Atul Ltd

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Telephone: (+91 2632) 230000 | 3261

July 27, 2018

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

SCRIP CODE: 500027
BSE Listing portal

The Manager
Listing Department
National Stock Exchange of India Limited
"Exchange Plaza" C – 1, Block G,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

SYMBOL: ATUL
NEAPS portal

Dear Sirs:

Sub: Annual Report – Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for Financial Year 2017-18 duly approved and adopted by the Members at the 41st Annual General Meeting of the Company held on Friday, July 27, 2018 at Ahmedabad.

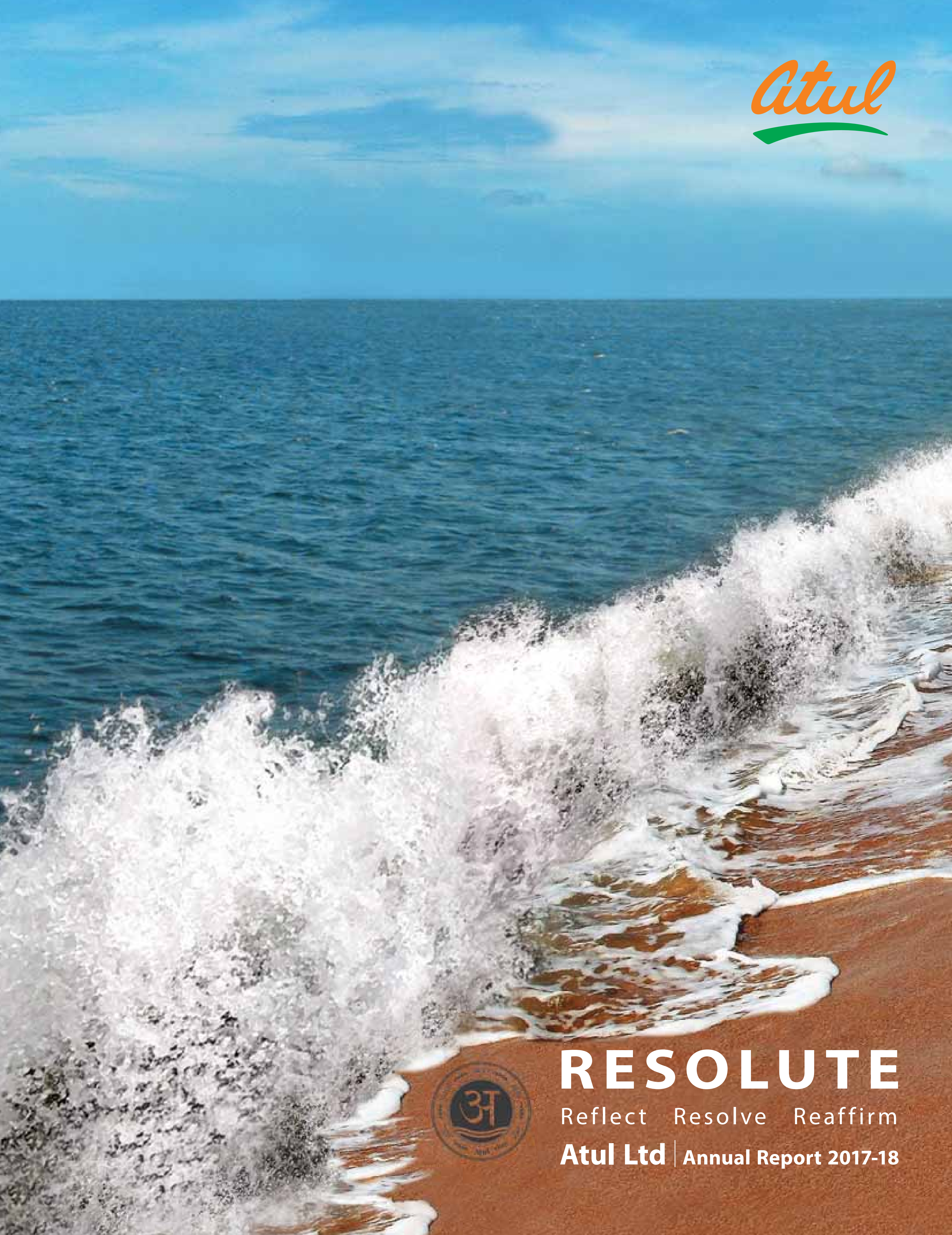
Kindly acknowledge the receipt of the above.

Thank you,

Yours faithfully,
FOR ATUL LTD

Lalit Patni
Company Secretary and
Chief Compliance Officer

Encl: as above



RESOLUTE

Reflect Resolve Reaffirm

Atul Ltd | Annual Report 2017-18

Sea water experiences continuous resistance as it approaches land and tries to move up the coast – this is a natural phenomenon. A wave symbolises the appetite for adventure over the fondness for ease. Human life, personal or professional, too faces its own trials and tribulations. Once there is this realisation that where there is life, there is struggle, it becomes easier to prepare for it through knowledge, skill and attitude. Incorporated in 1947, Atul completed 70 years last year – each difficulty, internal or external, has made it a stronger company and given the energy to move ahead. The team Atul will work with this understanding and grow the Company in a sustainable way.

Contents

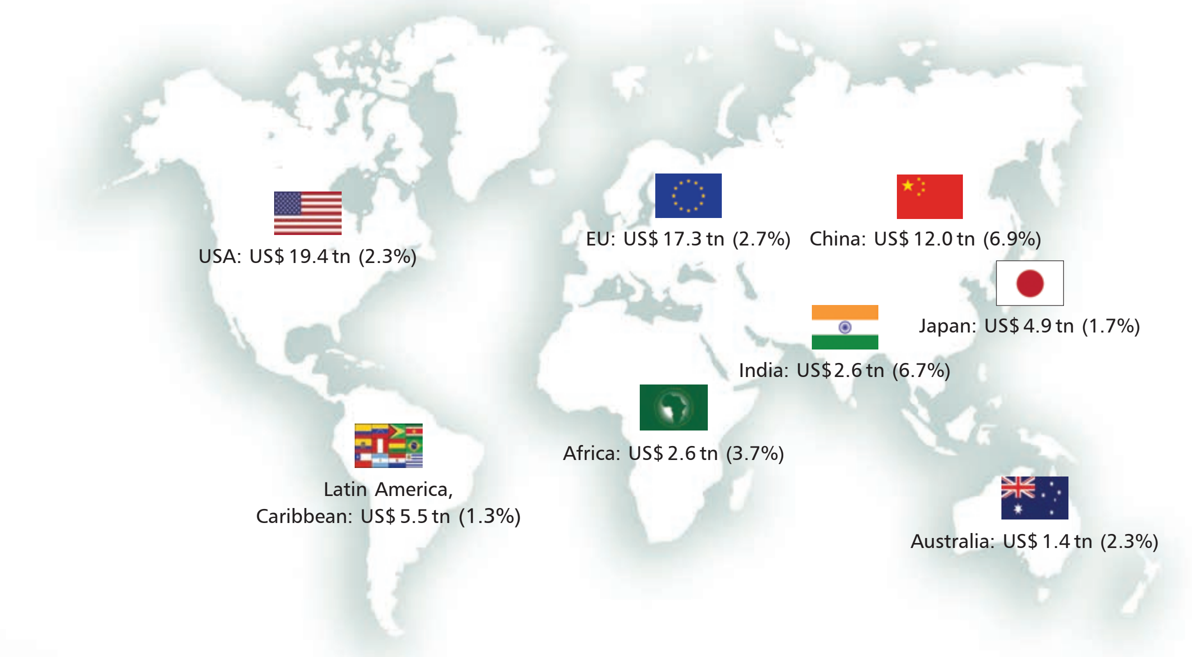
On the other side of resistance is the flow.

~ Guy Finley

Forward looking statements

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

World GDP* grew by 3.7%



Crude oil and steel prices increased while forex rates fluctuated

between
US$ 43.98 and
US$ 71.08 per barrel

between
₹ 36,000 and
₹ 48,250 per mt

US$ v/s ₹

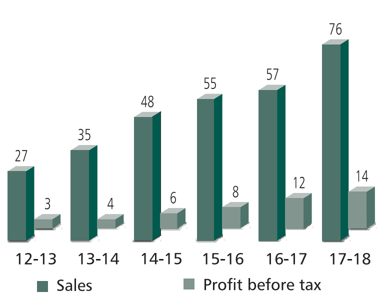
between
₹ 63.35 and
₹ 65.76 per US$

Atul strengthened itself further

- Increased sales volume by 12% and maintained profit before tax at ~ ₹ 400 cr
- Other equity (Reserves and surplus) crossed ₹ 2,000 cr
- Served the society through 28 initiatives

Atul shareholding: 100%

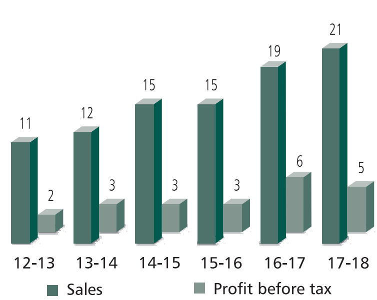
(₹ cr)



Atul Bioscience Ltd

Atul shareholding: 98%

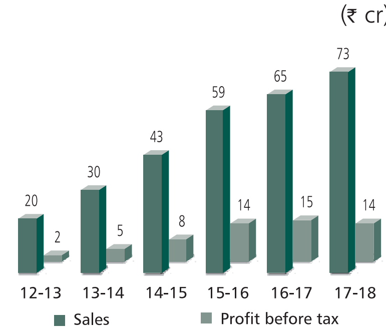
(₹ cr)



DPD Ltd

Atul shareholding: 50%

(₹ cr)



Rudolf Atul Chemicals Ltd

* Calendar year 2017 for all except India where the year is April 2017 to March 2018

Corporate identity

Music sets us free to dream. It can unite us to sing with one voice.
Such is the value of music.
~ Nelson Mandela

Sitar

Sitar is one of the most popular string instruments of Indian classical music. The instrument is believed to be a modification of Veena, the divine instrument of Saraswati, the Goddess of knowledge. It has evolved over centuries and, through the magic of its strings, continues to raise one's inner being. The strings may be many, but the music reflects harmony – it best represents the beauty of unity in diversity. The team Atul consists of people of different nationalities – American, Brazilian, Chinese, Dutch, English, French and of course Indian, but together, we will work in harmony for a larger purpose.

We are a diversified Indian company (a part of Lalbhai Group, one of the oldest business houses of India with a legacy of conducting business with a larger purpose) meeting the needs of varied industries such as Adhesive, Agriculture, Animal Feed, Automobile, Composite, Construction, Cosmetic, Defence, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Plastic, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy 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 2 reporting Segments, namely Life Science Chemicals and Performance and Other Chemicals, under 7 Sub-segments (interchangeably called Businesses), namely Aromatics, Bulk Chemicals and Intermediates, Colors, Crop Protection, Floras, Pharmaceuticals and Polymers – these in turn are managed through a matrix organisation structure for achieving all-round functional excellence.

Enriching past

- Founded on September 15, 1947 by Mr Kasturbhai Lalbhai, a legendary Indian, to create wealth in rural India, generate employment on a large-scale and make India self-reliant

  … … …

- First private sector company of independent India inaugurated by Mr Jawaharlal Nehru, the first Prime Minister of the country
- A company that has manufactured many products for the first time in India

Evolving present

- Increasing efficiency, productivity and strengthening people and business processes
- Broadening and deepening its presence in the marketplace
- Serving the society, particularly in the areas of national priorities like education, empowerment and infrastructure

Enterprising future

- Seeking growth through existing, downstream, related, value added and diversified product portfolio
- Leveraging depth in science and technology and having integrated manufacturing
- Developing and growing a retail product portfolio to participate in the full value chain

Promoter group shareholding of ~ 45%
Equity share capital of ₹ 30 cr, net worth of ₹ 2,198 cr and zero debt as on March 31, 2018
Paid uninterrupted dividend since commencement of operations in 1952 (except 1999-00)

Atul Ltd

Atul Bioscience Ltd
DPD Ltd
Atul Rajasthan Date Palms Ltd
Amal Ltd
Rudolf Atul Chemicals Ltd
Anaven

Atul Brasil Quimicos Ltda
Atul China Ltd
Atul Europe Ltd
Atul Middle East FZ-LLC
Atul USA Inc

Atul Foundation

Atul Club

Serving diverse industries
touching lives in many ways ...


Agriculture


Composite


Construction

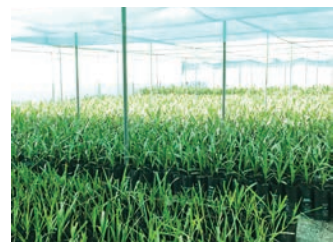

Cosmetic


Electrical and Electronics


Fragrance


Glass


Home Care


Horticulture


Paint and Coatings

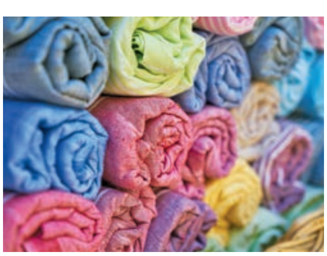

Paper


Personal Care


Rubber


Soap and Detergent


Sport and Leisure


Textile


Tyre


Wind Energy

Footprint

- Production facilities in India (Ankleshwar, Atul, Panoli and Tarapur)
- Subsidiary companies with production facilities in India (Ankleshwar and Atul) and the UK (Bristol)
- Joint venture companies with production facilities in India (Atul and Jodhpur)
- Distribution network for retail sales across India
- Wholly-owned subsidiary companies in Brazil (São Paulo), China (Shanghai), the UAE (Dubai), the UK (Wilmslow) and the USA (Charlotte)

… … …

- Manufactures about 900 products and 450 formulations
- Serves about 6,000 customers in 85 countries
- Owns 114 retail brands

Steered by Purpose

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

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

Kasturbhai Lalbhai
(1894 – 1980)

The legacy of our Founder has been synonymous with three terms: excellence, perseverance and trusteeship. At Atul, we have the most onerous responsibility to expand and diversify our footprint and follow his figurative footsteps. We are endeavouring to achieve this remit in full measure.

Balwantrai Mazumdar
(1902 – 1981)

An economist, Balwantrai Mazumdar was a voracious reader, sound thinker, patient listener and a 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 of its kind in the world. He remained with the Group till the end of his life, as did most of the people who worked with our Founder.

