

FORM A**Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31 of the Equity Listing Agreement)**

1	Name of the Company:	Atul Limited
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by	
	Chairman and Managing Director	 Sunil S Lalbhai Chairman and Managing Director
	CFO	 T R Gopi Kannan President, Finance and Company Secretary
	Auditor of the Company	For Dalal & Shah Firm Registration No. 102020W Chartered Accountants  Anish P Amin Partner Membership: 40451
	Audit Committee Chairman	 Dr S S Baijal



FOCUS

People Processes Products



Atul Ltd | Annual Report 2013-14

Our emphasis on continuous improvement is depicted by the 'eye' and our commitment to serve our customers everywhere by the 'globe'. The blue contour signifying the sky denotes our aspiration to grow consistently and the brown contour symbolising the earth, our obligation to the planet.

We in Atul are many, but we are all endeavouring to focus on achieving one common purpose: to enhance performance of our Company and thereby the value of all its stakeholders, namely, customers, employees, society and shareholders.

Contents

Every morning we are born again.
What we do today is what matters the most.
~ Buddha

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Forward looking statements

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

2013-14 in Retrospect

World economy* floundered, but started showing signs of recovery...

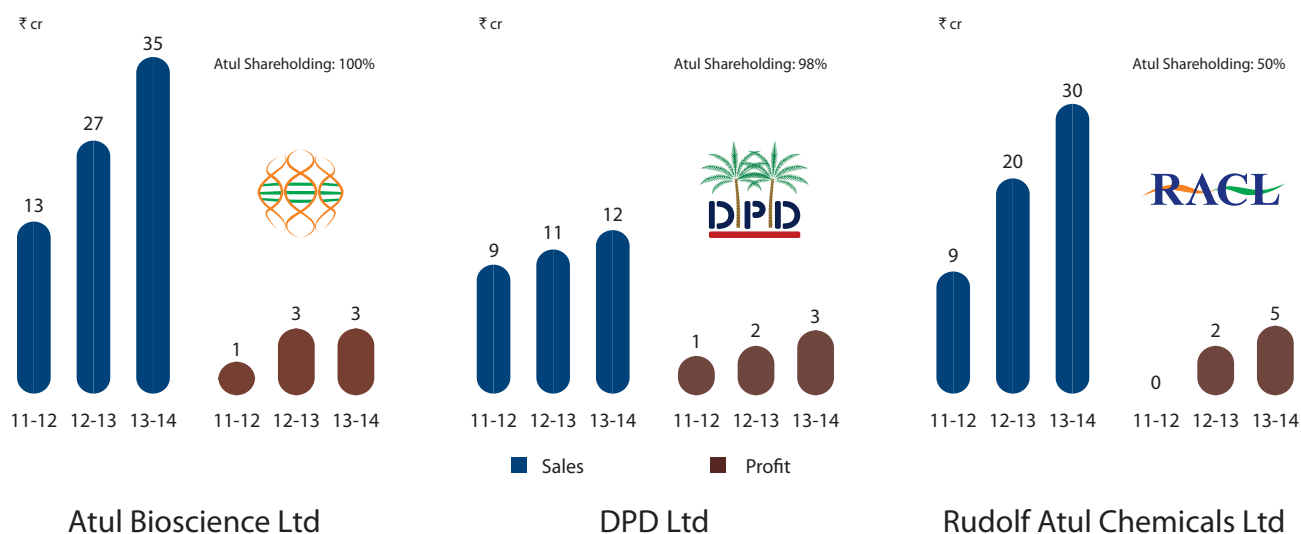
- World GDP grew slower at 3%
- GDP of China remained stable at 7.7%
- GDP of the USA and India grew slower at 1.9% and 4.4% respectively whereas that of Euro Area at -0.6% continued its decline

Basic inputs and forex rates continued to remain unpredictable...

- Crude oil price oscillated between US\$ 97 and US\$ 117 per barrel
- Natural gas price moved between ₹ 31 per nm³ to ₹ 37 per nm³
- Indian ₹ fluctuated between 53.73 and 68.36 against the US\$

Our Company sustained its trend of consistent improvement...

- Increased sales by 17% from ₹ 1,964 cr to ₹ 2,307 cr and profit before tax from ₹ 192 cr to ₹ 297 cr
- Undertook capex of ₹ 100 cr
- Served the society with 22 projects in the areas of education, health and infrastructure



* Calendar year 2013 for all countries except India where the year is April to March

Corporate Identity



Buddha

Buddhism was founded in India by Prince Siddhartha in the sixth century B.C. After he gained the most supreme wisdom, he became Buddha, the awakened one and taught eternal Values.

We are a diversified Indian company meeting the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour and Fragrance, Food, Glass, Home Care, Horticulture, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Textile and Tyre across the world. We manage complex chemical processes in a responsible way.

In order to enhance focus, we have placed the products belonging to the two Reporting Segments, namely Life Science Chemicals and Performance and Other Chemicals under seven Businesses, namely, Aromatics, Bulk Chemicals and Intermediates, Colors, Crop Protection, Floras, Pharmaceuticals and Intermediates and Polymers. These Businesses are managed through a matrix organisation structure consisting of Divisions and Units for achieving all-round excellence.

Privileged Past

- Founded by a legendary Indian, Mr Kasturbhai Lalbhai, on September 15, 1947
- ...
- First private sector company of India to be inaugurated by the first Prime Minister of India, Pandit Jawaharlal Nehru
- Part of Lalbhai Group, one of the oldest business houses of India with an enriching legacy of conducting business with a larger purpose

Persevering Present

- Consistently increasing process efficiencies and people productivity
- Diligently recovering valuable products from and treating pollutants
- Steadily increasing sales of own brands, an initiative started in 2004-05

Promising Future

- Growing in Life Science Chemicals and Performance and Other Chemicals Segments with numerous possibilities
- Having depth in science and technology and leveraging integrated manufacturing facilities
- Having the desire to take calculated and finite risks, courage to accept failures in such risks and commitment to build a learning organisation

Increasing shareholding of Promoter group 50.62% (March 31, 2014)

Consistently growing business with relatively small Equity Share capital: ₹ 29.68 cr (March 31, 2014)

Uninterrupted dividend since 1952 (except 1999-2000)



Serving Diverse Industries



Agriculture



Chemicals



Construction



Cosmetics



Dyes



Flavours and Fragrances



Home-Care



Horticulture



Paints and Coatings



Personal Care



Pharmaceuticals



Rubber



Soaps and Detergents



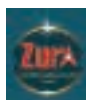
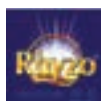
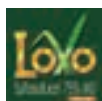
Textiles



Tyre

Scope and Span

- Production facilities in India (Ankleshwar and Valsad, Gujarat and Tarapur, Maharashtra)
 - Subsidiary company with production facility in the UK (Bristol)
 - JV companies with production facilities in India (Valsad, Gujarat and Jodhpur, Rajasthan)
 - Distribution network for brand sales across India
 - Wholly-owned subsidiary companies in Brazil (Sao Paulo), China (Shanghai), the UK (Wilmslow) and the USA (Charlotte, North Carolina)
- ...
- Manufactures about 900 products and 450 formulations divided into Life Science Chemicals and Performance and Other Chemicals
 - Serves about 5,000 customers world-wide
 - Owns 67 brands in Crop Protection and Polymers



Many Paths, One Purpose

We are committed to significantly enhance value for our Stakeholders by:

- Fostering a spirit of continuous learning and innovation,
- Adopting the developments in science and technology,
- Providing high quality products and services, thus becoming the most preferred partner,
- Having people who practise Values and high standard of behaviour,
- Seeking sustained, dynamic growth and securing long-term success,
- Taking responsible care of the surrounding environment and
- Improving the quality of life of the communities we operate in.



Mr Balwantrai Mazumdar
(1902 – 1981)

An economist, Mr Balwantrai Mazumdar was a voracious reader, sound thinker, patient listener and farsighted professional. He created an atmosphere of camaraderie that brought out the collective best of the people of Atul. He was the moving force behind making Atul Complex one of the largest eco-friendly chemical sites. He remained with the Group till the end of his life as did most of the people who worked with the Founder.



Mr Kasturbhai Lalbhai
(1894 – 1980)

The legacy of our Founder has been synonymous with 3 terms in the broadest sense: excellence, perseverance and trusteeship. We, the people of Atul, have the most onerous of responsibilities: to expand and diversify business footprints and follow his figurative footsteps. We will endeavour to achieve this remit in full measure.



Mr Siddharth Kasturbhai
(1923 – 1998)

A chemical engineer, Mr Siddharth Kasturbhai dedicated his life in the development of Atul Conglomerate, according equal value to the creation of wealth and service to society. The principles he upheld of trusteeship in governance, the personal qualities he lived by of integrity, perseverance, low profile and simplicity and the single-minded devotion he gave to the tasks on hand will remain our guiding force.

Many Views, Same Values

The name Atul is a unique asset, which amongst others, represents a rich heritage of Values. In an environment where change is a way of life, continuity of Values is fundamental to us. We have therefore formalised key Values and are committed to institutionalise them. We will seek to create an environment wherein these Values are consistently practised and nurtured and ensure that they are not compromised to realise short-term gains.

Integrity ...

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



Understanding ...

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



Unity ...

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



Responsibility ...

Responsibility means delivering value and taking ownership of actions. Responsibility must also give us the realisation that what is good for the business must be in the overall good. In essence, we must work with the spirit of trusteeship not only for the shareholders, but also for the other stakeholders. What comes to us must be returned many times over.



Excellence ...

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



Letter to the Shareholders

Dear Shareholders,

Our **legendary Founder**, Mr Kasturbhai Lalbhai, established Atul with an inspiring vision and eye for details. We are working with the realisation that we have the responsibility and privilege to be the reflection of his legacy and are endeavouring to carry it forward with passion - focusing on the Values exemplified by him and cherished by us: excellence, perseverance and larger purpose, as we pursue our goals.

In 2013, the **world GDP** grew 3% (from 3.2%). The GDP of the UK and Brazil registered a strong growth at 1.8% (from 0.3%) and 2.3% (from 1%) respectively whereas that of China was stable at 7.7%. The GDP of the USA and India grew slower at 1.9% (from 2.8%) and 4.4% (from 4.7%) respectively, but that of Euro Area at -0.6% (from -0.7%) continued its decline. It is expected that 2014 will overall be a better year for the world and also India.

The **World Chemical Industry***, the size of which is US\$ 4.1 t, grew by 2.5% in 2013. The first five countries in terms of size of their Chemical Industry are China (US\$ 1,340 b), the USA (US\$ 598 b), Japan (US\$ 225 b), Germany (US\$ 211 b), and South Korea (US\$ 163 b). India (US\$ 108 b) comes at number 6! The size and the share of Indian Chemical Industry only mirrors the possibilities of our times to grow and contribute to the economic and social development of India.

Our Company **improved its overall performance** in 2013-14; it attained:

Sales of ₹ 2,307 cr (17% over 2012-13), EBITDA of 15%** (14% in 2012-13), profit before tax from operations of ₹ 277** cr (₹ 187 cr in 2012-13), GWC of 133 days (141 days in 2012-13) and RoCE of 26%** (21% in 2012-13). More importantly, barring a small dip in 2011-12, our Company has been able to consistently improve its profit before tax from operations from ₹ 7 cr to ₹ 277** cr over the last 11 years.

The Board of Directors has recommended the highest ever **dividend** of 75%, considering improved performance and also to commemorate the 90th birth anniversary of our second Chairman, Mr Siddharth Kasturbhai, who tirelessly worked for 45 years to build and strengthen the foundations of our Company and simultaneously nurtured the Values with exemplary leadership. I trust you will give your unanimous support to the recommendation.

We completed 8 debottlenecking and expansion **projects** during 2013-14 and got approval of the Investment Committee of the Board to undertake 8 modernisation & expansion projects involving an outlay of ₹ 370 cr: these comprise, mainly, 2 projects related to modernisation and 6 projects of expansion (existing and new). It will be well within reach for our Company to cross sales of ₹ 3,500 cr once the approved projects are completed.

The **subsidiary and joint venture companies** are growing steadily. In particular, Atul Bioscience Ltd has increased its sales from ₹ 0 in 2009-10 to ₹ 35 cr in 2013-14 and Rudolf Atul Chemicals Ltd (RACL) has increased its sales from ₹ 9 cr in 2011-12 (the year in which Atul acquired 50% shareholding) to ₹ 30 cr in 2013-14. The Board of RACL has proposed a maiden dividend of 15% for 2013-14. With their consistent performance, these companies will enhance the intrinsic value of our Company.

Our Company continued to take initiatives for **serving the society**, remaining in step with its enriching legacy. The erection of buildings of Atul Institute of Vocational Excellence (AIVE), a project based on Public Private Partnership model, began in Dharampur, Gujarat; AIVE is expected to impart training to about 1,000 tribal students per year. All the other initiatives are mainly directed towards education, health and infrastructure.

Our future aspirations outweigh our past achievements, and it is imperative we de-risk businesses, make them

Leadership is first about managing self before managing others. Those in leadership positions in Atul are receptive to this timeless truth. As our Company grows beyond its current boundaries, self managing leadership becomes even more critical. We are endeavouring to promote a work environment wherein we lead by strength of our innate and attained abilities and not simply by the force of our positions. This is one of the primal tasks of leadership.



future ready and seize new opportunities; attracting, nurturing and retaining people then become an integral part of leadership at all levels. Our Company has always had a working environment wherein **people** are valued, respected and professionally challenged to give their best, and we are focusing on and reinforcing these fundamental leadership qualities.

We renew ourselves continuously so as to remain a young company after 66 years of existence. Our determination to go into details, our commitment to serve customers across the world, our aspirations to grow meaningfully and our responsibility towards the people and planet will determine the tangible and intangible performance of our Company. We have endeavoured to portray this **mandate** on the cover page.

Our Company has a huge potential to contribute to all its Stakeholders, and I wish to **recognise the efforts** made by every member of Atul family who is working to realise the possibilities of our times. My colleagues and I are privileged to receive directions, encouragement and guidance from the erudite and experienced Independent Directors who are amongst the best. Finally, I thank you for your support in our endeavour to grow Atul in a wider, more dynamic world.

As we move into the future, may God bless us with both what we desire and deserve.

Sincerely,

(Sunil S Lalbhai)

Chairman and Managing Director

* excluding Pharmaceutical Industry

** excluding one time special dividend income

Operational Highlights

Live out of your imagination, not your history.

~ Stephen Covey

The more we go in detail, individually and collectively, the more we work as a team and the more we demand from ourselves, the more we find that we are able to leverage on human creativity and access the enormous hidden potential of our Company. We are also endeavouring to grow in related and non-related products and services so as to realise the opportunities of our times. Our focus remains on improving the way we work, both at the workplace and in the marketplace.



People

- Prepared 115 standard operating procedures for HR function to facilitate uniformity in operations and knowledge documentation
- Introduced employee referral scheme in brands business
- Automated payroll processing of 5 subsidiary | associate companies
- Introduced bio-metric (face reader) attendance system at Ankleshwar Complex
- Compiled industrial relations history manual

Environment

- Decreased (gaseous) emission in 2 products by 94% on an average
- Decreased (liquid) effluent in 41 products by 79% on an average
- Decreased (solid) waste in 2 products by 100%
- Made Ankleshwar Complex 'zero liquid effluent discharge' facility
- Commenced construction of second solid land fill site at Atul Complex



Technology and Manufacturing

- Increased yield of 38 products by 2% on an average
- Increased recovery of solvents in 50 products by 6% on an average
- Decreased water consumption by 11% at Ankleshwar Complex
- Decreased time cycle in 18 products
- Increased batch size in 7 products



Marketing

- Sold in 7 new countries for the first time
- Launched 2 new brands
- Decreased overdue receivables in 1 Business
- Decreased inventories in 1 Business
- Increased contribution margin in 4 Businesses through selling price



Growth

- Added 205 new customers and 552 new distributors around the world
- Introduced 90 new products and 12 formulations
- Developed 67 new products and formulations by R&D
- Debottlenecked capacities of 2 products
- Undertook 26 projects for implementation with an investment outlay of ₹ 356 cr



Systems

- Implemented bar coding system for warehouse management for 1 Business
- Implemented data warehousing solution on open source platform
- Developed mobile telephone application to send requisition and receive quotation
- Automated 5 important paper based approvals
- Installed CCTV cameras in warehouses at Ankleshwar and Atul Complexes to improve warehouse management



Recognitions



Best business-eco efficiency
Global sustainability leadership award 2014
Aromatics Business



Best project collaboration
Global sustainability leadership award 2014
Atul Vidyamandir



Advocacy award
Kaizen competition: wealth from waste – pollution abatement
Aromatics Business



Excellence in strategic enterprise IT deployment
CIO 100 honouree 2013
Information Technology Unit



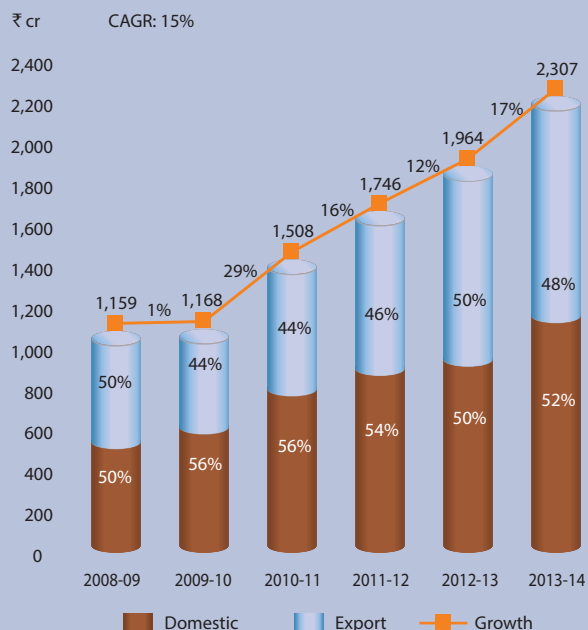
Silver EDGE 2013
Information Week
Information Technology Unit



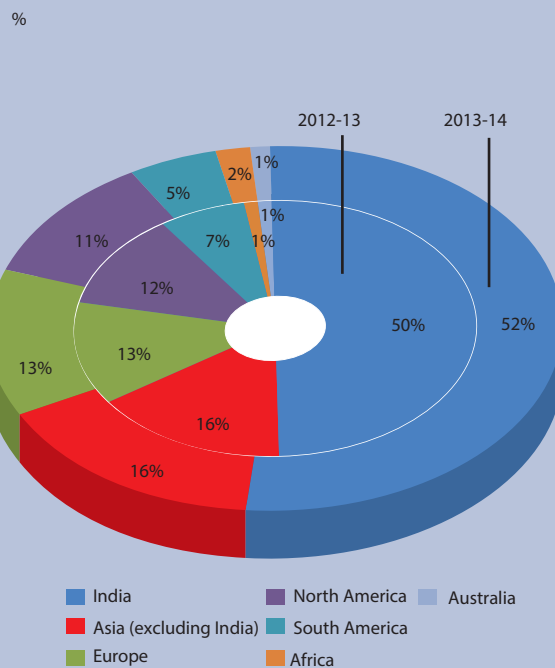
L&D team of the year
TISS LEAPVAULT CLO award
Human Resources Unit

Financial Charts

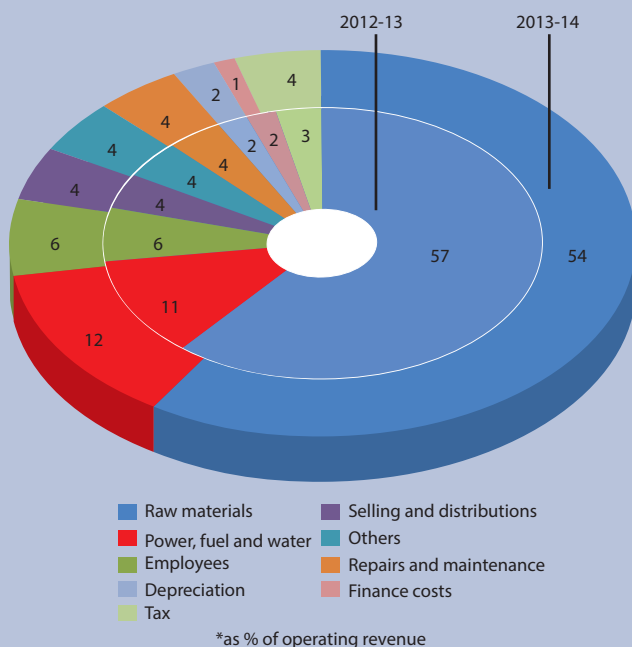
Sales



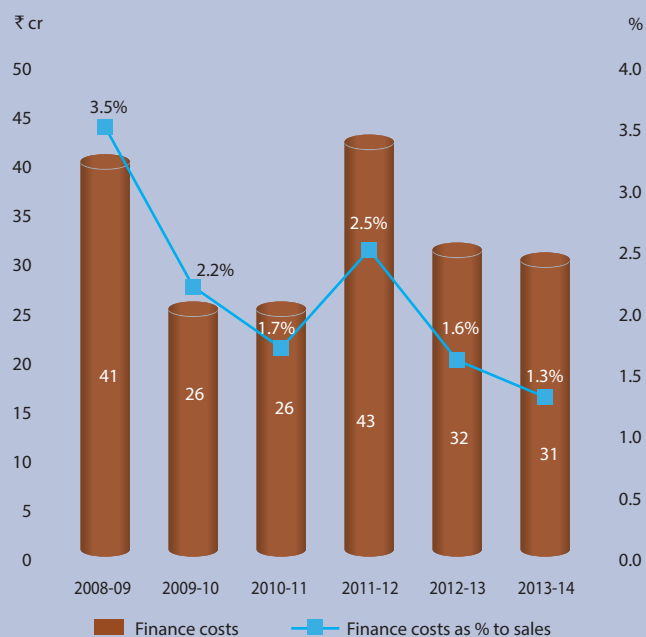
Sales by Geography



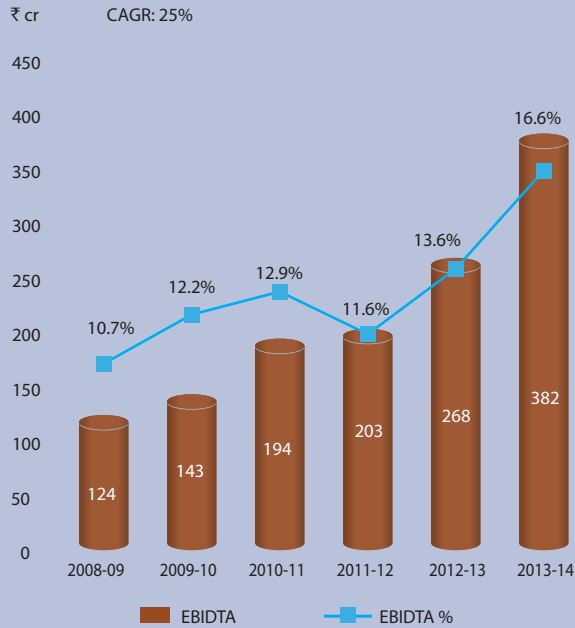
Expenses*



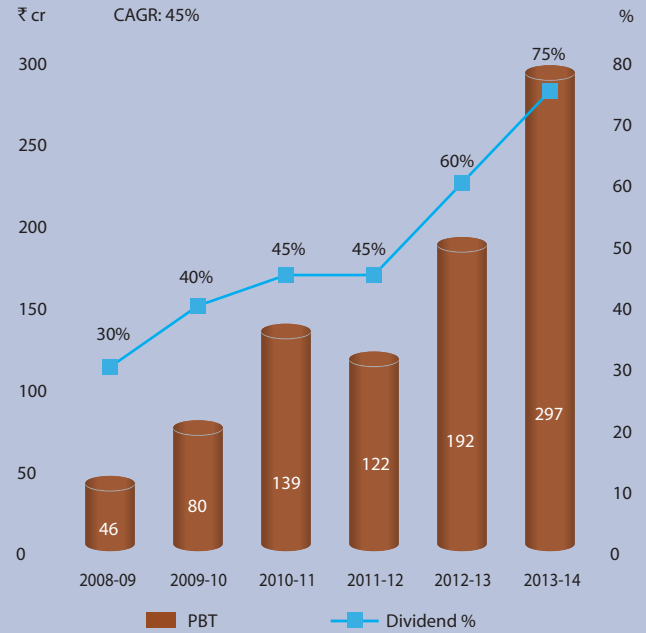
Finance Costs



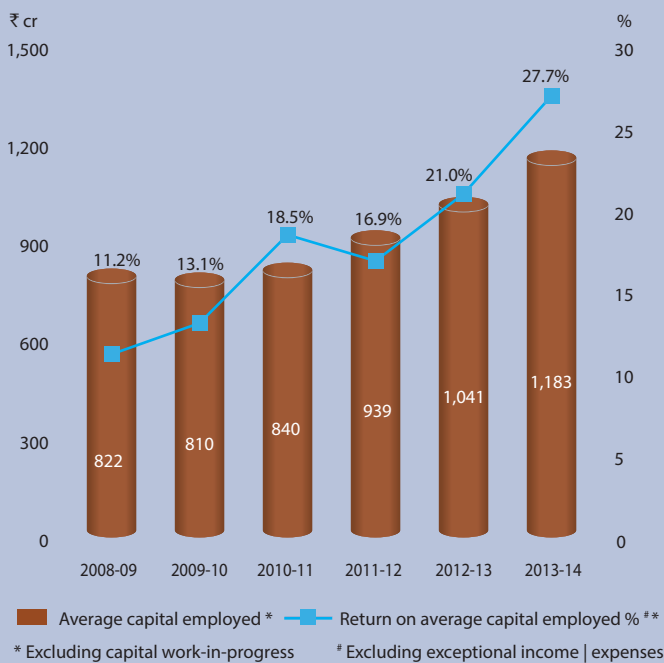
EBIDTA



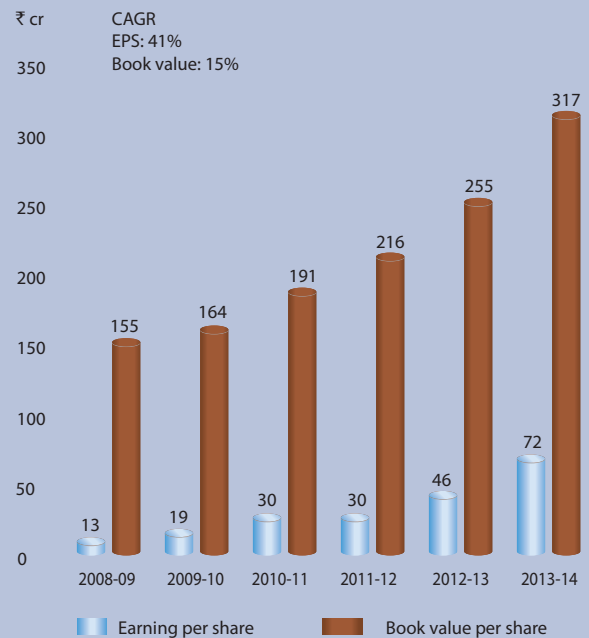
Profit Before Tax and Dividend



Return on Average Capital Employed

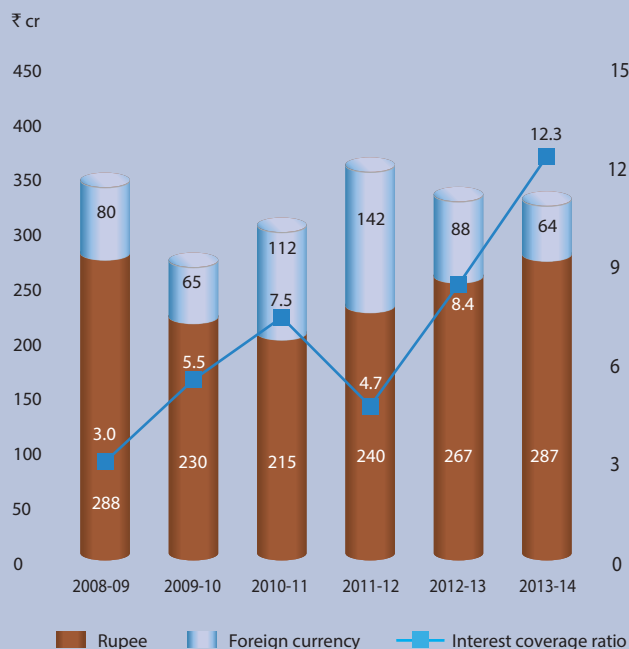


Earning and Book Value per Share

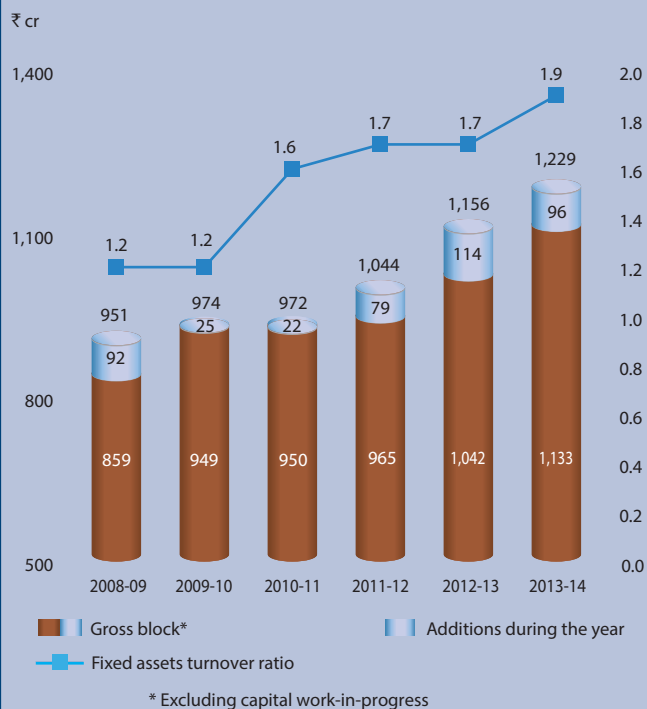


Financial Charts

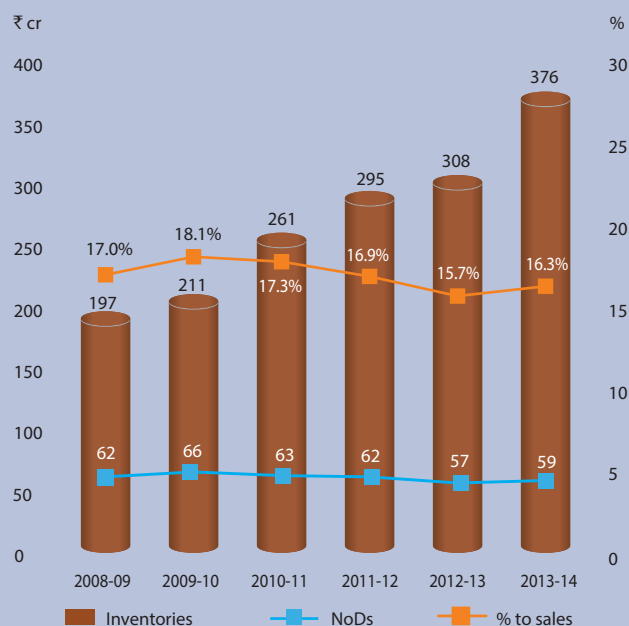
Borrowings



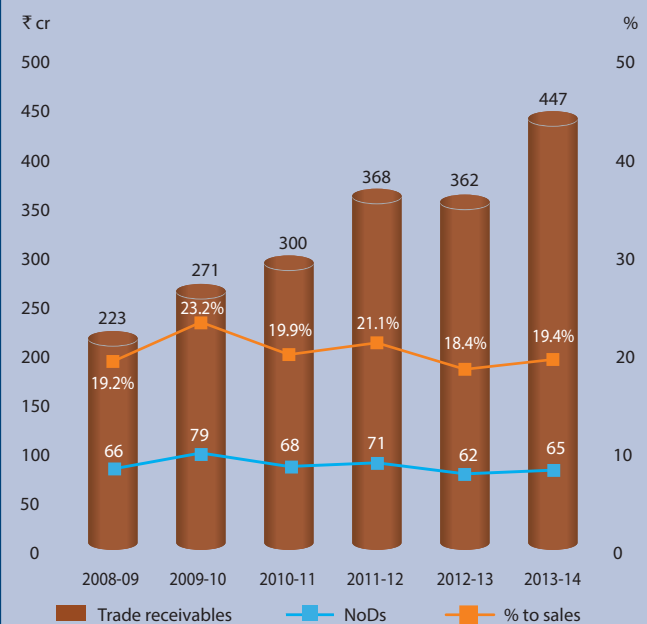
Fixed Assets



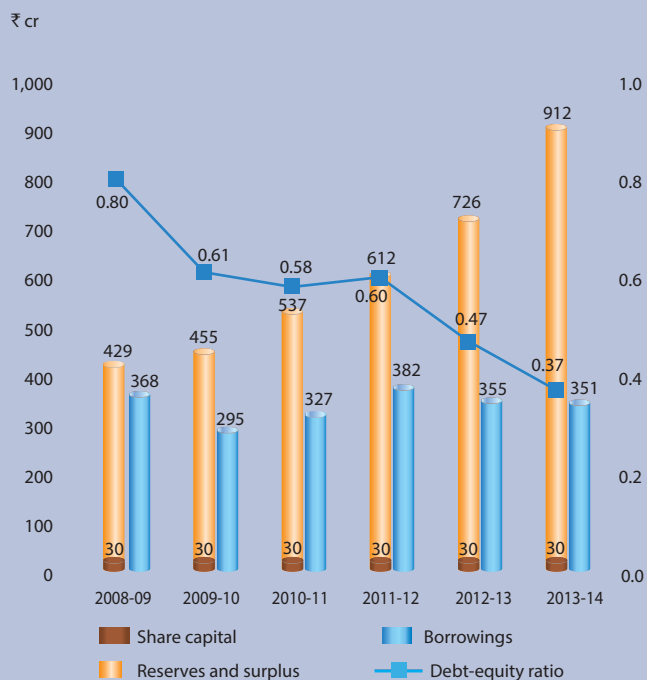
Inventories



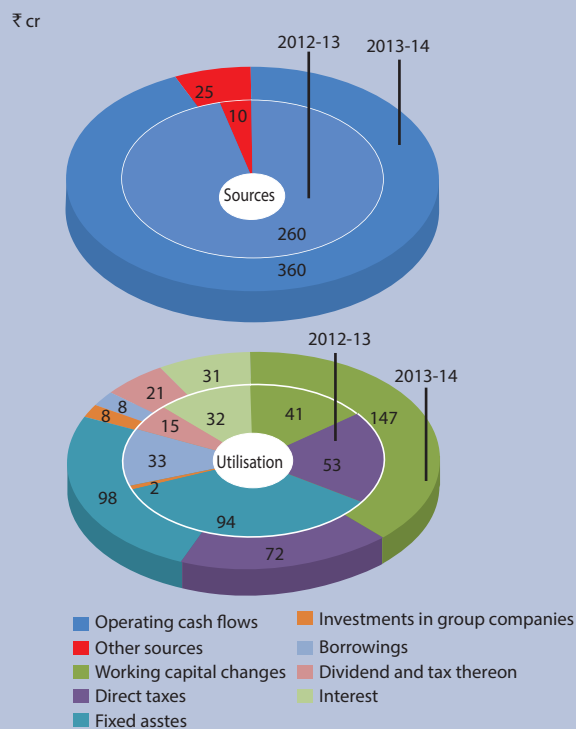
Trade Receivables



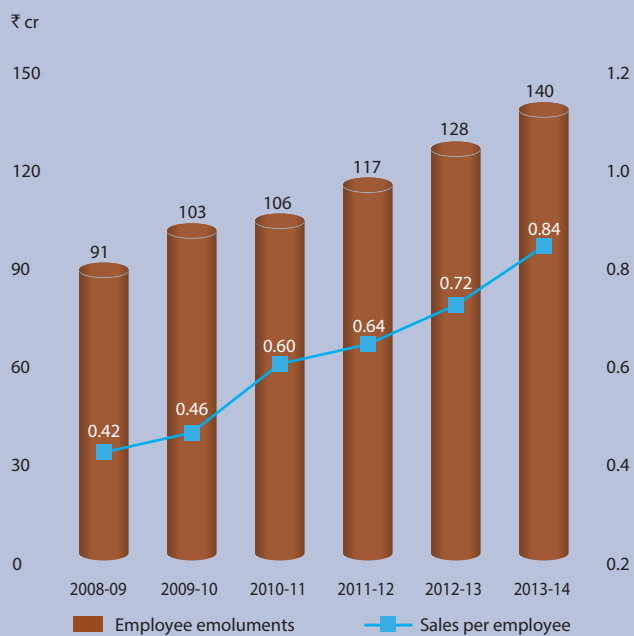
Debt-Equity



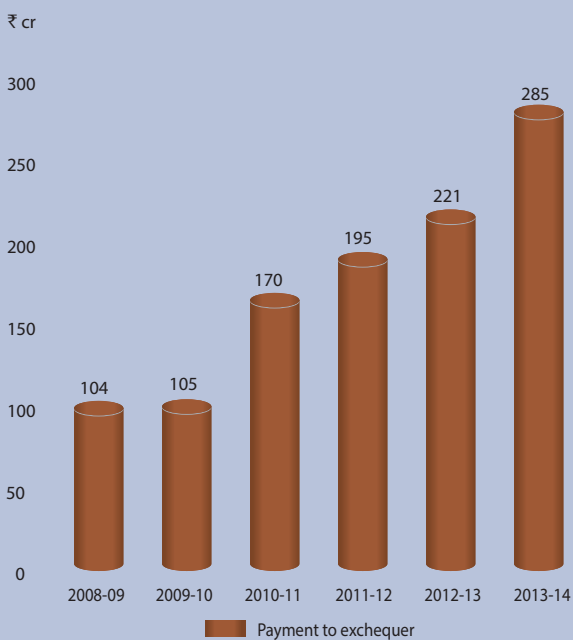
Sources and Utilisation of Cash



Employee Emoluments and Sales per Employee



Payment to Exchequer



Research



Our Research Unit has the mandate to sustain and improve our existing processes and products and develop new products and formulations, thus using chemistry in a responsible way to support our endeavour to enhance our environment performance, deepen and broaden market presence and achieve profitable, faster growth.

