Atul Finserv Ltd

Directors' Report

Dear Members,

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

01. Financial results

(₹ cr)

	2019-20	2018-19
Revenue from operations	0.98	0.81
Other income	0.67	0.52
Total revenue	1.65	1.34
Profit | (Loss) before tax	(1.08)	(0.27)
Provision for tax	0.10	(0.13)
Profit | (Loss) for the year	(1.18)	(0.14)
Profit available for appropriation	-	(0.13)
Balance brought forward	1.08	1.21
Disposable surplus	-	1.08
Balance carried forward	(0.02)	1.08

02. Performance

Revenues increased by 24% from ₹ 1.34 cr to ₹ 1.65 cr. Loss increased from ₹ (0.27) cr to ₹ (1.08) cr and the Earning per share decreased from ₹ (0.44) to ₹ (3.22). While the operating loss before working capital changes increased from ₹ (0.72) cr to ₹ (1.32) cr, the net cash used in operating activities decreased from ₹ (7.97) cr to ₹ (2.32) cr.

03. 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, are not applicable. The Company does not have any foreign exchange earnings and expenditure.

04. Insurance

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

05. Risk Management

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

06. Internal financial controls

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

07. Fixed deposits

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

08. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at note numbers 3 and 4 of the Financial Statements.

09. Subsidiary, associate and joint venture companies

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

10. Related Party Transactions

All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at note number 22.4 of the Financial Statements. No transactions were entered into by the Company which required disclosure in Form AOC-2.

11. Extract of the Annual Return

This is given as Annexure.

12. Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 70th Annual General Meeting (AGM) held on July 21, 2017 until the conclusion of the 75th AGM in the year 2022.

The 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.

13. Directors' responsibility statement

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

13.1 The applicable Accounting Standards were followed along with proper explanations relating to material departures in the preparation of the annual accounts.

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

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

13.4 The attached annual accounts for the year ended March 31, 2020 were prepared on a going concern basis.

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

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

14. Directors

14.1 Appointments | Reappointments | Cessations

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

ii) Subject to the approval of the Members in the AGM Mr Gautam Chakravarti was reappointed as an Independent Director effective July 08, 2020 for a second term of five consecutive years..

14.2 Policies on appointment and remuneration

14.2.1 Appointment

The Board considers the following factors for appointment of Directors:

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

ii) Traits: positive attributes and qualities

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

14.2.2 Remuneration of the Non-executive Independent Directors

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

14.3 Criteria and method of annual evaluation

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

14.3.2 The Independent Director has carried out annual:

i) review of performance of the Non-independent Directors – Executive,

ii) review of performance of the Non-independent Director – Non-executive,

iii) review of performance of the Chairman,

iv) assessment of quality, quantity and timeliness of the flow of information to the Board,

v) review of performance of the Board as a whole.

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

i) its Committees namely Allotment Committee,

ii) the Independent Director.

15. Key Managerial Personnel and other employees

15.1 Appointments and cessations of Key Managerial Personnel

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

15.2 Remuneration

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

15.2.1 Components:

i) Fixed pay

a) Basic salary

b) Allowances

c) Perquisites

d) Retirals

ii) Variable pay

15.2.2 Factors for determining and changing fixed pay

i) Existing compensation

ii) Education

iii) Experience

iv) Salary bands

v) Performance

vi) Market benchmark

15.2.3 Factors for determining and changing variable pay

i) Company performance

ii) Individual performance

iii) Grade

16. Corporate Governance Report

16.1 Statement of declaration given by the Independent Directors

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

16.2 Report

The Corporate Governance Report is given as Annexure. Details about the number of meetings of the Board held during 2019-20 are given therein.

16.3 Secretarial Standards

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

16.4 Prevention, prohibition and redressal of sexual harassment

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

17. Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai (T R Gopi Kannan)
April 17, 2020 **Chairman**

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Transparency, Communication, Business leadership, People leadership, Investor relations
Non-independent Director (Non-executive)	Independent Directors	Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Independence, Communication, Preparedness, Participation and Value addition
Independent Director	All other Board Members	Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Independence, Communication, Preparedness, Participation and Value addition
Chairman	Independent Directors	Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Impartiality, Communication, Business leadership, People leadership and Meeting conduct
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

Annexure to the Directors' Report

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

Since the Company is dealing in business auxiliary services this clause is not applicable to the Company.

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

» CIN: U51900MH1947PLC005453

» Registration date: January 02, 1947

» Name of the company: Atul Finserv Ltd

» Category | Sub-category of the company: Company limited by shares

» Address of the registered office and contact details: 310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai 400 028, Maharashtra, Telephone: (+91 022) 39876000

» Whether listed company: No

» Name, address and contact details of Registrar and Transfer Agent: Link Intime India Pvt Ltd, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India, Telephone: (+91 22) 4918 6270

2.2 Principal business activities of the Company

All the business activities contributing 10% or more of the total revenue of the Company will be stated

No.	Name and description of main products | services	National Industrial Classification code of the product | service	% to total revenue of the Company
1.	Business auxiliary services	821	100%

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

No.	Name and address of the Company	Corporate Identification Number	Holding | subsidiary | associate	% of shares held	Applicable section
01	Aaranyak Urmi Ltd Atul 396 020	U15400GJ2017PLC100157	Subsidiary	100	2(87)(ii)
02	Atul Fin Resources Ltd Atul 396 020, Gujarat	U65990GJ2016PLC093639	Subsidiary	100	2(87)(ii)
03	Atul Nivesh Ltd Atul 396 020, Gujarat	U65929GJ2016PLC093630	Subsidiary	100	2(87)(ii)
04	Amal Ltd Mumbai 400028, Maharashtra	L24100MH1974PLC017594	Associate	48	2(6)
05	Atul Aarogya Ltd Atul 396 020, Gujarat	U85110GJ2010PLC062180	Associate	42	2(6)
06	Atul Ayurveda Ltd Atul 396 020, Gujarat	U24233GJ2010PLC062028	Associate	42	2(6)
07	Atul Crop Care Ltd	U01403GJ2010PLC061909	Associate	26	2(6)

	Atul 396 020, Gujarat				
08	Atul Entertainment Ltd Atul 396 020, Gujarat	U92190GJ2010PLC061999	Associate	42	2(6)
09	Atul Hospitality Ltd Atul 396 020, Gujarat	U55101GJ2010PLC062000	Associate	42	2(6)
10	Atul Infotech Pvt Ltd Atul 396 020, Gujarat	U72200GJ2000PTC038460	Associate	50	2(6)
11	Atul Rajasthan Date Palms Ltd Jodhpur 342 009, Rajasthan	U01122RJ2009PLC028415	Associate	37%	2(6)
12	Atul Seeds Ltd Atul 396 020, Gujarat	U01122GJ2010PLC062769	Associate	44%	2(6)
13	Jayati Infrastructure Ltd Atul 396 020, Gujarat	U45200GJ2010PLC062029	Associate	44%	2(6)
14	Osia Dairy Ltd Atul 396 020, Gujarat	U15200GJ2010PLC061906	Associate	44%	2(6)

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	
A.	**Shareholding of the promoter and the promoter group**									
01.	Indian									
a)	Individuals | Hindu Undivided Family	–	–	–	–	–	–	–	–	–
b)	Central Government | State Government(s)	–	–	–	–	–	–	–	–	–
c)	Bodies corporate	6	35,16,510	35,16,516	100	6	40,98,539	40,98,545	100	–
d)	Financial institutions | Banks	–	–	–	–	–	–	–	–	–
e)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (A)(1)	6	35,16,510	35,16,516	100	6	40,98,539	40,98,545	100	–
02.	Foreign									
a)	Individuals (Non-resident individuals | Foreign individuals)	–	–	–	–	–	–	–	–	–
b)	Bodies corporate	–	–	–	–	–	–	–	–	–
c)	Institutions	–	–	–	–	–	–	–	–	–
d)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (A)(2)	–	–	–	–	–	–	–	–	–
	Total shareholding of the promoter and the promoter group (A)=(A)(1)+(A)(2)	6	35,16,510	35,16,516	100	6	40,98,539	40,98,545	100	–
B.	**Public shareholding**									
01.	Institutions	–	–	–	–	–	–	–	–	–
a)	Mutual funds	–	–	–	–	–	–	–	–	–
b)	Financial institutions | Banks	–	–	–	–	–	–	–	–	–
c)	Central Government | State Government(s)	–	–	–	–	–	–	–	–	–
d)	Venture capital funds	–	–	–	–	–	–	–	–	–
e)	Insurance companies	–	–	–	–	–	–	–	–	–
f)	Foreign institutional investors	–	–	–	–	–	–	–	–	–
g)	Foreign venture capital investors	–	–	–	–	–	–	–	–	–
h)	Trusts	–	–	–	–	–	–	–	–	–
	Sub total (B)(1)	–	–	–	–	–	–	–	–	–