Siddharth Lalbhai
(1923 – 1998)

A chemical engineer and the elder son of our Founder, Siddharth Lalbhai dedicated his life to the development of Atul. He accorded equal value to creation of wealth and service to society. The principles of trusteeship that he upheld, the personal qualities of integrity, perseverance and simplicity that he lived by and the single-minded devotion that he gave to tasks on hand will always remain our guiding force.

Guided by Values

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

Integrity

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

Understanding

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

Unity

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

Responsibility

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

Excellence

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

Letter to the Shareholders

Dear Shareholders,

On September 15, 2017, our Company completed 70 years of incorporation – we reflect, with a sense of respect, upon how our predecessors built its foundations and with humility, upon how it has withstood the test of time. We do realise the responsibility we have to secure its future. The life of our illustrious Founder, Mr Kasturbhai Lalbhai, who perceived and perfected potential of the body to become an outward expression of the mind within, has left an enduring **legacy** of Values – integrity, humility, perseverance, excellence and larger purpose. The onus on the team Atul is to grow the business while nurturing this legacy.

The **world economy** at US$ 79.8 tn grew by 3.8%, the fastest since 2011 – the USA, China and Japan remained at the top. Indian economy – ranked number six in the world – at US$ 2.6 tn – grew by 6.7%, faster than it did in 2016. The world economy is likely to grow by 3.9% in 2018 as per estimate by IMF in April 2018. Favourable conditions are not likely to last beyond 2019, and now may be the moment for countries to get ready for leaner times as per IMF – investing in people, committing to clean environment and cooperating in trade so that the fruits of growth are widely shared. These, in a small way, are also efforts by our Company.

The world **Chemical industry** at US$ 4.3 tn grew by 7%. The world Pharmaceutical industry at US$ 1.75 tn grew by 6%. The two industries combined are ranked number 3 in the world economy. The Indian Chemical industry at US$ 123 bn, grew by 11% and the Indian Pharmaceutical industry at US$ 16 bn, grew by 8%. Chemical reactions occur when we breathe, exercise, eat, sleep and think. Almost all products we use in our daily life are enabled by chemistry! With depth in science and technology, our Company is well placed to expand its existing portfolio safely in an environment-friendly way and responsibly integrate in the journey of India.

Our Company achieved i) sales of ₹ 3,050 cr, higher by 16%, ii) volume growth of ₹ 318 cr or 12%, iii) EBITDA margin of 17%, lower by 2.7% points (mainly because of a stronger Rupee against the US$) and iv) profit before tax of ₹ 397 cr, lower by 1%, as compared with 2016-17. I obviously cannot justify stagnant **results** given the potential, but you may like to see them against the abysmal performance in the 1st quarter. Our Company repaid its entire debt – it became debt-free, for the first time since 1950. The Board has recommended dividend of 120%, the highest so far.

Subsidiary and associate companies are doing well – Atul Bioscience Ltd (100% Atul) and DPD (98% Atul) achieved PBT of ₹ 14 cr and ₹ 5 cr respectively, Amal Ltd (53% Atul) achieved PBT of ₹ 10 cr. Rudolf Atul Chemicals Ltd (50 – 50 joint venture company with Rudolf GmbH) achieved PBT of ₹ 14 cr. Atul Rajasthan Date Palms Ltd (74% Atul) is absorbing new technology and will take time to reach anticipated capacity utilisation. Anaven LLP (50 – 50 joint venture partnership with Akzo Nobel Chemicals International BV) is expected to commission its project in the last quarter of 2018-19.

The true measure of a company is determined by how it impacts others. **Atul Foundation Trust** continued in its own small way to work in the areas of national priorities – education (building and managing schools upto class 12), empowerment (building and managing institutions for skill development), health (organising medical camps), infrastructure (building toilets for the rural poor, installing street lights, repairing roads), conservation (greening through plantation) and relief (supporting cancer patients, other NGOs, etc) – our Company is continuing the legacy of its founding fathers of serving the society.

For **near-term**, the team Atul is working with rigour in three ways: firstly, it is improving existing processes (including their adherence) and institutionalising new ones to achieve higher levels of discipline, ownership and empowerment; secondly, (as I have stated earlier) it is possible to achieve sales of ₹ 4,000 cr without significant investments so the team Atul is working to make this happen soon and thirdly, it is debottlenecking and (or) expanding capacities of existing products of which it is unable to meet the current demand. Our Company is striving to achieve zero liquid discharge for all its key products.

Learning Centre, *Atul*

There are five types of efforts required – envisioning (purpose), learning (knowledge), persevering (skill), introspecting (thoughtfulness) and perfecting (excellence) – before we see results. It may be difficult to see good results in a sustainable way unless this cycle of five steps is completed. It is our endeavour to internalise this approach to work.

It is aptly said that the mind can explore the depths of oceans and the heights of mountains – this is its power, but to do this properly, it must first prepare, train and silence itself.

The Learning Center at Atul is developed with the idea that learning is a continuous and never-ending process which makes us better human beings in our personal, professional, social and spiritual lives.

In addition to expanding capacities of several existing products, our Company is i) introducing new products in its seven non-retail businesses (each of which has well-conceived plans for related | downstream products) and ii) growing its two currently small retail businesses. Many of the limitations are generally internal – so higher performance will be a natural consequence when every concerned member of the team Atul, individually and collectively, looks within and becomes stronger – this is the endeavour. This gives me confidence that the **long-term future** will be beneficial to all the Stakeholders.

I am privileged to be a part of the team Atul which is endeavouring improvements and excellence in every area of operations and serving the customers. My colleagues and I value the critical analysis, encouragement and guidance of the distinguished Non-executive Directors (the Board of our Company was rated amongst the best 50 in India by Korn Ferry Hay Group). The team Atul fully accepts the dynamic expectations of its customers; this cycle of evolution ensures **continuous learning and improvement** – I thank every member of the team who is engaged in this process and is helping our Company renew consistently.

The financial results have shown again that future is not obliged to span out as planned, but I wish to assure you of the resolve of the team Atul to summon the courage and bring out the best to realise the potential of our Company. As our Company enters its 71st year, we have pledged to ensure that we remain a learning organisation – learning never exhausts the mind; it enriches us to do better. We will focus on the three pillars of **sustainability** – economic, environmental and social – relentlessly no matter what the obstacles. We will work with hope leaving fear astern, and I pray that we become worthy of the unlimited opportunities.

Sincerely,

(Sunil Siddharth Lalbhai)
Chairman and Managing Director

Operational highlights

To succeed in your mission, you must have single minded devotion to your goal.
~ Abdul Kalam

Experience has taught us that when we work with vision, attention to detail, passion for excellence and a spirit of solidarity, significant improvements will be realised. We endeavour to explore new opportunities, enhance our efficiencies and expand our global footprint; we have miles to go. We are pleased to share with you some of the initiatives undertaken by the team Atul in 2017-18.

People

- Improved the process of succession planning
- Strengthened performance management system
- Upgraded HRIS

Systems

- Enhanced user experience for retail verticals through system generated e-mails and messages
- Implemented barcode solution for retail verticals
- Implemented unified accounting software for foreign subsidiary companies

Safety

- Conducted 22 HAZOPS, 11 risk assessments and 63 safety audits
- Received Integrated Management System (IMS: QMS, EMS & OHSAS) certification along with 2015 EMS version for Ankleshwar site
- Updated safety report and onsite emergency plan

Health

- Carried out 6,035 health check-ups
- Circulated 24 health related articles
- Conducted 4 first aid training workshops

Environment

- Harvested 850 mn litres of rainwater at Atul site
- Installed and commissioned tertiary treatment at one of the effluent treatment plants
- Received EMS – ISO 14001:2015 for Colors Business and Rudolf Atul Chemicals Ltd

Technology and Manufacturing

- Completed 16 projects
- Improved quality of 3 products
- Recovered 3 useful products from waste

Research and Development

- Developed 34 products | formulations
- Improved processes of 19 products
- Supported 28 scale-ups

Sales and Marketing

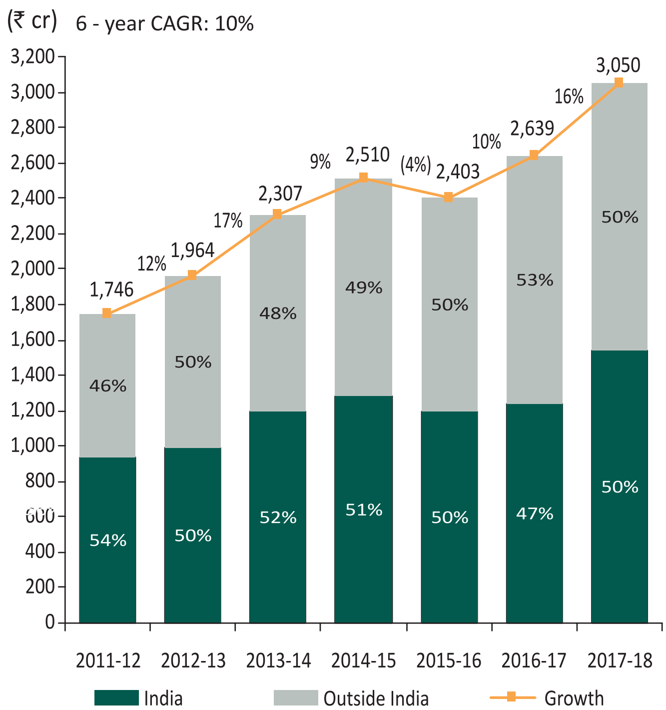
- Added 869 customers
- Implemented Sales Force Automation software and distributor engagement initiatives
- Introduced 35 new products

Growth

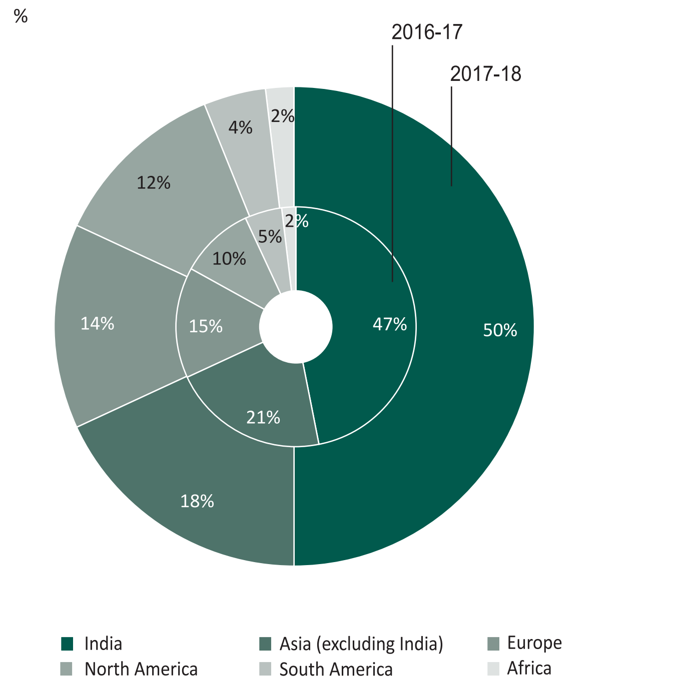
- Debottlenecked capacities in 24 products
- Executed 6 expansion projects
- Scaled up 28 new products