Each Business of Atul has dedicated Research and Development (R&D) and Quality Assurance Departments; these along with the Corporate R&D form RE Unit, with 286 employees. The Company is consistently investing in people and equipment to strengthen these functions for i) decreasing pollutants significantly by modifying processes, ii) identifying and retrieving products from pollutants, iii) assuring world-class quality, iv) achieving close to theoretical conversion efficiencies, v) making the processes more robust, vi) decreasing time cycles and vii) introducing new value added products and formulations.

During 2013-14, the Unit worked with 211 Key Initiatives. It helped to decrease pollutants in 23 products, decrease solvent charge in 33 products, improve quality of 18 products, increase yield of 19 products, decrease raw material consumption in 10 products and improve processes of 23 products. It developed 67 products and formulations and supported 38 scale-ups. It refurbished Aromatics R&D facilities and has taken up upgradation of Colors and Polymers R&D facilities.

Technology and Manufacturing

Our Technology and Manufacturing Unit has the mandate to implement projects and provide to the customers world class quality products manufactured with the rigour of continuous improvement in process efficiency and people productivity along with matching commitment to safety, health and environment.

Each Business of Atul has dedicated Technology and Manufacturing Departments; the combined number of employees in these two departments is 1,587. The Company is consistently investing in people, plants and machineries to strengthen these functions which in turn are engaged in undertaking scale-ups, establishing state-of-the-art manufacturing and related facilities, commissioning projects, ensuring agreed volumes and efficiency norms and achieving improvements in Unit Operations and Unit Processes.

During 2013-14, the Unit worked with 283 Key Initiatives. It implemented 8 debottlenecking and expansion projects with an investment outlay of ₹ 13 cr and 14 projects with an investment outlay of ₹ 47 cr to enhance environment performance; 26 projects with an investment outlay of ₹ 356 cr were undertaken for implementation. The output in volume terms was higher by 9%. It decreased gaseous, liquid and solid pollutants in 45 products, increased yields of 38 products, increased recovery of solvents in 50 products, decreased water consumption by 11% (at Ankleshwar Complex), increased people productivity through automation I mechanisation in 2 sections, decreased time cycle in 18 products, increased batch size in 7 products and debottlenecked capacity in 2 products.



Safety, Health and Environment

Safety, health and environment (SH&E) are three cornerstones of building and growing a chemical company. As one of the oldest chemical conglomerates of independent India, our Company has consistently taken initiatives since its very inception to enhance safety, promote health and protect environment. It continues to make significant investments in SH&E so as to benchmark against the best and remains committed to conduct business responsibly.

During 2013-14, Atul undertook 82 Key Initiatives related to SH&E; some of which are mentioned below:



Safety

- Conducted 148 programmes for enhancing safety awareness covering 2,564 employees at Ankleshwar and Atul Complexes
- Conducted 8 onsite mock drill at Ankleshwar and Atul Complexes
- Completed consequences analysis for 22 hazardous chemicals
- Conducted 8 hazop studies and mitigated 37 risks for new projects
- Conducted 97 safety audit for Ankleshwar and Atul Complexes

Health

- Circulated articles related to 8 health topics through Company Intranet
- Conducted 2 programmes for fitness and health awareness at Ankleshwar and Atul Complexes
- Carried out 3,585 general health checkup of employees working at Ankleshwar and Atul Complexes



Environment

- Received no objection certificate and Consolidated Consent and Authorisation for a joint venture company
- Added one standard operating procedure for e-waste management
- Installed additional multi effect evaporators at Ankleshwar and Atul Complexes
- Installed an additional incinerator at Atul Complex
- Made Ankleshwar Complex 'zero liquid effluent discharge' facility
- Commenced construction of second solid land fill site at Atul Complex



The Company has a well-staffed SH&E Department, consisting of professionals having relevant education and experience. The responsibility in these areas however finally rests with each employee. Regular training programmes are therefore conducted to reinforce commitment to SH&E in every function.

Serving the Society

Our privileges can be no greater than our obligations.

~ John Kennedy

The dream of our Founder, Mr Kasturbhai Lalbhai, in establishing Atul Complex was to create wealth in rural India, generate employment on a large-scale and make India self-reliant. With the passage of time, though the cast has changed, the intent and play have remained the same – to nurture the tested belief that what comes from the society must go back to it many times over. Quintessentially we want our Company to be a story with a strong social purpose.

Ever since its first plants were commissioned, Atul has been engaged in serving the society in the areas of education, empowerment, health, relief, infrastructure and conservation. The Company has started schools and vocational institutes, provided medical and other support to those less fortunate, especially during earthquakes, famines and floods and has improved facilities and amenities in the villages particularly around its manufacturing locations.

During 2013-14, the Company undertook 22 Key Initiatives to serve the society; some of them are highlighted below:



Education

- initiated teachers' visit to houses of all students of Atul Vidyalaya and Kalyani Shala
- organised lectures by distinguished self-made people from all walks of life to share their life experiences
- provided 9,000 writing materials to 2,800 students of 23 primary schools in 9 villages



Empowerment

- conducted 4 classes in 4 villages for making garments, covering 68 women
- conducted 4 classes in 3 villages for making soft toys, covering 40 women
- conducted 8 classes in 15 villages for operating computers, covering 160 students
- organised 12 vocational courses to train 747 students
- formed 3 self-help groups in 3 villages under assistance from National Bank for Agriculture and Rural Development

Health

- organised 13 blood donation camps in 8 villages and collected 1,623 bottles of blood
- conducted 6 eye camps in 6 villages, examined 2,117 patients, arranged 157 cataract operations and provided free spectacles to 1,767 persons
- conducted 2 general medical diagnostic camps in 2 villages



Relief

- contributed towards relief work during the floods in Uttarakhand
- encouraged employees to volunteer for various CSR initiatives under Atul Foundation.



Infrastructure

- constructed and repaired 7 civic amenities in 6 villages
- undertook 2 projects for providing drinking water facility in 2 villages
- distributed fertilisers at subsidised rate to 64 farmers



Conservation

- Planted 70,000 trees



Board of Directors



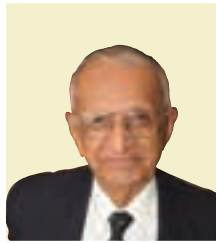
Mr G S Patel



Dr S S Baijal



Mr S S Lalbhai



Mr B S Mehta



Mr H S Shah



Mr S A Lalbhai



Mr S M Datta



Mr V S Rangan



Mr R A Shah



Mr B N Mohanan



Mr S Nammalvar

Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Ltd together with the audited statement of accounts for the year ended March 31, 2014.

Financial Results

(₹ cr)

	2013-14	2012-13
Sales	2,307	1,964
Revenue from operations	2,365	2,001
Other income	40	21
Total revenue	2,405	2,022
Profit before tax	297	192
Provision for tax	84	56
Profit for the year	213	136
Tax adjustments for the earlier years	-	-
Profit available for appropriation	213	136
Balance brought forward	498	397
Disposable surplus	711	533
Appropriations		
General reserve	21	14
Proposed dividend	22	18
Dividend distribution tax	4	3
Balance carried forward	664	498

Performance

Sales increased by 17% from ₹ 1,964 cr to ₹ 2,307 cr aided by both higher volumes (8%) and prices (9%). Sales in India increased by 22% from ₹ 986 cr to ₹ 1,199 cr. Sales outside of India increased by 13% from ₹ 978 cr to ₹ 1,108 cr. Revenue from operations increased by 18% from ₹ 2,001 cr to ₹ 2,365 cr. PBT for the year includes about ₹ 20 cr of one-time special dividend income received; including such special income, the earnings per share increased from ₹ 45.69 to ₹ 71.74. While the operating profit before working capital changes increased by 38% from ₹ 260 cr to ₹ 360 cr, the net cash flow from operating activities declined by 16% from ₹ 167 cr to ₹ 141 cr mainly on account of the growth in working capital consequent to the higher level of sales achieved.

Both the Segments of the Company, namely, Life Science Chemicals Segment (LSC) and Performance and Other Chemicals Segment (POC) showed improvement in performance. The sales of LSC increased by 6% from ₹ 699 cr to ₹ 738 cr, aided by higher sales of Crop Protection and Pharmaceuticals and Intermediates and its EBIT increased by 8% from ₹ 139 cr to ₹ 150 cr. The sales of POC increased by 24% from ₹ 1,265 cr to ₹ 1,569 cr, supported by growth in Colors and Polymers and its EBIT increased from ₹ 90 cr to ₹ 173 cr. More details are given in the 'Management Discussion and Analysis' Report.

The Company reduced its borrowings (including current maturities on long-term borrowings) by 1% from ₹ 355 cr to

₹ 351 cr despite the growth in working capital to support higher sales and payments towards capital expenditure of about ₹ 100 cr.

The Company improved its credit rating from 'AA-' (double A minus) to 'AA' (double A) for its long-term borrowings, awarded by CARE. Its rating for short-term borrowings and commercial paper remained at A1+, the highest possible, awarded by CARE.

The Company is in the process of implementing 33 projects with a total outlay of about ₹ 480 cr; these projects are expected to be commissioned in during 2014-15 and 2015-16. It completed 14 projects related to environment protection during 2013-14 and is expected to complete 8 more projects by way of reduction in and treatment of pollutants.

Dividend

The Board recommends payment of dividend of ₹ 7.50 per share on 2,96,61,733 Equity Shares of ₹ 10 each fully paid-up. The dividend will entail an outflow of ₹ 26 cr (including dividend distribution tax) on the paid-up Equity Share capital of ₹ 29.66 cr.

Management Discussion and Analysis

Management Discussion and Analysis covering performance of the two Reporting Segments, namely, Life Science Chemicals and Performance and Other Chemicals, is given at page no 27 to 33.

Corporate Governance

A Report on Corporate Governance along with the certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreements is given at page no 34 to 46.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and Employees

Information required under Section 217 (1) (e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms a part of this Report. However, as per the provisions of Section 219 (1) (b) (iv), the Report and Accounts are being sent to all the Members excluding the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo and the statement of particulars of employees. Any Member interested in obtaining such particulars may inspect the same at the Registered office of the Company or write to the Company Secretary for a copy.

Insurance

The Company has taken adequate insurance to cover the risks to its people, plants and machineries, buildings and other assets, profits and third parties.

Fixed Deposits

The fixed deposits which matured on or before March 31, 2007, but remained outstanding since then were transferred to the Investor Education and Protection Fund as required under Section 205 C of the Companies Act, 1956.

Subsidiary Companies

The Company has fourteen subsidiary companies namely, Atul Bioscience Ltd, Atul Biospace Ltd, Atul Rajasthan Date Palms Ltd, Aasthan Dates Ltd, Biyaban Agri Ltd, Raja Dates Ltd, DPD Ltd, Atul USA Inc, Atul Europe Ltd, Atul Deutschland GmbH, Atul China Ltd, Atul Brasil Quimicos Ltda, Ameer Trading Corporation Ltd and Atul Infotech Pvt Ltd .

Pursuant to the general exemption granted by the Central Government, details as provided under Section 212 (1) of the Companies Act, 1956 in respect of the subsidiary companies are not attached. However, the Investors may seek the copies of the Annual Reports and related detailed information of the subsidiary companies by writing to the Company Secretary at the Registered office.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that to the best of their knowledge and belief:

- (i) In the preparation of the annual accounts, the applicable Accounting Standards were followed

- (ii) Such Accounting Policies were selected and applied consistently and such 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 as on March 31, 2014 and of the profit of the Company for the year ended on that date
- (iii) Proper and sufficient care was taken to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (iv) The attached annual accounts for the year ended March 31, 2014 were prepared on a going concern basis

Directors

According to Article 134 of the Articles of Association of the Company, Mr B N Mohanan and Mr B S Mehta retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting (AGM) scheduled on July 25, 2014.

Subject to the approval of the Members in the AGM:

- Mr B N Mohanan was reappointed as a Whole-time Director of the Company effective January 01, 2014.
- Mr S Nammalvar was appointed as an Alternate Director (in whole-time capacity) to Mr B N Mohanan, Whole-time Director effective March 28, 2014.

Reappointment of Independent Directors is proposed till March 31, 2019 in the AGM Notice.

Auditors

Dalal & Shah, the Statutory Auditors of the Company, will retire at the conclusion of the ensuing AGM. They have given their consent to continue to act as the Auditors for 2014-15, if reappointed.

The relevant notes forming a 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.

The Board appointed R Nanabhoy & Co as the Cost Auditors for 2014-15 on May 02, 2014.

Acknowledgements

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

For and on behalf of
the Board of Directors

Mumbai
May 02, 2014

(Sunil S Lalbhai)
Chairman and Managing Director

Management Discussion and Analysis

The Businesses of Atul Ltd are classified into two Reporting Segments, namely, Life Science Chemicals Segment and Performance and Other Chemicals Segment.

Segment: Life Science Chemicals

	2013-14	2012-13	% Change
Sales (₹ cr)	738	699	6
Share in total sales (%)	32	36	(4)

Business-wise performance

The performance and other details of the Businesses are given below:

Crop Protection

Products *Fungicides, Herbicides, Insecticides, Others*



Crop Protection Business mainly comprises Fungicides, Herbicides and Insecticides. The products are used by customers belonging to Agriculture industry for the protection of crops. The Business comprises about 15 products and 46 formulations.

During 2013-14, sales increased by 12% from ₹ 385 cr to ₹ 433 cr. Sales in India increased by 40% from ₹ 141 cr to ₹ 197 cr; bulk sales in India increased by 38% from ₹ 68 cr to ₹ 94 cr whereas brand sales which are currently only in India increased by 41% from ₹ 73 cr to ₹ 103 cr. Sales outside of India decreased by 3% from ₹ 244 cr to ₹ 236 cr and formed 55% of the total. Growth on account of volume was 10%. Sales from new products and formulations were ₹ 7 cr. The Company completed 2 projects and undertook 3 projects for implementation.

World market for crop protection chemicals is estimated at US\$ 54 bn and is growing at about 3%. Indian market for such chemicals is estimated at US\$ 1.5 bn and is growing at about 7%. There are about 60 major companies which dominate the

world marketplace, and there are about 13 companies in India having sales of more than US\$ 100 mn.

The main user industry, namely, Agriculture, is growing well because of increasing population on the one hand and improving standard of living on the other. The Company will participate in this growth by i) building a strong sales and marketing organisation and broadening and deepening its presence in other countries, particularly in Africa and South America, ii) promoting its brands, iii) increasing its manufacturing and working capital efficiencies, iv) generating and adding capacities and v) introducing new products and formulations.

Floods or famines will adversely affect the demand. Registration costs are high in certain countries. Fluctuations in foreign exchange may impact sales realisations. Given that some of these chemicals can be toxic, it is essential to take utmost care in their manufacture and use.



Pharmaceuticals

Products *APIs, API Intermediates, Others*



Pharmaceuticals and Intermediates Business mainly comprises API intermediates and a few APIs. The products are used by customers belonging to Pharmaceutical industry, under five broad therapeutic categories, namely, anti-depressant, anti-diabetic, anti-infective, anti-retroviral and cardiovascular. The Business comprises about 38 products.

During 2013-14, sales decreased by 3% from ₹ 314 cr to ₹ 306 cr. Sales in India increased by 1% from ₹ 171 cr to ₹ 172 cr. Sales outside of India decreased by 6% ₹ 143 cr to ₹ 134 cr and formed 44% of the total. Degrowth on account of volume was 7%. Sales from new products were ₹ 7 cr. The Company completed 8 projects and undertook 3 projects for implementation. Atul Bioscience Ltd, a 100% subsidiary company, focussed on production of advanced API intermediates, sales of which increased by 30% from ₹ 27 cr to ₹ 35 cr, primarily because of volume; and it completed capacity expansion in both of its plants.

World market for pharmaceuticals is estimated at US\$ 820 bn (comprising US\$ 700 bn prescription drugs and US\$ 120 bn generic drugs) and is growing at about 5%. Indian pharmaceuticals market is estimated at US\$ 22 bn (including sales out of India) and is growing at about 10%. There are

about 20 major companies which dominate the world marketplace in prescription drugs space with share of about 65% and about 8 companies in generic drugs space with share of about 70%.

The main user industry, namely, Healthcare, is growing well because of increasing awareness about diseases and health. The Company along with Atul Bioscience will participate in this growth by i) widening its market reach, ii) increasing its manufacturing efficiencies, iii) generating and adding capacities and iv) introducing new products. It will also form long-term alliances with other companies.

Prices of many products come down significantly in a short time. Fluctuations in foreign exchange may impact sales realisations.



Segment: Performance and Other Chemicals

	2013-14	2012-13	% Change
Sales (₹ cr)	1,569	1,265	24
Share in total sales (%)	68	64	4

Business-wise performance

The performance and other details of the Businesses are given below:

Products *p-Cresol, Others*



Aromatics

Aromatics Business mainly comprises *p-Cresol* and its downstream products. The products are mainly used by customers belonging to Flavour and Fragrance and Personal Care industries. The Business comprises about 29 products.

During 2013-14, sales increased by 6% from ₹ 388 cr to ₹ 410 cr. Sales in India decreased by 10% from ₹ 113 cr to ₹ 102 cr. Sales outside of India increased by 12% from ₹ 275 cr to ₹ 308 cr and formed 75% of the total. Growth on account of volume was 3%. Sales from new products were ₹ 6 cr. The Company completed 6 projects and undertook 4 projects for implementation.

World market of *p-Cresol* is estimated at 55,000 mt and is growing at about 3%. Though earlier the product used to be manufactured

in the UK and the USA, China and India are now the major suppliers of the product. World market of flavour and fragrance chemicals is estimated at US\$ 23 bn and is growing at about 5%.

The main user industries, namely, Flavour and Fragrance and Personal Care, are growing well because of increasing population on the one hand and improving standard of living on the other. The Company will participate in this growth by i) broadening its market reach, ii) increasing its manufacturing efficiencies, iii) adding capacities and iv) introducing new products.

The prices of key raw materials which are derived from crude oil fluctuate almost monthly whereas the customers in the user industries expect the prices of the finished products to remain firm for a quarter or even more; on such occasions, it is possible to get affected adversely. Fluctuations in foreign exchange may impact sales realisations.



Bulk Chemicals

Products *Sodium Hydroxide, Chlorine, Sulphuric Acid, Sulphur Trioxide, Chlorosulphuric Acid, Resorcinol, Others*



The captive consumption of bulk chemicals is expected to grow as the Company expands manufacturing capacities of its various products. Tyre industry is expected to grow further because of increasing population on the one hand and improving standard of living on the other. The Company will participate in this growth by i) widening its market reach, ii) increasing its manufacturing efficiencies, iii) modernising its bulk chemicals plant, iv) adding capacities and v) introducing new and downstream products.

The demand and prices of bulk chemicals are cyclical in nature. Fluctuations in foreign exchange may impact sales realisations.

Bulk Chemicals and Intermediates Business mainly comprises Sodium Hydroxide, Chlorine, Sulphuric Acid, Oleum, Sulphur Trioxide, Chlorosulphonic Acid and Resorcinol. Barring Chlorosulphonic Acid and Resorcinol, the rest of the products are used for captive consumption. Resorcinol is mainly used by customers belonging to Tyre industry. The Business comprises about 26 products.

During 2013-14, (external) sales increased by 29% from ₹ 77 cr to ₹ 99 cr. Sales in India increased by 37% from ₹ 60 cr to ₹ 82 cr. Sales outside of India remained constant at ₹ 17 cr and formed 17% of the total. Growth on account of volume was 16%. Sales from new products were ₹ 19 cr. The Company completed 1 project and undertook 2 projects for implementation.

World market for bulk chemicals is growing at about 0.5% and Indian market is growing at about 2%. World market for Resorcinol is estimated at US\$ 300 mn and is growing at about 3%; Indian market for the product is estimated at US\$ 15 mn and is growing at about 5%.



Colors

Products *Textile dyes, Textile chemicals, Pigments, Paper dyes, Inks, Others*



Colors Business mainly comprises dyes for natural fibres such as Vat, Sulphur Black and Reactive and in a small way high performance pigments. The products are used by customers belonging to Textile and Paint and Coatings industries. The Business comprises about 550 products. Rudolf Atul Chemicals Ltd, a JV company formed in 2011-12, provides a complete range of textile chemicals in Indian market.

During 2013-14, sales increased by 29% from ₹ 330 cr to ₹ 426 cr. Sales in India increased by 24% from ₹ 187 cr to ₹ 231 cr. Sales outside of India increased by 36% from ₹ 143 cr to ₹ 195 cr and formed 46% of the total. Increase on account of volume was 6%. Sales from new products were ₹ 30 cr. The Company completed 5 projects and undertook 4 projects for implementation. It sold off its shareholding in M. Dohmen S.A., a JV company; the transaction was however completed on April 03, 2014. Rudolf Atul Chemicals increased sales by 51% from ₹ 21 cr to ₹ 31 cr, mainly because of volume growth.

World market for dyes and textile chemicals is estimated at US\$ 12 bn and is growing at about 2% and Indian market

is estimated at US\$ 800 mn and is growing at about 3%. China is the largest manufacturer of dyes followed by India. World market for high performance pigments is estimated at US\$ 3.5 bn and is growing at about 4%.

The main user industry, namely, Textile, is showing signs of recovery in India and abroad. Automobile industry is growing well. The Company along with Rudolf Atul Chemicals will participate in this growth by i) broadening its market reach, ii) increasing its manufacturing and working capital efficiencies and iii) introducing new dyes, pigments and textile chemicals.

Fluctuations in foreign exchange may impact sales realisations. Treatment costs are expected to remain high given that the manufacture of dyes generates significant pollutants.



Polymers

Products *Epoxy Resins and Hardeners, Reactive diluents, Sulphones, Others*



Polymers Business mainly comprises Epoxy Resins and Hardeners and formulations thereof, other components such as air release agents, reactive diluents, rheological modifiers, wetting agents, etc and Sulphones. These products are used by Automobile, Construction, Defence, Electrical and Electronics, Footwear, Handicraft, Marine, Paint and Coatings, Paper and Wind Energy industries. The Business comprises about 64 products and 275 formulations.

During 2013-14, sales increased by 35% from ₹ 468 cr to ₹ 633 cr. Sales in India increased by 33% from ₹ 312 cr to ₹ 415 cr. Brand sales which is currently only in India increased by 18% from ₹ 72 cr from to ₹ 85 cr . Sales outside of India increased by 40% from ₹ 156 cr to ₹ 218 cr and formed 34% of the total. Increase on account of volume was 24%. Sales from new products were ₹ 12 cr. The Company completed 4 projects and undertook 5 projects for implementation. Though already incorporated, Atul Elkay Polymers Ltd, a JV company, is still assessing the demand potential for stone care chemicals in India.

World market for Epoxy Resins and Hardeners is estimated at US\$ 6.2 bn and is growing at about 2% and Indian market is estimated at US\$ 225 mn and is growing at about 5%. There are about 7 major companies which dominate the

world marketplace. The two key raw materials, namely Bisphenol-A and Epichlorohydrin, are imported into India. World market for Sulphones is estimated at US\$ 300 mn and is growing at about 4%.

The user industries, Construction, Defence, Electrical and Electronics and Paint and Coatings, are growing well, particularly in India. The Company will participate in this growth by i) widening its market reach, ii) increasing its manufacturing and working capital efficiencies, iii) generating and adding new capacities of Epoxy Resins and Hardeners and iv) introducing new products and formulations.

Cheaper imports of Epoxy Resins and Hardeners will keep the contribution margins under pressure. Since the two main raw materials are imported, fluctuations in foreign exchange may impact margins.



Internal Control Systems



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

The Company has an in-house Internal Audit Department consisting of professionally qualified managers and is also working with reputed firms specialising in internal audit function. The combined efforts are helping to introduce best practices required to manage its growing business that now comprises, amongst others, subsidiary, JV and associate companies in India and abroad. Internal Audit is also carried out for Atul Foundation and entities overseen by it.

During 2013-14, the Company further strengthened the systems of internal audit and risk assessment and mitigation and took several Key Initiatives. In specific, it i) conducted 126 process reviews, ii) developed Corporate Assurance manual and introduced 6 best internal audit practices, iii) developed | implemented 10 new SOPs and iv) initiated SOP standardisation project for all functions.

Human Resources

The Company continued with its drive to institutionalise and upgrade its HR processes, particularly those related to Performance Management, Learning and Development and Manpower Planning.

The process of identification and review of Key Initiatives has become more robust and is continuously upgraded. On an average, 5 man days of training was imparted during 2013-14. The training need is identified based on self assessment and L+1 assessment; in addition, there are certain standard courses which everyone is expected to go through, depending upon his (her) grade.

The number of employees (as on March 31, 2014) increased by 45 or 2% to 2,761, mainly in Marketing, Product Management and Research and Development. The number of employees comprises those working in the Company and also in its non-manufacturing subsidiary and associate companies, but not those working in manufacturing subsidiary, JV or associate companies.

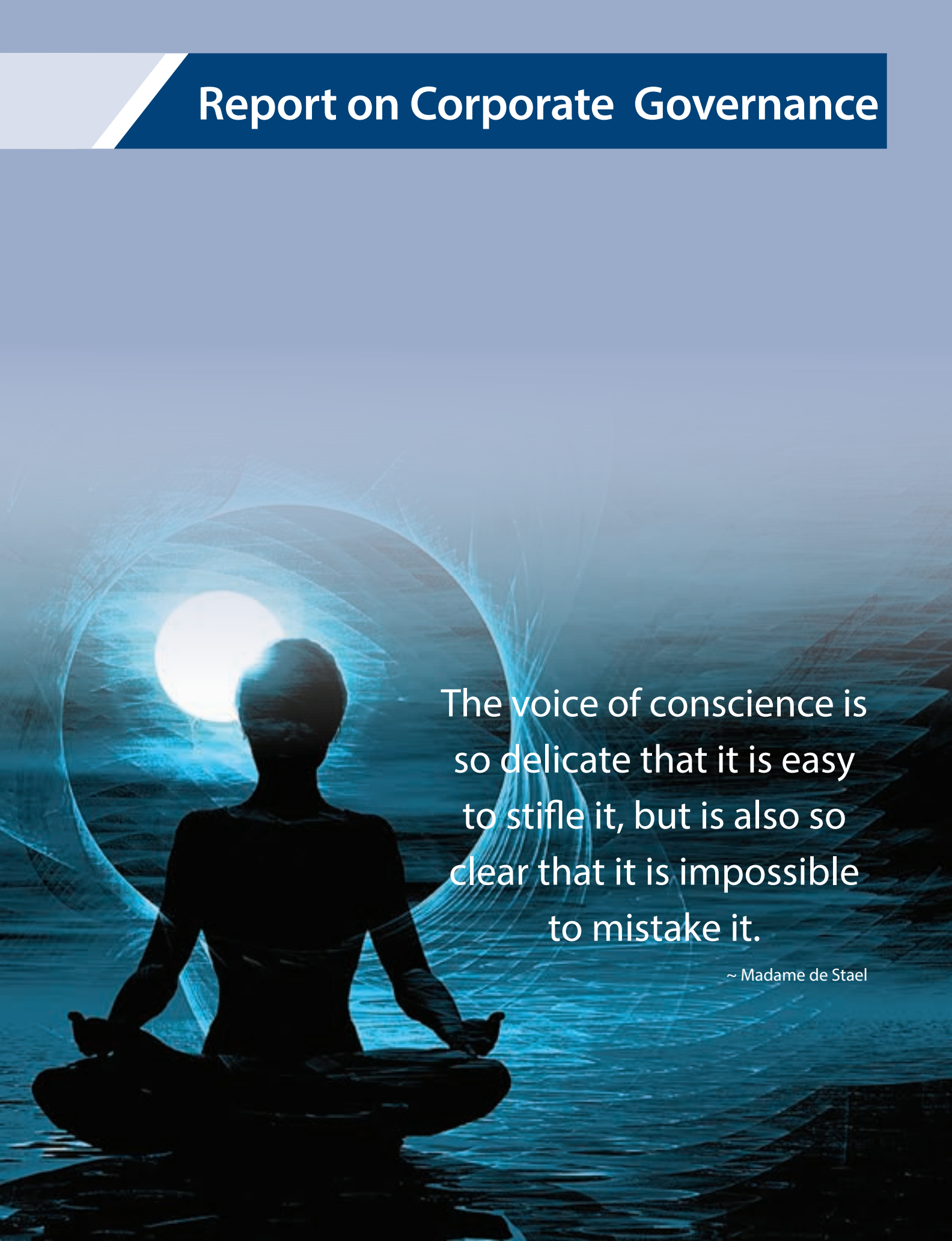
Employee Relations at all locations remain cordial and the endeavour is to completely eliminate the divide that sometimes separates the managers and the workmen and use the strengths of everyone to boost the performance of the Company.



In the absence of clearly-defined goals, we become strangely loyal to performing daily trivia until ultimately we become enslaved by it.

