   Loss	(35,148)	-	(35,148)
<b>Total amount recognised in other comprehensive income</b>	<b>(38,718)</b>	<b>(1,691)</b>	<b>(37,027)</b>
Employer contributions	-	418	(418)
Benefit payments	-	-	-
<b>March 31, 2019</b>	<b>3,39,270</b>	<b>4,08,068</b>	<b>(68,798)</b>

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

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	4,17,880	3,39,270
Fair value of plan assets	4,37,118	4,08,068
<b>Deficit of gratuity plan</b>	<b>(19,238)</b>	<b>(68,798)</b>





### Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	(₹)	
	As at March 31, 2020	As at March 31, 2019
Discount rate	6.43%	7.48%
Salary growth rate	8.40%	8.04%
Pension growth rate	-	-

### Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount rate	1%	1%	-3.20%	-2.64%	3.63%	3.03%
Attrition rate	1%	1%	-0.85%	-0.44%	0.91%	0.47%
Rate of return on plan assets	1%	1%	-3.20%	-2.64%	3.63%	3.03%
Salary escalation rate	1%	1%	3.53%	2.98%	-3.17%	-2.65%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### Major category of plan assets are as follows:

Particulars	As at March 31, 2020				As at March 31, 2019			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Investment funds								
Insurance funds	-	4,37,118	4,37,118	100.00%	-	4,08,068	4,08,068	100.00%
	-	<b>4,37,118</b>	<b>4,37,118</b>	<b>100.00%</b>	-	<b>4,08,068</b>	<b>4,08,068</b>	<b>100.00%</b>

The weighted average duration of the defined benefit obligation is five 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
Defined benefit obligation (gratuity)				
As at March 31, 2020	2,28,178	17,904	64,144	2,56,983
As at March 31, 2019	2,19,751	12,048	36,787	2,05,523

## Note 22.4 Fair value measurements

### i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of tissue cultured date palm plants that are recognised and 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. An explanation of each level follows underneath the table.

(₹)

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
<b>Biological assets</b>					
Tissue culture raised date palm plants	-	-	4,08,47,417	-	4,08,47,417
<b>Total biological assets</b>	-	-	<b>4,08,47,417</b>	-	<b>4,08,47,417</b>

(₹)

Assets and liabilities for which fair values are disclosed as at March 31, 2019	Notes	Level 1	Level 2	Level 3	Total
<b>Biological assets</b>					
Tissue culture raised date palm plants	-	-	3,58,88,013	-	3,58,88,013
<b>Total biological assets</b>	-	-	<b>3,58,88,013</b>	-	<b>3,58,88,013</b>

**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.

### ii) Fair value measurements (level 2)

The following table presents the changes in level 2 items for the periods ended March 31, 2020 and March 31, 2019:

(₹)

Particulars	Tissue culture raised date palm plants	
	Mature	Immature
<b>As at April 01, 2019</b>	3,58,88,013	8,62,06,801
Increase in mature plants due to production	15,41,988	-
Increase in immature plants due to production	-	1,85,47,497
Increase in mature plants due to transfer from immature	79,41,372	-
Decrease due to transfer to mature plants	-	(79,41,372)
Increase due to separation	27,55,440	-
Decrease due to sale	(1,61,44,271)	-
Decrease due to writte off	(29,79,977)	(56,94,924)
Net change in fair value less estimated cost to sell	1,18,44,853	-
Other	-	-
<b>As at March 31, 2020</b>	<b>4,08,47,417</b>	<b>9,11,18,002</b>



### iii) Valuation processes

The Finance Department of the Company obtains assistance of independent and competent third party valuers to perform the valuations of biological assets (tissue culture raised date palm plants) required for financial reporting purposes, including level 2 fair values. These experts report to the Company Secretary cum financial officer (CS). Discussions of valuation processes and results are held between the CS and the valuation team at least once every three months, in line with the quarterly reporting periods of the Company. The main level 2 inputs used by the Company are derived and evaluated as follows:

Tissue culture raised date palms plants are determined based on fair market value available for same category of plants by deducting cost to sell.