Financial charts

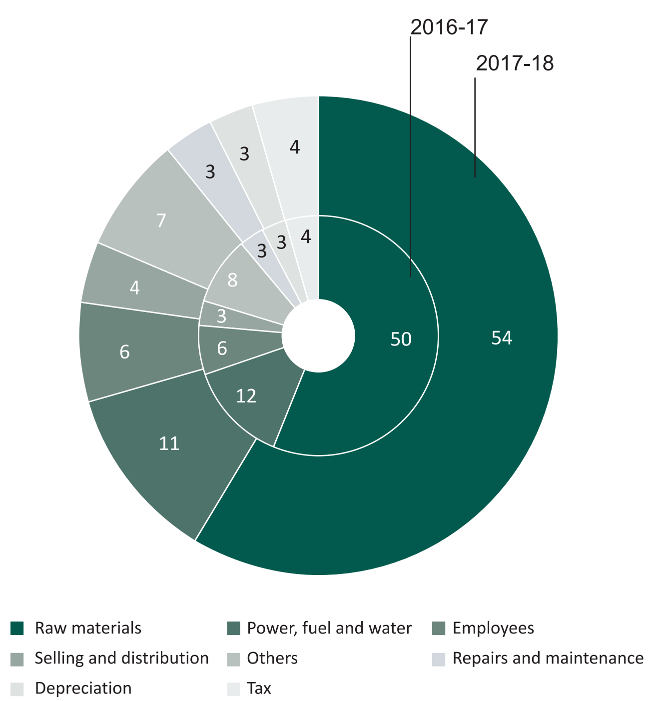
Sales



Sales by geography

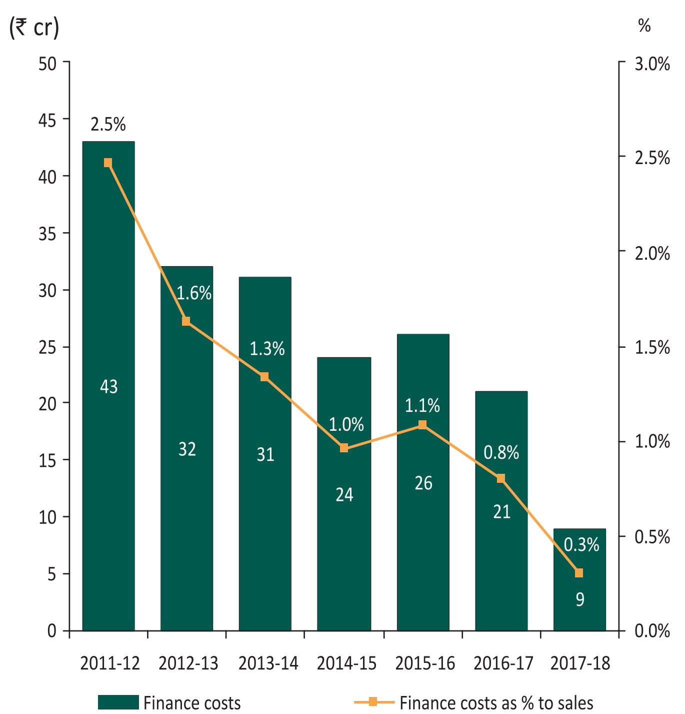


Expenses*

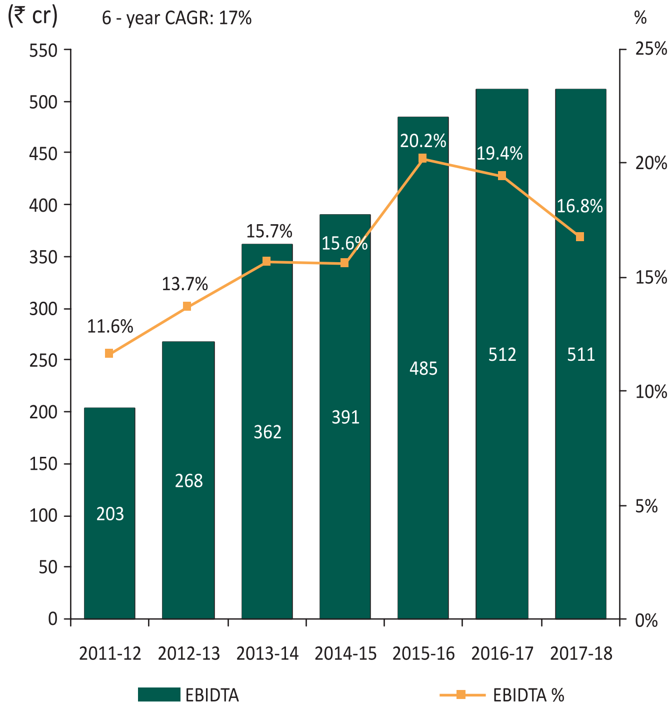


* as % of operating revenue

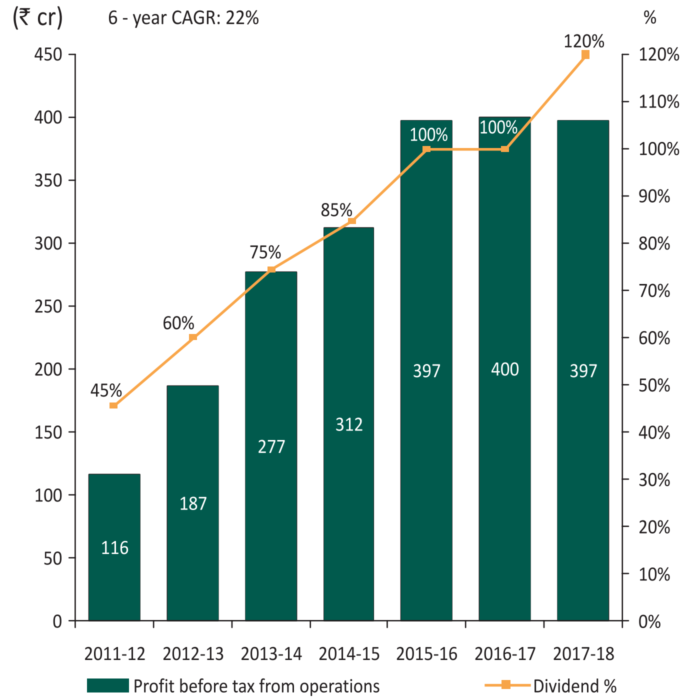
Finance costs



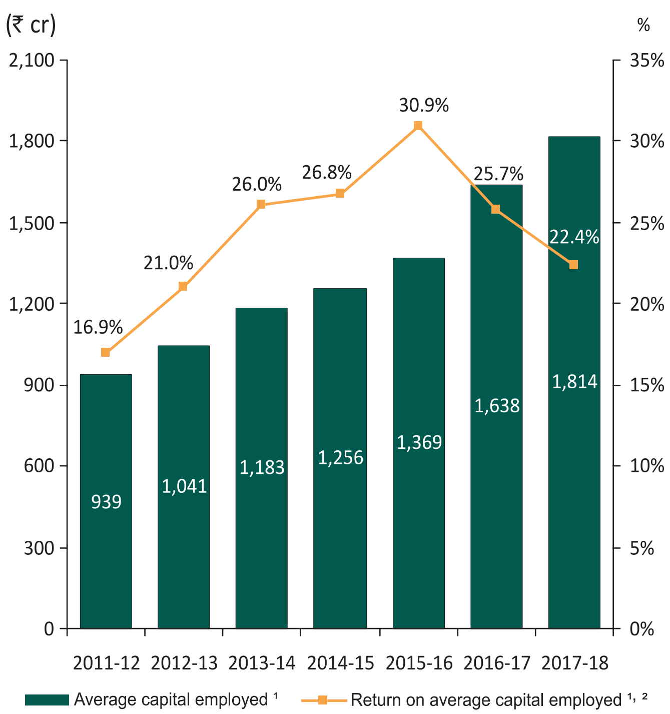
EBIDTA



Profit before tax from operations and Dividend

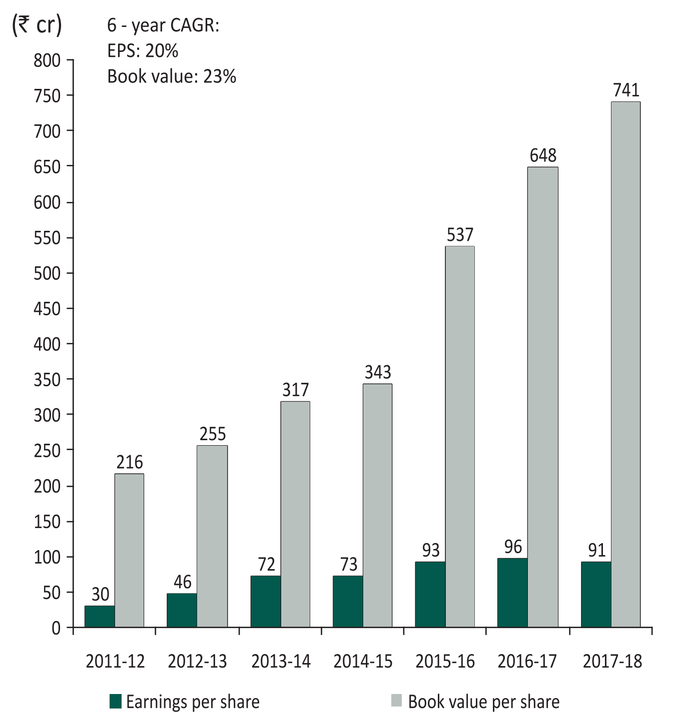


Return on average capital employed



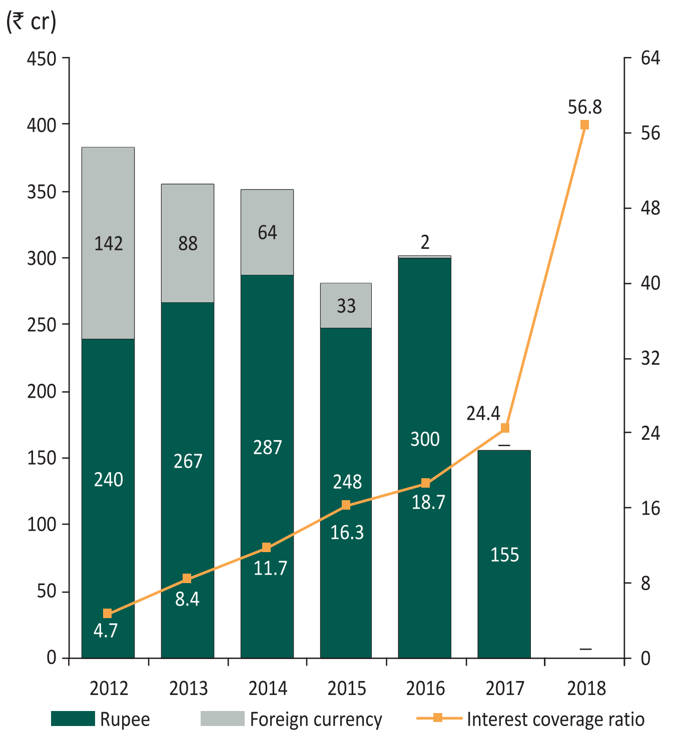
[1] Excluding capital work-in-progress | revaluation reserve on investment
[2] Excluding exceptional | non-recurring items