~ Robert Heinlein

Report on Corporate Governance



The voice of conscience is
so delicate that it is easy
to stifle it, but is also so
clear that it is impossible
to mistake it.

~ Madame de Stael

1. Philosophy

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

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

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

2. Board

2.1 Board business

The normal business of the Board comprises:

- 2.1.01 Approving capital expenditure and operating budgets
- 2.1.02 Approving joint ventures, collaborations, mergers and acquisitions
- 2.1.03 Approving loans and investments
- 2.1.04 Approving sale of investments and assets
- 2.1.05 Approving borrowings in nature of short, medium or long-term
- 2.1.06 Approving creation of charge on assets in favour of lenders
- 2.1.07 Approving commission payable to the Directors within the limit set by the Shareholders
- 2.1.08 Approving contracts in which Director(s) are deemed to be interested
- 2.1.09 Approving appointment of the Cost Auditors
- 2.1.10 Approving cost audit reports
- 2.1.11 Approving declaration of interim dividend
- 2.1.12 Approving unaudited quarterly financial results and audited annual accounts, both consolidated and on a standalone basis including segment revenue, results and capital employed
- 2.1.13 Approving matters requiring Statutory | Board consent
- 2.1.14 Reviewing foreign exchange exposure and exchange rate movement, if material
- 2.1.15 Reviewing fatal or serious accidents, dangerous occurrences and material environmental matters
- 2.1.16 Reviewing default in payment of statutory dues
- 2.1.17 Reviewing materially important show cause, demand, prosecution and penalty notices
- 2.1.18 Reviewing status on compliance of regulatory | statutory and listing requirements
- 2.1.19 Recommending appointment of the Statutory Auditors
- 2.1.20 Recommending declaration of final dividend
- 2.1.21 Noting minutes of the meetings of the Board, Audit, Shareholders' | Investors' Grievance Committees or any other Committee meetings and also the resolution(s) passed by circulation
- 2.1.22 Noting general notices of interest of the Directors

2.2 Appointment and tenure

2 | 3rd of the Directors (other than Independent Directors) are rotational Directors. 1 | 3rd of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment. The Whole-time Directors are appointed by the Members for a period up to five years.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of eleven Members (including one Alternate Director) comprising seven Independent Directors, two Promoter Directors and one Whole-time Director. The Independent Directors account for 64% of the strength of the Board, as against minimum requirement of 50% as

per the Listing Agreements. The Independent Directors are eminent professionals, drawn from amongst persons with skill, experience and knowledge in one or more fields of finance, law, management, corporate governance or any other discipline related to the business of the Company.

Number	Name	Directorship(s) in other company (ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
Chairman and Managing Director				
1	Mr S S Lalbhai	5	3	–
Managing Director				
2	Mr S A Lalbhai	2	1	–
Whole-time Directors				
3	Mr B N Mohanan	7	–	–
4	Mr S Nammalvar (Alternate to Mr B N Mohanan)	–	–	–
Independent Directors				
5	Mr G S Patel	–	1	1
6	Dr S S Baijal	5	1	3
7	Mr B S Mehta	13	6	4
8	Mr H S Shah	2	1	2
9	Mr S M Datta	12	5	2
10	Mr V S Rangan	10	9	–
11	Mr R A Shah	13	5	4

Promoter Directors, Mr S S Lalbhai and Mr S A Lalbhai, are related

¹ excludes Alternate Directorships and Directorships in foreign companies and private limited companies

² in compliance with Clause 49, Memberships | Chairmanships of only the Audit Committees and Shareholders' | Investors' Grievance Committees of all public limited companies including the Company were considered

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2013-14, the Board met six times:

Number	Day	Date	Venue
1	Tuesday	May 07, 2013	Mumbai
2	Wednesday	July 24, 2013	Mumbai
3	Friday	October 24, 2013	Mumbai
4	Friday	November 29, 2013	Mumbai
5	Friday	January 24, 2014	Mumbai
6	Friday	March 28, 2014	Mumbai

2.5 Attendance at the Board meetings and the AGM

Number	Name	Board Meetings		AGM on July 26, 2013
		Total	Attended	
1	Mr S S Lalbhai	6	6	Present
2	Mr G S Patel	6	6	–
3	Dr S S Baijal	6	6	Present
4	Mr B S Mehta	6	6	–
5	Mr H S Shah	6	6	Present
6	Mr S A Lalbhai	6	4	Present
7	Mr S M Datta	6	6	–
8	Mr V S Rangan	6	6	Present
9	Mr R A Shah	6	6	–
10	Mr B N Mohanan	6	–	–
11	Mr S Nammalvar (Alternate to Mr B N Mohanan)	–	–	NA

2.6 Appointment | Cessation

- Resigned: Nil
- Appointed: Mr B N Mohanan was reappointed as Whole-time Director with effect from January 1, 2014 for a period of three years. Mr S Nammalvar was appointed as an Alternate Director to Mr B N Mohanan with effect from March 28, 2014.
- Ceased: Nil

2.7 Remuneration

Number	Name	Remuneration during the year			Total
		Sitting fees	Salary and perquisites	Commission	
		₹	₹	₹	₹
	Chairman and Managing Director				
1	Mr S S Lalbhai	–	1,40,87,291	3,04,55,000	4,45,42,291
	Managing Director				
2	Mr S A Lalbhai	–	73,32,119	79,17,720	1,52,49,839
	Whole-time Directors				
3	Mr B N Mohanan	–	93,55,810	–	93,55,810
	Mr S Nammalvar (Alternate to Mr B N Mohanan with effect from March 28, 2014)	–	1,17,024	–	1,17,024
	Independent Directors				
4	Mr G S Patel	2,85,000	–	11,22,000	14,07,000
5	Dr S S Baijal	3,40,000	–	13,86,000	17,26,000
6	Mr B S Mehta	2,80,000	–	12,54,000	15,34,000
7	Mr H S Shah	1,60,000	–	7,92,000	9,52,000
8	Mr S M Datta	2,00,000	–	9,24,000	11,24,000
9	Mr V S Rangan	2,00,000	–	9,90,000	11,90,000
10	Mr R A Shah	2,00,000	–	9,24,000	11,24,000

Sitting fees constitute fees paid to the Independent Directors for attending the Board and Committee meetings of up to ₹ 20,000 per meeting.

Commission to the Independent Directors was approved by the Members of the Company at the AGM held on August 26, 2013 for a period of five years effective from April 1, 2013 up to 1% of the net profits of the Company. The Board approves, within the aforesaid limit, commission payable to each Independent Director.

3. Committees of the Board

The Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer and Shareholders' | Investors' Grievance Committee
- Investment Committee

3.1 Audit Committee

3.1.01 Role

- i) Approving the appointment of Chief Financial Officer
- ii) Reviewing | Overseeing the financial reporting process and the disclosure of financial information to ensure that the financial statements are correct, sufficient and credible
- iii) Reviewing matters under the Directors' Responsibility Statement to be included in the Directors' Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956

- iv) Reviewing the following information mandatorily
 - Management Discussion and Analysis of financial condition and results of operations
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management
 - Internal audit reports relating to weaknesses in Internal Control Systems
 - Appointment, removal and terms of remuneration of the Chief Internal Auditor
- v) Reviewing quarterly | annual financial statements with the Management before submission to the Board, focusing primarily on
 - Any changes in Accounting Policies and practices
 - Major accounting entries based on exercise of judgement by the Management
 - Qualifications in the draft audit report
 - Significant adjustments arising out of audit
 - Going concern assumption
 - Compliance with Accounting Standards
 - Compliance with the Stock Exchanges and legal requirements concerning Financial Statements
 - Any related party transactions, that is, transactions of the Company of material nature, with Promoters or the Management, their subsidiary companies and relatives, among others, that may have potential conflict with the interest of the Company at large
- vi) Reviewing with the Management, external and Internal Auditors, the adequacy of Internal Control Systems
- vii) Reviewing adequacy of Internal Audit function, including the structure of Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit
- viii) Reviewing findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of material nature and reporting such matters to the Board
- ix) Reviewing financial and risk management policies
- x) Reviewing reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, Members (in case of non-payment of declared dividend) and creditors
- xi) Reviewing periodically compliance reports of all laws applicable to the Company as well as steps taken to rectify instances of non-compliances
- xii) Reviewing financial statements, in particular, the investments made by the unlisted subsidiary companies
- xiii) Reviewing all significant transactions and arrangements entered into by the unlisted subsidiary companies
- xiv) Reviewing uses | applications of funds raised through public | right | preference issues by major categories vis-à-vis the purposes narrated in the offer document | prospectus | notice
- xv) Recommending appointment and removal of the Statutory Auditors and fixation of audit fees and approval for payment for any other services
- xvi) Determining | formulating the Code of conduct and related matters
- xvii) Determining procedures about the risk assessment and minimisation and reviewing periodically to ensure that the executive management controls risks through means of a properly defined framework
- xviii) Discussing with the Internal Auditors on any significant findings and follow up thereon
- xix) Discussing with the Auditors before the audit commences regarding nature and scope of the audit as well as to have post-audit discussion to ascertain any areas of concern
- xx) Discussing with the Auditors, periodically, about Internal Control Systems, the scope of audit including the observations of the Auditors and review of quarterly, half-yearly and annual financial statements before submission to the Board

xxi) Ensuring compliance of Internal Control Systems

3.1.02 Composition

The Committee comprises four Members. All the Members are Independent Directors. The Members have relevant experience in financial matters.

Number	Name	Designation
1	Dr S S Baijal	Chairman
2	Mr G S Patel	Member
3	Mr B S Mehta	Member
4	Mr V S Rangan	Member

3.1.03 Meetings and attendance

During 2013-14, five meetings were held:

Number	Name	Total	Attended
1	Dr S S Baijal	5	5
2	Mr G S Patel	5	5
3	Mr B S Mehta	5	5
4	Mr V S Rangan	5	4

The Statutory Auditors, the Cost Auditors, the Chairman and Managing Director, the President, Finance and Company Secretary, heads of Finance, Accounts, Legal and Secretarial, Costing and Internal Audit are permanent invitees to the meetings.

The Board notes the minutes of the Audit Committee meetings.

3.2 Nomination and Remuneration Committee

3.2.01 Role

- Determining on behalf of the Board and the Members, policy of the Company, on remuneration for the Chairman and the Executive Directors
- Determining the remuneration of the Executive Directors based on individual performance, qualifications, experience, the Company performance and comparable industry practices, among others
- Identifying persons who are qualified to become Directors (including Executive Directors) and recommending to the Board their appointment and removal

3.2.02 Composition

The Committee comprises three Members. All the Members are Independent Directors.

Number	Name	Designation
1	Mr H S Shah	Chairman
2	Mr G S Patel	Member
3	Dr S S Baijal	Member

3.2.03 Meetings and attendance

During 2013-14, two meetings were held

Number	Name	Total	Attended
1	Mr H S Shah	2	2
2	Mr G S Patel	2	2
3	Dr S S Baijal	2	2

3.3 Share Transfer and Shareholders' | Investors' Grievance Committee

3.3.01 Role

- i) Reviewing redressal of complaints of the Shareholders and the Investors like transfer of shares (physical and demat), non-receipt of Annual Report, non-receipt of declared dividend, etc
- ii) Reviewing any other related matter which the Committee may deem fit in the circumstances of the case including the following:
 - Change name(s) of the Members on share certificates
 - Consolidate share certificates
 - Delete name(s) of guardian(s)
 - Delete name(s) from share certificates
 - Dematerialise shares
 - Issue duplicate share certificates
 - Rematerialise shares
 - Replace shares
 - Split-up shares
 - Transfer shares
 - Transmit shares
 - Transpose names

3.3.02 Composition

The Committee comprises two Members:

Number	Name	Designation
1	Mr G S Patel	Chairman
2	Mr S S Lalbhai	Member

Mr T R Gopi Kannan, President, Finance and Company Secretary is the Compliance Officer.

3.3.03 Meetings and attendance

During 2013-14, five meetings were held:

Number	Name	Total	Attended
1	Mr G S Patel	5	5
2	Mr S S Lalbhai	5	5

During 2013-14, 13 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors:

Number	Nature of Complaint	Received	Redressed
1	Non-receipt of dividend warrant	13	13
2	Non-receipt of share certificates	—	—
3	Non-receipt of duplicate share certificates	—	—
4	Others	—	—
Total		13	13

The Board notes the minutes of the Share Transfer and Shareholders' | Investors' Grievance Committee meetings.

3.4 Investment Committee

3.4.01 Role

- i) Approving capital expenditure proposals exceeding ₹ 3 cr each
- ii) Approving business strategies
- iii) Recommending to the Board purchase | sale of investments in Equity Shares
- iv) Recommending to the Board acquisition and disinvestment or divestment proposals

3.4.02 Composition

The Committee comprises five Members:

Number	Name	Designation
1	Mr R A Shah	Chairman
2	Dr S S Baijal	Member
3	Mr S M Datta	Member
4	Mr S S Lalbhai	Member
5	Mr B S Mehta	Member

3.4.03 Meetings and attendance

During 2013-14, four meetings were held:

Number	Name	Total	Attended
1	Mr R A Shah	4	4
2	Dr S S Baijal	4	4
3	Mr S M Datta	4	4
4	Mr S S Lalbhai	4	4
5	Mr B S Mehta	4	3

The Board notes the minutes of the Investment Committee meetings.

4. Subsidiary companies registered in India

As on March 31, 2014, the Company had two wholly-owned non-material Indian unlisted subsidiary companies, namely, Ameer Trading Corporation Ltd and Atul Bioscience Ltd, and another Indian unlisted joint venture subsidiary company, namely, Atul Rajasthan Date Palms Ltd. The Company had five other subsidiary companies, namely, Aasthan Dates Ltd, Atul Biospace Ltd, Atul Infotech Pvt Ltd, Biyaban Agri Ltd and Raja Dates Ltd. The financial statements were reviewed by the Audit Committee | Board. The minutes of the meetings of all the subsidiary companies are placed before the Board.

5. Company policies

5.1 Compliance

Compliance certificates confirming the due compliance with the statutory requirements are placed at the Board Meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

5.2 Code of conduct

At the Board Meeting, held on March 18, 2005, the Board approved the Code of conduct applicable to the Directors and the senior management personnel. This Code of conduct is available on the website of the Company: www.atul.co.in. All the Directors and the senior management personnel affirmed their compliance with the Code of conduct. A declaration to this effect signed by the Chairman and Managing Director forms a part of this report.

5.3 Prevention of sexual harassment

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed policy on Prevention of Sexual Harassment of Women at Workplace. During 2013-14, no complaint was received by the Committee set up pursuant to the aforesaid policy.

6. Affirmation and disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2013-14 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor do they vote on such matters.

The Company complied with the statutory provisions, rules and regulations relating to the capital markets during the last three years and the Stock Exchanges or Securities and Exchange Board of India or any statutory authority did not impose any penalties or strictures on the Company for the said period.

7. Shareholders' information

7.1 General Body meetings

7.1.01 Location and time, where last three AGMs were held

Year	Location	Date	Time
2010-11	J B Auditorium Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	August 04, 2011	11.00 a.m.
2011-12	J B Auditorium Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 27, 2012	11.00 a.m.
2012-13	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 26, 2013	11.00 a.m.

7.1.02 Resolutions passed through postal ballot

None

7.2 AGM 2014

Details of the 37th AGM is as under

Year	Location	Date	Time
2013-14	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 25, 2014	11.00 a.m.

As required under Clause 49 VI (A), particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

7.3 Financial year

April 01 to March 31

7.4 Date of book closure

June 24, 2014 to June 26, 2014

7.5 Date of dividend payment

July 30, 2014

7.6 Listing on the Stock Exchanges

Equity Shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE).

The Company has paid listing fees for 2014-15 to all the Stock Exchanges where securities are listed. Pursuant to a circular of Securities and Exchange Board of India (SEBI), Custody charges were also paid to the Depositories namely

National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. The International Securities Identification Number of the Equity Shares of the Company is INE100A01010. The Corporate Identity Number is L99999GJ1975PLC002859.

7.7 Stock code

BSE: 500027 and NSE: ATUL

7.8 Share price data and comparison with BSE sensex

The monthly high and low share prices of the Company in comparison with the BSE sensex during 2013-14 are as under:

Month	Share price of the Company at BSE		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2013	379.00	296.00	19,622.68	18,144.22
May 2013	385.45	335.70	20,443.62	19,451.26
June 2013	362.90	280.20	19,860.19	18,467.16
July 2013	357.90	303.10	20,351.06	19,126.82
August 2013	321.00	285.30	19,569.20	17,448.71
September 2013	349.35	287.25	20,739.69	18,166.17
October 2013	390.00	324.40	21,205.44	19,264.72
November 2013	429.75	360.25	21,321.53	20,137.67
December 2013	454.80	395.25	21,483.74	20,568.70
January 2014	475.25	407.95	21,409.66	20,343.78
February 2014	453.90	395.10	21,140.51	19,963.12
March 2014	485.00	405.25	22,467.21	20,920.98

7.9 Registrar and transfer agent

Sharepro Services (India) Pvt Ltd

416-420 Devnandan Mall, Opposite Sanyas Ashram, Ahmedabad 380006, Gujarat, India

Telephone Number: +91 79 26582381, 26582382

7.10 Share transfer system

Securities lodged for transfer at the office of the Registrar are processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 21 days.

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates on a half-yearly basis were issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to the SEBI (Depositories and Participants) Regulations, 1996, certificates were also received from the Company Secretary in practice for timely dematerialisation of the shares and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the Stock Exchanges where the shares of the Company are listed.

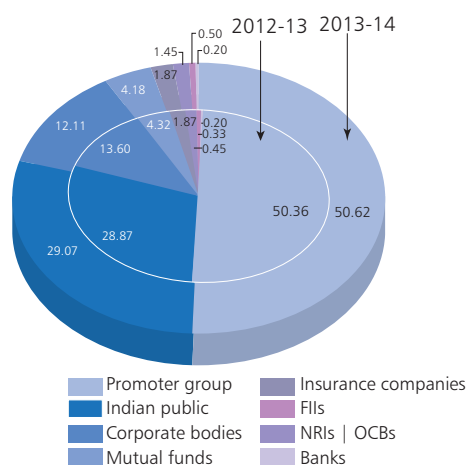
7.11 Distribution of shareholding as on March 31, 2014

i) Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of Total	Numbers	% of Total
1 – 10	4,611	15.85	24,528	0.08
11 – 50	11,528	39.62	3,22,637	1.09
51 – 100	4,646	15.97	3,91,394	1.32
101 – 500	6,073	20.87	14,73,082	4.97
501 – 1,000	1,112	3.82	8,32,602	2.81
1,001 – 2,000	501	1.72	7,35,500	2.48
2,001 – 3,000	168	0.58	4,22,717	1.42
3,001 – 4,000	91	0.32	3,24,078	1.09
4,001 – 5,000	79	0.27	3,70,382	1.25
5,001 – 10,000	117	0.40	8,56,258	2.89
10,001 and above	168	0.58	2,39,08,555	80.60
Total	29,094	100.00	2,96,61,733	100.00

ii) **Category-wise:**

Category	Shares (Numbers)	Shareholding (%)
Promoter group	1,50,13,610	50.62
Indian public	86,24,644	29.07
Corporate bodies	35,91,871	12.11
Mutual funds	12,40,338	4.18
Insurance companies	5,54,115	1.87
Foreign institutional investors	4,29,445	1.45
Non-resident Indians Overseas corporate bodies	1,49,320	0.50
Banks	58,054	0.20
State Government	336	0.00
Total	2,96,61,733	100.00%



7.12 Details of Equity Shares in unclaimed suspense account

Particulars	Shareholders (Numbers)	Unclaimed Shares (Numbers)
1. Opening balance of Equity Shares in unclaimed suspense account as on April 01, 2013	1,106	41,498
2. Unclaimed Equity Shares transferred to unclaimed suspense account during the year	Nil	Nil
Total	1,106	41,498
3. Transferred to Shareholders from unclaimed suspense account	Nil	Nil
4. Balance of Equity Shares in unclaimed suspense account as on March 31, 2014 (1+2-3)	1,106	41,498
Number of Shareholders who approached the Company for transfer of Equity Shares from unclaimed suspense account	Nil	Nil

7.13 Dematerialisation of shares and liquidity

Electronic holding by the Members comprising 96.35% of the paid-up equity share capital of the Company and 3.65% were in physical form as on March 31, 2014.

7.14 Outstanding GDRs | ADRs | warrants or any convertible instruments, conversion date and likely impact on equity

Paid-up share capital of the Company comprises Equity Shares. It does not have any Preference Shares, outstanding ADRs, GDRs, warrants or any convertible instruments.

7.15 Equity Shares held by the Independent Directors

Number	Name	Shares
1	Mr G S Patel	1,100
2	Dr S S Baijal	6,000
3	Mr B S Mehta	162
4	Mr H S Shah	1,290
5	Mr S M Datta	10,000
6	Mr V S Rangan	2,000
7	Mr R A Shah	1,960

7.16 Location of plants

- i) Atul 396020, District Valsad, Gujarat, India
- ii) GIDC, Ankleshwar 393002, District Bharuch, Gujarat, India
- iii) GIDC, Kharod 394115, District Bharuch, Gujarat, India
- iv) MIDC, Tarapur 401506, District Thane, Maharashtra, India

7.17 Address of Mumbai office

Atul house, 310B Veer Savarkar Marg, Mumbai 400028, Maharashtra, India

7.18 Address for correspondence

Secretarial and Legal Department, Atul Ltd, Atul 396020, Gujarat, India

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

7.19 E-mail address of grievance redressal office:

atul_ahd@atul.co.in

7.20 Nomination facility

A Member can nominate a person who will have rights to shares and | or amount payable in respect of shares registered in his (her) name in the event of his (her) death. This facility is available to the Members and the nomination form can be obtained from the Company.

7.21 Communication

Half-yearly report sent to each household of the Members	The results are not sent to each household of the Members; however, the financial results are published in the newspapers as well as displayed on the website of the Company BSE NSE
Quarterly and half-yearly results	Financial results of the Company are sent to the Stock Exchanges immediately after approval by the Board and published in The Economic Times (English) Ahmedabad and Mumbai editions and The Economic Times (Gujarati) Ahmedabad. The results are published in accordance with the guidelines of the Stock Exchanges
Any website, where displayed	On the website of the Company: www.atul.co.in On the website of the Stock Exchanges: www.corpfiling.co.in
Whether it also displays official news releases	Official news releases as and when issued are placed on the website of the Company
Presentations made to the institutional investors or to analysts	Presentation was made to the analysts on May 07, 2013 and the copy thereof was filed with the Stock Exchanges and displayed on the website of the Company
Whether Management Discussion and Analysis is a part of the Annual Report or not	Yes

7.22 Tentative Board meeting dates for consideration of results for 2014-15

Number	Particulars	Dates
1	First quarter results	July 23, 2014
2	Second quarter and half-yearly results	October 17, 2014
3	Third quarter results	January 23, 2015
4	Fourth quarter and annual results	April 30, 2015

8. Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements

- i) Compliance with the mandatory requirements
The Company complied with the mandatory requirements of the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.
- ii) Extent of compliance with the non-mandatory requirements
The Company complies with the following non-mandatory requirements:
 - Remuneration Committee set up by the Board
 - Unqualified Financial Statements

9. Role of the Company Secretary in overall governance process

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

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

Mr S S Lalbhai, Chairman and Managing Director and Mr T R Gopi Kannan, President, Finance and Company Secretary, issued a certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreements.

The said certificate was placed before the Board at the meeting held on May 02, 2014 in which the accounts for the year ended March 31, 2014 were considered and approved by the Board.

11. Certification by the Statutory Auditors

Certificate from the Statutory Auditors of the Company, Dalal & Shah, Chartered Accountants, regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements is forming a part of the Annual Report.

12. Declaration by the Chairman and Managing Director

In accordance with Clause 49 I D of the Listing Agreements with the Stock Exchanges, all the Directors and senior management personnel have, respectively, affirmed compliance with the Code of conduct as approved and adopted by the Board.

(Note: This report is for the period ended on March 31, 2014)

For Atul Ltd

Mumbai
May 02, 2014

(Sunil S Lalbhai)
Chairman and Managing Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Atul Ltd

We have examined the compliance of conditions of Corporate Governance by Atul Ltd, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreements), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Mumbai
May 02, 2014

For Dalal & Shah
Firm Registration No. 102020W
Chartered Accountants

(Anish P Amin)
Partner
Membership Number: 040451

Notice

NOTICE is hereby given that the 37th Annual General Meeting (AGM) of the Members of Atul Ltd will be held on July 25, 2014, Friday, at 11.00 a.m. at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, India to transact the following businesses:

Ordinary Business:

01. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including the Balance Sheet as on March 31, 2014, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date together with the Reports of the Directors and the Auditors thereon.
02. To declare dividend.
03. To appoint a Director in place of Mr B N Mohanan (holding DIN 00198716) who retires by rotation under Article 134 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
04. To appoint a Director in place of Mr B S Mehta (holding DIN 00035019) who retires by rotation under Article 134 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
05. To appoint Dalal & Shah (Firm Registration Number 102020W) as the Statutory Auditors from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company and fix their remuneration.

Special Business:

06. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions (including any statutory modification(s) or re-enactment thereof), Mr S M Datta (holding DIN 00032812), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
07. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions (including any statutory modification(s) or re-enactment thereof), Mr G S Patel (holding DIN 00045625), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
08. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions (including any statutory modification(s) or re-enactment thereof), Dr S S Baijal (holding DIN 00027961), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
09. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions (including any statutory modification(s) or re-enactment thereof), Mr H S Shah (holding DIN 00152195), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
10. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions (including any statutory modification(s) or re-enactment thereof), Mr V S Rangan (holding DIN 00030248), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
11. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 | the Companies Act, 2013 and other applicable provisions for the time being in force, approval be and is hereby accorded to the reappointment of Mr B N Mohanan (holding DIN 00198716) as a Whole-time Director of the Company, and his receiving of remuneration including minimum remuneration for a period of three years with effect from January 01, 2014, as per the draft Agreement submitted to this meeting and for identification initialled by the Chairman.
FURTHER RESOLVED THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions and the draft of Agreement as approved vide this Resolution as may be deemed fit from time to time which may have the effect of increasing the remuneration and for considering modifications, if any, by the Central Government in regard to the policy | guidelines

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

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

"RESOLVED THAT pursuant to the provisions of the Companies Act, 1956 | the Companies Act, 2013 and other applicable provisions for the time being in force, appointment as Whole-time Director of Mr S Nammalvar (holding DIN 02674045), as an Alternate Director to Mr B N Mohanan, and his receiving of remuneration including minimum remuneration with effect from March 28, 2014, during the period he remains Alternate Director, as per the draft Agreement submitted to this meeting and for identification initialled by the Chairman be and are hereby approved.

FURTHER RESOLVED THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions and the draft of Agreement as approved vide this Resolution as may be deemed fit from time to time which may have the effect of increasing the remuneration and for considering modifications, if any, by the Central Government in regard to the policy | guidelines pertaining to managerial remuneration and for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company."

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2.24 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2015 as approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the products in the category of Bulk Drugs, Chemicals, Dyes and Insecticides - Technical grade, be and is hereby ratified and confirmed."

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

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, for the time being in force and the Articles of Association, consent of the Company be and is hereby accorded to the Board of Directors (Board) to create mortgages and | or charges on all or any of the immovable and |or movable properties, the whole or substantially the whole undertaking or undertakings of the Company both present and future, wherever situated, on such terms and conditions as the Board may deem fit, for the purpose of business including for money borrowed | to be borrowed from lenders, banks, institutions, debenture holders and any other entity | authority.

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association, consent be and is hereby accorded to the Board of Directors (Board) to borrow moneys by way of loans, debentures or otherwise from time to time for the purposes of the business upon such terms and conditions as the Board may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company. PROVIDED however that the total amount of moneys so borrowed shall not exceed the aggregate of the paid-up share capital and free reserves by more than ₹ 400 crores."

Notes

01. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a Member. A person can act as proxy on behalf of the Members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company.
02. Copies of the Balance Sheet, the Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ending March 31, 2014 are annexed | attached.
03. The Register of Members and the Share Transfer Books of the Company will remain closed from June 24, 2014 to June 26, 2014 (both days inclusive).
04. The dividend if approved will be paid to those Members whose names stand on the Register of Members on June 24, 2014.

The Members holding shares in electronic form may please note that:

- i) Instructions regarding bank details which they wish to incorporate in future dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of National Securities Depository Ltd and Central Depository Services (India) Ltd, the Company is obliged to print on the dividend warrants, bank details as furnished by these depositories.
 - ii) Instructions already given by the Members for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
 - iii) Instructions regarding change of address, nomination and power of attorney must be given directly to the DP.
05. Unpaid dividend payable to the Members in respect of the 19th dividend onwards, that is, from the year ended March 31, 2007, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Dividend	Accounting year ended	Date of declaration of dividend	Dividend payment	Expected date of transfer of unpaid dividend to IEPF
19 th	March 31, 2007	August 31, 2007	30%	August 30, 2014
20 th	March 31, 2008	August 25, 2008	30%	August 24, 2015
21 st	March 31, 2009	August 07, 2009	30%	August 06, 2016
22 nd	March 31, 2010	September 06, 2010	40%	September 05, 2017
23 rd	March 31, 2011	August 04, 2011	45%	August 03, 2018
24 th	March 31, 2012	July 27, 2012	45%	July 26, 2019
25 th	March 31, 2013	July 26, 2013	60%	July 25, 2020

No claim shall lie from a Member once the transfer is made to the said Fund. The Members who have not encashed their dividend warrants are requested to encash the same before the said transfer in their own interest.

06. The Company appointed Sharepro Services (India) Pvt Ltd as Registrar and transfer agent for physical and dematerialised shares. The Members are requested to take note and deal with the aforesaid agency when necessary.
07. Electronic copy of the Annual Report for 2013-14 is being sent to all the Members whose e-mail addresses are registered with the Company | DPs; however, print copy is being sent in the permitted mode to such Members who may have so requested and to the Members who have not registered their e-mail addresses.
08. Electronic copy of the Notice, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants for communication purposes unless any Member has requested for a print copy of the same. For the Members who have not registered their e-mail addresses, physical copy of the Notice of the 37th Annual General Meeting inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
09. The Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for 2013-2014 will also be available on the website of the Company, www.atul.co.in, which can be downloaded. The physical copies of the aforesaid documents will also be available at the Registered Office of the Company for inspection during normal business hours on working days. Even after registering for e-communication, the Members are entitled to receive such communication in physical form (upon making a request for the same), by post free of cost.
10. Voting through Electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depositories Ltd (NSDL):

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (this applies to the Members whose e-mail addresses are registered with the Company | Depository Participants (DPs)):
 - (i) Open e-mail and open PDF file 'Atul e-Voting.pdf' with your Client ID or Folio Number as password. The said PDF file contains user ID and password | PIN of the Member for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password | PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password | PIN with new password of your choice with minimum 8 digits | characters or combination thereof. Note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep it confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select 'EVEN' of Atul Ltd.
 - (viii) The screen becomes ready for e-voting as 'Cast Vote' page opens.
 - (ix) Cast vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.
 - (x) Upon confirmation, the message 'Vote cast successful' will be displayed
 - (xi) Once voted on the Resolution, the Member will not be allowed to modify vote.
 - (xii) Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF | JPG format) of the relevant Board Resolution | Authority letter, etc together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, by e-mail to the Scrutiniser whose e-mail address is scrutiniser@atul.co.in and to the Company at e-mail address, atul_ahd@atul.co.in with a copy marked to the NSDL at the e-mail address, evoting@nsdl.com
- B. In case a Member receives physical copy of the Notice of AGM (this is applicable to the Members whose e-mail addresses are not registered with the Company | DPs or Members who have requested for a physical copy):
 - (i) Following initial details are provided at the bottom of the separate attached sheet which forms part of this AGM Notice: EVEN (E Voting Event Number), USER ID, PASSWORD | PIN
 - (ii) Please follow all steps from Serial Number A (ii) to A (xii) above, to cast vote.