### iv) Disclosure of recognition of change in fair value

Particulars	2019-20	2018-19
<b>Opening carrying amount of biological assets</b>	12,20,94,814	9,96,58,699
Immature biological assets*	9,11,18,002	8,62,06,801
Mature biological assets**	4,08,47,417	3,58,88,013
Closing carrying amount of biological assets	13,19,65,419	12,20,94,814
<b>Gain recognised due to change in fair value</b>	<b>98,70,605</b>	<b>2,24,36,115</b>

\*Immature biological assets calculated on cost

Location	Carrying amount
Laboratory	8,38,24,318
Green house	72,93,684
Total	9,11,18,002

Since the laboratory of the Company is the first of its kind in India, it is unique nature of industry and there are no published scientific material which justify or establish standard norms for multiplication ratio and mortality percentage at each stage of production process under the geographical and climatic conditions of Jodhpur, Rajasthan, India hence own data of the Company is being used as unobservable inputs to determine fair value of immature tissue culture raised date palm plants as the Company is still under the process of standardisation of production norms specially for multiplication ratio and mortality percentage at each stage of production process.

Considering the unique nature of the industry and non-availability of, it was suggested that measurement of fair value of immature tissue culture raised date palm plants owned by the Company as at March 31, 2020 with any alternative method of valuation will be clearly unreliable. In such case, these immature plants measured at its cost less any accumulated depreciation and any accumulated impairment losses as per above table (paragraph 30 of Ind AS 41).

As per paragraph 30 of Ind AS 41, there is a presumption that fair value can be measured reliably for a biological asset. However, that presumption can be rebutted only on initial recognition for a biological asset for which quoted market prices are not available and for which alternative fair value measurements are determined to be clearly unreliable. In such a case, biological assets shall be measured at their cost less any accumulated depreciation and any accumulated impairment losses. Once the fair value of such a biological asset becomes reliably measurable, an entity shall measure it at its fair value less costs to sell. Once a non-current biological asset meets the criteria to be classified as held for sale (or is included in a disposal group that is classified as held for sale) in accordance with Ind AS 105 non-current assets held for sale and discontinued operations, it is presumed that fair value can be measured reliably.

\*\*Mature biological assets calculated on fair value:

Location	Carrying amount
Shade house	4,08,47,417
Total	4,08,47,417

**v) Disclosure according paragraph 56 of Ind AS 41**

Refer to above paragraph, during the year, the Company has transferred 6,012 number of immature non-saleable biological assets into mature saleable biological assets, which are valued at fair market value. Due to this, during the year, the Company has recognised profit of ₹ 98.71 lakh on change in fair value of closing carrying and opening carrying amount of biological assets.

**Note 22.5 Earnings per share**

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

Particulars		2019-20	2018-19
Profit for the year attributable to the equity shareholders		9,21,937	24,33,389
Basic   Weighted average number of equity shares outstanding during the year	Number	81,100	81,100
Nominal value of equity share	₹	1,000	1,000
Basic and diluted EPS	₹	11.37	30.00

**Note 22.6 Authorisation for issue of the Financial Statements**

The Financial Statements were authorised for issue by the Board of Directors on April 24, 2020.

**Note 22.7 Regrouped | Recast | Reclassified**

Figures of the earlier year have been regrouped | recast | reclassified, wherever necessary.

As per our attached report of even date

For and on behalf of the Board of Directors

**For B M Kothari & Co**

Chartered Accountants

Firm registration number: 002022C

**S S Lalbhai**

Vice Chairman

**A Kothari**

Partner

Membership number: 73374

**G S Solanki**

Company Secretary

**B N Mohanan**

Managing Director

Jodhpur

April 24, 2020

Atul

April 24, 2020







# Corporate information

## Directors

**Mr Sunil Lalbhai**  
(Vice Chairman)

**Mr Bharathy Mohanan**  
(Managing Director)

**Mr Sanjay Dixit**

**Mr Gopi Kannan Thirukonda**

**Mr Devendra Mehta**

## Company Secretary

**Mr Gaje Singh Solanki**

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### Auditors

B M Kothari & Company

### Registered office

Rajkiya Paudhshala  
Chopasani  
Jodhpur 342 009, Rajasthan  
India

### Bankers

RBL Bank  
Union Bank of India

E-mail address: [sec@ardp.co.in](mailto:sec@ardp.co.in)

Website: [www.ardp.co.in](http://www.ardp.co.in)

# **Atul Rajasthan Date Palms Ltd**

**Jodhpur 342 024, Rajasthan**

**India**