02.	Non-institutions									
a)	Bodies corporate									
i)	Indian	–	–	–	–	–	–	–	–	–
ii)	Overseas	–	–	–	–	–	–	–	–	–
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 lakh	–	–	–	–	–	–	–	–	–
ii)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	–	–	–	–	–	–	–	–	–
c)	Non–resident Indians (NRI)									
i)	NRI repatriable	–	–	–	–	–	–	–	–	–
ii)	NRI non–repatriable	–	–	–	–	–	–	–	–	–
iii)	Foreign bodies	–	–	–	–	–	–	–	–	–
iv)	Foreign nationals	–	–	–	–	–	–	–	–	–
d)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (B)(2)	–	–	–	–	–	–	–	–	–
	Total public shareholding (B)=(B)(1)+(B)(2)	–	–	–	–	–	–	–	–	–
	Total (A)+(B)	6	35,16,510	35,16,516	100	6	40,98,539	40,98,545	100	–
C.	**Shares held by custodians and against which depository receipts have been issued**									
01.	Promoter and promoter group	–	–	–	–	–	–	–	–	–
02.	Public	–	–	–	–	–	–	–	–	–
	Sub total (C)	–	–	–	–	–	–	–	–	–
	Grand total (A)+(B)+(C)	6	35,16,510	35,16,516	100	6	40,98,539	40,98,545	100	–

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	35,16,516	100	–	40,98,545	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
A.	Companies					
	At the beginning of the year		35,16,516	100.00	35,16,516	100.00
	Increase | Decrease during the year	Rights issue	5,82,029	-	40,98,545	-
	At the end of the year		40,98,545	100.00	40,98,545	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)

Nil

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

Nil

2.6 Remuneration of the Directors and the Key Managerial Personnel

2.6.1 Remuneration of the Managing Director, the Whole-time Director and | or the Manager

Nil

2.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	Gautam Chakravarti	Total amount
01.	Non-executive Independent Directors		
	a) Fee for attending the Board | the Committee meetings	80,000	80,000
	b) Commission	–	–
	Total 01		
02.	Non-executive Non-independent Directors		
	a) Fee for attending the Board | the Committee meetings	–	–

	b) Commission	–	–
	Total 02	–	–
	Total (B) = (1+2)		
	Total managerial remuneration (A)+(B)	80,000	80,000
	Overall ceiling as per the Act		–

2.6.3 Remuneration to the Key Managerial Personnel other than the Managing Director | the Manager | the Whole-time Director

(₹)

No.	Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
		Mr A A Desai	Mr R R Joshi	Mr A P Patadiya	
01.	Gross salary	2,06,082	1,37,388	1,09,910	4,53,380
	Salary as per provisions contained 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	–	–	–	–
02.	Stock option	–	–	–	–
03.	Sweat Equity	–	–	–	–
04.	Commission	–	–	–	–
05.	Others	–	–	–	–
	Total	2,06,082	1,37,388	1,09,910	4,53,380

2.7 Penalties | Punishment | Compounding of offences

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying Standalone Financial Statements of Atul Finserv Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information and which includes joint operation accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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

b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

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

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

f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Standalone Financial Statements of which we are the independent auditors.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order. The said order is not applicable to Joint Operation.

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

Samir R. Shah
Partner
(Membership No. 101708)
UDIN: 20101708AAAABH5763

Place: MUMBAI
Date: 24 April 2020

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the Internal Financial Controls over Financial Reporting of Atul Finserv Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date. Internal Financial Controls over financial reporting is not applicable to the company's Joint Operation and hence it has not been subjected to the audit of its Internal Financial Controls over Financial Reporting.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Samir R. Shah
Partner
(Membership No. 101708)
UDIN: 20101708AAAABH5763

Place: MUMBAI
Date: 24 April 2020

Annexure B to the Independent Auditor’s Report

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

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

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

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

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

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

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

05. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

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

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

    a) The Company has been regular in depositing undisputed statutory dues of the year, including Provident Fund (other than provident fund on certain allowances based on order of the Honourable Supreme Court of India dated February 28, 2019 in response to various civil appeals of other organizations, and according to information and explanations given to us, which is under evaluation by the

Management), Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of Provident Fund (other than provident fund on certain allowances mentioned above), Income-tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

c) There are no dues of Goods and Services Tax as on 31 March 2020 on account of disputes which have not been deposited. Details of dues of Income-tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (₹)	Amount paid under protest (₹)
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	Assessment year 2017-18	29,12,810	582,562

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

09. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

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

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

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

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

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

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

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

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

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

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

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

Samir R. Shah
Partner
(Membership No. 101708)
UDIN: 20101708AAAABH5763

Place: MUMBAI
Date: 24 April 2020

Atul Finserv Ltd
Standalone Balance Sheet as at March 31, 2020

(₹)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-current assets			
a) Property,plant and equipment	2	1,24,59,493	1,36,44,764
b) Capital work-in-progress	2	1,00,86,08,098	75,45,70,690
c) Financial assets			
i) Investments in subsidiary companies and associate companies	3.1	23,22,84,196	16,41,80,209
ii) Other investments	3.2	75,39,640	1,18,89,601
iii) Loans	4	11,81,473	4,77,49,524
iv) Other financial assets	5	10,000	10,000
d) Deferred tax assets (net)	22.5	22,64,481	24,52,748
e) Income tax assets (net)	22.5	17,34,248	16,94,219
f) Other non-current assets	6	14,60,21,801	49,64,091
Total non-current assets		1,41,21,03,429	1,00,11,55,846
2 Current assets			
a) Financial assets			
i) Investments	3.3	2,03,62,014	4,30,52,603
ii) Trade receivables	7	16,96,284	15,77,177
iii) Cash and cash equivalents	8	49,89,730	14,52,950
iv) Bank balances other than cash and cash equivalents above	9	226	-
v) Loans	4	4,65,35,177	15,35,174
vi) Other financial assets	5	-	91,468
b) Other current assets	6	1,55,61,959	9,75,96,769
Total current assets		8,91,45,390	14,53,06,141
Total assets		1,50,12,48,819	1,14,64,61,987
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	10	36,33,54,500	30,51,51,600
b) Other equity	11	53,90,19,859	39,74,68,920
Total equity		90,23,74,359	70,26,20,520
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowing	12	40,93,77,455	27,81,61,980
ii) Other financial liabilities	13	-	35,03,535
b) Provisions	16	2,22,303	1,96,479
Total non-current liabilities		40,95,99,758	28,18,61,994
1 Current liabilities			
a) Financial liabilities			
i) Trade payables	14		
Total outstanding dues of			
a) Micro enterprises and small enterprises		-	-
b) Creditors other than micro enterprises and small enterprises		2,42,657	7,09,289
ii) Other financial liabilities	13	16,04,96,310	16,03,93,331
b) Other current liabilities	15	2,84,87,848	8,03,837
c) Provisions	16	47,887	73,016
Total current liabilities		18,92,74,702	16,19,79,473
Total liabilities		59,88,74,460	44,38,41,467
Total equity and liabilities		1,50,12,48,819	1,14,64,61,987

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

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

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 24, 2020

A P Patadiya
Company Secretary

Atul
April 17, 2020

Atul Finserv Ltd
Standalone Statement of Profit and Loss
for the year ended March 31, 2020

(₹)

Particulars	Note	2019-20	2018-19
INCOME			
Revenue from operations	17	98,15,653	81,23,323
Other income	18	66,98,365	52,27,571
Total income		**1,65,14,018**	**1,33,50,894**
EXPENSES			
Employee benefit expenses	19	86,40,308	67,01,521
Finance costs	20	18,65,834	33,450
Depreciation and amortisation expenses	2	12,61,865	7,28,369
Other expenses	21	1,55,57,657	85,96,078
Total expenses		**2,73,25,664**	**1,60,59,418**
Profit | (Loss) before tax		**(1,08,11,646)**	**(27,08,524)**
Tax expense			
Current tax	22.5	8,29,416	3,70,705
Deferred tax	22.5	1,88,267	(16,50,721)
Total tax expense		**10,17,683**	(12,80,016)
Profit | (Loss) for the year		**(1,18,29,329)**	**(14,28,508)**
Other comprehensive income			
a) Items that will not be reclassified to profit |			
i) Fair value of equity instruments through other income (FVOCI)		(43,49,840)	3,32,210
ii) Remeasurement gain | (loss) on defined benefit plans		(48,790)	(50,520)
iii) Income tax related to item no (ii) above		12,685	9,720
Other comprehensive income, net of tax		**(43,85,945)**	**2,91,410**
Total comprehensive income for the year		**(1,62,15,274)**	**(11,37,098)**
Earnings per equity share			
Basic and diluted earning ₹ per equity share	22.3	(3.22)	(0.44)