- C. In case of any queries, you may refer the Frequently Asked Questions for the Shareholders and e-voting user manual for the Shareholders available at the Downloads section of www.evoting.nsdl.com.
- D. If you are already registered with NSDL for e-voting then you can use your existing user ID and password | PIN for casting your vote.
- E. You can also update your mobile telephone number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).
- F. The e-voting period commences on July 19, 2014 (9:00 a.m.) and ends on July 21, 2014 (6:00 p.m.). During this period the Members holding shares either in physical form or in dematerialised form, as on the cut-off date (record date) of June 24, 2014, may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter. Once the vote on a Resolution is cast by the Member, he | she will not be allowed to change it subsequently.
- G. The voting rights of the Members will be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date (record date) of June 24, 2014.
- H. Mr Ashish C Doshi, Practising Company Secretary (Certificate of Practice Number: 2356) has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
- I. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- J. The results will be declared on or after the AGM. The results declared along with the Scrutiniser's Report will be placed on the website of the Company www.atul.co.in and on the website of NSDL within two days of passing of the resolutions at the AGM and communicated to the Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.
11. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the Registered Office of the Company during normal business hours on all working days up to and including the date of the Annual General Meeting.
12. At the ensuing Annual General Meeting, Mr B N Mohanan retires by rotation and being eligible offers himself for reappointment. The information or details required as per Clause 49 of the Listing Agreements pertaining to him are as under:

Name	Mr B N Mohanan
Date of birth	May 26, 1950
Brief résumé	Mr B N Mohanan is a Whole-time Director of the Company since January 01, 2009. He joined the Company in 1992. Mr Mohanan has over 4 decades of professional experience in various capacities. Currently, he is the President, Infrastructure Unit and also the Occupier. His responsibilities include safety, health, environment, utilities and engineering procurement. Mr Mohanan holds BSc (Engg Hon) degree from the University of Calicut.
Directorship in other companies	Public Companies: Aasthan Dates Ltd - Chairman Atul Biospace Ltd - Chairman and Managing Director Atul Clean Energy Ltd - Chairman Atul Rajasthan Date Palms Ltd - Managing Director Atul Seeds Ltd Biyaban Agri Ltd - Chairman Raja Dates Ltd - Chairman DPD Ltd Private Companies: Nil
Membership in committees of other companies	Member of Committees: Atul Ltd – CSR Committee Atul Rajasthan Date Palms Ltd – Remuneration Committee
Number of shares held in the Company	4,800

13. At the ensuing Annual General Meeting, Mr B S Mehta retires by rotation and being eligible offers himself for reappointment. The information or details required as per Clause 49 of the Listing Agreements pertaining to him are as under:

Name	Mr B S Mehta
Date of birth	September 19, 1935
Brief résumé	Mr B S Mehta is a Director of the Company since April 16, 1992. Mr Mehta is a Practicing Chartered Accountant and is a Chief Mentor of B S Mehta & Co. He is a past President of the Institute of Chartered Accountants of India. He was involved in educational activities at the graduate and post graduate levels in the University of Mumbai. Mr Mehta holds B Com (Hons) degree from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.
Directorship in other companies	Public Companies: Bharat Bijlee Ltd Ceat Ltd Century Enka Ltd Gillette India Ltd Housing Development Finance Corporation Ltd IL & FS Investment Managers Ltd J B Chemicals & Pharmaceuticals Ltd Jumbo World Holdings Ltd (Body Incorporated outside India) NSDL e-Governance Infrastructure Ltd Pidilite Industries Ltd Proctor & Gamble Hygiene & Health Care Ltd Sasken Communication Technologies Ltd SBI Capital Markets Ltd Sudarshan Chemical Industries Ltd Private Companies: Uhde India Pvt Ltd
Membership in committees of other companies	Chairman of Committees: IL& FS Investment Managers Ltd - Audit Committee Pidilite Industries Ltd - Audit Committee Sasken Communication Technologies Ltd - Audit Committee Sudarshan Chemicals Ltd - Audit Committee Member of Committees: Century Enka Ltd - Audit Committee Century Enka Ltd - Remuneration Committee Gillette India Ltd - Audit Committee Gillette India Ltd - Remuneration Committee Housing Development Finance Corporation Ltd - Audit Committee Housing Development Finance Corporation Ltd - Nomination & Compensation Committee IL & FS Investment Managers Ltd - Compensation Committee NSDL e - Governance Infrastructure Ltd - Audit Committee NSDL e - Governance Infrastructure Ltd - Compensation Committee NSDL e - Governance Infrastructure Ltd - CSR Committee Pidilite Industries Ltd - HR & Remuneration Committee Proctor & Gamble Hygiene & Healthcare Ltd - Audit Committee Sasken Communication Technologies Ltd - Governance and Nomination Committee
Number of shares held in the Company	162

Registered office:
Ashoka Chambers
Rasala Marg
Ahmedabad 380006, Gujarat
India
CIN L99999GJ1975PLC002859
June 14, 2014

By order of the Board of Directors

(T R Gopi Kannan)
President, Finance and Company Secretary

EXPLANATORY STATEMENT

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013 sets out material facts including the nature and concern or interest of the Directors in relation to the items of Special Business under Item Nos 06, 07, 08, 09, 10, 11, 12, 13, 14 and 15 mentioned in the accompanying Notice dated June 14, 2014.

Item No 06

Mr S M Datta is an Independent Director of the Company. Mr Datta is also a Member of the Investment Committee of the Board of Directors (Board).

Name	Mr S M Datta
Date of birth	July 01, 1936
Brief résumé	Mr S M Datta is a Director of the Company since October 28, 2002. Mr Datta is the Chairman of Administrative Staff College of India. He is also associated with various other renowned institutes. Mr Datta was the Chairman of Hindustan Unilever Ltd as well as of all Unilever Group companies in India and Nepal from 1990 to 1996. Mr Datta is a Chartered Engineer; Honorary Fellow - All India Management Association, Fellow - Indian Institute of Chemical Engineers, Member - Society of Chemical Industry (London) and Fellow - The Institution of Engineers (India). Mr Datta holds a post graduate degree in Science and Technology from the University of Calcutta.
Directorship in other companies	Public Companies: Bhoruka Power Corporation Ltd Castrol India Ltd - Chairman Door Sabha Nigam Ltd IL&FS Investment Managers Ltd - Chairman Peerless Financial Products Distributors' Ltd - Chairman Peerless General Finance & Investment Company Ltd Peerless Hotels Ltd Philips Electronics India Ltd - Chairman Rabo India Finance Ltd Speciality Restaurants Ltd - Chairman Transport Corporation of India Ltd - Chairman Zodiac Clothing Company Ltd Private Companies: Chandras Chemical Enterprises Pvt Ltd SMD Management Consultants Pvt Ltd
Membership in committees of other companies	Chairman of Committees: Bhoruka Power Corporation Ltd - Audit Committee Castrol India Ltd - Shareholders' Investors' Grievances Committee Transport Corporation of India Ltd - Compensation Committee Transport Corporation of India Ltd - Remuneration Committee Member of Committees: Castrol India Ltd - Audit Committee IL&FS Investment Managers Ltd - Compensation Committee IL&FS Investment Managers Ltd - Shareholders' Investors' Grievances Committee Peerless General Finance & Investment Company Ltd - Audit Committee Rabo India Finance Ltd - Audit Committee Transport Corporation of India Ltd - Audit Committee
Number of shares held in the Company	10,000

Mr Datta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr Datta being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. A Notice has been received from a Member proposing Mr Datta as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Datta fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. Copy of the draft letter for appointment of Mr Datta as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Mr Datta does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Datta as an Independent Director, for the approval by the Members.

Except Mr Datta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No 06.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Item No 07

Mr G S Patel is an Independent Director of the Company. Mr Patel is also Chairman of the Stakeholders Relationship Committee, a Member of the Audit Committee and a Member of the Nomination and Remuneration Committee of the Board of Directors (Board).

Name	Mr G S Patel
Date of birth	November 16, 1923
Brief résumé	Mr G S Patel is a Director of the Company since August 10, 1983. Mr Patel was the Chairman of Unit Trust of India. Previously he held directorships in 20 other companies in public and private sectors. Mr Patel holds BSc (Economics) degree from London School of Economics, Bar-at-Law degree from Lincoln's Inn and MA (Economics) and LLB degrees from the University of Mumbai.
Directorship in other companies	Nil
Membership in committees of other companies	Nil
Number of shares held in the Company	1,100

Mr Patel is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Patel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. A Notice has been received from a Member proposing Mr Patel as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Patel fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. Copy of the draft letter for appointment of Mr Patel as an Independent Director will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Mr Patel does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Patel as an Independent Director, for the approval by the Members.

Except Mr Patel, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 07.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Item No 08

Dr S S Baijal is an Independent Director of the Company. Dr Baijal is also the Chairman of the Audit Committee, a Member of the Investment Committee and the Nomination and Remuneration Committee of the Board of Directors (Board).

Name	Dr S S Baijal
Date of birth	September 06, 1929
Brief résumé	Dr S S Baijal is a Director of the Company since June 13, 1984. Dr Baijal was a Lecturer in Organic Chemistry, Lucknow University. He was a Whole-time Director and CEO of Atic Industries Ltd, Managing Director of IEL Ltd and Chairman and CEO of ICI companies in India. Dr Baijal holds PhD degree in Chemistry from the University of Allahabad.
Directorship in other companies	Public Companies: BMG Enterprises Ltd CAE Rossell India Ltd DCM Shriram Credit & Investments Ltd DCM Shriram Ltd Rossell Tea Ltd Private Companies: Delhi Guest Houses Pvt Ltd
Membership in committees of other companies	Chairman of Committees: DCM Shriram Ltd - Audit Committee DCM Shriram Ltd - Remuneration Committee Rossell Tea Ltd - Audit Committee Member of Committees: BMG Enterprises Ltd - Remuneration Committee Rossell Tea Ltd - Remuneration Committee
Number of shares held in the Company	6,000

Dr Baijal is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr Baijal being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. A Notice has been received from a Member proposing Dr Baijal as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr Baijal fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. Copy of the draft letter for appointment of Dr Baijal as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Dr Baijal does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Dr Baijal as an Independent Director, for the approval by the Members.

Except Dr Baijal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No 08.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Item No 09

Mr H S Shah is an Independent Director of the Company. Mr Shah is also the Chairman of the Nomination and Remuneration Committee and a Member of the CSR Committee of the Board of Directors (Board).

Name	Mr H S Shah
Date of birth	October 04, 1934
Brief résumé	Mr H S Shah is a Director of the Company since October 21, 1992. Mr Shah was an IAS Officer and had senior administrative management positions in Government of India and Industry for over four decades. Mr Shah held the following positions Chairman, Gujarat Industrial Investment Corporation Chairman, National Institute of Design Chairman, Vikram A. Sarabhai Community Science Centre Chairman, Gujarat Industrial Research & Development Agency Chairman, Gujarat Ecology Commission Chairman and Managing Director, Indian Petrochemicals Corporation Ltd Founder Chairman, Gujarat Institute of Desert Ecology Joint Director, Bureau of Public Enterprises, Government of India Joint Secretary to the Prime Minister Member, Board of Governors of IIT, Mumbai Member, Central Pollution Control Board Secretary, Posts & Telegraph Board of India Vice Chairman, GE Capital (India) Ltd Academic Research: Chairman, DarshakItihasNidhi Chairman, Gujarat Ecology Society Chairman, Gujarat Rural Institute for Socio Economic Reconstruction President, CharutarArogya Mandal (Medical College and Hospital) Social Cultural Rural Development: Chairman, Kachnar Trust Founder President and Member, Heritage Trust Founder Trustee, Indian Trust for Rural Heritage and Development Life Trustee, BAIF Development Research Foundation Life Trustee and Member, Gujarat Nature Conservation Society Trustee, ShramMandir
Directorship in other companies	Public Companies: Sun Pharmaceutical Industries Ltd Supreme Petrochem Ltd Private Companies: Flexican Bellows Pvt Ltd
Membership in committees of other companies	Chairman of Committees: Sun Pharmaceutical Industries Ltd - Shareholders' Investors' Grievance Committee Supreme Petrochem Ltd - Remuneration Committee Member of Committee: Sun Pharmaceutical Industries Ltd - Audit Committee
Number of shares held in the Company	1,290

Mr Shah is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Shah being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. A Notice has been received from a Member proposing Mr Shah as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Shah fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. Copy of the draft letter for appointment of Mr Shah as an Independent Director setting out the terms and conditions will be available for inspection

without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Mr Shah does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Shah as an Independent Director, for the approval by the Members.

Except Mr Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No 09.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Item No 10

Mr V S Rangan is an Independent Director of the Company. Mr Rangan is also a Member of the Audit Committee of the Board of Directors (Board).

Name	Mr V S Rangan
Date of birth	February 13, 1960
Brief résumé	Mr V S Rangan is a Director of the Company since July 19, 2010. Mr Rangan is an Executive Director of Housing Development Finance Corporation Ltd. Mr Rangan is an Associate of Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India.
Directorship in other companies	Public Companies: Cholamandalam Investment & Finance Company Ltd HDFC Developers Ltd HDFC Holdings Ltd HDFC Investments Ltd HDFC Property Ventures Ltd HDFC Trustee Company Ltd HDFC Venture Capital Ltd Hindustan Oil Exploration Company Ltd Housing Development Finance Corporation Ltd TVS Credit Services Ltd Private Companies: Credila Financial Services Pvt Ltd HDFC Education & Development Services Pvt Ltd IVF Advisors Pvt Ltd Ruralshores Business Services Pvt Ltd
Membership in committees of other companies	Member of Committees: Cholamandalam Investment & Finance Company Ltd - Audit Committee Cholamandalam Investment & Finance Company Ltd - Risk Management Committee HDFC Education & Development Services Pvt Ltd - Allotment Committee HDFC Education & Development Services Pvt Ltd - Audit Committee HDFC Holdings Ltd - Audit Committee HDFC Investments Ltd - Audit Committee HDFC Trustee Company Ltd - Audit Committee HDFC Trustee Company Ltd - Customer Service Committee HDFC Trustee Company Ltd - Risk Management Committee Hindustan Oil Exploration Company Ltd - Audit Committee Housing Development Finance Corporation Ltd - Shareholders' Investors' Grievance Committee TVS Credit Services Ltd - Audit Committee
Number of shares held in the Company	2,000

Mr Rangan is a Director whose period of office is liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Rangan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. A Notice has been received from a Member proposing Mr Rangan as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Rangan fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. Copy of the draft letter for appointment of Mr Rangan as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Mr Rangan does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Rangan as an Independent Director, for the approval by the Members.

Except Mr Rangan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item No 10.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreements with the Stock Exchanges.

Item No 11

Mr B N Mohanan was appointed as a Whole-time Director of the Company by the Members in the Annual General Meeting held on August 07, 2009 for a period of five years with effect from January 01, 2009.

The Board of Directors (Board) subject to approval of the Members reappointed Mr Mohanan as a Whole-time Director effective January 01, 2014 for a period of three years. The terms of reappointment of Mr Mohanan are in accordance with applicable provisions of the Companies Act, 1956 and the Companies Act, 2013. Brief resume of Mr Mohanan is given supra.

The terms and conditions of the appointment of Mr Mohanan are set out in the draft Agreement, which is placed before the meeting. The material terms of the draft Agreement are as under:

1. Mr B N Mohanan will have overall responsibilities of Occupier including Safety, Health and Environment. In addition, he will also be responsible for utilities, engineering procurement and any other duties as may be assigned to him by the Chairman and Managing Director | the Board.
2. Period of office of Mr Mohanan is three years with effect from January 01, 2014.
3. Remuneration payable to Mr Mohanan:
 - (a) Basic Salary of ₹ 2,64,271/- per month which may be revised from time to time not exceeding 15% p.a. by the Nomination and Remuneration Committee within the contractual period of three years.
 - (b) Allowances | Benefits: ₹ 1,91,309/- per month which may be revised from time to time not exceeding 15% p.a. by the Nomination and Remuneration Committee within the contractual period of three years.
 - (c) Performance bonus as per the policy of the Company.
 - (d) Perquisites
 - (i) Housing: The Company will provide residential accommodation with water, electricity, furniture and fixtures as per its policy.
 - (ii) Medical reimbursement: The Company will reimburse medical expenses incurred as per its policy.
 - (iii) Leave travel concession: The Company will provide leave travel assistance for self and family once in a year as per its policy.
 - (iv) Personal accident insurance | mediclaim insurance: The Company will provide personal accident insurance and mediclaim insurance as per its policy.
 - (v) Car: The Company will provide a car at its entire cost as per its policy.
 - (vi) Communication devices: The Company will provide a landline telephone at his residence and mobile telephone as per its policy.
 - (e) Retirement benefits
 - (i) The Company will contribute towards Provident Fund | Superannuation Fund | Annuity Fund as per its policy.
 - (ii) The Company will pay Gratuity as per its policy. The period worked under this contract will be in continuum of the service already considered under the policy.
 - (iii) The Company will allow encashment of leaves | grant leaves as per its policy.

4. Mr Mohanan will not be entitled to sitting fees for attending meetings of the Board and | or Committees thereof. He will, however, be reimbursed the actual travelling, lodging, boarding and out of pocket expenses incurred by him for attending meetings of the Board or Committees thereof.
5. The remuneration referred in Clause 4 and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the, Company as computed under the applicable provisions of the Companies Act, 1956 | the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Mohanan will be paid remuneration within the limit of minimum remuneration specified in Schedule V to the Companies Act, 2013.
6. Mr Mohanan will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
7. Mr Mohanan may resign office, subject to three months' notice.
8. Mr Mohanan will be entitled to compensation in accordance with the applicable provision of the Companies Act, 1956 and Companies Act, 2013, in the event of termination of office.
9. In the event of any dispute or difference arising out of this Agreement between the parties, such dispute or difference will be referred to arbitration in accordance with the provisions of The Arbitration and Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force will apply to every reference thereof. The venue of the arbitration will be Courts at Valsad only.
10. Both the parties agree for exclusive jurisdiction of Courts at Valsad only.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Mohanan as Whole-time Director, for the approval by the Members.

Memorandum of interest

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

The above statement may be treated as an abstract of the terms and memorandum of interest under Section 102 of the Companies Act, 2013.

Item No 12

The Board of Directors (Board) in the meeting held on March 28, 2014 appointed Mr S Nammalvar, President, Technology Unit of the Company as an Alternate Director to Mr B N Mohanan, Whole-time Director as Mr Mohanan was to be away for more than three months from the State of Maharashtra for his medical treatment. Mr Nammalvar continued to be a full time employee and consequently became a Whole-time Director subject to the approval of the Members. The terms of appointment of Mr Nammalvar are in accordance with the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013. Brief resume of Mr Nammalvar is given below:

Name	Mr S Nammalvar
Date of birth	May 27, 1954
Brief résumé	Mr S Nammalvar joined the Company in 2011 as President, Technology Unit. His responsibilities include heading technology and manufacturing functions of the Company. Mr Nammalvar has over 34 years of experience in various functions and has held leadership positions for over 20 years in companies belonging to Petrochemical, Pharmaceutical and Polymer industries in India and abroad. Mr Nammalvar holds ME degree in Chemical Engineering from Annamalai University and Post Graduate Diploma in Business Management from the University of Pune.
Directorship in other companies	Nil
Membership in committees of other companies	Nil
Number of shares held in the Company	200

The terms and conditions of the appointment of Mr Nammalvar are set out in the draft Agreement, which is placed before the meeting. The material terms of the draft Agreement are as under:

1. Mr S Nammalvar will have overall responsibilities of Occupier. In addition, he will also be responsible for technology and manufacturing functions and any other duties as may be assigned to him by the Chairman and Managing Director | the Board.
2. Period of office of Mr Nammalvar as an Alternate Director starts from March 28, 2014 and will expire once Mr B N Mohanan returns to the State of Maharashtra. However, he will continue to function as President, Technology Unit as earlier after the return of Mr Mohanan.
3. Remuneration payable to Mr Nammalvar:
 - (a) Basic Salary of ₹ 2,73,034/- per month which may be revised from time to time not exceeding ₹ 3,00,000/- per month by the Nomination and Remuneration Committee.
 - (b) Allowances | Benefits: ₹ 4,50,000/- per month which may be revised from time to time not exceeding ₹ 5,17,000/- per month by the Nomination and Remuneration Committee.
 - (c) Performance bonus as per the policy of the Company.
 - (d) Perquisites
 - (i) Housing: The Company will provide a residential accommodation with water, electricity, furniture and fixtures as per its policy.
 - (ii) Medical reimbursement: The Company will reimburse medical expenses incurred as per its policy.
 - (iii) Leave travel concession: The Company will provide leave travel assistance for self and family once in a year in accordance with its policy.
 - (iv) Personal accident insurance | mediclaim insurance: The Company will provide personal accident insurance and mediclaim insurance as per its policy.
 - (v) Car: The Company will provide a car at its entire cost as per its policy.
 - (vi) Communication devices: The Company will provide a landline telephone at his residence and mobile telephone as per its policy.
 - (e) Retirement benefits
 - (i) The Company will contribute towards Provident Fund | Superannuation Fund | Annuity Fund as per its policy.
 - (ii) The Company will pay Gratuity as per its policy. The period worked under this contract will be in continuum of the service already considered under the policy.
 - (iii) The Company will allow encashment of leaves | grant leaves as per its policy.
4. Mr Nammalvar will not be entitled to sitting fees for attending meetings of the Board or Committees thereof. He will, however, be reimbursed the actual travelling, lodging, boarding and out of pocket expenses incurred by him for attending meetings of the Board and | or Committees thereof.
5. The remuneration referred in Clause 4 and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profits of the Company and subject further to the overall limit of 10% of the annual net profits of the Company as computed in the applicable provisions of the Companies Act, 1956 | the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Nammalvar will be paid remuneration within the limit of minimum remuneration specified in Schedule V to the Companies Act, 2013.
6. Mr Nammalvar will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
7. Mr Nammalvar may resign office, subject to three months' notice.
8. Mr Nammalvar will be entitled to compensation in accordance with the applicable provision of the Companies Act, 1956 and Companies Act, 2013, in the event of termination of office.
9. In the event of any dispute or difference arising out of this Agreement between the parties, such dispute or difference will be referred to arbitration in accordance with the provisions of The Arbitration and Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force will apply to every reference thereof. The venue of the arbitration will be at Courts of Valsad only.
10. Both the parties agree for exclusive jurisdiction of Courts at Valsad only.

The Board considers that his continued association would be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Nammalvar for the approval by the Members.

Memorandum of interest

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

The above statement may be treated as an abstract of the terms and memorandum of interest under Section 102 of the Companies Act, 2013.

Item No 13

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

On the recommendation of the Audit Committee, the Board considered and approved appointment of Cost Auditor, R. Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the products in the category of Bulk Drugs, Chemicals, Dyes, and Insecticides-Technical grade at a remuneration of ₹ 2.24 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2015.

The Resolution is set out as an Ordinary Resolution for ratification by the Members.

The Board seeks ratification of the above Ordinary Resolution by the Members.

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

Item No 14

The Members in their Extraordinary General Meeting held on January 27, 1993 had passed Ordinary Resolution according their consent under Section 293 (1) (a) of the Companies Act, 1956 for creation of security through mortgage or pledge or hypothecation or otherwise for securing the borrowing limits as may be sanctioned by the lenders.

With effect from April 01, 2014, Section 180 (1) (a) of the Companies Act, 2013 requires passing of Special Resolution instead of Ordinary Resolution for creation of such security. Accordingly, the matter is being placed before the Members for passing of Special Resolution for the purposes narrated in the Resolution.

The Board recommends the above Special Resolution for the approval of the Members.

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

Item No 15

The Members in their Extraordinary General Meeting held on January 27, 1993 had passed Ordinary Resolution according their consent under Section 293 (1) (d) of the Companies Act, 1956 for borrowing moneys up to a limit of ₹ 400 crores over and above the paid-up shares capital and free reserves of the Company.

With effect from April 1, 2014 Section 180 (1) (c) of the Companies Act, 2013 requires passing of a Special Resolution instead of an Ordinary Resolution for the borrowing in excess of paid-up share capital and free reserves.

Taking into account the future finance requirements for growth plans and expansion programmes being contemplated and undertaken by the Company and to cater to the working capital needs, a fresh Resolution is proposed in line with the requirements of Section 180 (1) (c) of the Companies Act, 2013.

Accordingly the proposal for borrowing moneys up to a limit of ₹ 400 crores over and above the paid-up shares capital and free reserves of the Company is being placed for approval by way of a Special Resolution by the Members.

The Board recommends the above Special Resolution for the approval of the Members.

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

Registered Office:
Ashoka Chambers
Rasala Marg
Ahmedabad 380006, Gujarat
India
L99999GJ1975PLC002859
June 14, 2014

By order of the Board of Directors

(T R Gopi Kannan)
President, Finance and Company Secretary

Decadal Review

(₹ cr)

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Operating Results											
Net sales	2,307	1,964	1,746	1,508	1,168	1,159	998	895	817	682	568
Revenue	2,406	2,022	1,792	1,553	1,204	1,196	1,033	925	837	710	604
PBIDT*	382	268	203	194	143	124	97	85	78	68	56
Interest	31	32	43	26	26	41	33	28	29	22	22
PBDT*	351	236	160	168	117	83	64	57	49	46	34
Depreciation	54	49	44	39	37	32	29	31	29	27	27
PBT*	297	187	116	129	80	51	35	26	20	19	7
Exceptional income (expenses)	-	5	6	10	-	(5)	3	-	63	-	-
Profit before tax	297	192	122	139	80	46	38	26	83	19	7
Taxation	84	56	34	43	27	10	3	1	3	3	5
Net profit	213	136	88	96	53	36	35	25	84	16	2
Dividend (Inclusive of dividend distribution tax)	26	21	16	16	14	10	10	10	10	7	5
Financial Position											
Gross block**	1,282	1,202	1,100	1,002	986	967	936	771	730	685	666
Net block**	573	526	474	420	424	443	433	295	273	249	276
Net current and other assets	719	585	550	474	355	384	428	374	349	312	310
Capital employed	1,292	1,111	1,024	894	779	827	861	669	622	561	586
Equity Share capital	30	30	30	30	30	30	30	30	30	30	30
Reserves and surplus	912	726	612	537	455	429	403	270	243	170	255
Shareholders' fund	942	756	642	567	485	459	433	300	273	200	285
Borrowings	351	355	382	327	295	368	428	369	349	361	300
Per Equity Share (₹)											
Dividend	7.50	6.00	4.50	4.50	4.00	3.00	3.00	3.00	3.00	2.00	1.50
Book value	317	255	216	191	164	155	146	101	92	67	96
EPS	71.74	45.69	29.70	30.34	19.15	12.77	12.35	9.98	28.00	6.07	1.18
Key Indicators											
PBIDT %*	16.56	13.65	11.63	12.86	12.24	10.70	9.72	9.50	9.55	9.97	9.86
PBDT %*	15.21	12.02	9.16	11.14	10.02	7.16	6.41	6.37	6.00	6.74	5.99
PBT %*	12.87	9.52	6.64	8.55	6.85	4.40	3.51	2.91	2.45	2.79	1.23
Employee cost as % to sales	6.07	6.52	6.70	6.76	8.82	7.85	8.12	8.04	10.40	9.97	13.56
Interest cost as % to sales	1.34	1.63	2.46	1.72	2.23	3.54	3.31	3.13	3.55	3.23	3.87
Debt-Equity ratio	0.37	0.47	0.60	0.58	0.61	0.80	0.99	1.23	1.28	1.81	1.05
Interest coverage ratio	12.32	8.38	4.72	7.46	5.50	3.02	2.94	3.04	2.69	3.09	2.55
Asset turnover ratio	1.80	1.63	1.59	1.50	1.18	1.20	1.07	1.16	1.12	1.00	0.85
RoCE %#*	27.73	21.04	16.93	18.46	13.09	11.19	9.42	8.81	8.41	6.98	4.88
RoNW %*	25.09	18.74	13.56	16.35	11.23	8.95	8.80	8.73	8.56	6.60	0.77
Payment to exchequer	285	221	195	170	105	104	103	102	82	70	56

Notes:

* Excluding exceptional income and expenses.

** Including capital work-in-progress

Excluding capital work-in-progress

Figures for the year prior to 2010-11 are as per old schedule VI of the Companies Act, 1956

Financial Statements

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Independent Auditors' Report

To the Members of Atul Ltd

Report on the Financial Statements

1. We have audited the accompanying Financial Statements of Atul Ltd ('the Company'), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information, which we have signed under reference to this report.

Responsibility of the Management for the Financial Statements

2. The Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 of India ('the Act') read with the General Circular 15 | 2013 dated September 13, 2013 of the Ministry of Corporate Affairs, Government of India in respect of Section 133 of the Companies Act, 2013 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in sub-section (3C) of Section 211 of the Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditors

3. Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the Financial Statements. The procedures selected depend on the judgement of the Auditors, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditors consider internal control relevant to the preparation and fair presentation of the Financial Statements by the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

7. As required by 'the Companies (Auditors' Report) Order, 2003', as amended by 'the Companies (Auditors' Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-Section (4A) of Section 227 of the Act (hereinafter referred to as 'the Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by Section 227 (3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report comply with the Accounting Standards notified under the Act read with the General Circular 15 | 2013 dated September 13, 2013 of the Ministry of Corporate Affairs, Government of India in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Act.

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Anish P Amin

Partner

Mumbai
May 02, 2014

Membership Number: 040451

Annexure to the Independent Auditors' Report

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the Members of Atul Ltd on the Financial Statements as of and for the year ended March 31, 2014

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4 (iii) (b), (c) and (d) of the said Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Therefore, the provisions of Clause 4 (iii) (f) and (g) of the said Order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate Internal Control System commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid Internal Control System.
- v. (a) According to the information and explanations given to us, there have been no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Act.
- (b) In our opinion, and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements exceeding the value of ₹ 0.05 cr in respect of any party during the year.
- vi. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the 'Companies (Acceptance of Deposits) Rules, 1975' with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of Sub-Section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

Annexure to the Report of the Auditors

- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including employees' state insurance, provident fund, customs duty, excise duty, sales tax, service tax, income tax, wealth tax, investor education and protection fund and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax and wealth tax which have not been deposited on account of any dispute. The particulars of dues of customs duty, excise duty and income tax as at March 31, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ cr) (a)	Period to which the amount relates	Forum where the dispute is pending (b)
Central Excise Act, 1944	Central excise	5.56 10.48 0.07 4.60	1975 to 2012 2007 to 2013 1993 to 2014 1992 to 2010	Assistant Deputy Commissioner, Joint Commissioner, Commissioner (Appeals), Customs, Excise and Service Tax Appellate Tribunal
Total:		20.71		
Customs Act, 1962	Customs duty	2.77 3.19 1.76	1985 to 2007 1988 to 2009 1998	Assistant Deputy Commissioner, Commissioner (Appeals), Customs, Excise and Service Tax Appellate Tribunal
Total:		7.72		
Income tax Act, 1961	Income tax	10.87	2004 to 2009	Commissioner of Income tax (Appeals)
Total:		10.87		

- (a) Net of amounts deposited.
- (b) Necessary stay received from respective authorities.

Annexure to the Report of the Auditors

- x. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities. Therefore, the provisions of Clause 4 (xii) of the Order are not applicable.
- xiii. As the provisions of any special statute applicable to chit fund | nidhi | mutual benefit fund | societies are not applicable to the Company, the provisions of Clause 4 (xiii) of the Order are not applicable.
- xiv. In our opinion, the Company is not dealing in or trading in Shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4 (xiv) of the Order are not applicable.
- xv. In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- xvi. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of Shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4 (xviii) of the Order are not applicable.
- xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4 (xix) of the Order are not applicable.
- xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of Clause 4 (xx) of the Order are not applicable.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Anish P Amin

Partner

Membership Number: 040451

Mumbai
May 02, 2014

Balance Sheet as at March 31, 2014

{ ₹ in crore (cr) }

Particulars	Note	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	29.68	29.68
(b) Reserves and surplus	3	911.91	726.41
		941.59	756.09
2 Non-current liabilities			
(a) Long-term borrowings	4	113.36	154.43
(b) Deferred tax liabilities (net)	5	35.39	27.16
(c) Long-term provisions	6	5.19	5.04
		153.94	186.63
3 Current liabilities			
(a) Short-term borrowings	7	184.27	160.45
(b) Trade payables	8	316.87	275.32
(c) Other current liabilities	9	133.73	112.96
(d) Short-term provisions	10	43.21	36.04
		678.08	584.77
		1,773.61	1,584.77
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	519.60	480.45
(ii) Intangible assets	11	—	—
(iii) Capital work-in-progress		52.98	45.93
		572.58	526.38
(b) Non-current investments	12	136.47	128.56
(c) Long-term loans and advances	13	29.06	31.58
(d) Other non-current assets	14	64.31	43.63
		802.42	730.15
2 Current assets			
(a) Inventories	15	375.75	307.53
(b) Trade receivables	16	447.26	361.60
(c) Cash and bank balances	17	8.80	7.84
(d) Short-term loans and advances	18	102.54	103.46
(e) Other current assets	19	36.84	16.91
		971.19	797.34
		1,773.61	1,527.49
Significant Accounting Policies	1		

Notes form an integral part of these Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Sunil S Lalbhai

Chairman and Managing Director

Anish P Amin

Partner

Membership Number: 40451
Mumbai
May 02, 2014

T R Gopi Kannan

President, Finance and
Company Secretary

G S Patel

S S Baijal

B S Mehta

S M Datta

V S Rangan

R A Shah

S Nammalvar

Directors

Samveg A Lalbhai

Managing Director

Mumbai

May 02, 2014

Statement of Profit and Loss for the year ended March 31, 2014

{ ₹ in crore (cr) }

Particulars	Note	2013-14	2012-13
REVENUE			
Revenue from operations (gross)	20	2,516.05	2,123.27
Less: Excise duty		150.60	121.79
Revenue from operations (net)		2,365.45	2,001.48
		2,365.45	2,001.48
Other income	21	39.62	20.46
		2,405.07	2,021.94
EXPENSES			
Cost of materials consumed	22	1,324.60	1,127.05
Purchase of stock-in-trade		23.69	16.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(66.47)	(0.06)
Employee benefit expenses	24	139.79	127.60
Finance costs	25	31.43	31.62
Depreciation and amortisation expenses	11	54.23	49.06
Other expenses	26	600.71	483.27
		2,107.98	1,834.90
Profit before exceptional items and tax		297.09	187.04
Exceptional items			
Reversal of previous year finance costs		-	5.38
		-	5.38
Profit before tax		297.09	192.42
Tax expense			
Current tax		76.12	52.05
Deferred tax		8.23	4.85
Less: Tax adjustments (Previous year: ₹ 20,214)		(0.05)	-
		84.30	56.90
Profit for the year		212.79	135.52
Basic and diluted earning ₹ per Equity Share	27.7	71.74	45.69
Significant Accounting Policies	1		

Notes form an integral part of these Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Sunil S Lalbhai
Chairman and Managing Director

Anish P Amin

Partner
Membership Number: 40451
Mumbai
May 02, 2014

T R Gopi Kannan
President, Finance and
Company Secretary

G S Patel
S S Baijal
B S Mehta
S M Datta
V S Rangan
R A Shah
S Nammalvar
Directors

Samveg A Lalbhai
Managing Director
Mumbai
May 02, 2014

Cash Flow Statement for the year ended March 31, 2014

(₹ cr)

Particulars	2013-14	2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	297.09	192.42
Adjustments for:		
Add:		
Depreciation and amortisation expenses	54.23	49.06
Finance costs	31.43	31.62
Loss on assets sold or discarded	0.01	0.13
Unrealised exchange rate difference (net)	5.54	2.41
Bad debts and irrecoverable balances written off	1.33	0.44
Provision for doubtful debts	0.56	1.58
Provision for diminution in value of investments	0.44	0.96
	93.54	86.20
	390.63	278.62
Less:		
Dividend received	23.43	3.41
Interest received	2.29	0.91
Provisions no longer required	4.52	4.58
Reversal of previous year finance costs	—	5.38
Technical know-how	—	3.00
Surplus on sale of fixed assets	0.39	0.86
	30.63	18.14
Operating profit before working capital changes	360.00	260.48
Adjustments for:		
Inventories	(68.22)	(12.96)
Trade receivables	(91.86)	2.17
Short-term loans and advances	1.29	(20.45)
Other current assets	(19.14)	1.80
Non-current assets	(24.87)	(8.33)
Long-term loans and advances	1.25	1.58
Long-term provisions	0.15	1.71
Trade payables	44.45	1.86
Other current liabilities	7.90	(5.80)
Short-term provisions	1.96	(2.65)
	(147.09)	(41.07)
Cash generated from operations	212.91	219.41
Less:		
Direct taxes (refund) paid	71.91	52.86
Net cash flow from operating activities	A 141.00	166.55

Cash Flow Statement for the year ended March 31, 2014 (contd)

(₹ cr)		
Particulars	2013-14	2012-13
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(98.50)	(90.28)
Purchase of intangible assets	(0.26)	(2.53)
Capital advances	1.27	(0.74)
Investments in subsidiary companies	(8.28)	(1.52)
Investments in others companies	(0.07)	—
Repayments (disbursements) of loans	(0.36)	(0.37)
Long-term bank deposits	0.03	0.25
Short-term bank deposits	(0.06)	0.91
Sale of fixed assets	0.66	1.46
Interest received	2.29	0.90
Dividend received	23.43	3.41
Net cash used in investing activities	B	(79.85)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	(32.14)	(0.38)
Add: Exchange rate difference	—	0.06
Proceeds from long-term borrowings (adjusted)	(32.14)	(0.32)
Proceeds from short-term borrowings	23.82	(33.12)
Total proceeds from borrowings	(8.32)	(33.44)
Payment of unclaimed dividend	(0.14)	0.06
Interest paid	(31.25)	(31.92)
Dividend on Equity Shares (including dividend distribution tax)	(20.68)	(15.45)
Net cash used in financing activities	C	(60.39)
Net change in cash and cash equivalents	A+B+C	(2.71)
Opening balance - cash and cash equivalents	6.48	9.19
Closing balance - cash and cash equivalents	7.24	6.48
	0.76	(2.71)

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard-3 'Cash Flow Statement' referred to in The Companies Accounting Standard Rules, 2006.