Earnings per share and Book value per share



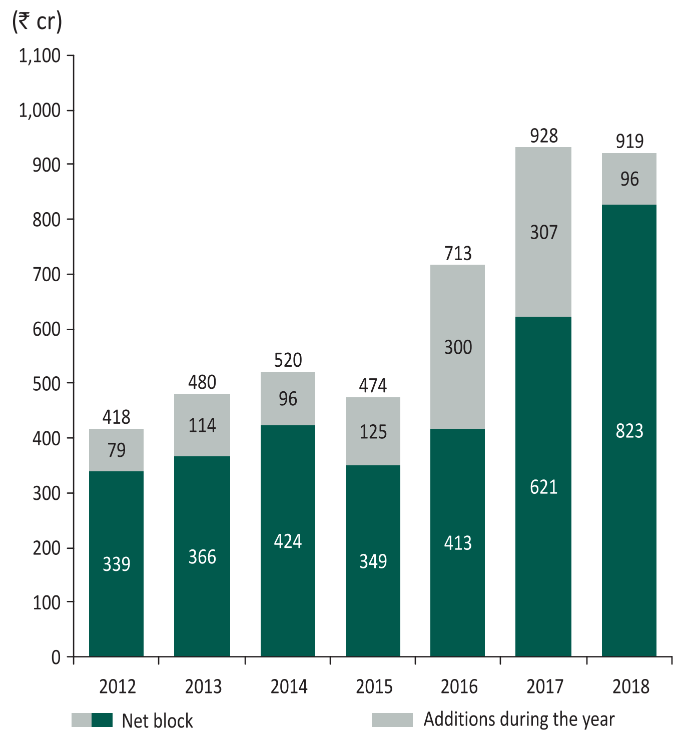
Financial charts

Borrowings*



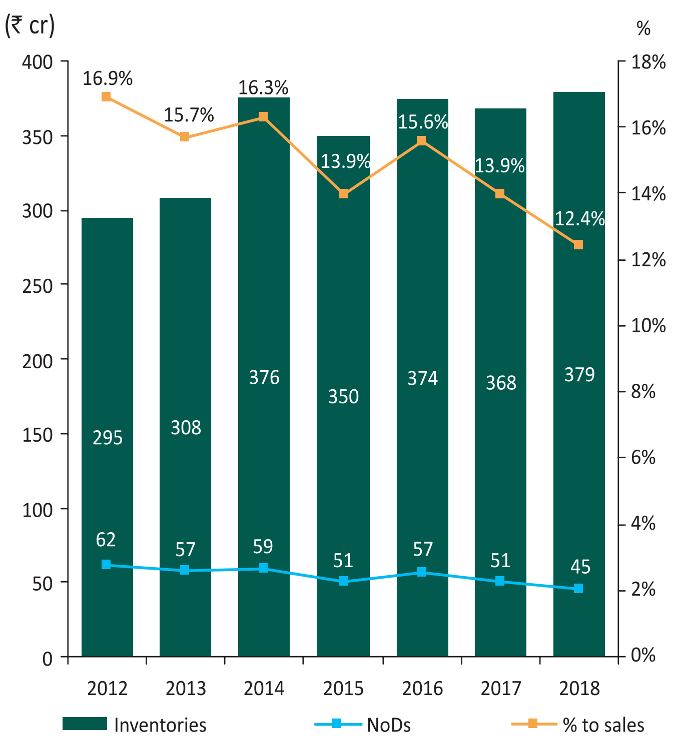
* as at March 31

Property, plant and equipment*



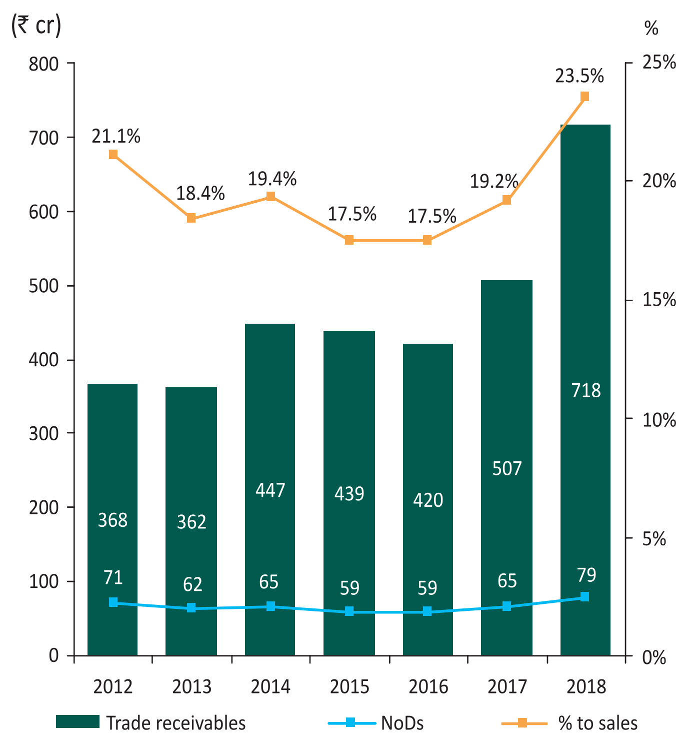
* as at March 31

Inventories*



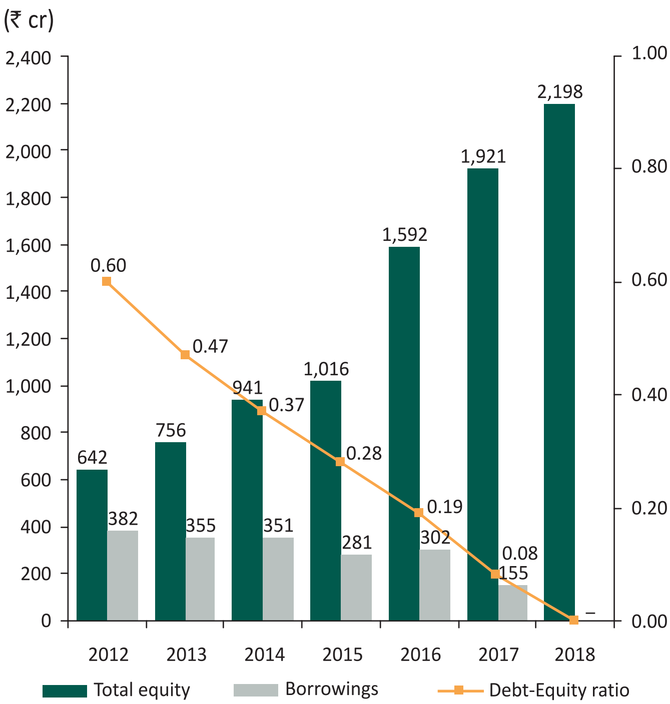
* as at March 31

Trade receivables*



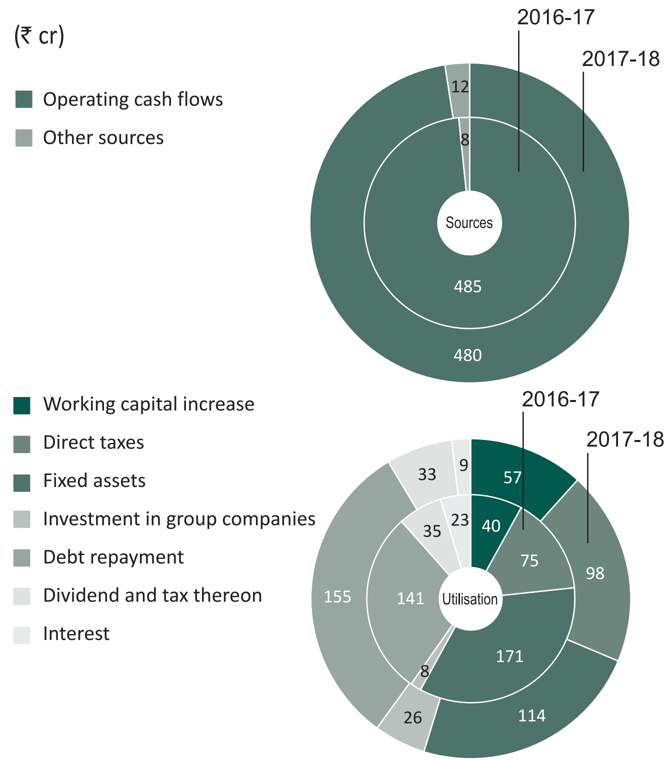
* as at March 31

Debt-Equity*

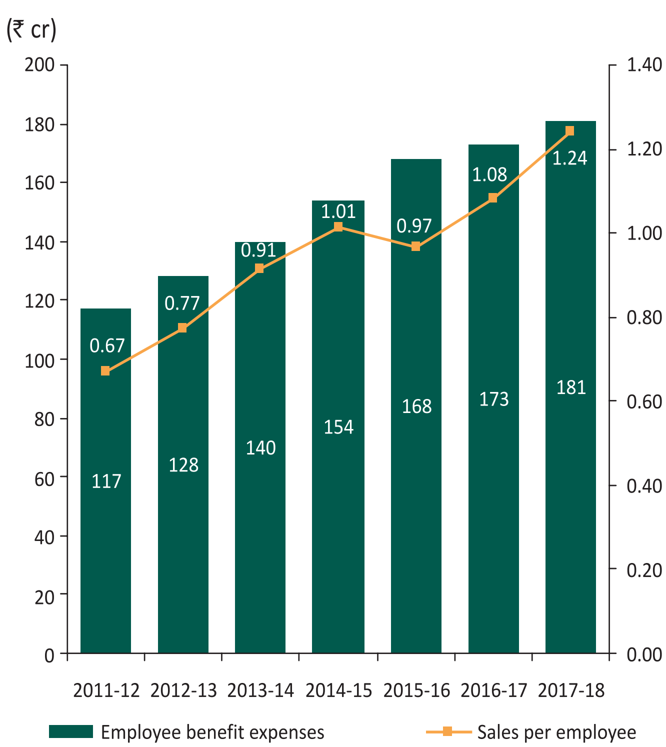


* as at March 31

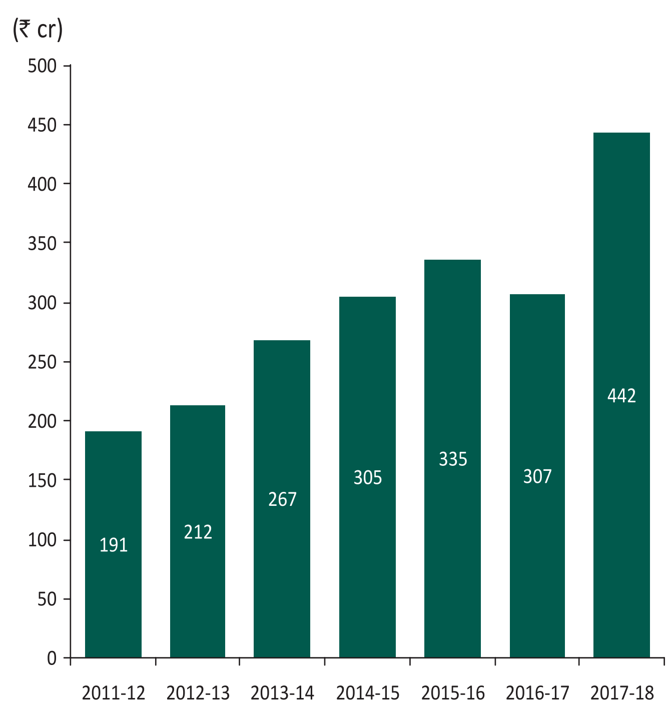
Sources and Utilisation of cash



Employee benefit expenses and Sales per employee



Payment to the exchequer



Serving the society

We rise by lifting others.
~ Robert Ingersoll

Mr Kasturbhai Lalbhai, the Founder of our Company, was a visionary par excellence. He yearned for economic independence to fulfill the dreams of an independent India and built institutions of scale and repute that a young country required to stand strong and resilient. We are committed to carrying forward the legacy and ideals he left behind to create a meaningful future. Some of the initiatives undertaken by Atul Foundation Trust (AFT) in 2017-18 are outlined below.

Education

- Awarded scholarships to 7 students from poor families
- Conducted life skill workshops for 60 children in a school
- Distributed writing material to 2,960 students of 27 primary schools in 15 villages
- Extended financial assistance for establishment of science laboratory building in a tribal school
- Extended financial assistance to an *ashramshala* for holistic development of 85 children

Empowerment

- Trained 18 women with 10+2 qualification to become skilled elementary school teachers (*adhyapika* course)
- Trained 208 students in computer literacy and 89 students in English proficiency
- Trained 379 students in 8 vocations in Industrial Training Institutes managed by AFT
- Trained 1,507 tribal students in 13 vocational courses in Atul Institute of Vocational Excellence, with 61% placement
- Trained 209 women in garment, soft toy making and beauty and styling in 5 villages

Health

- Constructed 1,500 individual household toilets in 21 villages
- Conducted a yoga session for 60 women
- Organised 27 blood donation camps (2,701 blood units collected) in 17 villages
- Organised 1 ENT camp benefitting 126 patients; 106 patients were provided with free hearing aids
- Organised 12 eye camps benefitting 3,931 patients in 12 villages; 177 patients were operated for cataract and 3,168 were provided spectacles

Relief

- Contributed towards community marriage of 110 poor couples
- Helped 11 poor cancer patients from 5 villages
- Helped 63 thalassemia patients from 36 villages and 3 cities for blood transfusion
- Provided relief to 250 sick and old animals in Chhapariali village
- Provided subsidised fertilisers and farm kits to 73 farmers of Haria village

Conservation

- Planted 68,200 trees
- Renovated a gas-based facility in a crematorium in *Atul* village

Infrastructure

- Constructed a boundary wall in a crematorium
- Constructed a dining hall in an *ashramshala* in Rohira village
- Constructed an open shed in a *prathamikshala* in Digas village
- Constructed roads in 2 villages
- Renovated a community hall in Haria village

Board of Directors


Mr R A Shah


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 B N Mohanan


Mr V S Rangan


Mr M M Chitale


Mr T R Gopi Kannan


Ms S A Panse


Mr B R Arora

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Ltd together with the audited Financial Statements for the year ended March 31, 2018.

01. Financial results

(₹ *cr*)

	2017-18	2016-17
Sales	3,050	2,639
Revenue from operations	3,148	2,848
Other income	38	43
Total revenue	3,186	2,891
Profit before tax	397	400
Provision for tax	127	115
Profit for the year	270	285
Balance brought forward	1,397	1,145
Transfer from Comprehensive Income	3	3
Disposable surplus	1,670	1,433
Less:		
Dividend paid	30	30
Dividend distribution tax (net)	3	6
Balance carried forward	1,637	1,397

02. Performance

Sales increased by 16% from ₹ 2,639 cr to ₹ 3,050 cr mainly due to higher volumes (12%) and prices (4%). Sales in India increased by 24% from ₹ 1,239 cr to ₹ 1,536 cr. Sales outside India increased by 8% from ₹ 1,400 cr to ₹ 1,514 cr. The Earnings per share decreased from ₹ 96.18 to ₹ 91.16. Cash flow from operating activities before working capital changes marginally decreased by 1% from ₹ 485 cr to ₹ 480 cr and the net cash flow from operating activities decreased by 12% from ₹ 370 cr to ₹ 325 cr.

Sales of Life Science Chemicals (LSC) Segment increased by 27% from ₹ 807 cr to ₹ 1,026 cr, mainly because of higher sales in Sub-segments Crop Protection and Pharmaceuticals; its EBIT decreased by 8% from ₹ 130 cr to ₹ 120 cr. Sales of Performance and Other Chemicals (POC) Segment increased by 10% from ₹ 1,832 cr to ₹ 2,024 cr mainly because of higher sales in Sub-segments Aromatics - II and Polymers; its EBIT decreased by 3% from ₹ 290 cr to ₹ 281 cr. More details are given in the Management Discussion and Analysis (MDA) Report.

The Company fully repaid entire borrowings of ₹ 155 cr despite payment towards capital expenditure of ₹ 114 cr during the year.

Credit Analysis and Research Ltd (CARE) maintained its credit rating at 'AA+' (double A plus) for long-term borrowings of the Company. Its rating for short-term borrowings and commercial paper remained at 'A1+' (A1 plus), the highest possible awarded by CARE.

03. Dividend

The Board recommends payment of dividend of ₹ 12 per share on 2,96,61,733 equity shares of ₹ 10 each fully paid up. The dividend will entail an outflow of ₹ 42.91 cr {including dividend distribution tax (net)} on the paid-up Equity share capital of ₹ 29.66 cr.

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

Information required under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms a part of this Report which is given at page number 24.

05. Insurance

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

06. Risk Management

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

i) Risk identification and definition – Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.

ii) Risk classification – Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and a clear understanding of risk interrelationships.

iii) Risk assessment and prioritisation – Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and the existing mitigation controls.

iv) Risk mitigation – Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v) Risk reporting and monitoring – Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

Roles and responsibilities

Governance

The Board has approved the Risk Management Policy of the Company. The Company has laid down procedures to inform the Board on i) to iv) above. The Audit Committee periodically reviews the Risk Management System and gives its recommendations, if any, to the Board. The Board reviews and guides the Risk Management Policy.

Implementation

Implementation of the Risk Management Policy is the responsibility of the Management. It ensures functioning of the Risk Management System as per the guidance of the Audit Committee. The Company has Risk Management Oversight Structure in which each Sub-segment has a Chief Risk and Compliance Officer.

The Management at various levels takes accountability for risk identification, appropriateness of risk analysis, and timeliness as well as adequacy of risk mitigation decisions at both individual and aggregate levels. It is also responsible for the implementation, tracking and reporting of defined mitigation plans, including periodic reporting to the Audit Committee and the Board.

07. Internal Financial Controls

The Internal Financial Controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements.

These include those policies and procedures that:

i) pertain to the maintenance of records which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company,

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures are being made only in accordance with authorisations of the Management and the Directors of the Company,

iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that can have a material effect on the Financial Statements. A reputed international consultancy firm has reviewed the adequacy of the Internal Financial Controls with respect to the Financial Statements.

The Management assessed the effectiveness of the Internal Financial Controls over financial reporting as of March 31, 2018, and the Board believes that the controls are adequate.

08. Fixed deposits

During 2017-18, the Company did not accept any fixed deposits.

09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at page numbers 114 and 116.

10. Subsidiary, associate and joint venture companies

During 2017-18, Aaranyak Urmi Ltd was incorporated as a wholly-owned subsidiary company, Amal Ltd became a subsidiary company and Anaven LLP, a 50:50 partnership with AkzoNobel BV, was incorporated. There were no other changes in the subsidiary, associate and joint venture companies which were reported earlier.

11. Related Party Transactions

All the transactions entered into with the Related Parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at page number 125. No transactions were entered into by the Company which required disclosure in Form AOC-2.

12. Corporate Social Responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 27.

13. Extract of the Annual Return

This is given at page number 31.

14. Auditors

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 40th Annual General Meeting (AGM) held on July 28, 2017 until the conclusion of the 45th AGM subject to ratification by the Members at every AGM. The recent amendments in law have dispensed with the requirement of ratification of the Statutory Auditors in AGM subsequent to their appointment. Considering the change in law, it is proposed to ratify the appointment of Deloitte Haskins & Sells LLP for the year ending on March 31, 2019 and pass appropriate resolution in the ensuing AGM for dispensing with the requirement for such ratification from the next year onwards.

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

Cost Auditors

The Shareholders ratified the appointment of R Nanabhoy & Co as the Cost Auditors for 2017-18 on July 28, 2017.

Secretarial Auditors

Mr A C Doshi, Practicing Company Secretary was appointed as the Secretarial Auditor on April 29, 2015. Mr A C Doshi along with 3 other partners formed a partnership firm SPANJ & Associates, Company Secretaries. The Board appointed SPANJ & Associates, Company Secretaries, as the Secretarial Auditors for 2017-18 on March 23, 2018, and their report is given at page number 42.

15. Directors' responsibility statement

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

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

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

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

15.4 The attached annual accounts for the year ended March 31, 2018 were prepared on a going concern basis.

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

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

16. Directors

16.1 Appointments | Reappointments | Cessations

16.1.1 According to Article 86 of the Articles of Association of the Company, Mr B N Mohanan retires by rotation and being eligible, offers himself for reappointment at the forthcoming AGM scheduled on July 27, 2018.