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

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

Samir R. Shah
Partner

Mumbai
April 24, 2020

For and on behalf of the Board of Directors

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

A P Patadiya
Company Secretary

Atul
April 17, 2020

Atul Finserv Ltd
Standalone Statement of changes in equity
for the year ended March 31, 2020

A. Equity share capital

(₹)

	Amount
As at March 31, 2018	21,18,97,100
Changes in equity share capital during the year	9,32,54,500
As at March 31, 2019	30,51,51,600
Changes in equity share capital during the year	5,82,02,900
As at March 31, 2020	36,33,54,500

B. Other equity

(₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total other equity
	Securities premium	General reserve	Retained earnings	FVOCI equity instruments	
As at March 31, 2018	15,96,94,190	1,56,25,000	1,21,49,973	(7,17,270)	18,67,51,893
Profit | (Loss) for the year	-	-	(14,28,508)	-	(14,28,508)
Other comprehensive income	-	-	(40,800)	3,32,210	2,91,410
Total comprehensive income for the year	-	-	(14,69,308)	3,32,210	(11,37,098)
Securities premium on issue of shares	21,23,37,216	-	-	-	21,23,37,216
Share issue expenses	(4,83,091)				(4,83,091)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	1,56,581	(1,56,581)	-
As at March 31, 2019	37,15,48,315	1,56,25,000	1,08,37,246	(5,41,641)	39,74,68,920
Profit | (Loss) for the year	-	-	(1,18,29,329)	-	(1,18,29,329)
Other comprehensive income	-	-	(36,105)	(43,49,840)	(43,85,945)
Total comprehensive income for the year	-	-	(1,18,65,434)	(43,49,840)	(1,62,15,274)
Securities premium on issue of shares	15,92,98,439	-	-	-	15,92,98,439
Share issue expenses	(15,32,225)	-	-	-	(15,32,225)
As at March 31, 2020	52,93,14,529	1,56,25,000	(10,28,188)	(48,91,482)	53,90,19,859

Refer Note 11 for nature and purpose of reserves

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

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

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 24, 2020

A P Patadiya
Company Secretary

Atul
April 17, 2020

Atul Finserv Ltd

Standalone Statement of Cash Flows

for the year ended March 31, 2020

(₹)

Particulars		2019-20	2018-19
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit | (Loss) before tax		(1,08,11,646)	(27,08,524)
Adjustments for:			
Depreciation and amortisation expenses		12,61,865	7,28,369
Finance costs		18,65,834	33,450
Unrealised exchange rate difference (net)		(50,347)	(15,75,162)
Provision for doubtful advance		11,71,724	-
Dividend received		(14,32,620)	(3,10,719)
Interest received		(47,66,097)	(31,64,583)
Profit on sale of equity investment measured at cost		(11,57,311)	(1,64,607)
Operating profit | (loss) before change in operating assets and liabilities		**(1,39,18,598)**	**(71,61,776)**
Adjustments for:			
(Increase) | Decrease in trade receivables		(1,19,107)	2,79,995
(Increase) | Decrease in other financial assets		91,468	(10,000)
(Increase) | Decrease in other assets		(6,35,82,135)	(7,52,94,197)
Increase | (Decrease) in trade payables		(4,66,630)	(54,967)
Increase | (Decrease) in other financial liabilities		5,14,53,665	32,19,105
Increase | (Decrease) in other liabilities		2,76,84,010	(2,42,917)
Increase | (Decrease) in provisions		695	23,774
Cash generated from operations		**11,43,368**	**(7,92,40,983)**
Income tax paid (net of refund)		(8,56,760)	(4,28,448)
Net cash used in operating activities	A	**2,86,608**	**(7,96,69,431)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment towards capital work in progress (including capital advance)		(27,99,54,559)	(45,37,38,340)
Purchase of equity investment measured at cost (net)		(6,81,03,987)	(20,50,000)
Purchase of equity investment measured at FVOCI (net)		122	(18,91,823)
Proceeds from redemption | (Purchase) of current investment		2,38,47,900	(3,67,19,386)
Repayments | (Disbursements) of loans given (net)		15,68,049	(4,72,52,079)
Short-term bank deposits		(226.00)	-
Amount recoverable from | (payable) to joint operation party		(2,56,24,600)	3,05,29,364
Interest received		47,66,097	31,64,583
Dividend received		14,32,620	3,10,719
Net cash used in investing activities	B	**(34,20,68,584)**	**(50,76,46,962)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity share capital (net of share issue expenses)		21,59,69,114	30,51,08,625
Disbursements of term loan | non-current borrowings		13,12,15,476	27,81,61,980
Interest paid		(18,65,834)	(33,450)
Net cash flow from financing activities	C	**34,53,18,756**	**58,32,37,155**
Net decrease in cash and cash equivalents	A+B+C	**35,36,780**	**(40,79,238)**
Cash and cash equivalents at the beginning of the year		14,52,950	55,32,188
Cash and cash equivalents at the end of the year		49,89,730	14,52,950

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

ii) Refer Note 12 (c) for a reconciliation of changes in liabilities arising from financing activities.

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

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

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 24, 2020

A P Patadiya
Company Secretary

Atul
April 17, 2020

Background

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

Note 1 Significant accounting policies

a) Basis of preparation:

i) Compliance with Ind AS:

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

ii) Historical cost convention:

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

a) Certain financial assets and liabilities: measured at fair value

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

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

iii) Joint operations:

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

Although not required by Ind AS, the Company has provided in Note 22.09 additional information of Atul Finserv Ltd on a standalone basis excluding its interest in its joint operations viz. Anaven LLP.

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

b) Investments and other financial assets:

Classification:

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

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

ii) Those measured at amortised cost

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

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

Debt instruments:

Initial recognition and measurement:

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

Subsequent measurement:

After initial recognition, financial asset is measured at:

i) fair value {either through other comprehensive income (FVOCI) or through profit or loss (FVPL)} or,

ii) amortised cost.

Equity instruments :

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

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

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

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

Impairment of financial assets:

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

For trade receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

Derecognition:

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

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

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

Financial liabilities:

i) Classification as debt or equity:
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:
Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

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

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

c) Property, plant and equipment:

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

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

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

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

Depreciation methods, estimated useful lives and residual value:

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

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

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and equipment[1]	3 to 12 years
Office equipment and furniture	5 - 10 years
Computer and hardware	3 and 6 years

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

d) Revenue recognition:

i) Revenue from contracts with customers:

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

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

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

ii) Other revenue:

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

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

e) 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.

i) Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation 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.

ii) 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 through Life Insurance Corporation of India, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the 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.

Long-term leave encashment:

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.

f) Foreign currency transactions:

Initial recognition:

On initial recognition, all foreign currency transactions are accounted by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities as at the Statement of Assets and Liabilities date are translated at the rates of exchange prevailing at the date of the Statement of Assets and Liabilities. Gains and losses arising on account of differences in foreign exchange rates on settlement | translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss.

g) Provisions and contingent liabilities:

Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities:

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 or a reliable estimate of the amount cannot be made.

h) Taxation:

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

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

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

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

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

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

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

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

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

i) Borrowing costs:

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

j) Cash and cash equivalents:

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

k) Lease:

The Company adopted Ind AS 116, 'Lease' using the modified retrospective transition method effective from April 01, 2019. Under this method, the cumulative adjustment for present value of the remaining lease payments of lease contracts existing as on the date of April 01, 2019 has been recognised as a lease liability with an equivalent asset for the right to use. The comparative information of previous year is not restated as permitted by the standard. The adoption of the standard did not have any material impact on these Standalone Financial Statements.

The company whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

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

The company has recognised the right-of-use assets at cost for lease contract having lease period more than 12 months. Cost of the right-of-use asset shall comprise the amount of the initial measurement of the lease liability. At inception of lease contract, lease liability is measure at the present value of the lease payments to be paid during the contract non-cancellable period. The lease payments will be discounted using the incremental borrowing rate of the company at the commencement of each lease contract date | month.
Subsequent measurement of the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability to apply a cost model.
Lease liabilities are measure by increasing the carrying amount to reflect interest on the lease liabilities; and reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.
The right-of-use asset included within the corresponding underlying assets would be presented if they were owned under the 'Property, plant and equipment' in the Balance Sheet. Lease liability presented under other financial labilities and lease payments have been classified as financing cash flows.

l) 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.

m) 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.