As per our attached report of even date

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Anish P Amin

Partner

Membership Number: 40451
Mumbai
May 02, 2014

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For and on behalf of the Board of Directors

Sunil S Lalbhai
Chairman and Managing Director

Samveg A Lalbhai
Managing Director
Mumbai
May 02, 2014

Notes to the Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1 Convention:

These Financial Statements have been prepared on accrual basis and under historical cost convention and in compliance, in all material aspects, with the generally accepted accounting principles in India. Consequent to the clarification issued by the Ministry of Corporate Affairs, Government of India vide General Circular 08 | 2014 dated April 04, 2014, these Financial Statements have been prepared in accordance with the relevant provisions | schedules | rules of the Companies Act, 1956, which inter alia include the applicable Accounting Standards notified under Section 211 (3C).

A summary of applicable Accounting Policies which have been applied consistently, are set out below.

2 Basis of Preparation:

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 VI to the Companies Act, 1956. Based on the nature of products 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.

3 Use of Estimates:

The preparation of the Financial Statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the results of operations during the reporting period. These estimates are based on the evaluation of the relevant facts and circumstances as of the date of the Financial Statements by the Management, which may differ from future revisions and actual results in subsequent period. Differences are adjusted in subsequent periods as they occur.

4 Fixed Assets:

a) Tangible Assets:

- i) Fixed assets other than (ii) and (iii) below are carried at cost of acquisition | construction including incidental expenses directly attributable to the acquisition | construction activity, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.
- ii) Assets received free of cost on premature cancellation of a lease agreement are valued at fair value, by credit to capital reserve less accumulated depreciation and impairment as necessary.
- iii) Freehold land, lease hold land at Panoli and certain business premises have been revalued as per the report of approved valuer.
- iv) Spares specific to a machinery are carried at cost and allocated over the useful life of the asset.
- v) Expenditure incurred on cultivation of plantations up to the date, they become capable of bearing fruit are accumulated under 'Capital work-in-progress' and then capitalised as a fixed asset to be depreciated over their estimated economic life.

b) Intangible Assets:

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

5 Depreciation and Amortisation Expenses:

Depreciation:

Depreciation on building and plant and equipment is being provided on 'Straight Line Method' and on all other assets on 'Written Down Value' basis in accordance with the provisions of Section 205 (2) (b) and 205 (2) (a) of the Companies Act, 1956, respectively, in the manner and at the rates specified in Schedule XIV to the said Act. An amount in respect of assets revalued in the past, the depreciation charge over the enhancement to cost is withdrawn from the revaluation reserves and adjusted against the depreciation charge each year. In respect of assets received free of cost (see 4a ii), from this year, an amount equivalent to the depreciation is withdrawn from capital reserve and transferred to general reserve.

Depreciation on additions to the assets during the year is being provided on pro-rata basis at their respective rate with reference to the month of acquisition | installation.

Depreciation on assets sold, scrapped or discarded during the year is being provided at their respective rates up to the month in which such assets are sold, scrapped or discarded.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

Depreciation is adjusted in subsequent periods to allocate the revised carrying amount of assets after the recognition of an impairment loss on a systematic basis over its remaining useful life of assets.

Amortisation Expenses :

- a) Premium on lease hold land is amortised over the period of lease.
- b) Computer software is amortised over a period of three years.

6 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances.

7 Finance Costs:

Borrowing costs in relation to acquisition and construction of qualifying assets are capitalised as part of cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which these are incurred.

8 Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Current investments not intended to be held for a period more than one year, are stated at lower of cost or fair value.

9 Inventories:

- a) Raw materials, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. However materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) Goods-in-transit and in bonded warehouse are stated at the cost to the date of Balance Sheet.
- c) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- d) Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

10 Foreign Currency Transactions:

- a) Initial recognition:
Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.
- b) Conversion:
At the year end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year end exchange rates. 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.
- c) Exchange differences:
All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Statement of Profit and Loss. The Company has opted to avail the option provided under paragraph 46A of Accounting Standard - 11 'The effects of changes in foreign exchange rates' inserted vide Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently, foreign exchange difference on account of long-term foreign currency borrowings utilised to acquire a depreciable asset, is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.
- d) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts intended to hedge existing exposures is amortised as expenses or income over the life of the contract. Exchange differences on such

Notes to the Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

contract are being recognised in the Statement of Profit and Loss for the year. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.

e) Derivatives:

Where the Company has entered into derivative contracts such as Interest Rate Swaps, Currency Swaps, and Currency Options, to hedge risk associated with the interest and foreign currency fluctuations relating to firm commitments where these exposures exist at the Balance Sheet date the hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. The revalorisation gain or loss on Mark-to-Market (MTM) is generally recognised in the Statement of Profit and Loss each year. However, on account of option exercised as per (c) above MTM gains and losses on instruments intended to hedge long-term foreign currency borrowings utilised to acquire depreciable assets are recognised to offset foreign exchange fluctuation differences on such long-term foreign currency borrowings.

f) Changes in fair value of derivative instruments intended to hedge future exposures resulting out of 'highly probable forecast transactions' such as exports, is determined as effective hedges of future cash flows, which are recognised directly under 'Hedging Reserve' in shareholders' funds, and the ineffective portion, if any, is recognised immediately in the Statement of Profit and Loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Statement of Profit and Loss for the period.

11 Revenue Recognition:

Revenue from sales are recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

a) Sale of Goods and Services:

- i) Domestic sales are accounted for on dispatch from the point of sale, where property in goods are transferred to the buyer.
- ii) Export sales are accounted on the basis of dates of on Board Bill of Lading and | or Air Way Bill.
- iii) Service income is recognised, net of service tax, when the related services are rendered.

b) Other Revenue:

- i) Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.
- ii) Lease rental income is recognised on accrual basis.
- iii) Dividend income is accounted for in the year in which the right to receive the same is established.
- iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

12 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are disclosed in the Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.

13 Research and Development Expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Research and Development expenditure on fixed assets is treated in the same way as expenditure on other fixed assets.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

14 Employee Benefits:

- a) Defined contribution plan:
Contribution paid | payable by the Company during the period to provident fund, superannuation fund, employees' state insurance corporation, national pension scheme and labour welfare fund are recognised in the Statement of Profit and Loss.
- b) 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 so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss. 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.
Long-term leave encashment:
Long-term leave encashment is provided for on the basis of an actuarial valuation carried out at the end of the year on the projected unit credit method. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss.
Provident fund:
Provident fund for certain eligible employees is managed by the Company through the 'Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust' in line with Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. 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.
- c) Short-term leave encashment:
Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.
- d) Voluntary retirement scheme:
Compensation payable under the voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

15 Taxation:

- a) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- b) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period.
- c) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.
- d) Deferred tax assets, representing unabsorbed depreciation or carried forward losses, are recognised, if and only if there is virtual certainty supported by convincing evidence that there will be adequate future taxable income against which such deferred tax assets can be realised.

16 Government Grants:

- a) Grants are recognised when there is reasonable assurance that the same will be received.
- b) Revenue grants for expenses incurred are reduced from the respective expenses.
- c) Capital grants relating to specific fixed assets are reduced from the cost of the respective fixed assets.
- d) Grants in the nature of promoters' contribution are credited to Capital reserve and treated as a part of Shareholders' funds.

Notes to the Financial Statements

(₹ cr)

NOTE 2 SHARE CAPITAL			As at March 31, 2014	As at March 31, 2013
Authorised				
8,00,00,000 (8,00,00,000)	Equity Shares of ₹ 10 each		80.00	80.00
80,00,000 (80,00,000)	Cumulative Redeemable Preference Shares of ₹ 100 each		80.00	80.00
			160.00	160.00
Issued				
2,96,91,780 (2,96,91,780)	Equity Shares of ₹ 10 each		29.69	29.69
			29.69	29.69
Subscribed				
2,96,61,733 (2,96,61,733)	Equity Shares of ₹ 10 each, fully paid		29.66	29.66
29,991 (29,991)	Add: Forfeited Shares (amount paid-up)		0.02	0.02
			29.68	29.68

(a) Rights, Preferences and restrictions

The Company has two classes of Shares referred to as Equity Shares having a par value of ₹ 10 and Cumulative Redeemable Preference Shares having a par value of ₹ 100.

i) Equity Shares:

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

ii) Preference Shares:

The Company has Preference Shares having a par value of ₹ 100 per share. Each Shareholder is eligible for dividend depending upon their coupon rates. The Preference Shareholder is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the Preference Shares.

iii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

(b) Shares reserved for issue at a later date

56 Equity Shares are held in abeyance due to disputes at the time of earlier rights issues.

(c) Details of Shareholders holding more than 5% of Equity Shares:

Sr No	Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
		Holding %	No of Shares	Holding %	No of Shares
1	Aagam Holdings Pvt Ltd*	22.70%	67,25,501	Nil	Nil
2	Aura Securities Pvt Ltd	5.44%	16,14,045	5.44%	16,14,045
3	Aeon Investments Pvt Ltd	3.50%	10,39,383	5.95%	17,64,383

* During the year certain Promoter group companies were merged. However, there is no change in shareholding of the Promoters due to this merger.

Notes to the Financial Statements

(₹ cr)

NOTE 3 RESERVES AND SURPLUS	As at March 31, 2014	As at March 31, 2013
(a) Capital reserve:		
Balance as at the beginning of the year	6.68	6.68
Less: Transferred to the General reserve*	1.95	—
Balance as at the end of the year	4.73	6.68
(b) Securities premium account	34.66	34.66
(c) Revaluation reserve:		
Balance as at the beginning of the year	104.46	106.52
Less: Transferred to the Statement of Profit and Loss	2.06	2.06
Balance as at the end of the year	102.40	104.46
(d) Hedging reserve {see Note 27.9 (c)}:		
Balance as at the beginning of the year	0.74	(0.78)
Add: Transferred to the Statement of Profit and Loss	(0.74)	0.78
Less: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	(1.54)	(0.74)
Balance as at the end of the year	1.54	0.74
(e) General reserve:		
Balance as at the beginning of the year	81.42	67.87
Add: Transferred from Capital reserve*	1.95	—
Add: Transferred from the Statement of Profit and Loss	21.28	13.55
Balance as at the end of the year	104.65	81.42
(f) Surplus in the Statement of Profit and Loss:		
Balance as at the beginning of the year	498.45	397.30
Add: Profit for the year	212.79	135.52
Amount available for appropriation	711.24	532.82
Less: Appropriations		
General reserve	21.28	13.55
Proposed dividend on Equity Shares for the year {at ₹ 7.50 per share (March 31, 2013 ₹ 6.00 per share)}	22.25	17.80
Dividend distribution tax on proposed dividend	3.78	3.02
Balance as at the end of the year	663.93	498.45
	911.91	726.41

* The fair value of the assets received free of cost in the past, was credited to 'Capital reserve'. An amount equivalent to the depreciation of the respective assets charged to the Statement of Profit and Loss and the written down value of assets discarded as at March 31, 2014 have been transferred to the General reserve.

Notes to the Financial Statements

(₹ cr)

NOTE 4 LONG-TERM BORROWINGS	Non-current		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured:				
(i) Rupee term loan from a foreign financial institution	31.25	41.66	10.42	10.42
(ii) Foreign currency term loans from banks	59.47	69.69	17.53	6.80
(iii) Foreign currency term loan from a foreign financial institution	22.54	43.06	25.04	22.66
Unsecured:				
(iv) Rupee term loans from a bank	0.10	0.02	0.16	0.34
	113.36	154.43	53.15	40.22
Amount disclosed under the head 'Other Current Liabilities' (see Note 9)			(53.15)	(40.22)
	113.36	154.43	—	—

Sr No	Type of loan Nature of security	Terms of repayment
(i)	Rupee term loan from a foreign financial institution amounting to ₹ 41.67 cr (Previous year : ₹ 52.08 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, present and future.	15 equal half yearly installments beginning from January 14, 2011 along with interest ranging from 6.99% p.a. to 7.46% p.a. (balance installments payable-8 of ₹ 5.21 cr each).
(ii)	a) Foreign currency term loan from a foreign bank amounting to ₹ 16.90 cr (Previous year : ₹ 22.10 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, present and future. b) Foreign currency term loan from a bank amounting to ₹ 60.10 cr (Previous year : ₹ 54.39 cr) is secured by first <i>pari passu</i> charge on the entire movable and immovable fixed assets of the Company, both present and future.	16 equal quarterly installments beginning from July 31, 2012 along with interest @ 3 Month LIBOR + 225 bps p.a. (balance installments payable-9 of ₹ 1.88 cr each). 12 equal quarterly installments beginning from December 29, 2014 along with interest @ 3 Month LIBOR + 290 bps p.a. (balance installments payable-12 of ₹ 5.01 cr each).

NOTE 4 LONG-TERM BORROWINGS (contd)

Sr No	Type of loan Nature of security	Terms of repayment
(iii)	Foreign currency loan from a foreign financial institution amounting to ₹ 47.58 cr (Previous year : ₹ 65.72 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, present and future.	Tranche 1:7 half yearly installments beginning from January 15, 2013 along with interest @ 6 Month LIBOR + 225 bps p.a. (balance installments payable-3 of ₹ 2.50 cr each). Tranche 2:7 half yearly installments beginning from July 15, 2013 along with interest @ 6 Month LIBOR + 225 bps p.a. (balance installments payable-4 of ₹ 10.02 cr each).
(iv)	a) Unsecured rupee term loan from a bank amounting to ₹ 0.05 cr (Previous year : ₹ 0.11 cr).	20 equal quarterly installments beginning from November 30, 2011 along with interest @ Base rate + 1.5% p.a. (balance installments payable-9 for ₹ 0.01 cr each).
	b) Unsecured rupee term loan from a bank amounting to ₹ 0.21 cr (Previous year : ₹ 0.25 cr).	Quarterly installments beginning from December 1, 2012 along with interest @ Base rate + 1.5% p.a. (balance installments payable-6 of ₹ 0.04 cr each).

(₹ cr)

NOTE 5 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2014	Charge (credit) during the year	As at March 31, 2013
Deferred tax liabilities:			
on account of timing difference in depreciation	43.85	8.68	35.17
	43.85	8.68	35.17
Deferred tax assets:			
on account of timing difference in			
(a) Provision for leave encashment	7.22	0.41	6.81
(b) Provision for doubtful debts	1.14	0.19	0.95
(c) Provision for doubtful advances	0.06	—	0.06
(d) Voluntary retirement scheme	0.04	(0.15)	0.19
	8.46	0.45	8.01
Net deferred tax liabilities (assets)	35.39	8.23	27.16

(₹ cr)

NOTE 6 LONG-TERM PROVISIONS	As at March 31, 2014	As at March 31, 2013
Provision for leave entitlement	5.19	5.04
	5.19	5.04

Notes to the Financial Statements

(₹ cr)

NOTE 7 SHORT-TERM BORROWINGS	As at March 31, 2014	As at March 31, 2013
(a) Secured*		
Working capital loans repayable on demand from banks	129.27	151.09
(b) Unsecured		
Loan from banks including foreign banks	55.00	—
(c) Buyers' credit arrangement	—	9.36
	184.27	160.45

* Security details:

Secured by hypothecation of tangible current assets (other than movable plant and equipment), namely, inventories and book debts of the Company as a whole and also secured by second and subservient charge on immovable and movable assets of the Company to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letter of credits given by the bankers aggregating to ₹ 103.38 cr (Previous year: ₹ 86.98 cr)

(₹ cr)

NOTE 8 TRADE PAYABLES	As at March 31, 2014	As at March 31, 2013
Trade payables including acceptances	316.87	275.32
	316.87	275.32

Following is the information, required to be furnished as per Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006:

(₹ cr)

Particulars	As at March 31, 2014	As at March 31, 2013
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.78	2.19
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.26	—
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	19.32	—
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.26	—
Further interest remaining due and payable for earlier years	—	—

- There were no other conditions existing, which require a disclosure under Micro, Small and Medium Enterprise Development Act, 2006.
- Above disclosures have been made based on information available with the Company, for suppliers who are registered as micro, small and medium enterprise under 'The Micro, Small and Medium Enterprise Development Act, 2006' as at March 31, 2014.

(₹ cr)

NOTE 9 OTHER CURRENT LIABILITIES	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term borrowings (see Note 4)	53.15	40.22
(b) Interest accrued but not due on borrowings	1.15	1.35
(c) Unclaimed dividends*	1.12	0.97
(d) Unclaimed matured deposits and interest thereon*	0.05	0.12
(e) Security deposits	17.80	15.69
(f) Advances received from customers	6.47	3.94
(g) Employee benefits payable	24.11	21.22
(h) Creditors for capital goods	2.66	5.95
(i) Commission and discount payable	10.05	9.87
(j) Statutory dues	13.57	9.36
(k) Provision for Mark-to-Market losses on derivatives	—	0.10
(l) Others	3.60	4.17
	133.73	112.96

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2014.

(₹ cr)

NOTE 10 SHORT-TERM PROVISIONS	As at March 31, 2014	As at March 31, 2013
(a) Provision for leave entitlement	16.05	14.99
(b) Others:		
Proposed dividend (see Note 3 (f))	22.25	17.80
Dividend distribution tax on proposed dividend	3.78	3.02
Other provisions	1.13	0.23
	43.21	36.04

Notes to the Financial Statements

(₹ cr)

NOTE 11 FIXED ASSETS										
ASSET BLOCK	GROSS BLOCK (a)			DEPRECIATION AMORTISATION				IMPAIRMENT	NET BLOCK	
	As at March 31, 2013	Additions	Other Adjustments	Deductions and Adjustments	As at March 31, 2014	Depreciation Upto March 31, 2013	For the Year	Deductions and Adjustments	As at March 31, 2014	As at March 31, 2013
Tangible assets										
Land - Freehold (d)	17.04	-	-	0.50	16.54	-	-	-	16.54	17.04
Land - Leasehold (b) and (d)	22.90	-	-	0.55	22.35	-	-	-	22.35	22.90
Buildings (c) and (d)	249.93	6.99	-	9.10	247.82	66.86	6.92	2.15	176.19	183.07
Roads	3.21	0.10	-	-	3.31	1.30	0.05	-	1.35	1.91
Plant and equipment (e) and (f)	809.91	75.76	8.53	11.85	882.35	547.69	45.51	19.80	594.43	241.19
Railway siding	0.08	-	-	-	0.08	0.08	-	-	0.08	-
Office equipment and furniture	26.83	2.68	-	-	29.51	18.39	1.87	-	20.26	8.44
Vehicles	13.80	1.40	-	0.62	14.58	7.90	1.65	0.36	9.19	5.90
Total Tangible assets	1,143.70	86.93	8.53	22.62	1,216.54	642.22	56.00	22.31	696.94	480.45
Intangible assets										
Computer software	12.61	0.26	-	-	12.87	12.61	0.26	-	12.87	-
Total Intangible assets	12.61	0.26	-	-	12.87	12.61	0.26	-	12.87	-
Total as at										
March 31, 2014	1,156.31	87.19	8.53	22.62	1,229.41	654.83	56.26	22.31	709.81	480.45
Total as at March 31, 2013	1,043.99	102.93	11.33	1.94	1,156.31	605.19	50.85	1.21	675.86	480.45

Notes:

- At cost, except land - freehold, certain leasehold land, building premises which are stated at revalued value.
- Land - Leasehold at cost less amounts written off.
- Includes premises on ownership basis ₹ 1.10 cr (Previous year: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (Previous year: ₹ 2,000).
- Pursuant to the order passed by Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of Government of Gujarat and paid Security Deposit ₹ 2 cr (Previous year: ₹ 2 cr).
- Exchange rate difference capitalised during the year ₹ 8.53 cr (Previous year: ₹ 10.74 cr).
- Exchange rate difference which remains unamortised in accordance with the option exercised under Para 46A of Accounting Standard - 11 is ₹ 16.62 cr (Previous year: ₹ 11.70 cr).
- Break-up of depreciation for the year

(₹ cr)

Particulars	2013-14	2012-13
Depreciation Amortisation expenses for the year	56.26	50.85
Add: Amortisation of Leasehold land	0.27	0.27
Less: Amount withdrawn from Revaluation reserve (see Note 3)	2.06	2.06
Less: Depreciation in respect of earlier year	0.24	-
Depreciation Amortisation expenses as per the Statement of Profit and Loss	54.23	49.06

Notes to the Financial Statements

(₹ cr)

NOTE 12 NON-CURRENT INVESTMENTS*			As at March 31, 2014	As at March 31, 2013
Long-term investment	Face Value**	No of Shares		
Trade Investments, Unquoted				
Investments in Equity Instruments				
Bharuch Enviro Infrastructure Ltd	10	70,000	0.07	0.07
Narmada Clean Tech Ltd	10	7,15,272 (6,48,962)	0.72	0.65
				0.79
Other Investments				
Investments in Equity Instruments				
Quoted				
In Associate Company				
Amal Ltd	10	4,12,453	0.44	0.44
Less: Provision for diminution in value			0.40	0.40
				0.04
In Others				
Arvind Ltd	10	41,27,471	46.64	46.64
BASF India Ltd	10	2,61,396	0.84	0.84
ICICI Bank Ltd	10	19,823	0.14	0.14
Jain Irrigation Systems Ltd	2	4,200	0.02	0.02
Nagarjuna Oil Refinery Ltd	1	31,500	-	-
Novartis India Ltd	5	3,84,660	1.02	1.02
Wyeth Ltd	10	13,69,895	1.50	1.50
				50.16
Unquoted				
In Subsidiary Companies - Foreign				
Atul Brasil Quimicos Ltda	R\$ 1	7,04,711	2.03	2.03
Atul China Ltd	US\$ 4,10,000	1	1.84	1.84
Less: Provision for diminution in value			0.92	0.92
				0.92
Atul Deutschland GmbH	€ 100,000	1	0.55	0.55
Less: Provision for diminution in value			0.55	0.11
				0.44
Atul Europe Ltd	£ 1	43,38,911	31.85	31.85
Atul USA Inc	US\$ 1,000	2,000	6.29	6.29
In Subsidiary Companies - Domestic				
Aasthan Dates Ltd	10	15,14,000	1.51	-
Ameer Trading Corporation Ltd	7	5,00,000	5.00	5.00
Atul Bioscience Ltd	10	79,90,050	8.01	8.01
Atul Biospace Ltd	10	34,07,600	3.41	-
Atul Rajasthan Date Palms Ltd	1000	30,001	3.00	3.00
Biyaban Agri Ltd	10	7,37,100	0.74	-
Raja Dates Ltd	10	26,25,500	2.62	-
				65.38
				57.54

Notes to the Financial Statements

(₹ cr)

NOTE 12 NON-CURRENT INVESTMENTS* (contd)			As at March 31, 2014		As at March 31, 2013	
Long term investment	Face Value**	No of Shares				
In Joint Venture Company						
Rudolf Atul Chemicals Ltd	10	29,18,750		6.13		6.13
In Associates Companies						
Anchor Adhesives Pvt Ltd	10	2,93,077	1.47			1.47
AtRo Ltd	10	50,004	0.05			0.05
			1.52			1.52
Gujarat Synthwood Ltd	10	4,00,000	0.65			0.65
Less: Provision for diminution in value			0.65			0.65
			-	1.52		1.52
In Others						
Nagarjuna Fertilizers and Chemicals Ltd	1	34,650		0.04		0.04
Investments in Preference Shares						
In Subsidiary Companies						
Atul Bioscience Ltd (6% Cumulative Redeemable Preference Shares)	100	2,00,000	2.00			2.00
Atul Bioscience Ltd (10% Cumulative Redeemable Preference Shares)	100	40,400	0.40			0.40
				2.40		2.40
In Associate Company						
Amal Ltd (0% Redeemable Preference Shares)	10	1,00,00,000		10.00		10.00
Investments in Government or Trust Securities						
6 Years National Savings Certificates (deposited with Government departments)	88,000			0.01		0.01
				136.47		128.56

Particulars	Book Value As at March 31,		Market Value As at March 31,	
	2014	2013	2014	2013
Quoted	50.20	50.20	236.15	197.27
Unquoted	86.27	78.36		
	136.47	128.56		
Aggregate provision for diminution	2.52	2.08		

* Valued at cost unless otherwise stated

** In ₹ and fully paid unless otherwise stated

Notes to the Financial Statements

(₹ cr)

NOTE 13 LONG-TERM LOANS AND ADVANCES	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to related parties: *		
(i) Secured, considered good	11.29	11.29
(ii) Unsecured, considered good	9.32	9.32
(b) Others:		
(i) Capital advances	5.64	6.91
(ii) Security deposits	2.81	4.06
	29.06	31.58

* An amount of ₹ 11.29 cr has been advanced to an associate Company as a secured loan. The said Company is registered with BIFR and is implementing its revival plan. First charge over all their assets has been assigned exclusively in favour of the Company. This loan is repayable in three installments during 2017-18 to 2019-20. The Company has also given an unsecured loan of ₹ 3.59 cr (Previous year: ₹ 3.59 cr) as Promoter's contribution (repayment will be made as per mutually decided terms and conditions between both the companies subject to prior approval of BIFR). Considering the progress of the revival plan and the present market value of assets, these amounts included under loans and advances are considered as good and recoverable.

(₹ cr)

NOTE 14 OTHER NON-CURRENT ASSETS	As at March 31, 2014	As at March 31, 2013
(a) Balance with bank in fixed deposits, with maturity beyond 12 months	0.02	0.05
(b) Balance with Government departments:		
Tax paid under protest	20.52	10.51
Tax paid in advance, net of provisions	3.95	8.11
VAT receivable	30.13	20.32
Security deposit (see Note 11 (d))	2.00	2.00
(c) Mark-to-Market gains on derivatives	7.69	2.64
	64.31	43.63

(₹ cr)

NOTE 15 INVENTORIES *	As at March 31, 2014	As at March 31, 2013
(a) Raw materials and packing materials	87.52	89.81
Add: Goods-in-transit	24.58	20.26
	112.10	110.07
(b) Work-in-progress	102.70	73.66
(c) Finished goods	126.19	88.74
Add: Goods-in-transit	5.76	3.75
	131.95	92.49
(d) Stock-in-trade	3.01	2.75
(e) Stores, spares and fuel	21.83	28.56
Add: Goods-in-transit	4.16	—
	25.99	28.56
	375.75	307.53

* Goods-in-transit at cost to date and others at cost or net realisable value whichever is lower.

Notes to the Financial Statements

(₹ cr)

DETAILS OF INVENTORY	As at March 31, 2014	As at March 31, 2013
(a) Raw materials		
Life Science Chemicals	30.49	27.08
Performance and Other Chemicals	81.61	82.99
	112.10	110.07
(b) Work-in-progress		
Life Science Chemicals	18.06	12.36
Performance and Other Chemicals	84.64	61.30
	102.70	73.66
(c) Finished goods		
Life Science Chemicals	55.19	28.88
Performance and Other Chemicals	76.76	63.61
	131.95	92.49
(d) Stock-in-trade		
Life Science Chemicals	2.32	2.00
Performance and Other Chemicals	0.69	0.75
	3.01	2.75

(₹ cr)

NOTE 16 TRADE RECEIVABLES	As at March 31, 2014	As at March 31, 2013
(a) Trade receivables outstanding for more than six months from the date they became due for payment:		
(i) Unsecured, considered good		
From related parties	2.06	1.93
From others	4.01	3.42
(ii) Doubtful	2.27	2.52
Less: Provision for doubtful debts	2.27	2.52
	6.07	5.35
(b) Others:		
(i) Unsecured, considered good		
From related parties	85.03	62.69
From others	356.16	293.56
	441.19	356.25
	447.26	361.60

(₹ cr)

NOTE 17 CASH AND BANK BALANCES	As at March 31, 2014	As at March 31, 2013
(a) Cash and cash equivalents:		
(i) Balances with banks		
In current accounts	7.11	6.33
(ii) Cash on hand	0.13	0.15
	7.24	6.48
(b) Other Bank balances:		
Earmarked balances with banks		
(i) Unclaimed dividend interest on public deposit	1.17	1.03
(ii) Short-term bank deposits (including margin money deposits)	0.39	0.33
	1.56	1.36
	8.80	7.84

Notes to the Financial Statements

(₹ cr)

NOTE 18 SHORT-TERM LOANS AND ADVANCES	As at March 31, 2014	As at March 31, 2013
Loans and advances, Unsecured, considered good to:		
(a) Related parties	5.98	8.25
(b) Others:		
(i) Advances recoverable in cash or kind	79.72	70.90
(ii) Balances with statutory authorities	16.18	23.48
(iii) Sundry deposits	0.66	0.83
	102.54	103.46

(₹ cr)

NOTE 19 OTHER CURRENT ASSETS	As at March 31, 2014	As at March 31, 2013
(a) Export incentive receivable	34.29	16.91
(b) Mark-to-Market gains on derivatives	2.55	–
(c) Sundry receivable		
Doubtful	0.19	0.19
Less: Provision for doubtful receivable	0.19	0.19
	36.84	16.91

(₹ cr)

NOTE 20 REVENUE FROM OPERATIONS	2013-14	2012-13
Sale of products	2,457.12	2,085.66
Sale of services	0.89	1.39
Other operating revenue:		
Export incentives	47.62	26.08
Scrap sales	4.94	6.38
Processing charges	5.48	3.76
	2,516.05	2,123.27
Less: Excise Duty	150.60	121.79
	2,365.45	2,001.48

(₹ cr)

DETAILS OF REVENUE	2013-14	2012-13
Sale of products		
Life Science Chemicals	785.84	737.21
Performance and Other Chemicals	1,671.28	1,348.45
Gross revenue	2,457.12	2,085.66
Sale of services	0.89	1.39
Other operating revenue	58.04	36.22
	2,516.05	2,123.27
Less: Excise duty	150.60	121.79
	2,365.45	2,001.48

Notes to the Financial Statements

(₹ cr)

NOTE 21 OTHER INCOME	2013-14	2012-13
Dividend on long-term investments*	23.41	3.41
Dividend on short-term investments	0.02	–
Interest from inter Company deposits	0.38	0.76
Interest from others	1.91	0.15
Provisions no longer required	4.52	4.58
Surplus on sale of fixed assets	0.39	0.86
Technical know-how	-	3.75
Exchange rate difference and Derivatives gain (loss)	3.77	1.95
Miscellaneous income	5.22	5.00
	39.62	20.46

* Includes a one-time special dividend of ₹19.86 cr received from a Company, prior to its proposed merger with another Company.