16.1.2 Subject to the approval of the Members in the AGM:

i) Mr S S Lalbhai was reappointed as the Chairman and Managing Director effective July 01, 2019 for a period of 5 years.

ii) Mr B S Mehta was appointed as an Independent Director effective June 01, 2018 for a period of 5 consecutive years.

iii) Mr S M Datta was reappointed as an Independent Director effective April 01, 2019 for a second term of 5 consecutive years.

iv) Mr V S Rangan was reappointed as an Independent Director effective April 01, 2019 for a second term of 5 consecutive years.

16.1.3 Approval of the Members in the AGM is being sought for continuance of Mr R A Shah as a Non-executive Director and Mr B R Arora as an Independent Director.

16.2 Policies on appointment and remuneration

16.2.1 Appointment

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

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

ii) Traits: positive attributes and qualities

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

16.2.2 Remuneration of the Non-executive Directors

i) Sitting fees: up to ₹ 35,000 for attending a Board, Committee and any other meeting

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

a. Membership of Committee(s)
b. Profit
c. Attendance
d. Category (Independent or Non-independent)

16.2.3 Remuneration of the Executive Directors

This is given under para number 17.2.

16.3 Criteria and method of annual evaluation

16.3.1 The criteria for evaluation of performance of a) the Non-independent Directors (Executive) b) the Non-independent Directors (Non-executive) c) the Independent Directors d) the Chairman e) the Committees of the Board and f) the Board as a whole are summarised in the table at the end of the Directors' Report at page number 22.

16.3.2 The Independent Directors have carried out annual:

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

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

iii) review of performance of the Chairman,

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

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

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

i) its Committees namely Audit, Nomination and Remuneration, Stakeholders Relationship, Corporate Social Responsibility and Investment,

ii) the Independent Directors.

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

16.4 Familiarisation Programs for the Independent Directors

The Company has Familiarisation Programs for its Independent Directors. It comprises, amongst others, presentations by and discussions with the Senior Management on the nature of the industries in which it operates, its vision and strategy and its organisation structure. A visit is organised to one or more of its manufacturing sites. Details of the Familiarisation Programs are also available at https://www.atul.co.in/about/directors/

17. Key Managerial Personnel and other employees

17.1 Appointments and cessations of the Key Managerial Personnel

There were no appointments | cessations of the Key Managerial Personnel during 2017-18.

17.2 Remuneration

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

17.2.1 Components:

i) Fixed pay

a. Basic salary

b. Allowances

c. Perquisites

d. Retirals

ii) Variable pay

17.2.2 Factors for determining and changing fixed pay:

i) Existing compensation

ii) Education

iii) Experience

iv) Salary bands

v) Performance

vi) Market benchmark

17.2.3 Factors for determining and changing variable pay:

i) Business performance

ii) Individual performance

iii) Grade

18. Analysis of remuneration

The information required pursuant to Sections 134 (3)(q) and 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Act, the Report and the Accounts are being sent to the Members and others entitled thereto excluding the information on employees' particulars which are available for inspection by the Members at the registered office of the Company during business hours on working days of the Company up to the date of ensuing AGM.

Any Member interested in obtaining a copy of such statement may write to the Company Secretary at the registered office of the Company.

19. Management Discussion and Analysis

The Management Discussion and Analysis Report covering performance of the 2 reporting Segments, namely, LSC and POC, is given at page number 46.

20. Corporate Governance Report

20.1 Statement of declaration given by the Independent Directors.

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

20.2 Report

The Corporate Governance Report along with the certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance pursuant to Regulation 34 (3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given at page number 53. Details about the number of meetings of the Board held during 2017-18 are given at page number 56. The composition of the Audit Committee is given at page number 59.

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

20.3 Whistle-blowing Policy

The Board, on the recommendation of the Audit Committee, had approved a vigil mechanism (Whistle-blowing Policy). The policy provides an independent mechanism for reporting and resolving complaints pertaining to unethical behaviour, actual or suspected fraud and violation of the Code of Conduct of the Company and is displayed on the website (of the Company) at https://www.atul.co.in/investors/policies

No personnel has been denied access to the Audit Committee.

20.4 Secretarial Standards

Secretarial Standards as applicable to the Company were followed and complied with during 2017-18.

21. Business Responsibility Report

As per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is given at page number 68.

22. Dividend Distribution Policy

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is given at page number 74.

23. Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai (Sunil Siddharth Lalbhai)
June 01, 2018 **Chairman and Managing Director**

Table

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

Index

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

1.1 Conservation of energy

1.1.1 Measures taken:
- i) Replacement of reciprocating chillers by energy efficient screw chillers
- ii) Utilisation of excess hydrogen for steam generation
- iii) Utilisation of steam condensate from process plants in boilers

1.1.2 Additional investments and proposals, if any, being implemented:
- i) Recovery of heat from cooling operations to heat water
- ii) Recovery and use of steam condensate from distribution headers
- iii) Replacement of conventional light fittings by LED light fittings

1.2 Technology absorption

1.2.1 Research and Development

i) Specific areas in which Research and Development (R&D) was carried out by the Company:
The Company focused its R&D efforts on process improvement of its existing products, recovery of products from pollutants and process development of new products and formulations. The R&D departments also helped in troubleshooting in manufacturing departments.

ii) Benefits derived from R&D:
The Company increased yield of 8 products, decreased consumption of raw materials of 9 products, decreased consumption charge of 3 solvents, recovered 4 products from pollutants and introduced 37 new products and formulations.

iii) Future plan:
The Company is investing further in people and equipment so as to strengthen its R&D and thereby enhance its capability.

iv) R&D expenditure:

(₹ cr)

Capital	Recurring	Total	Total R&D expenditure as a percentage of total sales
2.32	20.63	22.95	0.75

1.2.2 Technology absorption, adaptation and innovation

i) Efforts in brief, made towards technology absorption, adaptation and innovation:
The Company upgraded many of its processes and operations by imbibing new technology, using more efficient equipment and incorporating automation.

ii) Benefits derived as a result of the above efforts, for example, product improvement, cost reduction, product development and import substitution:
The above efforts have resulted in improvement in quality, increase in yields, increase in throughput and decrease in manpower.

iii) Technology, if any, imported during the last 3 years reckoned from the beginning of the financial year:
The Company did not import any technology.

1.3 Foreign exchange earnings and outgo

1.3.1 Export sales: activities, development initiatives and future plan
The Company sold its products in 85 countries, directly and through its subsidiary companies in the USA, the UK, the UAE, China and Brazil. Sales outside India* increased by 11% from ₹1,332 cr to ₹1,478 cr mainly due to higher volumes as compared to the previous year. The Company is taking further steps to strengthen its international marketing network.

*Free On Board (FOB) value

1.3.2 Total foreign exchange earnings and outgo

(₹ cr)

Particulars	2017-18	2016-17
Earnings		
Exports – FOB value	1,477.69	1,332.49
Dividends, etc	6.25	5.27
Outgo		
Loan repayment	69.16	218.08
Payment for raw materials, books and periodicals, dividend, etc	602.50	411.07

2. Subsidiary, associate and joint venture companies[1]

2.1 Operational companies

(₹ cr)

No.	Name	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Amal Ltd	9.43	(0.83)	24.45	15.85	0.02	31.53	9.70	–	9.70	–	52.86	INR
02.	Atul Bioscience Ltd	10.84	12.75	60.37	36.78	0.01	76.45	13.70	4.41	9.29	7.05	100.00	INR
03.	Atul Biospace Ltd	10.57	2.07	15.00	2.36	7.90	9.46	1.34	0.46	0.88	1.16	100.00	INR
04.	Atul Brasil Quimicos Ltda	1.39	(1.30)	0.55	0.46	–	0.95	(0.09)	–	(0.09)	–	100.00	BRL
05.	Atul China Ltd	3.51	(0.59)	19.53	16.61	–	89.44	0.73	–	0.73	–	100.00	CNY
06.	Atul Crop Care Ltd	0.05	1.46	2.68	1.17	0.14	10.13	0.71	0.19	0.52	–	26.00	INR
07.	Atul Europe Ltd	30.35	1.81	96.10	63.94	8.54	215.85	5.17	0.19	4.98	5.21	100.00	GBP
08.	Atul Finserv Ltd	21.19	18.67	40.02	0.16	38.74	0.73	0.09	–	0.09	–	100.00	INR
09.	Atul Infotech Pvt Ltd	0.24	16.51	17.33	0.58	0.03	2.96	0.03	0.02	0.01	–	100.00	INR
10.	Atul Middle East FZ-LLC	0.53	(0.27)	0.27	0.01	–	–	0.01	–	0.01	–	100.00	AED
11.	Atul Rajasthan Date Palms Ltd	8.11	0.72	20.28	11.45	–	3.18	0.19	(0.19)	0.38	–	74.00	INR
12.	Atul USA Inc	13.01	5.08	54.85	36.76	–	252.68	1.32	0.31	1.01	1.04	100.00	USD
13.	DPD Ltd	2.31	12.46	18.66	3.89	–	21.04	5.45	1.02	4.43	–	98.00	GBP
14.	Lapox Polymers Ltd	0.05	1.04	2.65	1.56	0.72	9.54	0.35	0.11	0.24	–	20.00	INR
	Joint venture company												
01.	Rudolf Atul Chemicals Ltd	5.84	16.52	41.66	19.30	–	73.32	14.01	4.97	9.04	2.92	50.00	INR

[1]As per Ind-AS

2.2 Non-operational companies

(₹ cr)

No.	Name	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Aaranyak Urmi Ltd	0.01	–	0.01	–	–	–	–	–	–	–	100.00	INR
02.	Aasthan Dates Ltd	2.10	(0.35)	1.75	–	–	0.01	(0.02)	–	(0.02)	–	100.00	INR
03.	Anchor Adhesives Pvt Ltd	0.59	(0.16)	0.43	–	–	0.03	0.03	0.01	0.02	–	100.00	INR
04.	Atul Aarogya Ltd	0.06	0.07	0.13	–	0.11	–	–	–	–	–	41.67	INR
05.	Atul Ayurveda Ltd	0.06	0.02	0.08	–	0.05	–	–	–	–	–	41.67	INR
06.	Atul Clean Energy Ltd	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	28.47	INR
07.	Atul Deutschland GmbH	0.81	(0.32)	0.37	(0.12)	–	–	(0.04)	–	(0.04)	–	100.00	Euro
08.	Atul Elkay Polymers Ltd	0.05	(0.11)	0.07	0.13	0.01	–	–	–	–	–	50.00	INR
09.	Atul Entertainment Ltd	0.06	0.02	0.08	–	0.05	–	–	–	–	–	41.67	INR
10.	Atul Fin Resources Ltd	2.50	0.07	2.57	–	–	0.11	0.10	0.02	0.08	–	100.00	INR
11.	Atul Hospitality Ltd	0.06	0.02	0.08	–	0.03	–	–	–	–	–	41.67	INR
12.	Atul Nivesh Ltd	2.50	0.07	2.57	–	–	0.11	0.10	0.02	0.08	–	100.00	INR
13.	Atul (Retail) Brands Ltd	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	43.05	INR
14.	Atul Seeds Ltd	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	41.67	INR
15.	Biyaban Agri Ltd	1.09	(0.51)	0.58	–	–	–	(0.06)	–	(0.06)	–	100.00	INR
16.	Jayati Infrastructure Ltd	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	41.67	INR
17.	Osia Dairy Ltd	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	41.67	INR
18.	Osia Infrastructure Ltd	0.06	–	0.06	–	0.04	–	–	–	–	–	40.00	INR
19.	Raja Dates Ltd	4.10	(0.34)	3.83	0.07	–	0.01	(0.11)	0.01	(0.12)	–	100.00	INR
	Joint operations												
01.	Anaven LLP	37.00	0.02	40.20	3.18	–	0.09	0.02	0.01	0.01	–	50.00	INR

AED: United Arab Emirate Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, INR: Indian Rupee, USD: United States Dollar

Rate of exchange considered as on March 31, 2018 are 1 AED = ₹ 17.74, 1 BRL = ₹ 19.72, 1 CNY = ₹ 10.35, 1 Euro = ₹ 80.62, 1 GBP = ₹ 92.28, 1 USD = ₹ 65.04

Below mentioned company is under liquidation:

a) Subsidiary company: Gujarat Synthwood Ltd

3. Corporate Social Responsibility

3.1 Policy, programs and scope

3.1.1 Policy

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

3.1.2 Programs and scope

AFT will take up projects and | or carry out activities under 3 broad programs: i) Education and Empowerment, ii) Health and Relief and iii) Conservation and Infrastructure with varied scope of work.

i) Education and Empowerment
  - a) Encourage sports
  - b) Establish and | or support schools
  - c) Establish and | or support colleges
  - d) Establish and | or support vocational institutes
  - e) Promote integrated development of tribal areas

ii) Health and Relief
  - a) Assist during natural calamities
  - b) Enhance rural hygiene and sanitation
  - c) Establish mobile medical care facilities
  - d) Establish medi-care centres
  - e) Organise medical camps

iii) Conservation and Infrastructure
  - a) Develop and | or maintain rural utilities
  - b) Develop and | or maintain rural amenities
  - c) Protect environment
  - d) Promote use of renewable resources
  - e) Restore sites of historical importance

Please refer to the following web-link for details of policy, programs and projects:

https://www.atul.co.in/investors/policies

3.2 Committee

- H S Shah (Chairman)
- S S Lalbhai
- B N Mohanan
- S A Panse

3.3 Expenditure: determination and actual spent

(₹ cr)

Particulars	Amount
Average net profit of the Company for the last three financial years	367.58
Prescribed CSR expenditure, at 2% of above	7.35
Total amount spent for the financial year	7.39
Amount unspent by the Company	Nil

3.4 Manner in which spent

(₹ lakhs)