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

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

p) Borrowings:
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest 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.

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

The Company has assessed impact of novel coronavirus disease ("COVID-19") pandemic due to slowdown of economic activities in the country and globally followed by shutdowns and various regulatory embargos. The Company is in the business of providing support service to Atul Ltd (Holding Company) in India and investment activities.

Based on the immediate assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with loanees, customers and service providers, the Company is positive of serving customer after resumption of the operations. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of loans and trade receivables. In assessing recoverability of loans, the Company has considered the regular service of interest on loan, subsequent recoveries of loan, past trends, credit risk profiles and support of Holding company of the loanee and market value of mortgage assets. In assessing recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risk profiles of the customers based on their industry available up to the date of issuance of these Standalone Financial Statements.

Based on the above assessment, the Company is of the view that carrying amounts of loans and trade receivables are expected to be realisable. The impact of COVID-19 may be different from that estimated as at the date of approval of these Standalone Financial Statements, and the Company will continue to closely monitor the developments.

Critical estimates and judgements:

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

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 1 (c)
ii) Estimation for income tax: Note 1 (h)
iii) Estimation of defined benefit obligation: Note 1 (e)
iv) Fair value measurements: Note 22.11

Atul Finserv Ltd

Notes to the Standalone Financial Statements

Note 2 Property, plant and equipment

(₹)

Particulars	Buildings	Plant and equipment	Office equipment and furniture	Computer Equipments	Total	Capital work-in-progress[1]
Gross carrying amount						
As at March 31, 2018	-	-	-	-	-	11,71,16,046
Additions	75,52,317	20,41,418	24,37,826	23,41,572	1,43,73,133	65,17,73,777
Disposal, transfer and adjustments					-	(1,43,19,133)
As at March 31, 2019	75,52,317	20,41,418	24,37,826	23,41,572	1,43,73,133	75,45,70,690
Additions	-	-	7,455	7,83,656	7,91,111	25,40,37,408
Disposal, transfer and adjustments	-	3,36,984	-	(10,51,502)	(7,14,518)	-
As at March 31, 2020	75,52,317	23,78,402	24,45,281	20,73,726	1,44,49,727	1,00,86,08,098
Depreciation | Amortisation						
Up to March 31, 2018	-	-	-	-	-	-
For the year	1,46,208	1,03,379	1,92,331	2,86,451	7,28,369	-
Up to March 31, 2019	1,46,208	1,03,379	1,92,331	2,86,451	7,28,369	-
For the year	2,39,157	2,48,313	3,09,354	5,04,821	13,01,644	-
Disposal and adjustments	-	1,08,783	-	(1,48,562)	(39,779)	-
Up to March 31, 2020	3,85,365	4,60,475	5,01,685	6,42,710	19,90,234	-
Net carrying amount						
As at March 31, 2019	74,06,109	19,38,039	22,45,495	20,55,121	1,36,44,764	75,45,70,690
As at March 31, 2020	71,66,953	19,17,928	19,43,596	14,31,016	1,24,59,493	1,00,86,08,098

Notes:

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

[2] Refer Note 22.1 for disclosure of contractual commitment for acquisition of property, plant and equipment.

[3] Refer Note 11 for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

(₹)

Note 3.1 Investments in subsidiary companies and associate companies		Face Value	As at March 31, 2020		As at March 31, 2019	
			Number of shares	Amount	Number of shares	Amount
A	Investment in equity instruments (Fully paid-up)					
i)	Subsidiary companies | Associate companies measured at cost					
	Quoted					
	In associate company measured at cost					
	Amal Ltd	10	45,68,824	20,32,641	45,68,824	20,32,641
	Unquoted					
	In subsidiary companies measured at cost					
	Aaranyak Urmi Ltd	10	2,05,000	20,50,000	2,05,000	20,50,000
	Atul Fin Resource Ltd	10	71,53,760	7,49,99,997	25,00,000	2,50,00,000
	Atul Nivesh Ltd	10	25,00,000	2,50,00,000	25,00,000	2,50,00,000
	In associate companies measured at cost					
	Atul Ayurveda Ltd	10	33,333	3,33,330	25,000	2,50,000
	Atul Crop Care Ltd	10	13,000	1,30,000	13,000	1,30,000
	Atul Entertainment Ltd	10	29,167	2,91,670	25,000	2,50,000
	Atul Hospitality Ltd	10	25,000	2,50,000	25,000	2,50,000
	Atul Infotech Ltd	10	1,50,080	9,57,19,378	1,18,262	7,82,19,568
	Atul Medical Care Ltd	10	29,167	2,91,670	25,000	2,50,000
	Atul Rajasthan Date Palm Ltd	1,000	29,998	2,99,98,000	29,998	2,99,98,000
	Atul Seeds Ltd	10	39,584	3,95,840	25,000	2,50,000
	Jayati Infrastructure Ltd	10	39,584	3,95,840	25,000	2,50,000
	Osia Dairy Ltd	10	39,583	3,95,830	25,000	2,50,000
				23,22,84,196		16,41,80,209

(₹)

Note 3.2 Othe investments	Face Value	As at March 31, 2020		As at March 31, 2019	
		Number	Amount	Number	Amount
a) Investment in equity instruments (fully paid-up)					
ii) Other companies measured at FVOCI					
Quoted					
Aarti Drugs Ltd	10	2	1,011	2	1,280
Aditya Birla Capital Ltd	10	1,000	42,200	1,000	97,650
Akzo Nobel India Ltd	10	1	2,201	1	1,788
Asahi Songwon Colors Ltd	10	1	74	1	159
Asian Paints Ltd	1	10	16,667	10	14,919
Aurobindo Pharma Ltd	1	500	2,06,525	500	3,93,000
Avenue Supermarts Ltd	10	50	1,10,035	50	73,505
Balmer Lawrie & Co Ltd	10	3,000	2,38,350	2,000	3,71,300
Banswara Syntex Ltd	10	4,500	3,20,400	4,500	3,12,300
BAYER Cropscience Ltd	10	12	41,505	11	48,228
Bodal Chemicals Ltd	2	5	212	5	634
Camlin Fine Sciences Ltd	10	1,500	59,100	1,000	74,775
Clariant Chemicals (India) Ltd	10	2	456	2	725
Cummins India Ltd	2	191	62,171	191	1,41,655
Deepak Nitrite Ltd	2	10	3,866	10	2,746
DIC India Ltd	10	250	71,300	250	1,16,000
Dishman Carbogen Amcis Ltd	2	2	107	2	419
EID Parry (India) Ltd	1	10	1,397	10	2,058
Excel Crop Care Ltd	10	-	-	1	3,641
Excel Industries Ltd	5	1	447	1	1,147
GHCL Ltd	10	1	89	1	247
Gujarat Alkalies and Chemicals Ltd	10	1	224	1	494
Hindustan Unilever Ltd	1	1	2,298	1	1,708
IDFC First Bank Ltd	10	15,729	3,31,882	15,729	8,68,694
Indian Toners and Developers Ltd	10	1	54	1	142
J D Orgochem Ltd	1	1	-	1	4
Lupin Ltd	2	5	2,949	5	3,696
Mardia Chemicals Ltd	10	1		1	
Marico Ltd	1	80	21,988	80	27,620
Mayur Uniquoters Ltd	10	500	75,825	500	1,75,300
Metro Global Ltd	10	1	34	1	55
Monsanto India Ltd	10	-	-	2	5,199
NACL Industries Ltd	1	12	268	12	359
Navinon Ltd	10	1	-	1	-
Nikhil Adhesives Ltd	10	1	98	1	126
NOCIL Ltd	10	2,001	1,31,666	2,001	2,94,447
Novartis India Ltd	5	10,033	50,39,074	10,033	68,80,631
Orchid Pharma Ltd	10	1	-	1	5
Pidilite Industries Ltd	1	2	2,713	2	2,485
Piramal Enterprises Ltd	2	105	98,574	105	2,89,243
Power Mech Projects Ltd	10	20	6,722	20	18,402
Prabhat Dairy Ltd	10	2,500	1,36,125	2,500	1,91,500
Praj Industries Ltd	10	1,000	55,051	1,000	1,55,205
Punjab Alkalies and Chemicals Ltd	10	1	29	1	59
Quess Corp Ltd	10	94	19,886	-	-
Rallis India Ltd	1	10	1,756	10	1,651
RPG Life Sciences Ltd	10	1	170	1	248
Sanghvi Movers Ltd	2	500	24,475	500	55,425