NOTE 22 DETAILS OF MATERIALS CONSUMED AND GOODS TRADED IN

(a) Materials consumed: (₹ cr)

Category	2013-14	2012-13
Organic chemicals	364.26	372.78
Inorganic chemicals and others	910.98	712.99
Packing materials	49.36	41.28
Total	1,324.60	1,127.05

(b) Imported and indigenous raw materials and packing materials consumption: (₹ cr)

Category	2013-14		2012-13	
	₹ cr	%	₹ cr	%
Imported	384.57	29%	302.27	27%
Indigenous	940.03	71%	824.78	73%
Total	1,324.60	100%	1,127.05	100%

(c) Trading goods purchases: (₹ cr)

Category	2013-14	2012-13
Organic chemicals	19.18	15.08
Inorganic chemicals and others	4.51	1.28
Total	23.69	16.36

(₹ cr)

NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	2013-14	2012-13
Stocks at close		
Finished goods	131.95	92.49
Work-in-progress	102.70	73.66
Stock-in-trade	3.01	2.75
	237.66	168.90
Less: Stocks at commencement		
Finished goods	92.49	84.78
Work-in-progress	73.66	78.10
Stock-in-trade	2.75	3.45
	168.90	166.33
	(68.76)	(2.57)
Excise duty variation on opening closing stocks	2.29	2.51
(Increase) decrease in inventories	(66.47)	(0.06)

Notes to the Financial Statements

(₹ cr)

NOTE 24 EMPLOYEE BENEFIT EXPENSES	2013-14	2012-13
Salaries, wages and bonus	125.19	111.68
Contribution to provident and other funds	9.67	12.18
Staff welfare	4.93	3.74
	139.79	127.60

(₹ cr)

NOTE 25 FINANCE COSTS	2013-14	2012-13
Interest on borrowings	26.81	25.97
Interest on income tax	0.60	–
Interest on others	2.40	1.43
Other borrowings cost	0.60	1.92
Applicable exchange difference to the extent considered as an adjustment to borrowing cost	1.02	2.30
	31.43	31.62

(₹ cr)

NOTE 26 OTHER EXPENSES	2013-14	2012-13
Consumption of stores and spares	32.69	15.03
Power, fuel and water	277.99	212.75
Conversion and plant operation charges	33.39	31.42
Building repairs	15.04	15.24
Plant and equipment repairs	61.77	52.62
Sundry repairs	6.84	6.13
Rent	1.40	1.47
Rates and taxes	1.72	1.15
Insurance	5.18	4.52
Freight, cartage and octroi	62.27	54.54
Discount and commission	22.19	18.40
Travelling and conveyance	12.00	10.62
Payments to Statutory Auditors		
a) Audit fees	0.33	0.33
b) Other matters	0.15	0.19
c) Out of pocket expenses	0.01	0.01
Payments to Cost Auditors		
a) Audit fees	0.03	0.02
b) Out of pocket expenses ₹ 19,360 (Previous year: ₹ 31,831)		
Directors' fees and travelling	0.23	0.23
Directors' commission (other than Executive Directors)	0.74	0.53
Bad debts and irrecoverable balances written off	1.33	0.44
Provision for doubtful debts	0.56	1.58
Provision for diminution in value of investment	0.44	0.96
Loss on assets sold, discarded or demolished	0.01	0.13
Miscellaneous expenses	64.40	54.96
	600.71	483.27

Consumption of stores and spares:

Category	2013-14		2012-13	
	₹ cr	%	₹ cr	%
Imported	6.85	21%	4.38	29%
Indigenous	25.84	79%	10.65	71%
	32.69	100%	15.03	100%

Notes to the Financial Statements

(₹ cr)

NOTE 27.1 CONTINGENT LIABILITIES		As at March 31, 2014	As at March 31, 2013
(i) Claims against the Company not acknowledged as debts in respects of:			
(a) Excise		7.21	5.84
(b) Income tax		28.10	35.03
(c) Sales tax		0.67	–
(d) Customs		2.78	2.78
(e) Water charges		77.03	71.92
(f) Others		14.64	13.54
Note: Future cash outflows in respect of (a) to (f) above are determinable on receipt of judgements decisions pending with various forums authorities.			
(ii) Guarantees given by the Company :			
Corporate guarantee to a bank on behalf of subsidiary Company for facilities availed by it		9.98	8.23

(₹ cr)

NOTE 27.2 COMMITMENTS	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	23.57	20.56

NOTE 27.3 RESEARCH AND DEVELOPMENT

Details of expenditure incurred on in-house Research and Development facilities approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India under Section 35 (2AB) of Income tax Act, 1961.

(₹ cr)

Particulars	2013-14	2012-13
Capital expenditure	7.23	3.80
Recurring expenditure	16.68	12.88
	23.91	16.68

(₹ cr)

NOTE 27.4 CIF VALUE OF IMPORT, EXPENDITURE, REMITTANCES AND EARNINGS IN FOREIGN CURRENCY	2013-14	2012-13
(a) CIF value of imports:		
Raw materials	387.16	313.91
Trading finished goods	28.46	10.98
Capital goods	7.68	4.45
(b) Expenditure in foreign currency:		
Commission	4.64	4.72
Legal and professional charges	0.02	0.28
Finance costs	6.32	6.94
Other matters costs	13.13	9.45
(c) Other remittances:		
Loan repayments	111.44	153.83
(d) Earnings in foreign currency:		
FOB value of exports	1,045.26	929.01

NOTE 27.5 (A) RELATED PARTY INFORMATION

Name of the related party and nature of relationship

No	Name of the related party	Description of relationship
	Party where control exists	
1	Aasthan Dates Ltd	Subsidiary companies
2	Ameer Trading Corporation Ltd	
3	Atul Bioscience Ltd	
4	Atul Biospace Ltd	
5	Atul Brasil Quimicos Ltda	
6	Atul China Ltd	
7	Atul Deutschland GmbH	
8	Atul Europe Ltd	
* 9	Atul Infotech Pvt Ltd	
* 10	Atul Rajasthan Date Palms Ltd	
11	Atul USA Inc	
12	Biyaban Agri Ltd	
* 13	DPD Ltd	
14	Raja Dates Ltd	
15	Rudolf Atul Chemicals Ltd	Joint venture Company
	Other related parties	
16	Amal Ltd	Associate companies
17	Anchor Adhesives Pvt Ltd	
* 18	Atul Crop Care Ltd	
* 19	LAPOX Polymers Ltd	
* 20	M. Dohmen S.A.	
* 21	Atul Elkay Polymers Ltd	
22	Key management personnel Mr S S Lalbhai Mr S A Lalbhai Mr B N Mohanan Mr S Nammalvar	Chairman and Managing Director Managing Director Whole-time Director Alternate Director (Whole-time Director)
23	Relatives of key management personnel Dr V S Lalbhai Ms N S Lalbhai Ms S Mohanan	Mother of Mr S S Lalbhai Daughter of Mr S S Lalbhai Wife of Mr B N Mohanan
24	Welfare funds Atul Club Atul Kelavani Mandal Atul Rural Development Fund Atul Vidyalaya	Organisations over which significant influence exercised

* Investments held through subsidiary companies.

Notes to the Financial Statements

(₹ cr)

NOTE 27.5 (B) TRANSACTIONS WITH SUBSIDIARY COMPANIES		2013-14	2012-13
Sales and income			
1	Sale of goods	310.44	296.70
	Atul Bioscience Ltd	14.92	14.62
	Atul Biospace Ltd	4.56	2.59
	Atul China Ltd	21.69	2.88
	Atul Europe Ltd	133.32	136.15
	Atul USA Inc	135.95	140.46
2	Technical know-how	–	3.75
	Atul Rajasthan Date Palms Ltd	–	3.75
3	Sale of capital goods	–	0.01
	Atul Bioscience Ltd	–	0.01
4	Service charges received	1.03	0.79
	Atul Bioscience Ltd	0.90	0.79
	Atul Biospace Ltd	0.13	–
5	Interest received	1.33	0.75
	Ameer Trading Corporation Ltd	0.38	0.75
	Atul Bioscience Ltd	0.93	–
	Atul Rajasthan Date Palms Ltd	0.02	–
6	Lease rent received		
	Atul Bioscience Ltd (Current year: ₹ 3,935 and Previous year: ₹ 3,935)		
Purchases and expenses			
1	Purchase of goods	8.49	12.18
	Atul Bioscience Ltd	1.78	4.75
	Atul Infotech Pvt Ltd	0.95	0.34
	Atul USA Inc	0.92	3.04
	DPD Ltd	4.84	4.05
2	Purchase of capital goods	–	0.38
	Atul Bioscience Ltd	–	0.38
3	Service charges	3.78	2.52
	Ameer Trading Corporation Ltd	0.59	0.53
	Atul Bioscience Ltd	1.37	0.07
	Atul Biospace Ltd	–	0.07
	Atul Infotech Pvt Ltd	1.82	1.85
4	Commission	2.95	2.33
	Atul China Ltd	0.54	0.42
	Atul Europe Ltd	2.14	1.85
	Atul USA Inc	0.27	0.06
5	Discount	0.43	0.72
	Atul USA Inc	0.43	0.72

Notes to the Financial Statements

		(₹ cr)	
NOTE 27.5 (B) TRANSACTIONS WITH SUBSIDIARY COMPANIES (contd)		2013-14	2012-13
6	Reimbursement	12.15	3.17
	Ameer Trading Corporation Ltd	0.66	–
	Atul Bioscience Ltd (Previous year: ₹ 26,627)	0.01	–
	Atul Biospace Ltd	0.05	0.01
	Atul China Ltd	0.02	0.03
	Atul Europe Ltd	7.95	2.72
	Atul Infotech Pvt Ltd	0.02	–
	Atul Rajasthan Date Palms Ltd	–	0.05
	Atul USA Inc	3.44	0.36
	Other transactions		
1	Loans given	4.92	8.06
	Ameer Trading Corporation Ltd	4.12	3.76
	Atul Bioscience Ltd	–	4.30
	Atul Rajasthan Date Palms Ltd	0.80	–
2	Repayment of loan given	4.56	7.69
	Ameer Trading Corporation Ltd	3.76	7.69
	Atul Rajasthan Date Palms Ltd	0.80	–
3	Acquisition of investment for non-cash consideration	–	3.00
	Atul Rajasthan Date Palms Ltd	–	3.00
4	Direct investments made	8.29	2.79
	Equity share of Aasthan Dates Ltd	1.51	–
	Equity share of Atul Bioscience Ltd	–	2.50
	Equity share of Atul Biospace Ltd	3.41	–
	Equity share of Atul Brasil Quimicos Ltda	–	0.29
	Equity share of Biyaban Agri Ltd	0.74	–
	Equity share of Raja Dates Ltd	2.63	–
5	Reimbursement received	0.11	–
	Atul Bioscience Ltd	0.11	–
	Outstanding balances as at year end		
1	Loans receivable	8.42	8.06
	Ameer Trading Corporation Ltd	4.12	3.76
	Atul Bioscience Ltd	4.30	4.30
2	Receivables	82.49	60.30
	Ameer Trading Corporation Ltd	0.01	0.01
	Atul Bioscience Ltd	6.61	4.07
	Atul Biospace Ltd	0.21	0.49
	Atul China Ltd	12.71	0.68
	Atul Deutschland GmbH	–	0.38
	Atul Europe Ltd	26.71	26.92
	Atul Rajasthan Date Palms Ltd	0.02	0.52
	Atul USA Inc	36.22	27.23
3	Payables	7.52	4.13
	Ameer Trading Corporation Ltd	0.15	0.13
	Atul Bioscience Ltd	1.00	0.55
	Atul Biospace Ltd	0.03	–
	Atul China Ltd	0.27	0.23
	Atul Deutschland GmbH	–	0.83
	Atul Europe Ltd	3.77	1.26
	Atul Infotech Pvt Ltd	0.57	0.63
	Atul Rajasthan Date Palms Ltd (Current year: ₹ 28,597)	–	0.10
	Atul USA Inc	1.73	0.40

Notes to the Financial Statements

(₹ cr)

NOTE 27.5 (C) TRANSACTIONS WITH JOINT VENTURE COMPANY		2013-14	2012-13
Sales and income			
1	Sale of goods	3.03	10.51
2	Service charges received	2.04	1.29
3	Lease rent received	0.20	0.20
Purchases and expenses			
1	Purchase of goods	0.04	0.96
2	Reimbursement	0.29	0.09
Other transactions			
1	Interest paid of loan	0.35	0.12
2	Inter corporate deposits taken	4.00	3.50
3	Repayment of inter corporate deposits taken	4.00	3.50
Outstanding balances as at year end			
1	Receivables	0.92	1.68
2	Security deposit payable	3.00	3.00
3	Payables	0.01	–
All above balances are with Rudolf Atul Chemicals Ltd			

(₹ cr)

NOTE 27.5 (D) TRANSACTIONS WITH ASSOCIATE COMPANIES		2013-14	2012-13
Sales and income			
1	Sale of goods	5.35	0.69
	Amal Ltd	0.01	0.01
	Atul Elkay Polymers Ltd	–	0.17
	M. Dohmen S.A.	5.34	0.51
2	Sale of capital goods	–	0.01
	Amal Ltd	–	0.01
3	Service charges received	0.33	0.33
	Amal Ltd	0.21	0.33
	M. Dohmen S.A.	0.12	–
4	Lease rent received		
	Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000)		
Purchases and expenses			
1	Purchase of land	–	1.30
	Gujarat Synthwood Ltd	–	1.30
2	Purchase of goods	12.04	18.40
	Amal Ltd	10.97	12.44
	M. Dohmen S.A.	1.07	5.96
3	Service charges	5.82	3.60
	Amal Ltd	0.11	0.12
	Atul Crop Care Ltd	2.18	0.52
	LAPOX Polymers Ltd	3.53	2.96
4	Reimbursement	2.45	1.20
	Atul Crop Care Ltd	0.99	0.17
	LAPOX Polymers Ltd	1.46	1.00
	M. Dohmen S.A.	–	0.03

Notes to the Financial Statements

			(₹ cr)
NOTE 27.5 (D) TRANSACTIONS WITH ASSOCIATE COMPANIES (contd)			
		2013-14	2012-13
	Other transactions		
1	Extension of redemption term of Preference Shares by three years	10.00	–
	Amal Ltd (0% Redeemable Preference Shares)	10.00	–
	Outstanding balances as at year end		
1	Loan receivable	14.88	14.88
	Amal Ltd	14.88	14.88
2	Receivables	5.07	6.80
	Amal Ltd	3.11	6.51
	Anchor Adhesives Pvt Ltd	0.05	0.05
	Atul Elkay Polymers Ltd	0.14	0.24
	M. Dohmen S.A.	1.77	–
3	Payables	0.94	0.87
	Atul Crop Care Ltd	–	0.04
	LAPOX Polymers Ltd	0.75	0.58
	M. Dohmen S.A.	0.19	0.25

			(₹ cr)
NOTE 27.5 (E) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL			
		2013-14	2012-13
1	Remuneration	6.92	4.84
	Mr S S Lalbhai	4.45	2.89
	Mr S A Lalbhai	1.52	1.22
	Mr B N Mohanan	0.94	0.73
	Mr S Nammalvar	0.01	–
2	Interest paid on public deposits	–	0.01
	Mr S S Lalbhai	–	0.01

			(₹ cr)
NOTE 27.5 (F) TRANSACTIONS WITH RELATIVES OF KEY MANAGEMENT PERSONNEL			
		2013-14	2012-13
	Other transactions		
1	Interest paid on public deposits	–	0.01
	Dr V S Lalbhai (Previous year: ₹ 47,838)	–	–
	Ms N S Lalbhai	–	0.01
	Ms S Mohanan (Previous year: ₹ 18,958)	–	–

Notes to the Financial Statements

		(₹ cr)	
NOTE 27.5 (G) TRANSACTIONS WITH ORGANISATIONS OVER WHICH SIGNIFICANT INFLUENCE EXERCISED		2013-14	2012-13
	Sales and income		
1	Sale of Goods	0.24	0.23
	Atul Club	0.14	0.14
	Atul Kelavani Mandal	0.02	0.01
	Atul Rural Development Fund (Current year : ₹ 30,377)	-	0.01
	Atul Vidyalaya	0.08	0.07
	Purchases and expenses		
	Reimbursement	0.02	0.04
	Atul Club (Current year : ₹ 8,004 and Previous year : ₹ 8,004)		
	Atul Kelavani Mandal (Current year : ₹ 38,720 and Previous year : ₹ 40,800)		
	Atul Rural Development Fund	-	0.02
	Atul Vidyalaya	0.02	0.02
	Other transactions		
1	Donations	0.20	0.20
	Atul Rural Development Fund	0.20	0.20
2	Contribution to common expenses	2.15	0.16
	Atul Kelavani Mandal	0.02	0.06
	Atul Rural Development Fund	2.07	-
	Atul Vidyalaya	0.06	0.10
	Outstanding balances as at year end		
1	Loan receivable	1.42	1.42
	Atul Club	1.42	1.42
2	Receivables	1.03	1.01
	Atul Club	0.98	0.89
	Atul Kelavani Mandal	0.03	0.04
	Atul Rural Development Fund (Current year : ₹ 48,682)		0.01
	Atul Vidyalaya	0.02	0.07
3	Payables		0.03
	Atul Club (Current year : ₹ 2,135)		0.03

NOTE 27.6 SEGMENT INFORMATION

(a) Primary Segment – Business

(₹ cr)

Particulars		Life Science Chemicals		Performance and Other Chemicals		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Segment revenue						
	Gross sales	785.84	737.21	1,799.10	1,505.28	2,584.94	2,242.49
	Less: Inter segment revenue	–	–	127.82	156.83	127.82	156.83
	Net revenue from operations	785.84	737.21	1,671.28	1,348.45	2,457.12	2,085.66
2	Segment results						
	Profit before finance cost and tax	149.67	139.21	173.38	90.47	323.05	229.68
	Add: Reversal of previous year finance costs					–	5.38
	Less: Finance costs					31.43	31.62
	Less: Other unallocable expenditure (net of unallocable income)					(5.47)	11.02
	Profit before tax					297.09	192.42
3	Other information						
	Segment assets	460.45	391.38	941.63	798.49	1,402.08	1,189.87
	Unallocated common assets					371.53	337.62
	Total assets					1,773.61	1,527.49
	Segment liabilities	138.81	98.38	256.13	246.98	394.94	345.36
	Unallocated common liabilities					86.30	70.94
	Total liabilities					481.24	416.30
	Capital expenditure	29.48	28.04	70.50	72.21	99.98	100.25
	Unallocated capital expenditure					1.52	4.74
	Total capital expenditure *					101.50	104.99
	Depreciation	17.36	14.42	34.76	30.17	52.12	44.59
	Unallocated depreciation					2.11	4.47
	Total depreciation					54.23	49.06
	Significant non-cash expenses	–	–	–	–	–	–
	Significant unallocated non-cash expenses					–	–
	Total significant non-cash expenses					–	–

(b) Secondary Segment - Geographical

(₹ cr)

Particulars		In India		Outside India		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	Segment revenue	1,348.86	1,108.17	1,108.26	977.49	2,457.12	2,085.66
	Carrying cost of assets by location of assets	1,625.66	1,389.74	147.95	137.75	1,773.61	1,527.49
	Additions to assets and intangible assets *	101.50	104.99	–	–	101.50	104.99
	Other disclosures:						

1 The Company has disclosed business segment as the primary segment, which have been identified in line with the Accounting Standard - 17 'Segment Reporting' taking into account the organisation structure as well as the differing risks and returns.

2 Composition of business segment:

Name of segment	Comprises
(a) Life Science Chemicals	API Intermediates, Fungicides, Herbicides, Insecticides, <i>p</i> -AA, <i>p</i> -AAL, etc
(b) Performance and Other Chemicals	Epoxy resins, Hardeners, <i>p</i> -Cresol, Sulphones, Textile dyes, etc

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

4 The Company accounts for inter segments sales and transfers at market price.

* Including capital work-in-progress and capital advances

Notes to the Financial Statements

NOTE 27.7 EARNING PER SHARE

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

Particulars		2013-14	2012-13
Profit for the year attributable to the Equity Shareholders	₹ cr	212.79	135.52
Basic weighted average number of Equity Shares outstanding during the year	Number	2,96,61,733	2,96,61,733
Nominal value of Equity Share	₹	10	10
Basic and diluted Earning per Equity Share	₹	71.74	45.69

NOTE 27.8 LEASE

- (a) The Company has taken various residential and office premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 3 years and have no specific obligation for renewal. Payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 26.
- (b) The Company has given certain buildings and plant and machinery on operating lease, the details of which are as under:

(₹ cr)

Assets	Gross block		Depreciation fund		Written down value		Depreciation for the year	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013	2013-14	2012-13
Buildings	0.16	0.16	0.06	0.06	0.10	0.10	0.01	–
Plant and machinery	1.27	1.27	1.21	1.14	0.06	0.13	0.07	0.13
	1.43	1.43	1.27	1.20	0.16	0.23	0.08	0.13

NOTE 27.9 DERIVATIVES

The use of Derivative instruments is governed by the policies of the Company approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with risk management strategy of the Company.

(a) Derivatives outstanding as at Balance Sheet date

*Fc in cr

Sr No	Particulars	Purpose	As at March 31, 2014	As at March 31, 2013
1	Forward Contracts to Sell US\$	Hedge of firm commitment and highly probable foreign currency sales	0.25	0.12
2	Forward Contracts to Buy US\$	Hedge of foreign currency loans	–	0.17
3	Currency Options contracts -Range options to Sell US\$	Hedge of firm commitment and highly probable foreign currency sales	1.15	0.23
4	Currency Options contracts -Vanilla options to Sell US\$	Hedge of firm commitment and highly probable foreign currency sales	–	0.22
5	Interest Rate Swaps US\$	Hedge against exposure to variable interest outflow on foreign currency loans. Swap to pay fixed interest and receive a variable interest based on LIBOR on the notional amount	0.41	0.61
6	Currency Swaps US\$	Hedge against fluctuations in changes in exchange rate and interest rate	1.00	1.00

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

*Fc in cr

Particulars	As at March 31, 2014			As at March 31, 2013		
	US\$	€	Other FCs	US\$	€	Other FCs
Debtors	3.39	0.19	0.95	3.11	0.27	0.92
Creditors	0.79	0.02	–	0.56	0.03	0.36
Loans Taken	1.07	–	–	1.61	–	–

(c) Financial Derivatives Hedging Transactions:

Pursuant to the announcement issued by The Institute of Chartered Accountants of India dated March 29, 2008 in respect of derivatives, the Company has applied the Hedge Accounting Principles set out in the Accounting Standard - 30 'Financial Instruments : Recognition and Measurement'. Accordingly, Derivatives are Mark-to-Market and the gain aggregating ₹ 1.54 cr (Previous year gain ₹ 0.74 cr) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the Hedging Reserve Account. Actual gain or loss on exercise of these Derivatives or any part thereof is recognised in the Statement of Profit and Loss. Hedge accounting will be discontinued if the hedging instrument is sold, terminated or no longer qualifies for hedge accounting.

*Fc = Foreign currency

Notes to the Financial Statements

(₹ cr)

NOTE 27.10 LOANS AND ADVANCES IN THE NATURE OF LOANS				
Particulars	Amount outstanding as at		Maximum balance during the year	
	March 31, 2014	March 31, 2013	2013-14	2012-13
(i) Subsidiary Company:				
Ameer Trading Corporation Ltd	4.12	3.76	4.12	7.69
Atul Bioscience Ltd	4.30	4.30	4.30	4.30
(ii) Associate Company:				
Amal Ltd	14.88	14.88	14.88	14.88
(iii) Loan to other:				
Atul Club	1.42	1.42	1.42	1.42

Notes:

(a) No repayment schedule for (iii)

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

NOTE 27.11 EMPLOYEE BENEFITS

Funded schemes

(a) Defined benefit plans:

Expenses recognised for the year ended on March 31, 2014 (included in Note 24)

(₹ cr)

Particulars	2013-14 Gratuity	2012-13 Gratuity
1 Current service cost	1.92	1.75
2 Interest cost	3.30	3.08
3 Expected return on plan assets	(3.62)	(3.17)
4 Employer contribution (receipt)	—	—
5 Actuarial losses (gains)	(0.46)	2.94
Expenses recognised in Statement of Profit and Loss	1.14	4.60
Net assets (liabilities) recognised in the Balance Sheet as at March 31, 2014		
1 Present value of defined benefit obligation	41.79	41.32
2 Fair value of plan assets	41.79	41.32
3 Funded status {surplus (deficits)}	—	—
Net assets (liabilities)	—	—
Reconciliation of net assets (liabilities) recognised in the Balance Sheet as at March 31, 2014		
1 Net assets (liabilities) at beginning of the year	—	(0.66)
2 Employer expenses	1.14	4.60
3 Employer contribution	(1.14)	(3.94)
Net assets (liabilities) at the end of the year	—	—
Actual return on plan assets	3.68	3.46
Actuarial assumptions		
1 Discount rates	9.29%	8.00%
2 Expected rate of return on plan assets	8.70%	8.76%
3 Expected rate of salary increase	7.00%	7.00%
4 Mortality post-retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Major category of plan assets as a % of total plan		
1 Unit linked insurance plan of various private insurance companies approved by IRDA	74.29%	88.98%
2 In approved Government securities	25.71%	11.02%

NOTE 27.11 EMPLOYEE BENEFITS (contd)

Experience adjustments (₹ cr)					
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Experience adjustments on:					
1 (Gain) loss on plan liabilities	0.40	1.35	(0.01)	3.82	2.96
2 (Gain) loss on plan assets	(0.06)	(0.29)	1.80	0.53	2.63

The Company expects to contribute ₹ 2.27 cr to Gratuity fund in the year 2014-15.

(b) Defined contribution plan:

Amount of ₹ 8.53 cr (Previous year: ₹ 8.24 cr) is recognised as expense and included in the Note 24 'Contribution to Provident and Other Funds'.

(c) Provident Fund Liability:

In case of certain employees, the Provident Fund contribution is made to a trust administered by the Company. In terms of the guidance note issued by the Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund liability based on the assumptions listed below and determined that there is no shortfall as at March 31, 2014.

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	2013-14	2012-13
1 Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
2 Withdrawal rates	5% p.a. for all age groups	5% p.a. for all age groups
3 Rate of discount	9.29%	8.00%
4 Expected rate of interest	8.98%	9.03%
5 Retirement age	60 years	60 years
6 Guaranteed rate of interest	8.75%	8.50%

Expenses recognised for the year ended on March 31, 2014 (included in Note 24)			(₹ cr)	
	As at March 31, 2014	As at March 31, 2013		
1 Defined Benefit Obligation	7.44	7.13		
2 Fund	7.44	7.13		
3 Net liability	-	-		
4 Charge to the Statement of Profit and Loss during the year	-	0.21		

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

Unfunded Schemes

Particulars			(₹ cr)	
	Compensated absences			
	March 31, 2014	March 31, 2013		
1 Present value of Unfunded Obligations	21.24	20.03		
2 Expense recognised in the Statement of Profit and Loss	3.23	3.55		
3 Discount Rate (p.a.)	9.29%	8.00%		
4 Salary escalation rate (p.a.)	7.00%	7.00%		

Notes to the Financial Statements

NOTE 27.12 INTEREST IN JOINT VENTURE COMPANY

The Company has acquired 50% interest in Rudolf Atul Chemicals Limited (RACL), a Joint Venture Company in India between IB Industriechemie Beteiligungs GmbH, Germany and Atul Ltd on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the Shareholders of RACL, both the companies have significant participating rights such that they jointly control the operations of the Joint Venture Company. The aggregate amount of assets, liabilities, income and expenses related to the share of the Company in RACL as at and for the year ended March 31, 2014 as per audited Financial Statements are given below:

(₹ cr)		
Particulars	As at March 31, 2014	As at March 31, 2013
Balance Sheet		
Non-current liabilities		
Deferred tax liabilities (net)	—	0.06
Long-term provisions	—	0.01
	—	0.07
Current liabilities		
Trade payables	2.44	3.06
Other current liabilities	0.38	0.27
Short-term provisions	0.52	0.05
	3.34	3.38
Total (A)	3.34	3.45
Non-current assets		
Tangible assets, net	0.25	0.27
Intangible assets, net	0.36	0.72
Deferred tax assets (net) ₹ 3,654	—	—
Long-term loans and advances	1.42	—
	2.03	0.99
Current assets		
Inventories	2.05	1.25
Trade receivables	3.95	3.43
Cash and cash equivalents	2.51	2.30
Short-term loans and advances	0.12	0.07
Other current assets	0.59	0.59
	9.22	7.64
Total (B)	11.25	8.63
Net worth (B-A)	7.91	5.18

NOTE 27.12 INTEREST IN JOINT VENTURE COMPANY (contd)

(₹ cr)		
PARTICULARS	2013-14	2012-13
Statement of Profit and Loss		
Revenue		
Revenue from operations	15.56	10.34
Other income	0.50	0.75
Total revenue	16.06	11.09
Expenses		
Cost of materials consumed	10.20	7.83
Purchase of stock-in-trade	0.49	–
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.20)	(0.04)
Employee benefit expenses	–	0.01
Finance costs	0.01	0.10
Depreciation and amortisation expenses	0.39	0.40
Other expenses	2.53	1.81
	13.42	10.11
Profit Before Tax	2.64	0.98
Tax expense		
Current tax	0.94	0.36
Deferred tax	(0.06)	(0.09)
	0.88	0.27
Net Profit (Loss)	1.76	0.71

NOTE 27.13 REGROUPED | RECAST | RECLASSIFIED

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

NOTE 27.14 ROUNDING OFF

Figures less than ₹ 50,000 has been shown at actual in bracket.

As per our attached report of even date		For and on behalf of the Board of Directors	
For Dalal & Shah		Sunil S Lalbhai	
Firm Registration Number: 102020W		Chairman and Managing Director	
Chartered Accountants			
Anish P Amin		G S Patel	
Partner		S S Baijal	
Membership Number: 40451		B S Mehta	
Mumbai		S M Datta	
May 02, 2014		V S Rangan	
		R A Shah	
		S Nammalvar	
		Directors	
T R Gopi Kannan		Samveg A Lalbhai	
President, Finance and		Managing Director	
Company Secretary		Mumbai	
		May 02, 2014	

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

1	Subsidiary Company	Atul Bioscience Ltd.	DPD Ltd.	Atul Rajasthan Date Palms Ltd.	Atul USA Inc	Atul Europe Ltd	Atul Deutschland GmbH	Atul China Ltd.	Atul Quimicos Ltda.	Ameer Trading Corporation Ltd.	Atul Infotech Pvt. Ltd.	Aasthan Dates Ltd.	Atul Biospace Ltd.	Biyaban Agri Ltd.	Raja Dates Ltd.
2	Financial year ending on	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
3	Extent of Holding:	100%	98%	74%	100%	100%	100%	100%	100%	100%	100%	100%	95.26%	100%	100%
4	By Atul Ltd														
4	Net aggregate amount of Profits (Losses) of the subsidiary companies for the above financial year so far as they concern Members of the Company:														
	(a) dealt with in the accounts of the Company for the year ended March 31, 2014														
	(b) not dealt with in the accounts of the Company for the year ended March 31, 2014	₹ 2.62 cr	£ 2,14,731 equal to: ₹ 2.14 cr	(₹ 0.86cr)	\$ 19,005 equal to: ₹ 0.11 cr	£ 1,39,882 equal to: ₹ 1.40 cr	(€ 34,517.00) equal to: (₹ 0.29 cr)	YUAN: 1,95,550 equal to: ₹ 0.19 cr	(R\$ 87436) equal to: (₹ 0.23 cr)	(₹ 0.27 cr)	₹ 0.06 cr (₹ 0.01 cr)	₹ 0.02 cr (₹ 0.01 cr)	₹ 0.02 cr (₹ 0.01 cr)	₹ 0.01 cr	(₹ 0.02 cr)
5	Net aggregate amount of Profits (Losses) for previous financial years of the subsidiary companies so far as they concern Members of the Company:														
	(a) dealt with in the accounts of the Company for the year ended March 31, 2014									₹ 12.07 cr					
	(b) not dealt with in the accounts of the Company for the year ended March 31, 2014	₹ 5.91 cr	£ 4,58,903 equal to: ₹ 4.58 cr	(₹ 1.69 cr)	\$ 381,266 equal to: ₹ 2.29 cr	£ 2,78,109 equal to: ₹ 2.78 cr	(€ 12,095) equal to: (₹ 0.10 cr)	YUAN: 17,04,396 equal to: (₹ 1.65 cr)	(R\$ 154746) equal to: (₹ 0.41 cr)	₹ 2.54 cr	₹ 0.06 cr (₹ 0.01 cr)	₹ 0.02 cr (₹ 0.01 cr)	₹ 0.02 cr (₹ 0.01 cr)	₹ 0.01 cr	(₹ 0.02 cr)

Report of Auditors on the Consolidated Financial Statements touching lives...

To the Members

To the Board of Directors of Atul Ltd

1. We have audited the accompanying Consolidated Financial Statements ('the Consolidated Financial Statements') of Atul Ltd ('the Company') and its subsidiary companies, its jointly controlled entity and associate companies; hereinafter referred to as the 'Group' (refer Note 27.8, 27.9 and 27.10 to the attached Consolidated Financial Statements) which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information which we have signed under reference to this report.