No.	Program	Project | Activity	Location Village, District (State)	Outlay for the year		Cumulative expenditure up to reporting period[1]	Implementing agency
				Budget	Spent		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
01	Education	Enhancement of education practices in Kalyani Shala	Atul, Valsad (Gujarat)	50.00	50.00	250.00	AFT | Atul Kelavani Mandal
02.		Provision of financial assistance for establishment of science laboratory building in a tribal school	Chondha, Navsari (Gujarat)	10.00	10.00	10.00	Navchetan Manav Vikas Mandir
03.		Promotion of education in an *ashramshala*	Pardi, Valsad (Gujarat)	3.00	3.00	3.00	Shree Vallabh Seva Kendra
04.		Grant of scholarships to underprivileged children	Pardi, Valsad (Gujarat)	2.00	2.00	2.00	Shree Vallabh Sikshan Sangeet Ashram
05.		Developing learning and life skills in children from underprivileged communities	Bengaluru (Karnataka)	1.00	1.00	1.00	ArtSparks Foundation
06.		Encouraging research activities at ICT	Mumbai (Maharashtra)	1.00	1.00	1.00	Institute of Chemical Technology
07.		Conservation of manuscripts	Ahmedabad (Gujarat)	12.50	12.50	12.50	L D Bhartiya Sanskruti Vidhyamandir
08.		Contribution towards publication of books on Indian culture | ecology | philosophy	Jaipur (Rajasthan)	3.00	3.00	3.00	Prakrit Bharati Academy
09.		Enhancement of rural education	15 villages[2], Valsad (Gujarat)	11.00	11.07	11.07	AFT | ARDF
10.	Empowerment	Skill development (Atul Institute of Vocational Excellence)	Ozarpada, Valsad (Gujarat)	25.00	25.00	201.28	AFT | ARDF
11.		Enhancement of computer and English language skills	Atul and Dharampur, Valsad (Gujarat)	3.50	3.40	3.40	AFT | ARDF
12.		Empowerment of women through vocational training courses	5 villages[3], Valsad (Gujarat)	3.00	2.99	2.99	AFT | ARDF
		Imparting training to women to become skilled elementary school teachers *(adhyapika)*	Valsad (Gujarat)	8.50	8.50	17.00	AFT | ARDF
13.	Health	Provision of quality health care facilities (Atul Medical Diagnostic and Research Centre)	Atul, Valsad (Gujarat)	140.00	140.00	650.00	ARDF
14.		Improvement of hygiene through construction of toilets	21 villages[4], Valsad (Gujarat)	210.00	210.00	483.00	AFT | ARDF
15.		Upgradation of sports infrastructure and equipment	Atul, Valsad (Gujarat)	60.00	60.00	60.00	ARDF
16.		Upgradation of medical equipment in a hospital	Laxmipura, Sabarkantha (Gujarat)	12.50	12.50	12.50	AFT | Gyanmandal Laxmipura Group Prerit Arogya Mandal
17.		Enhancement of rural health	22 villages[5], Valsad (Gujarat)	15.00	15.27	15.27	AFT | ARDF
18.	Relief	Support to prevention of exploitation of women	Varanasi (Uttar Pradesh)	5.00	5.00	5.00	AFT | Guria Swayam Sevi Sansthan
19.		Provision of blood units to thalassemia patients	Valsad (Gujarat)	7.00	7.00	7.00	AFT | Valsad Raktdan Kendra
20.		Contribution for advanced treatment of cancer patients	Karamsad, Anand (Gujarat)	5.00	5.00	5.00	Charutar Arogya Mandal
21.		Contribution for welfare of deserted, sick and old animals	Chapariyali, Bhavnagar (Gujarat)	24.00	24.00	24.00	AFT | Sheth Anandji Kalyanji Chhapariali Panjarapol Sarvajanik Trust
22.			Sami, Patan (Gujarat)	12.00	12.00	12.00	AFT | Shree Sami Khodadhor Panjarapole
23.		Contribution for community marriage of underprivileged couples	Valsad (Gujarat)	2.00	2.00	2.00	AFT | Shree Chandra Mauleshwara Mahadevji Sansthapan Trust
24.		Provision of free farm kits and fertilisers at subsidised rates to farmers	Haria, Valsad (Gujarat)	2.75	2.74	2.74	AFT | ADRF

No.	Program (A)	Project | Activity (B)	Location Village, District (State) (C)	Outlay for the year Budget (D)	Outlay for the year Spent (E)	Cumulative expenditure up to reporting period[1] (F)	Implementing agency (G)
25.	Infrastructure	Infrastructure support to schools and institutes in Ankleshwar	Ankleshwar, Gujarat	10.00	10.00	10.00	ARDF
26.		Enhancement of rural infrastructure	6 villages[6], Valsad (Gujarat)	62.00	62.13	62.13	AFT | ADRF
27.		Enhancement of infrastructure facilities for tribal students in an *ashramshala*	Rohina, Valsad (Gujarat)	3.00	3.00	3.00	Pachatvarg Seva Sangh, Vapi
28.	Conservation	Afforestation	Atul, Valsad (Gujarat)	5.00	7.78	7.78	Direct | ARDF
29.		Installation of gas based cremation facility	Atul, Valsad (Gujarat)	5.00	5.00	5.00	Atul Parnadi Muktidham Trust
30.	Various	Various	–	–	–	363.14	Various
Total direct expenditure				713.75	716.88	2247.80	
Administrative overheads (OH)				24.25	22.21	77.96	
Total (direct expenditure + OH)				738.00	739.09	2325.76	

AFT: Atul Foundation Trust
ARDF: Atul Rural Development Fund Trust

[1] Since April 01, 2014

[2] 15 villages covered under rural education initiatives: Atar, Bhagod, Binwada, Chanvai, Dived, Dungarwadi, Haria, Kukeri, Magod, Magod Dungri, Mama Bhacha, Meh, Parnera, Rabada and Umarsadi

[3] 5 villages covered under women empowerment initiatives: Atak Pardi, Atul, Jujva, Mograwadi and Survada

[4] 21 villages covered under Sanitation project: Anjlav, Atar, Atul, Balda, Bhagod, Binwada, Chanvai, Dived, Gadaria, Kotlav, Magod Dungri, Magod, Mota Survada, Navera, Parnera Pardi, Rabada, Sukhesh, Tithal, Umarsadi, Desaiwad and Vashier

[5] 22 villages covered under rural health initiatives: Ankleshwar, Arnala, Atul, Bildha, Binwada, Chanvai, Dhamdachi, Dharampur, Dungri, Faladhra, Ghej, Ghodmaal, Haria, Jamaliya, Khatalwada, Pariya, Parnera, Parnera Pardi, Sarosia, Satadiya, Ulaspendi and Vankal

[6] 6 villages covered under infrastructure development: Atul, Chanvai, Dungarwadi, Haria, Mama Bhacha and Parnera

3.5 Implementing agencies

3.5.01 Atul Foundation Trust (Atul, Gujarat):

Established in 2011, AFT is an embodiment of the purpose of Atul towards serving the society. It is the apex Trust through which all CSR initiatives of the Company are undertaken.

3.5.02 Atul Rural Development Fund (Atul, Gujarat):

Established in 1978, ARDF implements projects for upliftment of the marginalised sections of society.

3.5.03 Atul Kelavani Mandal (Atul, Gujarat):

Established in 1955, Atul Kelavani Mandal manages Kalyani Shala.

3.5.04 Navchetan Manav Vikas Mandir (Chondha, Gujarat):

Established in 1992, Navchetan Manav Vikas Mandir provides education to tribal students.

3.5.05 Shree Vallabh Seva Kendra (Pardi, Gujarat):

Established in 1978, Shree Vallabh Seva Kendra provides academic and technical education.

3.5.06 Shree Vallabh Sikshan Sangeet Ashram (Pardi, Gujarat):

Established in 1950, Shree Vallabh Sikshan Sangeet Ashram provides academic education.

3.5.07 ArtSparks Foundation (Bengaluru, Karnataka):

Established in 2015, ArtSparks Foundation develops 21st century learning and life skills in children from the underprivileged communities.

3.5.08 Institute of Chemical Technology (Mumbai, Maharashtra):

Established in 1933, Institute of Chemical Technology is a premier institute for education and research in chemical technology.

3.5.09 L D Bhartiya Sanskruti Vidhyamandir (Ahmedabad, Gujarat):

Established in 1956, L D Bhartiya Sanskruti Vidhyamandir preserves rare arts, manuscripts and archaeological objects.

3.5.10 Prakrit Bharati Academy (Jaipur, Rajasthan):

Established in 1977, Prakrit Bharati Academy publishes books in Prakrit, Sanskrit and other Indian languages.

3.5.11 Gyan Mandal Laxmipura Group Prerit Arogya Mandal (Laxmipura, Gujarat):

Established in 1984, Gyan Mandal Laxmipura Group Prerit Arogya Mandal provides low cost health services to rural people.

3.5.12 Guria Swayam Sevi Sansthan (Varanasi, Uttar Pradesh):

Established in 1993, Guria Swayam Sevi Sansthan is actively working against child and women abuse.

3.5.13 Valsad Raktdan Kendra (Valsad, Gujarat):

Established in 1984, Valsad Raktdan Kendra provides voluntary blood bank services.

3.5.14 Charutar Arogya Mandal (Karamsad, Gujarat):

Established in 1972, Charutar Arogya Mandal provides health care facilities at subsidised rates | free of cost to the underprivileged.

3.5.15 Sheth Anandji Kalyanji Chhapariali Panjarapol Sarvajanik Trust (Chhapariali, Gujarat):

Established in 1852, Sheth Anandji Kalyanji Chhapariali Panjarapol Sarvajanik Trust provides care and protection to mute, sick and old animals.

3.5.16 Shree Sami Khodadhor Panjarapole (Sami, Gujarat):

Established in 1953, Shree Sami Khodadhor Panjarapole provides food and shelter to deserted, sick and old animals.

3.5.17 Shree Chandra Mauleshwara Mahadevji Sansthapan Trust (Valsad, Gujarat):

Established in 1995, Shree Chandara Mauleshwara Mahadevaji Sansthapan Trust promotes community development initiatives.

3.5.18 Pachatvarg Seva Sangh (Rohina, Gujarat):

Established in 1965, Pachatvarg Seva Sangh provides education to tribal students.

3.5.19 Atul Parnadi Muktidham Trust (Atul, Gujarat):

Established in 1999, Atul Parnadi Muktidham Trust provides cremation facilities.

3.6 Confirmation of compliance

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with its objectives and Policy of the Company.

Chairman and Managing Director	Chairman CSR Committee
S S Lalbhai	H S Shah

4. Extract of the Annual Return

Form number MGT – 9

Extract of the Annual Return as on March 31, 2018

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

4.1 Registration and other details

- » CIN: L99999GJ1975PLC002859
- » Registration date: December 11, 1975
- » Name of the company: Atul Ltd
- » Category | Sub-category of the company: Company limited by shares
- » Address of the registered office and contact details: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, Telephone: (+91 79) 2646 1294 | 2646 3706
- » Whether listed company: yes, listed on BSE Ltd and National Stock Exchange of India Ltd
- » Name, address and contact details of Registrar and Transfer Agent: Link Intime India Pvt Ltd, 506-508 Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, Telephone: (+91 79) 26465179 | 86 | 87

4.2 Principal business activities of the Company

No.	Name and description of main products | services	National Industrial Classification code of the product | service	% to total revenue of the Company*
01.	Basic chemicals	201	38%
02.	Other chemical products	202	62%

* Business activities contributing 10% or more of the total revenue of the Company

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

No.	Name and address of the Company	Corporate Identification Number	Holding | subsidiary | associate	% of shares held	Applicable Section
01.	Aaranyak Urmi Ltd Atul 396 020, Gujarat	U15400GJ2017PLC100157	Subsidiary	100%	2(87)(ii)
02.	Aasthan Dates Ltd Jodhpur 342 003, Rajasthan	U01122RJ2010PLC030642	Subsidiary	100%	2(87)(ii)
03.	Amal Ltd Mumbai 400 028, Maharashtra	L24100MH1974PLC017594	Subsidiary	53%	2(87)(ii)
04.	Anchor Adhesives Pvt Ltd Mumbai 400 028, Maharashtra	U24100MH1992PTC067870	Subsidiary	100%	2(87)(ii)
05.	Atul Bioscience Ltd Atul 396 020, Gujarat	U24230GJ1997PLC032369	Subsidiary	100%	2(87)(ii)
06.	Atul Biospace Ltd Atul 396 020, Gujarat	U01500GJ2005PLC045244	Subsidiary	100%	2(87)(ii)
07.	Atul Brasil Quimicos Ltda CEP 01046-010, São Paulo, Brazil		Subsidiary	100%	2(87)(ii)
08.	Atul China Ltd Shanghai 200 233, China		Subsidiary	100%	2(87)(ii)
09.	Atul Deutschland GmbH Wiesbaden, Germany		Subsidiary	100%	2(87)(ii)
10.	Atul Europe Ltd Wilmslow SK9 2TB, UK		Subsidiary	100%	2(87)(ii)
11.	Atul Finserv Ltd Mumbai 400 028, Maharashtra	U51900MH1947PLC005453	Subsidiary	100%	2(87)(ii)
12.	Atul Fin Resources Ltd Atul 396 020, Gujarat	U65990GJ2016PLC093639	Subsidiary	100%	2(87)(ii)
13.	Atul Infotech Pvt Ltd Atul 396 020, Gujarat	U72200GJ2000PTC038460	Subsidiary	100%	2(87)(ii)

No.	Name and address of the Company	Corporate Identification Number	Holding | subsidiary | associate	% of shares held	Applicable Section
14.	Atul Middle East FZ-LLC Dubai, UAE		Subsidiary	100%	2(87)(ii)
15.	Atul Nivesh Ltd Atul 396 020, Gujarat	U65929GJ2016PLC093630	Subsidiary	100%	2(87)(ii)
16.	Atul Rajasthan Date Palms Ltd Jodhpur 342 009, Rajasthan	U01122RJ2009PLC028415	Subsidiary	74%	2(87)(ii)
17.	Atul USA Inc North Carolina 28226, USA		Subsidiary	100%	2(87)(ii)
18.	Biyaban Agri Ltd Jodhpur 342 008, Rajasthan	U01122RJ2010PLC030636	Subsidiary	100%	2(87)(ii)
19.	DPD Ltd Somerset BA6 8QG, UK		Subsidiary	98%	2(87)(ii)
20.	Raja Dates Ltd Jodhpur 342 008, Rajasthan	U01122RJ2010PLC030640	Subsidiary	100%	2(87)(ii)
21.	Atul Aarogya Ltd Atul 396 020, Gujarat	U85110GJ2010PLC062180	Associate	42%	2(6)
22.	Atul Ayurveda Ltd Atul 396 020, Gujarat	U24233GJ2010PLC062028	Associate	42%	2(6)
23.	Atul Clean Energy Ltd Atul 396 020, Gujarat	U40106GJ2010PLC059498	Associate	28%	2(6)
24.	Atul Crop Care Ltd Atul 396 020, Gujarat	U01403GJ2010PLC061909	Associate	26%	2(6)
25.	Atul Elkay Polymers Ltd Atul 396 020, Gujarat	U24100GJ2011PLC065979	Associate	50%	2(6)
26.	Atul Entertainment Ltd Atul 396 020, Gujarat	U92190GJ2010PLC061999	Associate	42%	2(6)
27.	Atul Hospitality Ltd Atul 396 020, Gujarat	U55101GJ2010PLC062000	Associate	42%	2(6)
28.	Atul (Retail) Brands Ltd Atul 396 020, Gujarat	U24233GJ2010PLC059517	Associate	43%	2(6)
29.	Atul Seeds Ltd Atul 396 020, Gujarat	U01122GJ2010PLC062769	Associate	42%	2(6)
30.	Jayati Infrastructure Ltd Atul 396 020, Gujarat	U45200GJ2010PLC062029	Associate	42%	2(6)
31.	Lapox Polymers Ltd Atul 396 020, Gujarat	U51434GJ2009PLC056053	Associate	20%	2(6)
32.	Osia Dairy Ltd Atul 396 020, Gujarat	U15200GJ2010PLC061906	Associate	42%	2(6)
33.	Osia Infrastructure Ltd Atul 396 020, Gujarat	U45200GJ2011PLC064854	Associate	40%	2(6)
34.	Rudolf Atul Chemicals Ltd Atul 396 020, Gujarat	U24110GJ2005PLC045564	Associate	50%	2(6)