(₹)

Note 3.2 Othe investments (continued)	Face Value	As at March 31, 2020		As at March 31, 2019	
		Number	Amount	Number	Amount
Sanofi India Ltd	10	1	6,242	1	5,835
Sequent Scientific Ltd	2	5	389	5	359
Shreyans Industries Ltd	10	1	64	1	150
Southern Petrochemical Industries Corporation Ltd	10	1	12	1	25
Sree Rayalaseema Hi-Strength Hypo Ltd	10	1	72	1	170
Sudarshan Chemical Industries Ltd	2	10	3,741	10	3,450
Sumitomo Chemical India Ltd	10	25	4,586	-	-
Tata Chemicals Ltd	10	1	223	1	587
Tata Motors Ltd	2	3,500	2,48,675	3,500	6,10,050
The Dharamsi Morarj Chemical Co. Ltd	10	1	68	1	147
Thomas Cook (I) Ltd	10	500	12,075	500	1,26,350
Torrent Phamaceuticals Ltd	5	2	3,943	2	3,905
Uniphos Enterprises Ltd	2	1	39	1	111
UPL Ltd	2	15	4,896	10	9,560
VA Tech Wabag Ltd	2	1,500	1,24,125	1,500	4,96,699
Wockhard Ltd	5	3	519	3	1,329
Unquoted					
Gujarat Synthwood Ltd[1]	10	3,00,800	-	3,00,800.00	-
			75,39,640		**1,18,89,601**

[1] Under liquidation

(₹)

Note 3.3 Current investments	As at March 31, 2020		As at March 31, 2019	
	Units		Units	
Investment in mutual funds				
i) Aditya Birla Sun Life Liquid Fund	29,907	97,78,216	28,294	80,76,560
ii) Axis Liquid Fund	378	8,33,124	-	-
ii) Axis Arbitrage Fund	8,72,174	97,50,675	31,66,907	3,49,76,043
		2,03,62,014		**4,30,52,603**

Aggregate amount of investments and market value thereof:

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Aggregate amount of quoted investments	95,72,281	1,39,22,242
Aggregate market value of quoted investments	44,63,75,185	49,84,69,357
Aggregate amount of unquoted investments	25,06,13,569	20,52,00,171
Aggregate amount of impairment in value of investments	-	-

(₹)

Note 4 Loans	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
Considered good - unsecured				
Loans to related parties (refer note 22.4)	4,50,00,000	-	-	4,55,43,745
Loans to others	15,35,177	11,81,473	15,35,174	22,05,779
	4,65,35,177	**11,81,473**	**15,35,174**	**4,77,49,524**

(₹)

Note 5 Other financial assets	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
a) Security deposits	-	10,000	-	10,000
b) Amount receivable from a related party into joint operation	-	-	91,468	-
	-	**10,000**	**91,468**	**10,000**

(₹)

Note 6 Other current assets		As at March 31, 2020		As at March 31, 2019	
		Current	Non-current	Current	Non-current
a)	Balances with the statutory authorities				
i)	Taxes paid under protest	-	5,82,562	-	-
ii)	GST receivables	1,47,77,118	14,17,62,835	9,26,23,067	-
b)	Capital advance	-	15,76,579	-	49,64,091
	Less: Provision for doubtful advance	-	11,71,724	-	-
		-	4,04,856	-	-
c)	Others	7,84,841	32,71,548	49,73,702	-
		1,55,61,959	14,60,21,801	9,75,96,769	49,64,091

(₹)

Note 7 Trade receivables		As at March 31, 2020	As at March 31, 2019
	Considered good - unsecured		
i)	Trade receivables	-	-
	Related parties (refer note 22.4)	16,96,284	15,77,177
	Total receivables	16,96,284	15,77,177

(₹)

Note 8 Cash and cash equivalents		As at March 31, 2020	As at March 31, 2019
a)	Balances with banks in current accounts	49,70,801	14,21,798
b)	Cash on hand	18,930	31,152
		49,89,730	14,52,950

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

(₹)

Note 9 Bank balances other than cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits with Bank	226	-
	226	-

(₹)

Note 10 Equity share capital	As at March 31, 2020	As at March 31, 2019
Authorised		
54,00,000 (March 31, 2019: 37,87,630) equity shares of ₹ 100 each	54,00,00,000	37,87,63,000
	54,00,00,000	37,87,63,000
Issued, subscribed and paid up		
5,00,000 (March 31, 2019: 5,00,000) equity shares originally of ₹ 100 each, reduced to ₹ 7 each per share fully paid	35,00,000	35,00,000
35,98,545 (March 31, 2019: 30,16,516) equity shares of ₹ 100 each	35,98,54,500	30,16,51,600
	36,33,54,500	30,51,51,600

a) Pursuant to Section 100 of the Companies Act, 1956, the Capital Reduction Scheme sanctioned by the High Court of Mumbai dated June 6, 2002, the issued and paid up Share Capital of the Company was reduced from ₹ 50,000,000 divided into 5,00,000 equity shares of ₹ 100 each to ₹ 35,00,000 divided into 5,00,000 equity shares of ₹ 7 each.

b) Rights, preferences and restrictions:
The Company has one class of equity shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is declared by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Movement in equity share capital

(₹)

Particulars	Number of shares	Equity share capital
As at March 31, 2018	25,83,971	21,18,97,100
Add : Share issue to Atul Ltd	9,32,545	9,32,54,500
As at March 31, 2019	35,16,516	30,51,51,600
Add : Share issue to Atul Ltd	5,82,029	5,82,02,900
As at March 31, 2020	40,98,545	36,33,54,500

d) 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	Holding %	Number of shares
1	Atul Ltd (Holding Company)	100.00%	40,98,545	100.00%	35,16,516

(₹)

Note 11 Other equity	As at March 31, 2020	As at March 31, 2019
a) Securities premium	52,93,14,529	37,15,48,315
b) General reserve	1,56,25,000	1,56,25,000
c) Retained earnings	(10,28,188)	1,08,37,246
d) Other reserves		
FVOCI equity instruments	(48,91,482)	(5,41,641)
	53,90,19,859	39,74,68,920

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

Nature and Purpose of other reserves

a) Securities premium

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

b) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained earnings

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

d) FVOCI - equity investments

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

(₹)

Note 12 Borrowings	Maturity	Terms of repayment	Effective interest rate p.a.	As at March 31, 2020		As at March 31, 2019	
				Current	Non-current	Current	Non-current
Secured							
Rupee term loan from bank (refer Note a)	84 Months	20 equal quarterly instalments of Rs 5 Cr, starting from October 2020	8.2% (6 Months MCLR + 0.10%)	-	40,93,77,455	-	27,81,61,980
				-	40,93,77,455	-	27,81,61,980

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

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

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
First charge for non-current and current borrowings		
Property, plant and equipment	1,24,19,049	1,35,93,614
Capital work-in-progress	1,00,86,08,098	75,45,70,690
Capital advance	4,04,856	49,64,091
	1,02,14,32,003	77,31,28,395

c) Net debt reconciliation

(₹)

Particulars	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
Net debt as at March 31, 2018	-	-	-
(Repayments) | Disbursements	-	27,81,61,980	27,81,61,980
Interest expense	-	32,586	32,586
Interest paid	-	(32,586)	(32,586)
Net debt as at March 31, 2019	-	**27,81,61,980**	**27,81,61,980**
(Repayments) | Disbursements	-	13,12,15,476	13,12,15,476
Interest expense	-	10,50,556	10,50,556
Interest paid	-	(10,50,556)	(10,50,556)
Net debt as at March 31, 2020	-	**40,93,77,456**	**40,93,77,456**

(₹)

Note 13 Other financial liabilities	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
a) Employee benefits obligation	8,68,765	-	6,15,507	-
b) Security deposits	49,40,134	-	-	35,03,535
c) Creditor for capital goods	12,90,62,812	-	15,97,77,824	-
d) Amount payable to a joint operation (share of joint operation)	2,56,24,600	-	-	-
	16,04,96,310	**-**	**16,03,93,331**	**35,03,535**

(₹)

Note 14 Trade payables	As at March 31, 2020	As at March 31, 2019
a) Total outstanding dues of micro enterprises and small enterprises	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Related party (refer note 22.4)	28,570	5,50,489
ii) Others	2,14,087	1,58,800
	2,42,657	**7,09,289**

(₹)