Responsibility of the Management for the Consolidated Financial Statements

2. The Management of the Company is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditors

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the judgement of the Auditors, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditors consider internal control relevant to preparation and fair presentation of the Consolidated Financial Statements of the Company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Consolidated Financial Statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. We report that the Consolidated Financial Statements have been prepared by the Management of the Company in accordance with the requirements of Accounting Standard - 21 – Consolidated Financial Statements, Accounting Standard - 23 – Accounting for Investments in Associates companies in Consolidated Financial Statements, and Accounting Standard - 27 – Financial

Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956' notified under the Companies Act, 1956 read with the General Circular 15 | 2013 dated September 13, 2013 of the Ministry of Corporate Affairs, Government of India in respect of Section 133 of the Companies Act, 2013.

7. Based on our audit and on consideration of reports of other Auditors on separate Financial Statements and on the other financial information of the components of the Group as referred to in paragraph 9 and 10 below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

8. The Financial Statements of (i) fifteen subsidiary companies and one jointly controlled entity included in the Consolidated Financial Statements, which constitute total assets of ₹ 275.70 cr and net assets of ₹ 200.61 cr as at March 31, 2014, total revenue of ₹ 458.05 cr, net profit of ₹ 9.80 cr and net cash flows amounting to ₹ 5.08 cr for the year then ended; and (ii) seventeen associate companies which constitute net loss of ₹ 1.16 cr for the year then ended have been audited by us | audited by other Auditors | as certified by the Management.
9. We did not audit the Financial Statements of (i) thirteen subsidiary companies and one jointly controlled entity included in the Consolidated Financial Statements, which constitute total assets of ₹ 225.08 cr and net assets of ₹ 178.35 cr as at March 31, 2014, total revenue of ₹ 420.49 cr, net profit of ₹ 7.59 cr and net cash flows amounting to ₹ 5.53 cr for the year then ended; and (ii) seventeen associate companies which constitute net profit of ₹ 1.16 cr for the year then ended. These Consolidated Financial Statements and other financial information have been audited by other Auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such Financial Statements is based solely on the report of such other Auditors.
10. We did not audit the Financial Statements of two subsidiary companies which constitute total assets of ₹ 2.16 cr and net assets of ₹ 2.12 cr as at March 31, 2014, total revenue of ₹ 0.07 cr, net loss of ₹ 0.40 cr and net cash flows amounting to ₹ 0.31 cr for the year then ended. The unaudited financial information has been certified and provided to us by the Management, and our opinion on the Consolidated Financial Statements to the extent they relate to these subsidiary companies is based solely on such unaudited financial information furnished to us.

For Dalal & Shah

Firm Registration Number: 101020W

Chartered Accountants

Anish P Amin

Partner

Membership Number: 040451

Mumbai

May 02, 2014

Consolidated Balance Sheet as at March 31, 2014

{ ₹ in crore (cr) }

Particulars	Note	As at March 31, 2014	As at March 31, 2013
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	29.68	29.68
(b) Reserves and surplus	3	918.94	724.56
		948.62	754.24
2 Minority interest		5.92	5.84
3 Non-current liabilities			
(a) Long-term borrowings	4	119.49	164.36
(b) Deferred tax liabilities (net)	5	37.09	27.28
(c) Long-term provisions	6	5.33	5.13
(d) Other non-current liabilities	7	1.00	—
		162.91	196.77
4 Current liabilities			
(a) Short-term borrowings	8	192.88	161.57
(b) Trade payables	9	322.96	291.61
(c) Other current liabilities	10	138.89	117.61
(d) Short-term provisions	11	43.47	36.24
		698.20	607.03
		1,815.65	1,563.88
II ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	569.90	505.41
(ii) Intangible assets	12	0.37	0.72
(iii) Capital work-in-progress		59.08	65.15
(iv) Intangible asset under development		—	0.78
		629.35	572.06
(b) Non-current investments	13	62.82	66.71
(c) Long-term loans and advances	14	26.23	28.86
(d) Other non-current assets	15	64.64	43.89
		783.04	711.52
2 Current assets			
(a) Inventories	16	434.17	366.48
(b) Trade receivables	17	437.08	351.68
(c) Cash and bank balances	18	21.05	14.86
(d) Short-term loans and advances	19	102.88	101.84
(e) Other current assets	20	37.43	17.50
		1,032.61	852.36
		1,815.65	1,563.88
Significant Accounting Policies	1		

Notes form an integral part of these Consolidated Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Sunil S Lalbhai
Chairman and Managing Director

Anish P Amin

Partner
Membership Number: 40451
Mumbai
May 02, 2014

T R Gopi Kannan
President, Finance and
Company Secretary

G S Patel
S S Baijal
B S Mehta
S M Datta
V S Rangan
R A Shah
S Nammalvar
Directors

Samveg A Lalbhai
Managing Director
Mumbai
May 02, 2014

Consolidated Statement of Profit and Loss for the year ended March 31, 2014

{ ₹ in crore (cr) }

Particulars	Note	2013-14	2012-13
REVENUE			
Revenue from operations (gross)	21	2,614.30	2,168.80
Less: Excise duty		156.55	125.92
Revenue from operations (net)		2,457.75	2,042.88
		2,457.75	2,042.88
Other income	22	36.27	16.62
		2,494.02	2,059.50
EXPENSES			
Cost of materials consumed		1,374.58	1,162.64
Purchase of stock-in-trade		24.18	16.36
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(64.51)	(20.83)
Employee benefit expenses	24	149.67	134.57
Finance costs	25	33.44	33.37
Depreciation and amortisation expenses	12	58.26	51.37
Other expenses	26	610.10	501.03
		2,185.72	1,878.51
Profit before exceptional items and tax		308.30	180.99
Exceptional items			
Reversal of previous year finance costs		—	5.38
		—	5.38
Profit before tax		308.30	186.37
Tax expense			
Current tax		79.01	53.96
Deferred tax		9.81	4.51
MAT credit entitlement		(0.77)	(0.17)
Add: Tax adjustments (Previous year: ₹ 20,214)		0.04	-
		88.09	58.30
Profit after tax		220.21	128.07
Share of profit (loss) in associate companies		(1.28)	(8.23)
Minority interest		(0.26)	0.07
Profit for the year		219.19	119.77
Basic and diluted earning ₹ per Equity Share	27.7	73.90	40.38
Significant Accounting Policies	1		

Notes form an integral part of these Consolidated Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Sunil S Lalbhai

Chairman and Managing Director

Anish P Amin

Partner

Membership Number: 40451
Mumbai
May 02, 2014

T R Gopi Kannan

President, Finance and
Company Secretary

G S Patel

S S Baijal

B S Mehta

S M Datta

V S Rangan

R A Shah

S Nammalvar

Directors

Samveg A Lalbhai

Managing Director

Mumbai

May 02, 2014

Consolidated Cash Flow Statement for the year ended March 31, 2014

(₹ cr)

Particulars	2013-14	2012-13
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	308.30	186.37
Adjustments for:		
Add:		
Depreciation and amortisation expenses	58.26	51.37
Finance costs	33.44	33.37
Loss on assets sold or discarded	0.01	0.17
Unrealised exchange rate difference (net)	5.54	2.33
Bad debts and irrecoverable balances written off	1.75	0.57
Provision for doubtful debts	0.46	1.68
Provision for diminution in value of investment	0.47	0.07
	99.93	89.56
	408.23	275.93
Less:		
Dividend received	23.43	3.41
Interest received	1.09	0.29
Provisions no longer required	4.53	5.17
Reversal of previous year finance costs	—	5.38
Exchange difference on consolidation	(2.16)	(14.90)
Surplus on sale of fixed assets	0.39	0.86
	27.28	0.21
Operating profit before working capital changes	380.95	275.72
Adjustments for:		
Inventories	(67.69)	(33.33)
Trade receivables	(91.92)	2.60
Short-term loans and advances	(1.04)	(19.32)
Other current assets	(19.13)	1.21
Non-current assets	(24.86)	(8.39)
Long-term loans and advances	1.35	0.10
Long-term provisions	0.20	1.59
Trade payables	34.26	27.75
Other current liabilities	10.76	13.20
Other non-current liabilities	1.00	—
Minority interest	0.08	1.40
Short-term provisions	1.95	(20.85)
	(155.04)	(34.04)
Cash generated from operations	225.91	241.68
Less:		
Direct taxes (refund) paid	74.20	54.59
Net cash flow from operating activities	A 151.71	187.09

Consolidated Cash Flow Statement for the year ended March 31, 2014 (contd)

(₹ cr)

Particulars	2013-14	2012-13
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(115.65)	(103.01)
Purchase of intangible assets	1.13	(3.03)
Capital advances	1.28	(0.36)
Proceed from central and state subsidy	2.57	2.29
Acquisition of minority interest	0.26	(0.07)
Investments in associate companies	(6.80)	(0.20)
Investments in other companies	8.94	0.13
Exchange difference on consolidation	(2.16)	(14.90)
Long-term bank deposits	0.03	0.24
Short-term bank deposits	2.12	(2.71)
Sale of fixed assets	0.70	2.18
Interest received	1.09	0.29
Dividend received	23.43	3.41
Net cash used in investing activities	B (83.06)	(115.74)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	(38.25)	4.33
Add: Exchange rate difference	—	(0.02)
Proceeds from long-term borrowings (adjusted)	(38.25)	4.31
Proceeds from short-term borrowings	31.31	(33.04)
Total proceeds from borrowings	(6.94)	(28.73)
Acquisition of subsidiary Company	0.57	0.07
Payment of unclaimed dividend	(0.14)	0.06
Interest paid	(33.30)	(33.72)
Dividend on Equity Shares (including dividend distribution tax)	(20.67)	(15.45)
Net cash used in financing activities	C (60.48)	(77.77)
Net change in cash and cash equivalents	A+B+C 8.17	(6.42)
Opening balance - cash and cash equivalents	9.89	16.31
Closing balance - cash and cash equivalents	18.06	9.89
	8.17	(6.42)

The Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard-3 'Cash Flow Statement' referred to in the Companies Accounting Standard Rules, 2006.

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Sunil S Lalbhai

Chairman and Managing Director

Anish P Amin

Partner

Membership Number: 40451
Mumbai
May 02, 2014

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S Nammalvar

Directors

Samveg A Lalbhai

Managing Director

Mumbai

May 02, 2014

Notes to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1 System of Accounting:

- 1.1 The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- 1.2 The Consolidated Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money except in case of freehold land, certain leasehold land, building premises and plant and machinery which have been revalued and resultant surplus is kept credited under revaluation reserves.

2 Principles of Consolidation:

- 2.1 The Consolidated Financial Statements include the Financial Statements of Atul Ltd, the parent Company and all of its subsidiary companies (collectively referred to as 'the Group'), in which the Company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the Board of Directors.
- 2.2 The Consolidated Financial Statements are prepared in accordance with Accounting Standard - 21 'Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.
- 2.3 The investments in associate companies are accounted in these Consolidated Financial Statements in accordance with the requirements of Accounting Standard - 23 'Accounting for Investments in associate companies in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India. (for details see Note no. 27.9)
- 2.4 The investments in Joint Venture companies are accounted in these Consolidated Financial Statements in accordance with the requirements of Accounting Standard - 27 'Financial Reporting of Interest in Joint Venture Company' issued under the Companies (Accounting Standards) Rules 2006 on proportionate consolidation method. Thus the Group's Statement of Profit and Loss, Balance Sheet and Cash Flow Statement incorporate the Group's share of income, expenses, assets, liabilities and cash flows of the Joint Venture on a line-by-line basis.
- 2.5 The Financial Statements of the parent Company and its subsidiary companies have been combined on a line-by-line basis by adding together book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction resulting in unrealised profits or losses.
- 2.6 The Consolidated Financial Statements are prepared by adopting uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Standalone Financial Statements of the parent Company.
- 2.7 Financial Statement of integral foreign subsidiary companies translated into Indian rupees pursuant to Accounting Standard - 11 (revised 2003) 'The effects of changes in foreign exchange rate' are as follows:
 - 2.7.1 Revenue and expenses are translated into Indian rupees at average exchange rate, which is not as per requirements of Accounting Standard - 11, but having no material effect on the results of consolidated accounts.
 - 2.7.2 Monetary items are translated into Indian rupees using the year end rate.
 - 2.7.3 Non-monetary items are translated using exchange rate at the date of transaction.
 - 2.7.4 The net exchange difference resulting from the translation of items in the Financial Statement of the subsidiary companies is recognised as income or expense under the head 'Exchange difference on translation of foreign subsidiary companies.'

- 3 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the companies. Recognising the purpose, the Company has disclosed only such Policies and Notes from the individual Financial Statements, which fairly present the required disclosures.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

4 Other Significant Accounting Policies

4.1 Convention:

These Consolidated Financial Statements have been prepared on accrual basis and under historical cost convention and in compliance, in all material aspects, with the generally accepted accounting principles in India. Consequent to the clarification issued by the Ministry of Corporate Affairs, Government of India vide General Circular 08 | 2014 dated April 04, 2014, these Financial Statements have been prepared in accordance with the relevant provisions | schedules | rules of the Companies Act, 1956, which *inter alia* include the applicable Accounting Standards notified under Section 211 (3C).

A summary of applicable Accounting Policies which have been applied consistently, are set out below.

4.2 Basis of Preparation:

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 VI to the Companies Act, 1956. Based on the nature of products 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.

4.3 Use of Estimates:

The preparation of the Consolidated Financial Statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the results of operations during the reporting period. These estimates are based on the evaluation of the relevant facts and circumstances as of the date of the Consolidated Financial Statements by the Management, which may differ from future revisions and actual results in subsequent period. Differences are adjusted in subsequent periods as they occur.

4.4 Fixed Assets:

a) Tangible Assets:

- i) Fixed assets other than (ii) and (iii) below are carried at cost of acquisition | construction including incidental expenses directly attributable to the acquisition | construction activity, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.
- ii) Assets received free of cost on premature cancellation of a lease agreement are valued at fair value, by credit to capital reserve less accumulated depreciation and impairment as necessary.
- iii) Freehold land, leasehold land at Panoli and certain business premises have been revalued as per the report of approved valuer.
- iv) Spares specific to a machinery are carried at cost and allocated over the useful life of the asset.
- v) Expenditure incurred on cultivation of plantations up to the date, they become capable of bearing fruit are accumulated under 'Capital work-in-progress' and then capitalised as a fixed asset to be depreciated over their estimated economic life.

b) Intangible Assets:

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

4.5 Depreciation and Amortisation Expenses:

Depreciation:

Depreciation on building and plant and equipment is being provided on 'Straight Line Method' and on all

Notes to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

other assets on 'Written Down Value' basis in accordance with the provisions of Section 205 (2) (b) and 205 (2) (a) of the Companies Act, 1956, respectively, in the manner and at the rates specified in Schedule XIV to the said Act. An amount in respect of assets revalued in the past, the depreciation charge over the enhancement to cost is withdrawn from the revaluation reserves and adjusted against the depreciation charge each year. In respect of assets received free of cost (see 4a ii), from this year, an amount equivalent to the depreciation is withdrawn from capital reserve and transferred to general reserve.

Depreciation on additions to the assets during the year is being provided on pro-rata basis at their respective rate with reference to the month of acquisition | installation.

Depreciation on assets sold, scrapped or discarded during the year is being provided at their respective rates up to the month in which such assets are sold, scrapped or discarded.

Depreciation is adjusted in subsequent periods to allocate the revised carrying amount of assets after the recognition of an impairment loss on a systematic basis over its remaining useful life of assets.

Amortisation Expenses:

- a) Premium on leasehold land is amortised over the period of lease.
- b) Computer software is amortised over a period of three years.

4.6 Impairment of Assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances.

4.7 Finance Costs:

Borrowing costs in relation to acquisition and construction of qualifying assets are capitalised as part of cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which these are incurred.

4.8 Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Current investments not intended to be held for a period more than one year, are stated at lower of cost or fair value.

4.9 Inventories:

- a) Raw materials, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) Goods-in-transit and in bonded warehouse are stated at the cost to the date of Balance Sheet.
- c) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- d) Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

4.10 Foreign Currency Transactions:

- a) Initial recognition:
Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.
- b) Conversion:
At the year end, monetary items denominated in foreign currencies remaining unsettled are converted into rupee equivalents at the year end exchange rates. 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.
- c) Exchange differences:
All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Consolidated Statement of Profit and Loss. The Company has opted to avail the option provided under paragraph 46A of Accounting Standard - 11 'The effects of changes in foreign exchange rates' inserted vide Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently, foreign exchange difference on account of long-term foreign currency borrowings utilised to acquire a depreciable asset, is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.
- d) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts intended to hedge existing exposures is amortised as expenses or income over the life of the contract. Exchange differences on such contract are being recognised in the Consolidated Statement of Profit and Loss for the year. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.
- e) Derivatives:
Where the Company has entered into derivative contracts such as Interest Rate Swaps, Currency Swaps, and Currency Options, to hedge risk associated with the interest and foreign currency fluctuations relating to firm commitments where these exposures exist at the Balance Sheet date the hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. The revaluation gain or loss on Mark-to-Market (MTM) is generally recognised in the Consolidated Statement of Profit and Loss each year. However, on account of option exercised as per (c) above MTM gains and losses on instruments intended to hedge long-term foreign currency borrowings utilised to acquire depreciable assets are recognised to offset foreign exchange fluctuation differences on such long-term foreign currency borrowings.
- f) Changes in fair value of derivative instruments intended to hedge future exposures resulting out of 'highly probable forecast transactions' such as exports, is determined as effective hedges of future cash flows, which are recognised directly under 'Hedging Reserve' in shareholders' funds, and the ineffective portion, if any, is recognised immediately in the Consolidated Statement of Profit and Loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Statement of Profit and Loss.
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in shareholders' funds is transferred to the Consolidated Statement of Profit and Loss for the period.

Notes to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

4.11 Revenue Recognition:

Revenue from sales are recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

a) Sale of Goods and Services:

- i) Domestic sales are accounted for on dispatch from the point of sale, where property in goods are transferred to the buyer.
- ii) Export sales are accounted on the basis of dates of on Board Bill of Lading and | or Air Way Bill.
- iii) Service income is recognised, net of service tax, when the related services are rendered.

b) Other Revenue:

- i) Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.
- ii) Lease rental income is recognised on accrual basis.
- iii) Dividend income is accounted for in the year in which the right to receive the same is established.
- iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

4.12 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are disclosed in the Consolidated Financial Statements. Contingent assets are neither recognised nor disclosed in the Consolidated Financial Statements.

4.13 Research and Development Expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However, development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Research and Development expenditure on fixed assets is treated in the same way as expenditure on other fixed assets.

4.14 Employee Benefits:

a) Defined contribution plan:

Contribution paid | payable by the Company during the period to provident fund, superannuation fund, employees' state insurance corporation, national pension scheme and labour welfare fund are recognised in the Consolidated Statement of Profit and Loss.

b) 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 so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss. 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.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (contd)

Long-term leave encashment:

Long-term leave encashment is provided for on the basis of an actuarial valuation carried out at the end of the year on the projected unit credit method. Actuarial gains | losses are immediately taken to the Consolidated Statement of Profit and Loss.

Provident Fund:

Provident Fund for certain eligible employees is managed by the Company through the 'Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust' in line with Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the value of assets over the Defined Benefit Obligation is recognised as a liability, with a corresponding charge to the Consolidated Statement of Profit and Loss.

c) Short-term leave encashment:

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

d) Voluntary retirement scheme:

Compensation payable under the voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

4.15 Taxation:

- a) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- b) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period.
- c) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.
- d) Deferred tax assets, representing unabsorbed depreciation or carried forward losses, are recognised, if and only if there is virtual certainty supported by convincing evidence that there will be adequate future taxable income against which such deferred tax assets can be realised.

4.16 Government Grants:

- a) Grants are recognised when there is reasonable assurance that the same will be received.
- b) Revenue grants for expenses incurred are reduced from the respective expenses.
- c) Capital grants relating to specific fixed assets are reduced from the cost of the respective fixed assets.
- d) Grants in the nature of Promoters' contribution are credited to Capital reserve and treated as a part of Shareholders' funds.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 2 SHARE CAPITAL		As at March 31, 2014	As at March 31, 2013
Authorised			
8,00,00,000 (8,00,00,000)	Equity Shares of ₹ 10 each	80.00	80.00
80,00,000 (80,00,000)	Cumulative Redeemable Preference Shares of ₹ 100 each	80.00	80.00
		160.00	160.00
Issued			
2,96,91,780 (2,96,91,780)	Equity Shares of ₹ 10 each	29.69	29.69
		29.69	29.69
Subscribed			
2,96,61,733 (2,96,61,733)	Equity Shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (29,991)	Add: Forfeited Shares (amount paid-up)	0.02	0.02
		29.68	29.68

(a) Rights, Preferences and restrictions

The Company has two classes of Shares referred to as Equity Shares having a par value of ₹ 10 and Cumulative Redeemable Preference Shares having a par value of ₹ 100.

i) Equity Shares:

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

ii) Preference Shares:

The Company has Preference Shares having a par value of ₹ 100 per share. Each Shareholder is eligible for dividend depending upon their coupon rates. The Preference Shareholder is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the Preference Shares.

iii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

(b) Shares reserved for issue at a later date

56 Equity Shares are held in abeyance due to disputes at the time of earlier rights issues.

(c) Details of Shareholders holding more than 5% of Equity Shares:

Sr No	Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
		Holding %	No. of Shares	Holding %	No. of Shares
1	Aagam Holdings Pvt Ltd*	22.70%	67,25,501	Nil	Nil
2	Aura Securities Pvt Ltd	5.44%	16,14,045	5.44%	16,14,045
3	Aeon Investments Pvt Ltd	3.50%	10,39,383	5.95%	17,64,383

* During the year certain Promoter group companies were merged. However, there is no change in shareholding of the Promoters due to this merger.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 3 RESERVES AND SURPLUS	As at March 31, 2014	As at March 31, 2013
(a) Capital reserve:		
Balance as at the beginning of the year	6.68	6.68
Add: Addition on acquisition	0.57	—
Less: Transferred to the General reserve*	1.95	—
Balance as at the end of the year	5.30	6.68
(b) Securities premium account	36.27	36.27
(c) Central and state subsidy reserve	8.92	6.63
Add: Received during the year	2.57	2.29
Balance as at the end of the year	11.49	8.92
(d) Revaluation reserve:		
Balance as at the beginning of the year	111.62	114.27
Less: Transferred to the Consolidated Statement of Profit and Loss	2.65	2.65
Balance as at the end of the year	108.97	111.62
(e) Hedging reserve (see Note 27.4):		
Balance as at the beginning of the year	0.74	(0.78)
Add: Transferred to the Consolidated Statement of Profit and Loss	(0.74)	0.78
Less: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	(1.54)	(0.74)
Balance as at the end of the year	1.54	0.74
(f) General reserve:		
Balance as at the beginning of the year	76.62	63.00
Add: Reversal of provision for diminution of investment in associate	—	0.07
Add: Transferred from Capital reserve*	1.95	—
Add: Transferred from the Consolidated Statement of Profit and Loss	21.28	13.55
Balance as at the end of the year	99.85	76.62
(g) Surplus in the Consolidated Statement of Profit and Loss:		
Balance as at the beginning of the year	483.71	398.31
Add: Profit for the year	219.19	119.77
Amount available for appropriation	702.90	518.08
Less : Appropriations		
General reserve	21.28	13.55
Proposed dividend on Equity Shares for the year {at ₹ 7.50 per share (March 31, 2013 ₹ 6.00 per share)}	22.25	17.80
Dividend distribution tax on proposed dividend	3.85	3.02
Balance as at the end of the year	655.52	483.71
	918.94	724.56

* The fair value of the assets received free of cost in the past, was credited to 'Capital reserve'. An amount equivalent to the depreciation of the respective assets charged to the Consolidated Statement of Profit and Loss and the written down value of assets discarded as at March 31, 2014 have been transferred to the General reserve.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 4 LONG-TERM BORROWINGS	Non-current		Current maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Term loans				
Secured:				
(i) Rupee term loans from banks	5.00	8.84	1.50	–
(ii) Rupee term loans from a foreign financial institution	31.25	41.66	10.42	10.42
(iii) Foreign currency term loans from banks	60.60	70.77	17.59	6.80
(iv) Foreign currency term loans from a foreign financial institution	22.54	43.06	25.04	22.66
Unsecured:				
(v) Rupee term loans from bank	0.10	0.02	0.16	0.34
(vi) Rupee term loan	–	0.01	–	–
	119.49	164.36	54.71	40.22
Amount disclosed under the head 'Other Current Liabilities' (see Note 9)			(54.71)	(40.22)
	119.49	164.36	–	–

(₹ cr)

NOTE 5 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2014	Charge (credit) during the year	As at March 31, 2013
Deferred tax liabilities:			
on account of timing difference in depreciation	43.85	8.68	35.17
	43.85	8.68	35.17
Deferred tax assets:			
on account of timing difference in			
(a) Provision for leave encashment	7.22	0.41	6.81
(b) Provision for doubtful debts	1.14	0.19	0.95
(c) Provision for doubtful advances	0.06	–	0.06
(d) Voluntary retirement scheme	0.04	(0.15)	0.19
	8.46	0.45	8.01
Deferred tax liabilities (assets) of subsidiary companies	1.70	1.58	0.12
Net deferred tax liabilities (assets)	37.09	9.81	27.28

Notes to the Consolidated Financial Statements

	(₹ cr)	
NOTE 6 LONG-TERM PROVISIONS	As at March 31, 2014	As at March 31, 2013
Provision for leave entitlement	5.28	5.07
Gratuity	0.05	0.06
	5.33	5.13
	(₹ cr)	
NOTE 7 OTHER NON-CURRENT LIABILITIES	As at March 31, 2014	As at March 31, 2013
Deferred liabilities - capital goods	1.00	—
	1.00	—
	(₹ cr)	
NOTE 8 SHORT-TERM BORROWINGS	As at March 31, 2014	As at March 31, 2013
(a) Secured		
Working capital loans repayable on demand from banks	132.88	152.21
(b) Unsecured		
Loans from banks including foreign banks	55.00	—
Loan from related parties	5.00	—
(c) Buyers' credit arrangement	—	9.36
	192.88	161.57
	(₹ cr)	
NOTE 9 TRADE PAYABLES	As at March 31, 2014	As at March 31, 2013
Trade payables including acceptances	322.96	291.61
	322.96	291.61
	(₹ cr)	
NOTE 10 OTHER CURRENT LIABILITIES	As at March 31, 2014	As at March 31, 2013
(a) Current maturities of long-term borrowings (see Note 4)	54.71	44.09
(b) Interest accrued but not due on borrowings	1.25	1.50
(c) Unclaimed dividends	1.12	0.97
(d) Unclaimed matured deposits and interest thereon	0.05	0.12
(e) Security deposits	17.80	14.38
(f) Advances received from customers	6.51	3.99
(g) Employee benefits payable	24.41	21.23
(h) Creditors for capital goods	3.02	5.95
(i) Commission and discount payable	10.05	10.39
(j) Statutory dues	14.74	9.36
(k) Provision for Mark-to-Market losses on derivatives	—	0.10
(l) Others	5.23	5.53
	138.89	117.61
	(₹ cr)	
NOTE 11 SHORT-TERM PROVISIONS	As at March 31, 2014	As at March 31, 2013
(a) Provision for leave entitlement	16.12	15.06
(b) Others:		
Proposed dividend (see Note 3 (g))	22.25	17.80
Dividend distribution tax on proposed dividend	3.85	3.02
Other provisions	1.25	0.36
	43.47	36.24

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 12 FIXED ASSETS										
ASSET BLOCK	GROSS BLOCK (a)				DEPRECIATION AMORTISATION IMPAIRMENT				NET BLOCK	
	As at March 31, 2013	Additions	Other Adjustments	Deductions and Adjustments	As at March 31, 2014	Depreciation Upto March 31, 2013	For the Year	Deductions and Adjustments	As at March 31, 2014	Depreciation and Impairment Fund March 31, 2014
Tangible assets										
Land - Freehold (d)	17.04	4.87	-	0.50	21.41	-	-	-	21.41	-
Land - Leasehold (b) and (d)	22.90	-	-	0.55	22.35	-	-	-	22.35	-
Buildings (c) and (d)	257.82	15.53	-	9.10	264.25	67.45	7.36	2.15	191.59	72.66
Roads	3.21	0.10	-	-	3.31	1.30	0.05	-	1.96	1.35
Plant and equipment (e) and (f)	833.38	89.04	8.53	11.85	919.10	554.22	48.79	19.80	314.86	604.24
Railway siding	0.08	-	-	-	0.08	0.08	-	-	-	0.08
Office equipment and furniture	28.02	5.55	-	0.17	33.40	19.01	2.37	0.16	12.18	21.22
Vehicles	14.09	1.45	-	0.62	14.92	8.04	1.69	0.36	5.55	9.37
Total Tangible assets	1,176.54	116.54	8.53	22.79	1,278.82	650.10	60.26	22.47	569.90	708.92
Intangible assets										
Technical know-how	1.10	-	-	-	1.10	0.41	0.35	-	0.34	0.76
Computer software	12.67	0.27	-	-	12.94	12.64	0.27	-	0.03	12.91
Total Intangible assets	13.77	0.27	-	-	14.04	13.05	0.62	-	0.37	13.67
Total as at										
March 31, 2014	1,190.31	116.81	8.53	22.79	1,292.86	663.15	60.88	22.47	570.27	722.59
Total as at	1,075.37	106.42	11.33	2.81	1,190.31	610.71	53.75	1.31	506.13	684.18

Notes:

- At cost, except land - freehold, certain leasehold land, building premises and plant and equipment stated at revalued value.
- Land - leasehold at cost less amounts written off.
- Includes premises on ownership basis ₹ 1.10 cr (Previous year: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (Previous year: ₹ 2,000).
- Pursuant to the order passed by Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of Government of Gujarat and paid Security Deposit ₹ 2 cr (Previous year: ₹ 2 cr).
- Exchange rate difference capitalised during the year ₹ 8.53 cr (Previous year: ₹ 10.74 cr).
- Exchange rate difference which remains unamortised in accordance with the option exercised under Para 46A of Accounting Standard - 11 is ₹ 16.62 cr (Previous year: ₹ 11.70 cr).

Notes to the Consolidated Financial Statements

NOTE 12 FIXED ASSETS (contd)		
(h) Break-up of depreciation for the year	(₹ cr)	
	2013-14	2012-13
Depreciation Amortisation expenses for the year	60.88	53.75
Add: Amortisation of Leasehold land	0.27	0.27
Less: Amount withdrawn from Revaluation reserve (see Note 3)	2.65	2.65
Less: Depreciation in respect of earlier year	0.24	–
Depreciation Amortisation expenses as per the Consolidated Statement of Profit and Loss	58.26	51.37

(₹ cr)

NOTE 13 NON-CURRENT INVESTMENTS*	As at March 31, 2014	As at March 31, 2013
Trade Investments, Unquoted		
Investments in Equity Instruments		
Bharuch Enviro Infrastructure Ltd	0.07	0.07
Narmada Clean Tech Ltd	0.72	0.65
	0.79	0.72
Other investments		
Investments in Equity Instruments, Quoted		
In Associate Company		
Amal Ltd	0.64	0.64
Less: Cost of investments adjusted to general reserve as loss in associate company exceed the cost	0.24	0.24
Less: Provision for diminution in value	0.40	0.40
	-	-
In Others		
Arvind Ltd	46.64	46.64
BASF India Ltd	0.84	0.84
ICICI Bank Ltd	0.14	0.14
Jain Irrigation Systems Ltd	0.02	0.02
Nagarjuna Oil Refinery Ltd	-	-
Novartis India Ltd	1.02	1.02
Wyeth Ltd	1.50	1.50
	50.16	50.16
Investments in Equity Instruments, Unquoted		
In Associate Companies		
Anchor Adhesives Pvt Ltd	1.48	1.47
Add : Group share of profit for the year	-	0.01
	1.48	1.48
AtRo Ltd	0.50	0.50
Less: Cost of investments adjusted to general reserve as loss in associate company exceed the cost	0.50	0.50
	-	-
Gujarat Synthwood Ltd	0.81	0.81
Less: Cost of investments adjusted to general reserve as loss in associate company exceed the cost	0.06	0.06
Less: Provision for diminution in value	0.75	0.75
	-	-
	1.48	1.48

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 13 NON-CURRENT INVESTMENTS (contd)	As at March 31, 2014		As at March 31, 2013
Agrimore Ltd ₹ 33,000 (Previous year: Nil)			-
Atul Ayurveda Ltd		0.03	0.03
Atul Clean Energy Pvt Ltd		0.01	-
Atul Crop Care Ltd	0.03		0.02
Add : Group share of profit for the year	0.05		0.01
Atul Elkay Polymers Ltd		0.08	0.03
Atul Entertainment Ltd		0.03	-
Atul Hospitality Ltd		0.03	0.03
Atul Infotech Pvt Ltd**	0.13	0.02	0.02
Add : Group share of profit for the year	-		0.01
Less : Reversal of carrying value on becoming a subsidiary company	(0.13)		0.12
Atul Medical Care Ltd		-	-
Atul (Retail) Brands Pvt Ltd		0.03	0.13
Atul Seeds Ltd		0.01	0.03
Jayati Infrastructure Ltd		0.02	-
Lapox Polymers Pvt Ltd		0.03	0.02
M. Dohmen S.A.		0.01	0.03
Cost of acquisition (net of capital reserve of ₹ 45.72 cr, Previous year: ₹ 45.72 cr)	1.21		-
Less : Group share of loss for the year	1.21		9.57
Osia Dairy Ltd		-	8.36
Osia Infrastructure Ltd		0.02	1.21
In Others		0.02	0.02
Nagarjuna Fertilizers and Chemicals Ltd		0.02	-
Investments in Preference Shares		0.04	0.04
In Associate Companies			
Amal Ltd (0% Redeemable Preference Shares)		10.00	10.00
Atul Infotech Pvt Ltd**		-	2.75
Investments in Government or Trust Securities			
6 Years National Savings Certificates (deposited with Government departments)		0.01	0.01
		62.82	66.71

(₹ cr)

Particulars	Book Value As at March 31,		Market Value As at March 31,	
	2014	2013	2014	2013
Quoted	50.16	50.16	236.15	197.27
Unquoted	12.66	16.55		
	62.82	66.71		
Aggregate provision for diminution	1.15	1.15		

* Valued at cost unless otherwise stated.