UAE: United Arab Emirates | USA: United States of America | UK: United Kingdom

4.4 Shareholding pattern (Equity share capital break-up as percentage of total Equity)

4.4.1 Category-wise shareholding

Category code	Category of Shareholders	Number of shares held at the beginning of the year (as at April 01, 2017)				Number of shares held at the end of the year (as at March 31, 2018)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
A.	**Shareholding of the promoter and the promoter group**									
01.	Indian									
a)	Individuals | Hindu Undivided Family	–	8,84,642	8,84,642	2.982	–	8,80,781	8,80,781	2.969	(0.013)
b)	Central Government | State Government(s)	–	–	–	–	–	–	–	–	–
c)	Bodies corporate	–	1,23,06,997	1,23,06,997	41.491	–	1,23,60,320	1,23,60,320	41.671	0.180
d)	Financial institutions | Banks	–	–	–	–	–	–	–	–	–
e)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (A)(1)	**–**	**1,31,91,639**	**1,31,91,639**	**44.474**	**–**	**1,32,41,101**	**1,32,41,101**	**44.640**	**0.167**
02.	Foreign									
a)	Individuals (Non-resident individuals | Foreign individuals)	–	–	–	–	–	–	–	–	–
b)	Bodies corporate	–	–	–	–	–	–	–	–	–
c)	Institutions	–	–	–	–	–	–	–	–	–
d)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (A)(2)	–	–	–	–	–	–	–	–	–
	Total shareholding of the promoter and the promoter group (A)=(A)(1)+(A)(2)	**–**	**1,31,91,639**	**1,31,91,639**	**44.474**	**–**	**1,32,41,101**	**1,32,41,101**	**44.640**	**0.167**
B.	**Public shareholding**									
01.	Institutions									
a)	Mutual funds	450	58,15,108	58,15,558	19.606	300	67,25,594	67,25,894	22.675	3.069
b)	Financial institutions | Banks	16,016	8,010	24,026	0.081	14,326	11,693	26,019	0.088	0.007
c)	Central Government | State Government(s)	336	–	336	0.001	336	1,82,744	1,83,080	0.617	0.616
d)	Venture capital funds	–	–	–	–	–	–	–	–	–
e)	Insurance companies	–	2,46,597	2,46,597	0.831	–	2,02,381	2,02,381	0.682	(0.149)
f)	Foreign institutional investors	900	32,760	33,660	0.113	800	–	800	0.003	(0.111)
g)	Foreign venture capital investors	–	–	–	–	–	–	–	–	–
h)	Trusts	–	2,71,390	2,71,390	0.915	–	2,52,130	2,52,130	0.850	(0.065)
	Sub total (B)(1)	**17,702**	**63,73,865**	**63,91,567**	**21.548**	**15,762**	**73,74,542**	**73,90,304**	**24.915**	**3.367**

Category code	Category of Shareholders	Number of shares held at the beginning of the year (as at April 01, 2017)				Number of shares held at the end of the year (as at March 31, 2018)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
02.	Non-institutions									
a)	Bodies corporate									
i)	Indian	15,675	12,17,587	12,33,262	4.158	–	9,94,847	9,94,847	3.354	(0.804)
ii)	Overseas	–	17,80,624	17,80,624	6.003	–	14,54,484	14,54,484	4.904	(1.100)
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 lakh	7,84,098	32,54,183	40,38,281	13.614	5,93,185	30,79,397	36,72,582	12.382	(1.233)
ii)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	10,737	26,26,121	26,36,858	8.890	10,737	27,01,873	27,12,610	9.145	0.255
c)	Non–resident Indians (NRI)									
i)	NRI repatriable	3,495	83,348	86,843	0.293	2,117	90,067	92,184	0.311	0.018
ii)	NRI non–repatriable	–	82,452	82,452	0.278	–	86,703	86,703	0.292	0.014
iii)	Foreign bodies	–	–	–	–	–	–	–	–	–
iv)	Foreign nationals	–	–	–	–	–	–	–	–	–
v)	Any other	–	2,20,207	2,20,207	0.742	–	16,918	16,918	0.057	(0.685)
	Sub total (B)(2)	**8,14,005**	**92,64,522**	**1,00,78,527**	**33.978**	**6,06,039**	**84,24,289**	**90,30,328**	**30.444**	**(3.534)**
	Total public shareholding (B)=(B)(1)+(B)(2)	**8,31,707**	**1,56,38,387**	**1,64,70,094**	**55.526**	**6,21,801**	**1,57,98,831**	**1,64,20,632**	**55.360**	**(0.167)**
	Total (A)+(B)	**8,31,707**	**2,88,30,026**	**2,96,61,733**	**100.000**	**6,21,801**	**2,90,39,932**	**2,96,61,733**	**100.000**	–
C.	**Shares held by custodians and against which depository receipts have been issued**									
01.	Promoter and promoter group	–	–	–	–	–	–	–	–	–
02.	Public	–	–	–	–	–	–	–	–	–
	Sub total (C)	–	–	–	–	–	–	–	–	–
	Grand total (A)+(B)+(C)	**8,31,707**	**2,88,30,026**	**2,96,61,733**	**100.000**	**6,21,801**	**2,90,39,932**	**2,96,61,733**	**100.000**	–

4.4.2 Shareholding of the promoters

No.	Name of the Shareholder	Shareholding as at April 01, 2017			Shareholding as at March 31, 2018			% change in shareholding during the year
		Number of shares held	% of total shares of the Company	% of shares pledged / encumbered to total number of shares	Number of shares held	% of total shares of the Company	% of shares pledged / encumbered to total number of shares	
01.	Aagam Holdings Pvt Ltd	66,50,000	22.419	2.529	66,50,000	22.419	2.023	–
02.	Aeon Investments Private Ltd (Amalgamated with Arvind Farms Pvt Ltd)	20,14,383	6.791	1.787	20,60,817	6.948	3.473	0.157
03.	Adhigam Investments Pvt Ltd	10,08,054	3.399	–	10,08,301	3.399	–	0.001
04.	Aayojan Resources Pvt Ltd	5,98,753	2.019	–	6,03,300	2.034	–	0.015
05.	Shalva Investments Pvt Ltd (Amalgamated with Arvind Farms Pvt Ltd)	5,00,000	1.686	–	5,00,000	1.686	–	–
06.	Akshita Holdings Pvt Ltd	4,59,784	1.550	–	4,59,784	1.550	–	–
07.	Adhinami Investments Pvt Ltd	4,50,255	1.518	–	4,52,350	1.525	–	0.007
08.	Anusandhan Investments Ltd	2,35,000	0.792	–	2,35,000	0.792	–	–
09.	Samveg Arvind Lalbhai	2,02,377	0.682	–	2,02,377	0.682	–	–
10.	Ashini Investments Pvt Ltd (Amalgamated with Arvind Farms Pvt Ltd)	2,00,000	0.674	–	2,00,000	0.674	–	–
11.	Aahvan Agencies Ltd	1,78,943	0.603	–	1,78,943	0.603	–	–
12.	Samveg Arvind	1,14,943	0.388	–	1,14,943	0.388	–	–
13.	Hansa Niranjan Lalbhai	97,374	0.328	–	97,374	0.328	–	–
14.	Sunil Siddharth Lalbhai	91,772	0.309	–	91,772	0.309	–	–
15.	Saumya Samveg Lalbhai	82,695	0.279	–	82,695	0.279	–	–
16.	Vimla S Lalbhai	65,894	0.222	–	65,982	0.222	–	–
17.	Swati S Lalbhai	63,500	0.214	–	63,500	0.214	–	–
18.	Taral S Lalbhai	50,022	0.169	–	50,022	0.169	–	–
19.	Anamika Samveg Lalbhai	47,199	0.159	–	47,199	0.159	–	–
20.	Sunil Siddharth	31,544	0.106	–	31,544	0.106	–	–
21.	Astha Lalbhai	20,500	0.069	–	20,500	0.069	–	–
22.	Anshuman Holdings Pvt Ltd (Amalgamated with Arvind Farms Pvt Ltd)	11,825	0.040	–	11,825	0.040	–	–
23.	Nishtha Sunil Lalbhai	5,500	0.019	–	5,500	0.019	–	–
24.	Sanjaybhai Shrenikbhai Lalbhai	3,849	0.012	–	–	–	–	(100.000)
25.	Sanjay Shrenik Lalbhai (Trustee of Arvind Lalbhai Family Trust)	3,653	0.012	–	3,653	0.012	–	–
26.	Sunil Lalbhai Employee Trust	2,000	0.007	–	2,000	0.007	–	–
27.	Rajiv Chinubhai Lalbhai	1,225	0.004	–	1,225	0.004	–	–
28.	Sheth Narottam Lalbhai	495	0.002	–	495	0.002	–	–
29.	Lalbhai Shrenik Kasturbhai	100	–	–	–	–	–	(100.000)
Total		**1,31,91,639**	**44.474**	**4.316**	**1,32,41,101**	**44.640**	**5.495**	**0.166**

4.4.3 Change in the promoters' shareholding

No.	Particulars	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
A.	Individuals					
	At the beginning of the year		8,84,642	2.982	8,84,642	2.982
	Increase | Decrease during the year					
	01. August 2017	Purchase	88	–	8,84,730	2.983
	02. September 2017	Sale	(3,949)	(0.013)	8,80,781	2.693
	At the end of the year		8,80,781	2.693	8,80,781	2.693
B.	Companies					
	At the beginning of the year		1,23,06,997	41.491	1,23,06,997	41.491
	Increase | Decrease during the year					
	01. June 2017	Purchase	46,434	0.157	1,23,53,431	41.648
	02. August 2017	Purchase	4,770	0.016	1,23,58,201	41.664
	03. October 2017	Purchase	250	0.001	1,23,58,451	41.665
	04. November 2017	Purchase	219	0.001	1,23,58,670	41.665
	05. December 2017	Purchase	350	0.001	1,23,59,020	41.667
	06. January 2018	Purchase	900	0.003	1,23,59,920	41.670
	07. February 2018	Purchase	400	0.001	1,23,60,320	41.671
	At the end of the year		1,23,60,320	41.671	1,23,60,320	41.671

4.4.4 Shareholding pattern of top 10 Shareholders (other than the Directors, the promoters and the holders of American Depository Receipts and Global Depository Receipts)

No.	Name of the Shareholder	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01.	HDFC Trustee Company Ltd A/C HDFC Mid-Cap					
	At the beginning of the year		8,29,822	2.798	8,29,822	2.798
	Increase | Decrease during the year					
	01. April 2017	Purchase	2,00,000	0.674	10,29,822	3.472
	02. May 2017	Purchase	15,000	0.051	10,44,822	3.523
	03. June 2017	Sale	(8,852)	(0.030)	10,35,970	3.493
	04. July 2017	Purchase	1,17,000	0.395	11,52,970	3.888
	05. September 2017	Purchase	45,180	0.152	11,98,150	4.040
	06. January 2018	Purchase	56,951	0.192	12,55,101	4.232
	07. March 2018	Purchase	1,60,400	0.540	14,15,501	4.772
	At the end of the year		14,15,501	4.772	14,15,501	4.772
02.	DSP Blackrock Small Cap Fund					
	At the beginning of the year		12,32,197	4.154	12,32,197	4.154
	Increase | Decrease during the year					
	01. October 2017	Purchase	1,37,859	0.478	13,73,795	4.632
	02. November 2017	Purchase	12,000	0.040	13,85,795	4.672
	At the end of the year		13,85,795	4.672	13,85,795	4.672