Note 15 Other current liabilities	As at March 31, 2020	As at March 31, 2019
a) Statutory dues (net)	2,84,87,848	8,03,837
	2,84,87,848	**8,03,837**

(₹)

Note 16 Provisions	As at March 31, 2020		As at March 31, 2019	
	Current	Non-current	Current	Non-current
a) Provision for leave entitlement	47,887	2,22,303	73,016	1,96,479
	47,887	**2,22,303**	**73,016**	**1,96,479**

(i) Information about individual provisions and significant estimates

a) Leave entitlement

The leave entitlement covers the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 47,887 (March 31, 2019: ₹ 73,016) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(₹)

Note 17 Revenue from operations	2019-20	2018-19
Revenue from contracts with customers:		
Sale of services		
Business auxiliary services	98,15,653	81,23,323
	98,15,653	81,23,323

(₹)

Note 18 Other income	2019-20	2018-19
Dividend from equity investment measured at FVOCI [1]	1,60,502	1,45,046
Dividend on current investments	12,72,118	1,65,673
Interest from others	47,66,097	31,64,583
Exchange rate difference gain (net)	(6,57,744)	15,75,162
Gain on investment measured at FVPL	11,57,311	1,64,607
Miscellaneous income	80	12,500
	66,98,365	52,27,571

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

(₹)

Note 19 Employee benefit expenses	2019-20	2018-19
Salaries, wages and bonus (refer Note 22.10)	81,85,689	61,86,007
Contribution to Provident and other funds (refer Note 22.10)	3,79,895	3,51,196
Staff welfare expenses	74,724	1,64,318
	86,40,308	67,01,521

(₹)

Note 20 Finance costs	2019-20	2018-19
Fees	7,69,175	-
Interest on borrowing	10,50,556	32,586
Interest on others	46,103	864
	18,65,834	33,450

(₹)

Note 21 Other expenses	2019-20	2018-19
Power, fuel and water	2,74,451	1,24,953
Travelling and conveyance	4,26,185	4,77,074
Payments to the Statutory Auditors		
a) Audit fees	1,71,000	1,69,800
b) Out of pocket expenses	-	1,993
Directors' fees	80,000	80,000
Manpower services	1,18,32,230	30,67,676
Provision for doubtful advance	11,71,724	-
Rent paid	50,000	50,000
Legal and professional fees	3,64,875	2,42,300
Bank charges	6,28,107	33,34,976
Miscellaneous expenses	5,59,086	10,47,307
	1,55,57,657	85,96,078

Note 22.1 Contingent liabilities

a) Claims against the Company not acknowledged as debts

The disputed demands for taxes and other matters amounts as of the reporting period ends are respectively as follows:

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts in respects of:		
i) Income tax	29,12,810	-

Note 22.2 Commitments

a) Capital commitments

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

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	4,02,40,796	20,77,98,498

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

Note 22.3 Earning per share

Earning 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	₹	(1,18,29,329)	(14,28,508)
Basic | Weighted average number of equity shares outstanding during the year	Number	36,78,872	32,54,312
Nominal value of equity share (₹) of 5,00,000 equity share	₹	7	7
Nominal value of equity share (₹) of 7,50,000 equity share	₹	100	100
Basic and diluted EPS	₹	(3.22)	(0.44)

Note 22.4 (A) Related party information

Name of the related party and description of relationship:

No	Name of the related party	Description of relationship
	Party where control exists	
1	Atul Ltd	Holding company
2	Atul Fin resource Ltd	Subsidiary companies
3	Atul Nivesh Ltd	
4	Anaven LLP	Joint operation
	Parties under common control with whom transactions have taken place during the year	
5	Amal Ltd	Subsidiary companies of holding company
6	Atul Bioscience Ltd	
7	Atul Infotech Pvt Ltd	
8	Atul Rajasthan Date Palms Ltd	
9	Lapox Polymers Ltd	
10	Rudolf Atul Chemicals Ltd	Joint venture company of holding company

(₹)

Note 22.4 (A) Transactions with Holding company		2019-20	2018-19
1	Service charges received		
	Atul Ltd	98,15,653	81,23,323
2	Capital goods purchased		
	Atul Ltd	95,16,704	-
3	Issuance of equity share to (including security premium)		
	Atul Ltd	21,75,01,670	30,55,91,716
4	Service charges paid		
	Atul Ltd	4,98,720	2,98,95,847
5	Reimbursement of expense		
	Atul Ltd	2,82,86,468	1,69,38,617
6	Brand usage charges paid		
	Atul Ltd	1,000	-
7	Lease rent		
	Atul Ltd	50,000	50,000
8	Outstanding balances as at year end		
	Trade Receivables		
	Atul Ltd	16,75,849	15,77,177
	Trade Payables		
	Atul Ltd	-	1,58,17,906

(₹)

Note 22.4 (B) Transactions with subsidiary companies of holding company		2019-20	2018-19
1	**Reimbursement of expense**		
	Amal Ltd	26,797	19,549
	Atul Bioscience Ltd	1,04,924	28,188
	Atul Infotech Pvt Ltd	-	8,052
2	**Direct investment made in equity shares**		
	Atul FinResources Ltd	4,99,99,997	-
	Atul Infotech Pvt Ltd	1,74,99,810	-
	Atul Ayurveda Ltd	83,330	-
	Atul Entertainment Ltd	41,670	-
	Atul Medical Care Ltd	41,670	-
	Atul Seeds Ltd	1,45,840	-
	Jayati Infrastructure Ltd	1,45,840	-
	Osia Dairy Ltd	1,45,830	-
3	**Interest received**		
	Atul Bioscience Ltd	42,85,720	8,64,370
4	**Loan given**		
	Atul Bioscience Ltd	-	4,50,00,000
5	**Outstanding balances as at year end**		
	Interest Receivable		
	Atul Bioscience Ltd	-	5,43,745
	Loan		
	Atul Bioscience Ltd	4,50,00,000	4,50,00,000
	Trade Payable		
	Atul Bioscience Ltd	28,570	-

(₹)

Note 22.4 (C) Transactions with joint venture company of holding company		2019-20	2018-19
1	**Reimbursement of expense**		
	Rudolf Atul Chemicals Ltd	19,738	9,979
2	**Outstanding balances as at year end**		
	Receivable		
	Rudolf Atul Chemicals Ltd	20,435	1,553

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

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

Note 22.5 Current and deferred tax

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

a) Income tax expense

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax		
Current tax on profits for the year	8,28,998	3,73,395
Adjustments for current tax of prior periods	418	(2,690)
Total current tax expense	**8,29,416**	**3,70,705**
Deferred tax		
(Decrease) | increase in deferred tax liabilities	1,66,969	3,79,593
Decrease | (increase) in deferred tax assets	21,298	(20,30,314)
Total deferred tax expense | (benefit)	**1,88,267**	**(16,50,721)**
Income tax expense	**10,17,683**	**(12,80,016)**

b) Income tax expense recognised in the Statement of Other Comprehensive Income:

(₹)

Particulars		2019-20	2018-19
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	12,685	9,720
	Income tax expense	12,685	9,720

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

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory income tax rate	15.60%	19.24%
Differences due to:		
Profit on sale on Investments measured at FVOCI	-	1.53%
Income exempt from income tax - Dividend income	-0.49%	-1.83%
Others	0.39%	-0.49%
Effective income tax rate	**15.50%**	**18.45%**

Note 22.5 Current and Deferred tax (continued)

c) Tax losses

During the year 2018-19, deferred tax assets of ₹ 16,66,641 has been recognised in respect of unused tax losses are used to offset against taxable profits of the Company.

d) Current tax assets (₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	16,94,219	16,29,373
Add: Current tax payable for the year	8,42,101	3,80,426
Less: Taxes paid	(8,02,072)	(3,15,579)
Closing balance	17,34,248	16,94,219

e) Deferred tax assets

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

(₹)

Particulars	As at March 31, 2020	(Charged) | Credited to profit or loss | OCI	As at March 31, 2019	(Charged) | Credited to profit or loss | OCI	As at March 31, 2018
Property, plant and equipment	4,67,095	1,04,284	3,62,811	3,62,811	-
Leave encashment	(181)	(181)	-	-	-
Unrealised gain on mutual fund	79,647	62,865	16,782	16,782	-
Total deferred tax liabilities	5,46,562	1,66,969	3,79,593	3,79,593	-
MAT credit entitlement	(18,91,977)	(7,26,276)	(11,65,701)	(3,66,292)	(7,99,409)
Provision for doubtful advances	(3,65,578)	(3,65,578)	-	-	-
Unused tax losses	(5,53,489)	11,13,152	(16,66,641)	(16,66,641)	-
Total deferred tax assets	(28,11,044)	21,299	(28,32,342)	(20,32,933)	(7,99,409)
Net deferred tax liabilities | (assets)	(22,64,481)	1,88,268	(24,52,748)	(16,53,340)	(7,99,409)

Note 22.6 Micro, Small and Medium Enterprises Development

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

Note 22.7 Consolidated Financial Statements

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

The Financial Statements are separate Financial Statement of the Company.