** Became a subsidiary company during the year.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 14 LONG-TERM LOANS AND ADVANCES	As at March 31, 2014	As at March 31, 2013
(a) Loans and advances to related parties:*		
(i) Secured, considered good	11.29	11.29
(ii) Unsecured, considered good	5.02	5.02
(b) Others:		
(i) Capital advances	5.71	6.99
(ii) Security deposits	4.21	5.56
	26.23	28.86

* An amount of ₹ 11.29 cr has been advanced to an associate Company as a secured loan. The said Company is registered with BIFR and is implementing its revival plan. First charge over all their assets has been assigned exclusively in favour of the Company. This loan is repayable in three installments during 2017-18 to 2019-20.

The Company has also given an unsecured loan of ₹ 3.59 cr (Previous year: ₹ 3.59 cr) as Promoter's contribution (repayment will be made as per mutually decided terms and conditions between both the companies subject to prior approval of BIFR). Considering the progress of the revival plan and the present market value of assets, these amounts included under loans and advances are considered as good and recoverable.

(₹ cr)

NOTE 15 OTHER NON-CURRENT ASSETS	As at March 31, 2014	As at March 31, 2013
(a) Balance with bank in fixed deposits, with maturity beyond 12 months	0.02	0.05
(b) Balance with Government departments:		
Tax paid under protest	20.52	10.51
Tax paid in advance, net of provisions	4.20	8.28
VAT receivable	30.13	20.32
Prepaid expenses	0.06	0.06
Security deposit (see Note 11 (d))	2.02	2.03
(c) Mark-to-Market gains on derivatives	7.69	2.64
	64.64	43.89

(₹ cr)

NOTE 16 INVENTORIES *	As at March 31, 2014	As at March 31, 2013
(a) Raw materials and packing materials	92.05	93.54
Add: Goods-in-transit	24.58	20.26
	116.63	113.80
(b) Work-in-progress	106.81	74.75
(c) Finished goods	162.70	118.65
Add: Goods-in-transit	18.69	27.79
	181.39	146.44
(d) Stock-in-trade	3.05	2.75
(e) Stores, spares and fuel	22.13	28.74
Add: Goods-in-transit	4.16	—
	26.29	28.74
	434.17	366.48

* Goods-in-transit at cost to date and others at cost or net realisable value whichever is lower.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 17 TRADE RECEIVABLES	As at March 31, 2014	As at March 31, 2013
(a) Trade receivables outstanding for more than six months from the date they became due for payment:		
(i) Unsecured, considered good		
From related parties	2.06	1.93
From others	4.20	3.63
(ii) Doubtful	2.36	2.62
Less: Provision for doubtful debts	2.36	2.62
	6.26	5.56
(b) Others:		
(i) Unsecured, considered good		
From related parties	3.01	4.87
From others	427.81	341.25
	430.82	346.12
	437.08	351.68

(₹ cr)

NOTE 18 CASH AND BANK BALANCES	As at March 31, 2014	As at March 31, 2013
(a) Cash and cash equivalents:		
(i) Balances with banks		
In current accounts	17.92	9.74
(ii) Cash on hand	0.14	0.15
	18.06	9.89
(b) Other Bank balances:		
Earmarked balances with banks		
(i) Unclaimed dividend interest on public deposit	1.17	1.03
(ii) Short-term bank deposits (including margin money deposits)	1.82	3.94
	2.99	4.97
	21.05	14.86

(₹ cr)

NOTE 19 SHORT-TERM LOANS AND ADVANCES	As at March 31, 2014	As at March 31, 2013
Loans and advances, Unsecured, considered good to:		
(a) Related parties	2.14	4.62
(b) Others:		
(i) Advances recoverable in cash or kind	80.84	70.21
(ii) Balances with statutory authorities	18.41	25.99
(iii) Sundry deposits	0.66	0.83
(iv) Others	0.83	0.19
	102.88	101.84

(₹ cr)

NOTE 20 OTHER CURRENT ASSETS	As at March 31, 2014	As at March 31, 2013
(a) Export incentive receivable	34.29	16.91
(b) Asset held for sale	0.59	0.59
(c) Mark-to-Market gains on derivatives	2.55	—
(d) Sundry receivable		
Doubtful	0.19	0.19
Less: Provision for doubtful receivable	0.19	0.19
	37.43	17.50

Notes to the Consolidated Financial Statements

	(₹ cr)	
NOTE 21 REVENUE FROM OPERATIONS	2013-14	2012-13
Sale of products	2,554.89	2,130.94
Sale of services	0.89	1.38
Other operating revenue:		
Export incentives	47.62	26.08
Scrap sales	5.22	6.59
Commission	0.20	0.05
Processing charges	5.48	3.76
	2,614.30	2,168.80
Less: Excise Duty	156.55	125.92
	2,457.75	2,042.88

	(₹ cr)	
NOTE 22 OTHER INCOME	2013-14	2012-13
Dividend on long-term investments*	23.41	3.41
Dividend on short-term investments	0.02	–
Interest from inter Company deposits	–	0.01
Interest from others	1.09	0.28
Provisions no longer required	4.53	5.17
Surplus on sale of fixed assets	0.39	0.86
Exchange rate difference and Derivatives gain (loss)	3.25	1.83
Miscellaneous income	3.58	5.06
	36.27	16.62

* Includes a one-time special dividend of ₹19.86 cr received from a Company, prior to its proposed merger with another Company.

	(₹ cr)	
NOTE 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	2013-14	2012-13
Stocks at close		
Finished goods	181.39	146.44
Work-in-progress	106.81	74.75
Stock-in-trade	3.04	2.75
	291.24	223.94
Less: Stocks at commencement		
Finished goods	146.51	118.78
Work-in-progress	74.75	78.10
Stock-in-trade	2.75	3.45
	224.01	200.33
	(67.23)	(23.61)
Excise duty variation on opening closing stocks	2.72	2.78
(Increase) decrease in inventories	(64.51)	(20.83)

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 24 EMPLOYEE BENEFIT EXPENSES	2013-14	2012-13
Salaries, wages and bonus	134.10	117.96
Contribution to provident and other funds	9.78	12.26
Staff welfare	5.79	4.35
	149.67	134.57

(₹ cr)

NOTE 25 FINANCE COSTS	2013-14	2012-13
Interest on borrowings	28.50	27.31
Interest on income tax	0.60	–
Interest on others	2.40	1.43
Other borrowings cost	0.92	2.33
Applicable exchange difference to the extent considered as an adjustment to borrowing cost	1.02	2.30
	33.44	33.37

(₹ cr)

NOTE 26 OTHER EXPENSES	2013-14	2012-13
Consumption of stores and spares	33.01	15.08
Power, fuel and water	281.44	215.10
Conversion and plant operation charges	32.97	31.41
Building repairs	15.29	15.32
Plant and equipment repairs	62.08	52.62
Sundry repairs	6.87	6.15
Rent	1.87	1.95
Rates and taxes	1.85	1.24
Insurance	5.64	4.84
Freight, cartage and octroi	62.34	54.59
Discount and commission	18.73	13.76
Travelling and conveyance	12.86	11.37
Payments to Statutory Auditors		
a) Audit fees	0.61	0.55
b) Other matters	0.31	0.28
c) Out of pocket expenses	0.01	0.01
Payments to Cost Auditors		
a) Cost Audit fees	0.03	0.03
b) Out of pocket expenses ₹ 19,360 (Previous year: ₹ 31,381)		
Directors' fees and travelling	1.42	1.31
Directors' commission (other than Executive Directors)	0.76	0.53
Goodwill on consolidation written off	0.11	–
Bad debts and irrecoverable balances written off	1.75	0.57
Exchange rate difference on consolidation for the year	2.16	14.90
Provision for doubtful debts	0.46	1.68
Provision for diminution in value of investment	0.47	0.07
Obsolete and unserviceable material written down	–	0.02
Loss on assets sold, discarded or demolished	0.01	0.17
Miscellaneous expenses	67.05	57.48
	610.10	501.03

(₹ cr)		
NOTE 27.1 CONTINGENT LIABILITIES	As at March 31, 2014	As at March 31, 2013
(i) Claims against the Company not acknowledged as debts in respects of:		
(a) Excise	7.21	5.84
(b) Income tax	28.10	35.03
(c) Sales tax	0.67	–
(d) Customs	2.78	2.78
(e) Water charges	77.03	71.92
(f) Others	14.64	13.54
Note: Future cash outflows in respect of (a) to (f) above are determinable on receipt of judgements decisions pending with various forums authorities.		
(ii) Guarantees given by the Company:		
Corporate guarantee to a bank on behalf of subsidiary Company for facilities availed by it	10.73	8.85

(₹ cr)		
NOTE 27.2 COMMITMENTS	As at March 31, 2014	As at March 31, 2013
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	23.57	21.18

NOTE 27.3 RESEARCH AND DEVELOPMENT

Details of expenditure incurred on in-house Research and Development facilities approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India under Section 35 (2AB) of Income tax Act, 1961.

(₹ cr)		
Particulars	2013-14	2012-13
Capital expenditure	7.23	3.80
Recurring expenditure	16.68	12.88
	23.91	16.68

NOTE 27.4 FINANCIAL DERIVATIVES HEDGING TRANSACTIONS:

Pursuant to the announcement issued by the Institute of Chartered Accountants of India dated March 29, 2008 in respect of forward exchange contracts and currency and interest rate swaps, the Company has applied the Hedge Accounting Principles set out in the Accounting Standard - 30 'Financial Instruments: Recognition and Measurement'. Accordingly, range forward contracts are marked to market and the gain aggregating ₹ 1.54 cr (Previous year gain ₹ 0.74 cr) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the hedging reserve account. Actual gain or loss on exercise of these range forward contracts or any part thereof is recognised in the Consolidated Statement of Profit and Loss. Hedge accounting will be discontinued if the hedging instrument is sold, terminated or no longer qualifies for hedge accounting.

Notes to the Consolidated Financial Statements

NOTE 27.5 (A) RELATED PARTY INFORMATION		
Name of the related party and nature of relationship:		
No	Name of the related party	Description of relationship
	Other related parties	
1	Amal Ltd	Associate companies
2	Anchor Adhesives Pvt Ltd	
* 3	Atul Crop Care Ltd	
* 4	Atul Elkay Polymers Ltd	
* 5	LAPOX Polymers Ltd	
* 6	M. Dohmen S.A.	
7	In Atul Bioscience Ltd	Enterprise over which control exercised by key management personnel
8	Aavishkar Finance and Trade Pvt Ltd	
9	Par Investment Pvt Ltd	
10	Rewat Investment Pvt Ltd	
10	Key management personnel	
	In Atul Ltd	
	Mr S S Lalbhai	Chairman and Managing Director
	Mr S A Lalbhai	Managing Director
	Mr B N Mohanan	Whole-time Director
	Mr S Nammalvar	Alternate Director (Whole-time Director)
	In Atul Bioscience Ltd	
	Dr M G Palekar	Managing Director
	In Atul Europe Ltd	
	Mr C J Bent	Director (till January 07, 2014)
	Dr E Sharkey	Director
	In DPD Ltd	
	Dr A L Brackpool	Director
11	Relatives of key management personnel	
	Dr V S Lalbhai	Mother of Mr S S Lalbhai
	Ms N S Lalbhai	Daughter of Mr S S Lalbhai
	Ms S Mohanan	Wife of Mr B N Mohanan
12	Welfare funds	Organisations over which significant influence exercised
	Atul Club	
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya	

* Investments held through subsidiary companies.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 27.5 (B) TRANSACTIONS WITH ASSOCIATE COMPANIES		2013-14	2012-13
Sales and income			
1	Sale of goods	5.35	0.69
	Amal Ltd	0.01	0.01
	Atul Elkay Polymers Ltd	–	0.17
	M. Dohmen S.A.	5.34	0.51
2	Sale of capital goods	–	0.01
	Amal Ltd	–	0.01
3	Service charges received	0.33	0.33
	Amal Ltd	0.21	0.33
	M. Dohmen S.A.	0.12	–
4	Lease rent received		
	Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000)		
Purchases and expenses			
1	Purchase of land	–	1.30
	Gujarat Synthwood Ltd	–	1.30
2	Purchase of goods	12.04	18.40
	Amal Ltd	10.97	12.44
	M. Dohmen S.A.	1.07	5.96
3	Service charges	5.82	3.60
	Amal Ltd	0.11	0.12
	Atul Crop Care Ltd	2.18	0.52
	LAPOX Polymers Ltd	3.53	2.96
4	Reimbursement	2.45	1.20
	Atul Crop Care Ltd	0.99	0.17
	LAPOX Polymers Ltd	1.46	1.00
	M. Dohmen S.A.	–	0.03
Other transactions			
1	Extension of redemption term of Preference Share by three years	10.00	–
	Amal Ltd (0% Redeemable Preference Shares)	10.00	–
Outstanding balances as at year end			
1	Loan receivable	14.88	14.88
	Amal Ltd	14.88	14.88
2	Receivables	5.07	6.80
	Amal Ltd	3.11	6.51
	Anchor Adhesives Pvt Ltd	0.05	0.05
	Atul Elkay Polymers Ltd	0.14	0.24
	M. Dohmen S.A.	1.77	–
3	Payables	0.94	0.87
	Atul Crop Care Ltd	–	0.04
	LAPOX Polymers Ltd	0.75	0.58
	M. Dohmen S.A.	0.19	0.25

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 27.5 (C) TRANSACTIONS WITH ENTERPRISES OVER WHICH CONTROL EXERCISED BY KEY MANAGEMENT PERSONNEL		2013-14	2012-13
Other transactions			
	Loans received	10.00	—
1	Aavishkar Finance and Trade Pvt Ltd	5.00	—
2	Par Investments Ltd	2.50	—
3	Rewant Investments Pvt Ltd	2.50	—
	Loans Repaid	5.00	—
1	Aavishkar Finance and Trade Pvt Ltd	5.00	—
	Interest paid on loans	0.21	—
1	Aavishkar Finance and Trade Pvt Ltd	0.19	—
2	Par Investments Ltd	0.01	—
3	Rewant Investments Pvt Ltd	0.01	—
Outstanding balances as at year end			
	Loans Payable	5.00	—
1	Par Investments Pvt Ltd	2.50	—
2	Rewant Investments Pvt Ltd	2.50	—
	Interest Payable	0.02	—
1	Par Investments Ltd	0.01	—
2	Rewant Investments Pvt Ltd	0.01	—

(₹ cr)

NOTE 27.5 (D) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL		2013-14	2012-13
1	Remuneration	8.11	6.15
	Mr S S Lalbhai	4.45	2.89
	Mr S A Lalbhai	1.52	1.22
	Mr B N Mohanan	0.94	0.73
	Mr S Nammalvar	0.01	—
	Dr M G Palekar	0.19	0.28
	Mr C J Bent	0.03	0.10
	Dr A L Brackpool	0.97	0.93
2	Interest paid on public deposits	—	0.01
	Mr S S Lalbhai	—	0.01

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 27.5 (E) TRANSACTIONS WITH RELATIVES OF KEY MANAGEMENT PERSONNEL		2013-14	2012-13
Other transactions			
1	Interest paid on public deposits	—	0.01
	Dr V S Lalbhai (Previous year : ₹ 47,838)	—	
	Ms N S Lalbhai	—	0.01
	Ms S Mohanan (Previous year : ₹ 18,958)	—	

(₹ cr)

NOTE 27.5 (F) TRANSACTIONS WITH ORGANISATIONS OVER WHICH SIGNIFICANT INFLUENCE EXERCISED		2013-14	2012-13
Sales and income			
1	Sale of goods	0.24	0.23
	Atul Club	0.14	0.14
	Atul Kelavani Mandal	0.02	0.01
	Atul Rural Development Fund (Current year : ₹ 30,377)		0.01
	Atul Vidyalaya	0.08	0.07
Purchases and expenses			
	Reimbursement	0.02	0.04
	Atul Club (Current year : ₹ 8,004 and Previous year : ₹ 8,004)		
	Atul Kelavani Mandal (Current year : ₹ 38,720 and Previous year : ₹ 40,800)		
	Atul Rural Development Fund	—	0.02
	Atul Vidyalaya	0.02	0.02
Other transactions			
1	Donations	0.20	0.20
	Atul Rural Development Fund	0.20	0.20
2	Contribution to common expenses	2.15	0.16
	Atul Kelavani Mandal	0.02	0.06
	Atul Rural Development Fund	2.07	—
	Atul Vidyalaya	0.06	0.10
3	Contribution by Atul Bioscience Ltd	0.05	—
	Atul Rural Development Fund	0.05	—
Outstanding balances as at year end			
1	Loan receivable	1.42	1.42
	Atul Club	1.42	1.42
2	Receivables	1.03	1.01
	Atul Club	0.98	0.89
	Atul Kelavani Mandal	0.03	0.04
	Atul Rural Development Fund (Current year : ₹ 48,682)		0.01
	Atul Vidyalaya	0.02	0.07
3	Payables		0.03
	Atul Club (Current year : ₹ 2,135)		0.03

Notes to the Consolidated Financial Statements

NOTE 27.6 SEGMENT INFORMATION

(a) Primary Segment - Business

(₹ cr)

Particulars		Life Science Chemicals		Performance and Other Chemicals		Total	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Segment revenue						
	Gross sales	811.63	747.32	1,871.08	1,540.45	2,682.71	2,287.77
	Less: Inter segment revenue	-	-	127.82	156.83	127.82	156.83
	Net revenue from operations	811.63	747.32	1,743.26	1,383.62	2,554.89	2,130.94
2	Segment results						
	Profit before finance cost and tax	153.27	138.25	183.42	87.15	336.69	225.40
	Add: Reversal of previous year finance costs					-	5.38
	Less: Finance costs					33.44	33.37
	Less: Other unallocable expenditure (net of unallocable income)					(5.05)	11.04
	Profit before tax					308.30	186.37
3	Other information						
	Segment assets	468.22	397.88	963.32	821.10	1,431.54	1,218.98
	Unallocated common assets					384.11	344.90
	Total assets					1,815.65	1,563.88
	Segment liabilities	141.85	102.26	264.62	260.46	406.47	362.72
	Unallocated common liabilities					88.00	71.06
	Total liabilities					494.47	433.78
	Capital expenditure	33.83	30.80	82.64	81.81	116.47	112.61
	Unallocated capital expenditure					1.52	4.74
	Total capital expenditure*					117.99	117.35
	Depreciation	18.42	14.94	37.73	31.96	56.15	46.90
	Unallocated depreciation					2.11	4.47
	Total depreciation					58.26	51.37
	Significant non-cash expenses	-	-	-	-	-	-
	Significant unallocated non-cash expenses					-	-
	Total significant non-cash expenses					-	-

(b) Secondary Segment - Geographical

(₹ cr)

Particulars	In India		Outside India		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Segment revenue	1,377.74	1,111.98	1,177.15	1,018.96	2,554.89	2,130.94
Carrying cost of assets by location of assets	1,616.45	1,375.49	199.20	188.39	1,815.65	1,563.88
Additions to assets and intangible assets*	114.25	115.67	3.74	1.68	117.99	117.35

Other disclosures:

- The Company has disclosed business segment as the primary segment, which have been identified in line with the Accounting Standard - 17 'Segment Reporting' taking into account the organisation structure as well as the differing risks and returns.
- Composition of business segment:

Name of Segment	Comprises
(a) Life Science Chemicals	API Intermediates Fungicides, Herbicides, Insecticides, <i>p</i> -AA, <i>p</i> -AAI, etc
(b) Performance and Other Chemicals	Epoxy resins, Hardeners, <i>p</i> -Cresol, Sulphones, Textile dyes, etc
- The Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.
- The Company accounts for inter segments sales and transfers at market price.

* Including capital work-in-progress and capital advances

NOTE 27.7 EARNING PER SHARE

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

Particulars		2013-14	2012-13
Profit for the year attributable to the Equity Shareholders	₹ cr	219.19	119.77
Basic weighted average number of Equity Shares outstanding during the year	Number	2,96,61,733	2,96,61,733
Nominal value of Equity Share	₹	10	10
Basic and diluted Earning per Equity Share	₹	73.90	40.38

NOTE 27.8 COMPANIES CONSIDERED IN FINANCIAL STATEMENTS

Name of Subsidiary Companies	Country of Incorporation	Extent of Holding
Aasthan Dates Ltd**	India	100%
Ameer Trading Corporation Ltd	India	100%
Atul Biospace Ltd**	India	95.26%
Atul Bioscience Ltd	India	100%
Atul Brasil Qumicos Ltda	Brasil	100%
Atul China Ltd	China	100%
Atul Deutschland GmbH	Germany	100%
Atul Europe Ltd	UK	100%
Atul Infotech Pvt Ltd**	India	100%
Atul Rajasthan Date Palms Ltd*	India	74%
Atul USA Inc	USA	100%
Biyaban Agri Ltd**	India	100%
DPD Ltd*	UK	98%
Gujarat Synthwood Ltd***	India	50.82%
Raja Dates Ltd**	India	100%

* Investment held through subsidiary companies.

** Became subsidiary Company during the current year.

*** Company under liquidation and not considered for consolidation.

Notes to the Consolidated Financial Statements

NOTE 27.9 DETAILS OF ASSOCIATE COMPANIES CONSIDERED IN CONSOLIDATION:										
Sr No	Name of Associate Companies	Country of incorporation	Main activities	Ownership interest and voting power	Original cost of Investments	Amount of goodwill (capital reserve) included in original cost	Accumulated loss (gain) at the year end March 31		Carrying amount of investments at the year end March 31	
							2014	2013	2014	2013
A	B	C	D	E	F	G	H	H	I	(₹ cr)
1	Amal Ltd	India	Chemical	36.75%	5.15	(19.67)	33.84	36.74	—	—
2	Anchor Adhesives Pvt Ltd	India	Adhesives	49.99%	1.47	1.27	0.15	0.15	1.48	1.48
3	AtRo Ltd	India	Agriculture	50.00%	0.50	—	0.33	0.34	—	—
4	Atul Ayurveda Ltd	India	Ayurvedic	50.00%	0.03	—	—	—	0.03	0.03
5	Atul Clean Energy Ltd	India	Energy	20.00%	0.01	—	—	—	0.01	—
6	Atul Crop Care Ltd	India	Agriculture	50.00%	0.02	—	(0.13)	(0.02)	0.08	0.03
7	Atul Elkay Polymer Ltd	India	Polymers	50.00%	0.03	—	0.01	—	0.02	—
8	Atul Entertainment Ltd	India	Entertainment	50.00%	0.03	—	—	—	0.03	0.03
9	Atul Hospitality Ltd	India	Hospitality	50.00%	0.02	—	—	—	0.02	0.02
10	Atul Infotech Pvt Ltd*	India	Information Technology	50.00%	—	(0.08)	—	(0.52)	—	0.13
11	Atul Medical Care Ltd	India	Health Care	50.00%	0.03	—	—	—	0.03	0.03
12	Atul (Retail) Brands Ltd	India	Retail	20.00%	0.01	—	—	—	0.01	—
13	Atul Seeds Ltd	India	Agriculture	50.00%	0.02	—	—	—	0.02	0.02
14	Gujarat Synthwood Ltd**	India	Construction	34.87%	1.30	—	14.70	14.70	—	—
15	Jayati Infrastructure Ltd	India	Infrastructure	50.00%	0.03	—	—	—	0.03	0.03
16	Lapox Polymer Ltd	India	Polymers	20.00%	0.01	(0.06)	(0.29)	—	0.01	—
17	M. Dohmen S.A.	Switzerland	Textiles	50.00%	14.21	(45.72)	6.56	(3.41)	—	1.21
18	Osia Dairy Ltd	India	Dairy	50.00%	0.02	—	—	—	0.02	0.02
19	Osia Infrastructure Ltd	India	Infrastructure	48.00%	0.02	—	—	—	0.02	—

* In current year, Company has become subsidiary company of Atul Ltd.

** Company under liquidation. Figures are based on March 31, 2013 Financial Statements.

NOTE 27.10 INTEREST IN JOINT VENTURE COMPANY

The Company has acquired 50% interest in Rudolf Atul Chemicals Limited (RACL), a Joint Venture Company in India between IB Industriechemie Beteiligungs GmbH, Germany and Atul Ltd on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the Shareholders of RACL, both the Companies have significant participating rights such that they jointly control the operations of the Joint Venture Company. The aggregate amount of assets, liabilities, income and expenses related to the share of the Company in RACL as at and for the year ended March 31, 2014 as per audited Financial Statements are given below:

(₹ cr)

Particulars	As at March 31, 2014	As at March 31, 2013
Balance Sheet		
Non-current liabilities		
Deferred tax liabilities (net)	–	0.06
Long-term provisions	–	0.01
	–	0.07
Current liabilities		
Trade payables	2.44	3.06
Other current liabilities	0.38	0.27
Short-term provisions	0.52	0.05
	3.34	3.38
Total (A)	3.34	3.45
Non-current assets		
Tangible assets, net	0.25	0.27
Intangible assets, net	0.36	0.72
Deferred tax assets (net) ₹ 3,654	–	–
Long-term loans and advances	1.42	–
	2.03	0.99
Current assets		
Inventories	2.05	1.25
Trade receivables	3.95	3.43
Cash and cash equivalents	2.51	2.30
Short-term loans and advances	0.12	0.07
Other current assets	0.59	0.59
	9.22	7.64
Total (B)	11.25	8.63
Net worth (B-A)	7.91	5.18

Notes to the Consolidated Financial Statements

NOTE 27.10 INTEREST IN JOINT VENTURE COMPANY (contd)

(₹ cr)

Particulars	2013-14	2012-13
Statement of Profit and Loss		
Revenue		
Revenue from operations	15.56	10.34
Other income	0.50	0.75
	16.06	11.09
Expenses		
Cost of materials consumed	10.20	7.83
Purchase of stock-in-trade	0.49	—
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.20)	(0.04)
Employee benefit expenses	—	0.01
Finance costs	0.01	0.10
Depreciation and amortisation expenses	0.39	0.40
Other expenses	2.53	1.81
	13.42	10.11
Profit Before Tax	2.64	0.98
Tax expense		
Current tax	0.94	0.36
Deferred tax	(0.06)	(0.09)
	0.88	0.27
Net Profit (Loss)	1.76	0.71

NOTE 27.11 REGROUPED | RECAST | RECLASSIFIED

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

NOTE 27.12 ROUNDING OFF

Figures less than ₹ 50,000 has been shown at actual in bracket.

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah

Firm Registration Number: 102020W
Chartered Accountants

Sunil S Lalbhai

Chairman and Managing Director

Anish P Amin

Partner
Membership Number: 40451
Mumbai
May 02, 2014

T R Gopi Kannan

President, Finance and
Company Secretary

G S Patel
S S Baijal
B S Mehta
S M Datta
V S Rangan
R A Shah
S Nammalvar
Directors

Samveg A Lalbhai

Managing Director
Mumbai
May 02, 2014

Additional Information on subsidiary companies for the year ended March 31, 2014

(₹ cr)

Subsidiary Company	Atul Bioscience Ltd	DPD Ltd	Atul Rajasthan Date Palms Ltd	Atul USA Inc	Atul Europe Ltd	Atul Deutschland GmbH	Atul China Ltd	Atul Quimicos Ltda	Ameer Trading Corporation Ltd	Atul Infotech Pvt Ltd	Aasthan Dates Ltd	Atul Biospace Ltd	Biyaban Agri Ltd	Raja Dates Ltd
Capital	10.39	2.50	8.11	12.02	43.32	0.83	3.29	1.87	0.35	2.76	1.56	3.59	0.79	2.68
Reserves and surplus	9.76	9.43	13.26	2.29	2.78	(0.17)	(1.66)	(0.41)	2.54	0.59	(0.05)	0.06	(0.03)	(0.07)
Total assets	49.46	11.93	24.48	27.02	46.10	0.69	8.08	1.47	7.13	5.97	1.98	4.52	1.01	3.31
Total liabilities	29.31	—	3.11	12.71	—	0.03	6.45	0.01	4.24	2.62	0.47	0.87	0.25	0.70
Investments	0.01	—	—	—	28.69	—	—	—	6.61	—	—	—	—	—
Turnover	40.17	13.49	—	182.78	153.84	0.07	28.70	—	0.59	2.83	—	5.19	—	—
Profit before tax	3.94	2.87	(0.73)	0.13	1.84	(0.29)	0.19	(0.23)	(0.27)	0.11	(0.04)	0.19	(0.03)	(0.06)
Provision for taxation	1.32	0.68	0.43	0.02	0.44	—	—	—	—	0.05	—	0.05	—	—
Profit after taxation	2.62	2.19	(1.16)	0.11	1.40	(0.29)	0.19	(0.23)	(0.27)	0.06	(0.04)	0.14	(0.03)	(0.06)
Proposed dividend	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Notes:

- 1 The annual accounts of the subsidiary companies and other related information will be made available to the Shareholders of the Company on request to the Company Secretary at the Registered Office of the Company.
- 2 As per the Ministry of Company Affairs, Government of India approval No. 47 | 80 | 2011-CL-III dated February 9, 2011 all the figures of foreign with subsidiary companies have been converted at the exchange rate prevailing as on March 31, 2014.
- 3 Rate of exchange considered as on March 31, 2014 are 1 US\$ = ₹ 60.10, 1 GBP = ₹ 99.85, 1 Euro = ₹ 82.58, 1 Chinese Yuan = ₹ 9.70 and 1 Brazilian Real = ₹ 26.45.

Notes

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Notes

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Atul Ltd

Registered office: Ashoka Chambers, Rasala Marg, Ahmedabad 380006, Gujarat, India

ATTENDANCE SLIP

37th Annual General Meeting

July 25, 2014, Friday

DP ID		Folio Client ID No.	
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Full name of the Shareholder | Proxy attending the meeting

.....
(First name)

(Middle name)

(Surname)

First holder | Joint holder | Proxy

(Strike out whichever is not applicable)

Full name of the First holder (if Joint holder | Proxy attending)

.....
(First name)

(Middle name)

(Surname)



Signature of the Shareholder | Proxy

In our endeavour to consistently improve the quality of Annual Report in terms of Content, Consistency and Style we welcome your specific suggestions. You may please forward your response to

Company Secretary

Atul Ltd

Atul 396020, Gujarat

Email address: sec@atul.co.in



Atul Ltd
Form No MGT-11
Proxy form

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]
CIN: L99999GJ1975PLC002859

Name of the Company: **Atul Ltd**

Registered office: Ashoka Chambers, Rasala Marg, Ahmedabad 380006, Gujarat, India

Name of the Member(s): Registered Address: E-mail Address: Folio No Client ID: DP ID:

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

- Name:
 Address:
 E-mail address:
 Signature:, or failing him
- Name:
 Address:
 E-mail address:
 Signature:, or failing him
- Name:
 Address:
 E-mail address:
 Signature:

as my | our Proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 37th Annual General Meeting of the Company, to be held on July 25, 2014 at 11.00 a.m. at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

Sr No	Resolutions
1	Adoption of Financial Statements for the year ended on March 31, 2014
2	Declaration of Dividend
3	Reappointment of Mr B N Mohanan as Director
4	Reappointment of Mr B S Mehta as Director
5	Appointment of Dalal & Shah as the Statutory Auditors and fix their remuneration
6	Appointment of Mr S M Datta as an Independent Director
7	Appointment of Mr G S Patel as an Independent Director
8	Appointment of Dr S S Baijal as an Independent Director
9	Appointment of Mr H S Shah as an Independent Director
10	Appointment of Mr V S Rangan as an Independent Director
11	Reappointment of Mr B N Mohanan as Whole-time Director
12	Appointment of Mr S Nammalvar, Alternate to Mr B N Mohanan as Whole-time Director
13	Ratification of remuneration of R Nanabhoy & Co for Cost Audit
14	Approval under Section 180 (1) (a) of the Companies Act, 2013 for creation of mortgages and or charges on all or any of the immovable and or movable properties
15	Approval under Section 180 (1) (c) of the Companies Act, 2013 to borrow funds

Signed this ___ day of 2014

Signature of the Member

Signature of the Proxy holder(s)

Affix Revenue
Stamp here

Note:

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

Corporate Information

Directors

Mr Sunil Lalbhai
(Chairman and Managing Director)

Mr Gopal Patel

Dr Satguru Baijal

Mr Bansi Mehta

Mr Hasmukh Shah

Mr Samveg Lalbhai
(Managing Director)

Mr Susim Datta

Mr Srinivasa Rangan

Mr Rajendra Shah

Mr Bharathy Mohanan
(Whole-time Director)

Mr Sadagoparamanujan Nammalvar
(Alternate Director)

Company Secretary

Mr Gopi Kannan Thirukonda

Auditors

Dalal & Shah

Cost Auditors

R Nanabhoy & Co

Registered office

Ashoka Chambers
Rasala Marg
Ahmedabad 380006, Gujarat
India

Head office

Atul 396020, Gujarat
India
E-mail: sec@atul.co.in
Website: www.atul.co.in

Bankers

Axis Bank
Bank of Baroda
Bank of India
Export Import Bank of India
State Bank of India

Atul Ltd
Ashoka Chambers
Rasala Marg
Ahmedabad 380006, Gujarat
India



Lalbhai Group