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

Note 22.8 Segment information

a) Description of segments and principal activities

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

b) Primary segment - business

(₹)

	Particulars	Performance and Other Chemicals		Investing activity and Business Auxiliary Services		Total	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
i)	Segment revenue						
	Gross revenue	-	-	98,15,653	81,23,323	98,15,653	81,23,323
	Net revenue from operations	-	-	98,15,653	81,23,323	98,15,653	81,23,323
ii)	Segment results						
	Profit | (Loss) before finance cost and tax	(1,42,96,106)	(46,47,098)	53,50,293	19,72,025	(89,45,812)	(26,75,074)
	Less: Finance costs	18,65,834	32,586	-	864	18,65,834	33,450
	Less: Other unallocable expenditure (net of unallocable income)					-	-
	Profit | (Loss) before tax	(1,61,61,939)	(46,79,684)	53,50,293	19,71,161	(1,08,11,646)	(27,08,524)
iii)	Other information						
	Segment assets	1,19,53,90,887	90,58,84,297	30,58,57,932	24,05,77,690	1,50,12,48,819	1,14,64,61,987
	Unallocated common assets	-	-	-	-	-	-
	Total assets	1,19,53,90,887	90,58,84,297	30,58,57,932	24,05,77,690	1,50,12,48,819	1,14,64,61,987
	Segment liabilities	57,17,84,641	44,21,93,725	14,65,220	16,47,743	57,32,49,861	44,38,41,468
	Unallocated common liabilities	-	-	-	-	-	-
	Total liabilities	57,17,84,641	44,21,93,725	14,65,220	16,47,743	57,32,49,861	44,38,41,468
	Additions to assets and intangible	39,45,81,695	65,67,37,867	64,683	54,000	39,46,46,378	65,67,91,867
	Unallocated additions to assets and intangible assets	-	-	-	-	-	-
	Total capital expenditure[1]	39,45,81,695	65,67,37,867	64,683	54,000	39,46,46,378	65,67,91,867
	Depreciation	12,43,703	7,25,519	18,162	2,850	12,61,865	7,28,369
	Unallocated depreciation	-	-	-	-	-	-
	Total depreciation	12,43,703	7,25,519	18,162	2,850	12,61,865	7,28,369

c) Secondary segment - geographical

(₹)

Particulars	In India		Outside India		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Segment revenue	98,15,653	81,23,323	-	-	98,15,653	81,23,323
Carrying cost of assets by location of	1,50,12,48,819	1,14,64,61,987	-	-	1,50,12,48,819	1,14,64,61,987
Additions to assets and intangible assets	39,46,46,378	65,67,91,867	-	-	39,46,46,378	65,67,91,867

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

Other disclosures:

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

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

iii) Segment Revenue received from single customer (Holding company) ₹ 98,15,653 (Previous year: ₹ 81,23,323).

Note 21.9 Additional information

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

A Balance Sheet as at March 31, 2020

(₹)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
A ASSETS			
1 Non-current assets			
a) Property,plant and equipment	ii	40,444	51,150
b) Financial assets			
i) Investments in subsidiary, associate companies and joint operation	iii.i	85,10,34,996	63,29,30,209
ii) Other Investments	iii.ii	75,39,639	1,18,89,601
iii) Loans	iv	11,81,473	4,77,49,524
iv) Other Financial Assets	v	5,92,562	10,000
c) Deferred tax assets (net)	xx.iv	22,64,481	28,13,493
d) Income tax assets (net)	xx.iv	15,66,470	15,31,445
Total non-current assets		86,42,20,064	69,69,75,422
2 Current assets			
a) Financial assets			
i) Investments	iii.iii	97,78,216	80,76,560
ii) Trade receivables	vi	16,96,284	15,77,177
iii) Cash and cash equivalents	vii	23,78,990	8,41,200
iv) Loans	iv	4,65,35,177	15,35,174
b) Other current assets	vii	-	2,30,690
Total current assets		6,03,88,667	1,22,60,801
Total assets		92,46,08,732	70,92,36,223
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	ix	36,33,54,500	30,51,51,600
b) Other equity	x	55,97,89,011	40,24,36,878
Total equity		92,31,43,511	70,75,88,478
Liabilities			
1 Non-current liabilities			
a) Provisions	xi	2,22,303	1,96,479
Total non-current liabilities		2,22,303	1,96,479
1 Current liabilities			
a) Financial liabilities			
i) Trade payables	xii		
Total outstanding dues of			
a) Micro enterprises and small enterprises		-	-
b) Creditors other than micro enterprises and small enterprises		1,07,658	5,74,289
ii) Other financial liabilities	xiii	8,68,765	6,15,507
b) Other current liabilities	xiv	2,18,607	1,88,453
c) Provisions	xi	47,887	73,016
Total current liabilities		12,42,918	14,51,265
Total liabilities		14,65,221	16,47,744
Total equity and liabilities		92,46,08,731	70,92,36,222

Note 21.9 Additional information (continued)

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

(₹)

Particulars	Note	2019-20	2018-19
INCOME			
Revenue from operations	xv	98,15,653	81,23,323
Other income	xvi	54,78,048	19,02,337
Total income		1,52,93,701	1,00,25,660
EXPENSES			
Employee benefit expenses	xvii	86,40,308	67,01,521
Finance costs	xviii	-	864
Depreciation and amortisation Expenses	ii	18,162	2,850
Other expenses	xix	12,84,938	13,49,264
Total expenses		99,43,408	80,54,499
Profit before tax		53,50,293	19,71,161
Tax expense			
Current tax	xx.iv	8,29,416	3,70,705
Deferred tax	xx.iv	5,49,012	(20,11,466)
Total tax expense		13,78,428	(16,40,761)
Profit for the year		39,71,866	36,11,921
Other comprehensive income			
a Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through other comprehensive income (FVOCI)		(43,49,840)	3,32,210
ii) Remeasurement gain | (loss) on defined benefit plans		(48,790)	(50,520)
iii) Income tax related to items above		12,685	9,720
Other comprehensive income, net of tax		(43,85,945)	2,91,410
Total comprehensive income for the year		(4,14,079)	39,03,331
Earnings per equity share			
Basic and diluted earning ₹ per equity share	xx.i	1.08	1.11

Note 21.9 Additional information (continued)

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

A. Equity share capital

(₹)

Particulars	Amount
As at March 31, 2018	21,18,97,100
Changes in equity share capital during the year	9,32,54,500
As at March 31, 2019	30,51,51,600
Changes in equity share capital during the year	5,82,02,900
As at March 31, 2020	36,33,54,500

B. Other equity

(₹)

Particulars	Reserves and surplus			Items of other comprehensive income	Total Other equity
	Securities premium	General reserve	Retained earnings	FVOCI equity instruments	
As at March 31, 2018	15,96,94,190	1,56,25,000	1,20,77,503	(7,17,270)	18,66,79,423
Profit for the year	-	-	36,11,921	-	36,11,921
Other comprehensive income	-	-	(40,800)	3,32,210	2,91,410
Total comprehensive income for the year	**-**	**-**	**35,71,121**	**3,32,210**	**39,03,331**
Securities premium on issue of share	21,23,37,216	-	-	-	21,23,37,216
Share issue expenses	(4,83,091)				(4,83,091)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	1,56,581	(1,56,581)	-
As at March 31, 2019	37,15,48,315	1,56,25,000	1,58,05,205	(5,41,641)	40,24,36,878
Profit for the year	-	-	39,71,866	-	39,71,866
Other comprehensive income	-	-	(36,105)	(43,49,840)	(43,85,945)
Total comprehensive income for the year	**-**	**-**	**39,35,761**	**(43,49,840)**	**(4,14,079)**
Securities premium on issue of share	15,92,98,439	-	-	-	15,92,98,439
Share issue expenses	(15,32,225)	-	-	-	(15,32,225)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	-	-	-
As at March 31, 2020	52,93,14,529	1,56,25,000	1,97,40,966	(48,91,482)	55,97,89,011

Note 22.10 Employee benefit obligations

Funded schemes

a) Defined benefit plans:

Gratuity

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

Balance Sheet amount (Gratuity)

(₹)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2018	13,96,970	(12,20,405)	1,76,565
Current service cost	48,599	-	48,599
Interest expense | (income)	1,06,868	(92,955)	13,913
Total amount recognised in profit and loss	1,55,467	(92,955)	62,512
Remeasurement			
Return on plan assets, excluding amount included in interest expense |	-	20,050	20,050
(Gain) | Loss from change in financial assumptions	15,204	-	15,204
(Gain) | Loss from change in demographic assumptions	(3,646)	-	(3,646)
Experience (gain) | loss	18,912	-	18,912
Total amount recognised in other comprehensive income	30,470	20,050	50,520
Employer contributions	-	(1,27,614)	(1,27,614)
Benefit payments	-	-	-
As at March 31, 2019	15,82,907	(14,20,924)	1,61,983
Current service cost	59,255	-	59,255
Interest expense | (income)	1,11,912	(98,704)	13,208
Total amount recognised in profit and loss	1,71,167	(98,704)	72,463
Remeasurement			
Return on plan assets, excluding amount included in interest expense |	-	29,522	29,522
(Gain) | Loss from change in financial assumptions	45,755	-	45,755
(Gain) | Loss from change in demographic assumptions	(5,836)	-	(5,836)
Experience (gain) | loss	(20,651)	-	(20,651)
Total amount recognised in Other Comprehensive Income	19,268	29,522	48,790
Employer contributions	-	-	-
Benefit payments	(4,75,415)	4,75,415	-
As at March 31, 2020	12,97,927	(10,14,691)	2,83,236

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

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of funded obligations	12,97,927	15,82,907
Fair value of plan assets	(10,14,691)	(14,20,924)
Deficit of Gratuity plan	2,83,236	1,61,983

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.24%	7.07%
Attrition rate	14.00%	11.87%
Rate of return on plan assets	6.24%	7.07%
Salary escalation rate	8.40%	8.04%

Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Discount rate	1.00%	1.00%	(2.99%)	(2.67%)	3.18%	2.87%
Attrition rate	1.00%	1.00%	(0.33%)	(0.14%)	0.35%	0.15%
Salary escalation rate	1.00%	1.00%	3.08%	2.82%	(2.96%)	(2.67%)

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

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

Major category of plan assets are as follows:

(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Insurance fund	9,89,860	13,96,093

Expected contributions to post-employment benefit plans for the year ending March 31, 2021 are ₹ 1,61,731

Note 22.10 Employee benefit obligations (continued)

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

(₹)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2020	1,75,421	1,62,748	7,01,263	5,68,522	16,07,954
As at March 31, 2019	5,53,542	1,33,586	5,15,229	7,99,540	20,01,897

b) Defined contribution plans:

Provident fund:

Amount of ₹ 1,35,253 (March 31, 2019: ₹ 1,00,337) is recognised as expense and included in the Note 19 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 51,694 (March 31, 2019: ₹ 23,774) is recognised as expense and included in the Note 19 'Salaries, wages and bonus'.

Note 22.11 Fair value measurements

Financial instruments by category (₹)

Particulars	As at March 31, 2020			As at March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	75,39,640	-	-	1,18,89,601	-
- Mutual funds	2,03,62,014	-	-	4,30,52,603	-	-
Trade receivables	-	-	16,96,284	-	-	15,77,177
Loans	-	-	4,77,16,649	-	-	4,92,84,698
Security deposits	-	-	10,000	-	-	10,000
Amount receivable from a related party into joint operation			-			91,468
Cash and bank balance	-	-	49,89,957	-	-	14,52,950
Total financial assets	2,03,62,014	75,39,640	5,44,12,891	4,30,52,603	1,18,89,601	5,24,16,293
Financial liabilities						
Borrowings			40,93,77,455			27,81,61,980
Trade payables	-	-	2,42,657	-	-	7,09,289
Employee benefits obligation	-	-	8,68,765	-	-	6,15,507
Security deposits			49,40,134			35,03,535
Creditor for capital goods			12,90,62,812			15,97,77,824
Amount payable to a related party into joint operation			2,56,24,600			-
Total financial liabilities	-	-	57,01,16,422	-	-	44,27,68,134

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹)

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

(₹)

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVPL					
Mutual funds			4,30,52,603	-	4,30,52,603
Financial Investments at FVOCI					
Quoted equity instruments		1,18,89,601	-	-	1,18,89,601
Total financial assets		1,18,89,601	4,30,52,603	-	5,49,42,204

There were no transfers between any levels during the year.

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

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

The carrying amounts of trade receivables, trade payables, bills receivables, advances receivable in cash, cash and cash equivalents are considered to be the same as their fair values.
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 22.12 Financial risk management

a) Management of liquidity risk

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

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

(₹)

As at March 31, 2020	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	12	40,93,77,455	-	40,93,77,455	40,93,77,455
Trade payables	14	2,42,657	2,42,657	-	2,42,657
Employee benefits obligation	13	8,68,765	8,68,765	-	8,68,765
Security deposits	13	49,40,134	49,40,134	-	49,40,134
Creditors for capital goods	13	12,90,62,812	12,90,62,812	-	12,90,62,812
Amount payable to a related party into joint operation	13	2,56,24,600	2,56,24,600	-	2,56,24,600
As at March 31, 2019	**Note**	**Carrying amount**	**Less than 12 months**	**More than 12 months**	**Total**
Borrowings	12	27,81,61,980	-	27,81,61,980	27,81,61,980
Trade payables	14	7,09,289	7,09,289	-	7,09,289
Employee benefits obligation	13	6,15,507	6,15,507	-	6,15,507
Security deposits	13	35,03,535	-	35,03,535	35,03,535
Creditors for capital goods	13	15,97,77,824	15,97,77,824	-	15,97,77,824

b) Management of market risk

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

i) price risk
ii) foreign exchange risk

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

Potential impact of risk	Management policy	Sensitivity to risk
i) Price risk		
The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. The fair value of quoted investments of the Company is in fair value through other comprehensive income securities exposes the Company to equity price risks. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through other comprehensive income as at March 31, 2020 is ₹ 75,39,639 (March 31, 2019: ₹ 1,18,89,601).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the risk management policies at group level. Any new investment or divestment must be approved by the Board of Directors, Chief Executive Officer.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows. For equity instruments, a 10% increase in prices would have led to approximately an additional ₹ 7,53,964 gain in other comprehensive income (2018-19: ₹ 11,88,960 gain). A 10% decrease in prices would have led to an equal but opposite effect.
ii) Foreign exchange risk		
The Company has foreign exchange risk arises from future commercial transactions and recognised financial liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows.	The Company has exposure arising out of import other than functional risks.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Standalone Financial Statements, the Company has calculated the impact as follows: For import creditor for capital goods, a 10% increase in rate would have led to approximately an additional ₹ 65,774 gain in the Statement of Profit and Loss (2018-19: ₹ 1,57,516). A 10% decrease in prices would have led to an equal but opposite effect.

Foreign currency risk exposure:

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	(€)	(₹)	(€)	(₹)
Financial liabilities				
Creditors for capital goods	12,17,870	9,99,42,619	16,923	13,13,003
Net exposure to foreign currency risk (liabilities)	12,17,870	9,99,42,619	16,923	13,13,003

Note 22.13 Capital management

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

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

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

(₹)

Particulars	March 31, 2020	March 31, 2019
Total debt	40,93,77,455	27,81,61,980
Total equity	90,23,74,359	70,26,20,520
Debt-Equity ratio	0.45	0.40

Note 22.14 Loans

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

(₹)

Particulars	Purpose	Amount outstanding as at		Maximum balance	
		March 31, 2020	March 31, 2019	2019-20	2018-19
Subsidiary companies of holding company:					
Atul Bioscience Ltd	Funding support	4.50	4.55	4.50	4.55

Notes:

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

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

Note 22.15 Offsetting financial assets and liabilities

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

a) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its borrowings. Refer to Note 12 for further information on assets hypothecated | mortgaged as security against borrowings. In case of default as per borrowing arrangement such collateral can be adjusted against the amounts due.

Note 22.17 Regrouped | Recast | Reclassified

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

Note 22.18 Authorisation for issue of the Standalone Financial Statements

The Standalone Financial Statements were authorised for issue by the Board of Directors on April 17, 2020.

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

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

B N Mohanan
Director

R R Joshi
Chief Finance Officer

L P Patni
Director

Mumbai
April 24, 2020

A P Patadiya
Company Secretary

Atul
April 17, 2020