No.	Name of the Shareholder	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
03.	SBI Magnum Global Fund					
	At the beginning of the year		13,78,445	4.647	13,78,445	4.647
	Increase | Decrease during the year					
	01. April 2017	Purchase	12,500	0.042	13,90,945	4.689
	02. May 2017	Purchase	55,395	1.078	14,46,340	4.876
	03. June 2017	Sale	(14,495)	(0.049)	14,31,845	4.827
	04. July 2017	Sale	(69,766)	(0.235)	13,62,079	4.592
	05. August 2017	Purchase	40,000	0.135	14,02,079	4.727
	06. September 2017	Purchase	81,314	0.274	14,83,393	5.001
	07. October 2017	Purchase	11,396	0.038	14,94,789	5.040
	08. November 2017	Sale	(29,500)	(0.099)	14,65,289	4.940
	09. December 2017	Sale	(71,775)	(0.242)	13,93,514	4.698
	10. January 2018	Sale	(75,081)	(0.253)	13,18,433	4.445
	11. February 2018	Sale	(43,093)	(0.145)	12,75,340	4.300
	12. March 2018	Sale	(88,485)	(0.298)	11,86,855	4.001
	At the end of the year		11,86,855	4.001	11,86,855	4.001
04.	Reliance Capital Trustee Co Ltd - A/CReliance Mid Cap and Small Cap Fund					
	At the beginning of the year		6,60,037	2.225	6,60,037	2.225
	Increase | Decrease during the year					
	01. July 2017	Sale	(50,000)	(0.169)	6,10,037	2.057
	At the end of the year		6,10,037	2.057	6,10,037	2.057
05.	Tejas Bhalchandra Trivedi					
	At the beginning of the year		5,24,439	1.768	5,24,439	1.768
	Increase | Decrease during the year					
	01. September 2017	Purchase	55,882	0.188	5,80,321	1.957
	02. November 2017	Purchase	1,120	0.004	5,81,441	1.960
	03. December 2017	Purchase	33,809	0.114	6,15,250	2.074
	04. January 2018	Sale	(15,250)	(0.051)	6,00,000	2.023
	At the end of the year		6,00,000	2.023	6,00,000	2.023
06.	Kotak Emerging Equity					
	At the beginning of the year		2,97,588	1.003	2,97,588	1.003
	Increase | Decrease during the year					
	01. April 2017	Purchase	16,540	0.056	3,14,128	1.059
	02. May 2017	Purchase	11,137	0.038	3,25,265	1.097
	03. June 2017	Purchase	10,103	0.034	3,35,368	1.131
	04. July 2017	Purchase	71,866	0.242	4,07,234	1.373
	05. August 2017	Purchase	78,557	0.265	4,85,791	1.638
	06. September 2017	Purchase	11,868	0.040	4,97,659	1.678
	07. October 2017	Sale	(367)	(0.001)	4,97,292	1.677
	08. November 2017	Purchase	18,000	0.061	5,15,292	1.737
	09. December 2017	Purchase	10,018	0.034	5,25,310	1.771
	10. January 2018	Purchase	11,115	0.037	5,36,425	1.809
	11. February 2018	Purchase	22,847	0.077	5,59,272	1.886
	12. March 2018	Purchase	26,548	0.090	5,85,820	1.975
	At the end of the year		5,85,820	1.975	5,85,820	1.975

No.	Name of the Shareholder		Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
				Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
07.	Shivani Tejas Trivedi						
	At the beginning of the year			5,22,970	1.763	5,22,970	1.763
	Increase | Decrease during the year						
	01.	April 2017	Purchase	21	–	5,22,991	1.763
	02.	October 2017	Purchase	12,779	0.043	5,35,770	1.806
	03.	November 2017	Purchase	37,169	0.125	5,72,939	1.932
	04.	December 2017	Purchase	11,800	0.040	5,84,739	1.971
	05.	January 2018	Sale	(21,260)	(0.072)	5,63,479	1.900
	At the end of the year			5,63,479	1.900	5,63,479	1.900
08.	Canara Robeco Mutual Fund A/c Canara Robeco Emerging						
	At the beginning of the year			3,27,715	1.105	3,27,715	1.105
	Increase | Decrease during the year						
	01.	April 2017	Purchase	4,902	0.017	3,32,617	1.121
	02.	May 2017	Sale	(13,898)	(0.047)	3,18,719	1.075
	03.	June 2017	Purchase	33,452	0.113	3,52,171	1.187
	04.	July 2017	Purchase	27,953	0.094	3,80,124	1.282
	05.	August 2017	Purchase	19,000	0.064	3,99,124	1.346
	06.	September 2017	Sale	(11,889)	(0.040)	3,87,235	1.306
	07.	October 2017	Sale	(2,397)	(0.008)	3,84,838	1.297
	08.	November 2017	Purchase	8,975	0.030	3,93,813	1.328
	09.	December 2017	Purchase	21,619	0.073	4,15,432	1.401
	10.	January 2018	Purchase	22,519	0.076	4,37,951	1.477
	11.	February 2018	Purchase	4,040	0.014	4,41,991	1.490
	12.	March 2018	Sale	(16,140)	(0.054)	4,25,851	1.436
	At the end of the year			4,25,851	1.436	4,25,851	1.436
09.	Aditya Birla Sun Life Trustee Pvt Ltd A/c Aditya Birla Sun						
	At the beginning of the year			4,41,382	1.488	4,41,382	1.488
	Increase | Decrease during the year						
	01.	April 2017	Purchase	1,600	0.005	4,42,982	1.493
	02.	June 2017	Purchase	40,000	0.135	4,82,982	1.628
	03.	July 2017	Sale	(54,300)	(0.183)	4,28,682	1.445
	04.	August 2017	Sale	(5,600)	(0.019)	4,23,082	1.426
	05.	September 2017	Sale	(1,20,782)	(0.407)	3,02,300	1.019
	06.	October 2017	Sale	(43,900)	(0.148)	2,58,400	0.871
	07.	November 2017	Sale	(5,000)	(0.017)	2,53,400	0.854
	08.	January 2018	Purchase	85,000	0.287	3,38,400	1.141
	09.	February 2018	Purchase	60,000	0.202	3,98,400	1.343
	10.	March 2018	Purchase	7,260	0.024	4,08,760	1.378
	At the end of the year			4,08,760	1.378	4,08,760	1.378
10	Franklin India Smaller Companies Fund						
	At the beginning of the year			3,20,642	1.081	3,20,642	1.081
	Increase | Decrease during the year						
	01.	July 2017	Purchase	60,000	0.202	3,80,642	1.283
	02.	August 2017	Purchase	4,829	0.016	3,85,471	1.300
	03.	September 2017	Purchase	5,171	0.017	3,90,642	1.317
	At the end of the year			3,90,642	1.317	3,90,642	1.317

4.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Particulars	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01.	R A Shah					
	At the beginning of the year		14,960	0.050	14,960	0.050
	Increase | Decrease during the year					
	At the end of the year		14,960	0.050	14,960	0.050
02.	S S Baijal					
	At the beginning of the year		6,000	0.020	6,000	0.020
	Increase | Decrease during the year					
	At the end of the year		6,000	0.020	6,000	0.020
03.	S S Lalbhai					
	At the beginning of the year		91,772	0.309	91,772	0.309
	Increase | Decrease during the year					
	At the end of the year		91,772	0.309	91,772	0.309
04.	B S Mehta					
	At the beginning of the year		162	0.001	162	0.001
	Increase | Decrease during the year					
	At the end of the year		162	0.001	162	0.001
05.	H S Shah					
	At the beginning of the year		1,290	0.004	1,290	0.004
	Increase | Decrease during the year					
	At the end of the year		1,290	0.004	1,290	0.004
06.	S A Lalbhai					
	At the beginning of the year		2,02,377	0.682	2,02,377	0.682
	Increase | Decrease during the year					
	At the end of the year		2,02,377	0.682	2,02,377	0.682
07.	S M Datta					
	At the beginning of the year		10,000	0.034	10,000	0.034
	Increase | Decrease during the year					
	At the end of the year		10,000	0.034	10,000	0.034
08.	B N Mohanan					
	At the beginning of the year		5,800	0.020	5,800	0.020
	Increase | Decrease during the year					
	At the end of the year		5,800	0.020	5,800	0.020
09.	V S Rangan					
	At the beginning of the year		3,000	0.010	3,000	0.010
	Increase | Decrease during the year					
	At the end of the year		3,000	0.010	3,000	0.010
10.	M M Chitale					
	At the beginning of the year		50	–	50	–
	Increase | Decrease during the year					
	At the end of the year		50	–	50	–
11.	T R Gopi Kannan					
	At the beginning of the year		50	–	50	–
	Increase | Decrease during the year					
	At the end of the year		50	–	50	–
12.	S A Panse					
	At the beginning of the year		50	–	50	–
	Increase | Decrease during the year					
	At the end of the year		50	–	50	–

No.	Particulars	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
13.	B R Arora					
	At the beginning of the year		100	–	100	–
	Increase | Decrease during the year					
	At the end of the year		100	–	100	–
14.	L P Patni					
	At the beginning of the year		–	–	–	–
	Increase | Decrease during the year					
	At the end of the year		–	–	–	–

4.5 Indebtedness

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

(₹ cr)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	29.39	125.83	–	155.22
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	0.18	–	–	0.18
Total i) + ii) + iii)	**29.57**	**125.83**	**–**	**155.40**
Change in indebtedness during the financial year				
Addition	–	–	–	–
Reduction	29.57	125.82	–	155.39
Net change	29.57	125.82	–	155.39
Indebtedness at the end of the financial year				
i) Principal amount	0.01	–	–	0.01
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	–	–	–	–
Total i) + ii) + iii)	**0.01**	–	**–**	**0.01**

Note: As on March 31, 2018, two deposits of ₹ 0.005 cr from each of the Directors, Mr B S Mehta and Mr R A Shah were lying with the Company.

4.6 Remuneration of the Directors and the Key Managerial Personnel

4.6.1 Remuneration to the Managing Director, the Whole-time Directors and | or the Manager

(₹)

No.	Particulars	S S Lalbhai[1]	S A Lalbhai	B N Mohanan	T R Gopi Kannan[2]	Total amount
01.	Gross salary					
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961[3]	2,86,27,689	89,69,192	87,35,451	1,25,74,333	5,89,06,665
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	79,244	5,65,885	7,35,474	39,600	14,20,203
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–	–
02.	Stock option	–	–	–	–	–
03.	Sweat Equity	–	–	–	–	–
04.	Commission	4,17,10,000[4]	1,30,64,250[5]	–	–	5,47,74,250
05.	Variable pay	–	–	16,73,000	12,93,000	29,66,000
06.	Others	–	–	–	–	–
07.	Total (A)	7,04,16,933	2,25,99,327	1,11,43,925	1,39,06,933	11,80,67,118
08.	Overall ceiling as per the Act					41,71,00,000

[1] CMD (CEO)

[2] WtD (CFO)

[3] Excluding commission and variable pay

[4] 1% of profit (₹ 4,17,10,000) or 60 months basic salary (₹ 7,16,85,000), whichever is lower.

[5] 0.50% of profit (₹ 2,08,55,000) or 30 months basic salary (₹ 1,30,64,250), whichever is lower.

4.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	R A Shah	S S Baijal	B S Mehta	H S Shah	S M Datta	V S Rangan	M M Chitale	S A Panse	B R Arora	Total amount
01.	Non-executive Independent Directors										
	a) Fee for attending the Board, Committee and other meetings	–	4,20,000	–	1,50,000	3,15,000	2,80,000	1,40,000	2,10,000	2,10,000	17,25,000
	b) Commission	–	13,60,000	–	4,80,000	9,60,000	8,71,000	8,00,000	8,00,000	8,00,000	60,71,000
	Total 1	–	17,80,000	–	6,30,000	12,75,000	11,51,000	9,40,000	10,10,000	10,10,000	77,96,000
02.	Non-executive Non-independent Directors										
	a) Fee for attending the Board, Committee and other meetings	2,80,000	–	4,20,000	–	–	–	–	–	–	7,00,000
	b) Commission	7,80,000	–	9,60,000	–	–	–	–	–	–	17,40,000
	Total 2	10,60,000	–	13,80,000	–	–	–	–	–	–	24,40,000
	Total (B) = (1+2)	10,60,000	17,80,000	13,80,000	6,30,000	12,75,000	11,51,000	9,40,000	10,10,000	10,10,000	1,02,36,000
	Total managerial remuneration (A+B)										12,83,03,118
	Overall ceiling as per the Act										**45,88,10,000**

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

(₹)

No.	Particulars	Key Managerial Personnel
		CS L P Patni
01.	Gross salary	
	Salary as per provisions contained under Section 17(1) of the Income Tax Act, 1961	49,37,226
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	7,33,563
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–
02.	Stock option	–
03.	Sweat Equity	–
04.	Commission	–
05.	Others	–
	Total	56,70,789

4.7 Penalties | Punishment | Compounding of offences

There were no penalties | punishment | compounding of offences for the year ending March 31, 2018.

5. Secretarial Audit Report

Form number MR – 3
Secretarial Audit Report

For the financial year ended on March 31, 2018
{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule number 9 of
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

The Members
Atul Ltd
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Atul Ltd (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts | statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, Minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on March 31, 2018 according to the provisions of:

i. The Companies Act, 2013 (Act) and the rules made thereunder read with the notified provisions of Companies (Amendment) Act, 2017;

ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
   d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
   g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009
   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998

vi. Other sector specific laws as applicable to the Company including product laws, pollution laws, manufacturing laws and safety laws.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (d), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

We have also examined compliance with the applicable Clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

ii. The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws and regulations applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of the Executive Directors and the Non-executive Directors (Independent and Non-independent). The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least 07 days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the views of the dissenting Members are captured and recorded as part of the Minutes, wherever required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events | actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)
Partner
Membership Number: F 3544
CPN: 2356

Ahmedabad
April 27, 2018

Atul Ltd

Annexure I – List of documents verified

01. Memorandum and Articles of Association of the Company.
02. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee and CSR Committee along with attendance register held during the period under report.
03. Minutes of General Body meetings held during the period under report.
04. Statutory registers | records under the Companies Act, 2013 and Rules made thereunder, namely:
    - Register of Directors and the Key Managerial Personnel
    - Register of Directors' shareholding
    - Register of loans, guarantees and security and acquisition made by the Company
    - Register of renewed and duplicate share certificate
    - Register of Members
    - Periodical BENPOS, registers of DEMAT | REMAT and records made available from registrar and transfer agents
05. Agenda papers submitted to all the Directors | Members for the Board meetings and Committee meetings.
06. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
07. Intimations received from the Directors under the Prohibition of Insider Trading and SEBI Takeover Code.
08. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and attachments thereof during the period under report.
09. Intimations | Documents | Reports | Returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under report.
10. Filings made with the Reserve Bank of India under the foreign direct investment guidelines and for overseas direct investments made by the Company.
11. Documents related to payments of dividend made to its Shareholders during the period under report.
12. Communications | Letters issued to and acknowledgements received from the Independent Directors for their appointment.
13. Various policies framed by the Company from time to time as required under the Companies Act, 2013 as well as Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
    - Corporate Social Responsibility Policy
    - Whistle-blowing Policy
    - Policy framed under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013
    - Related Party Transactions Policy
    - Material Subsidiary Companies Policy
    - Risk Management Policy
    - Code of Conduct for the Directors | Key Managerial Personnel
    - Archival Policy
    - Determination of material events
    - Preservation of documents
    - Business Responsibility Policy
    - Dividend Distribution Policy
14. Manual maintained for compliance management system for applicable laws to the Company.

6. Statement of particulars under Sections 134(3)(q) and 197(12) of the Companies Act, 2013*

<table>
<tr><th>Particulars</th><th>Status</th></tr>
<tr><td>i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year</td><td>
<table>
<tr><th></th><th colspan="2">Number of times</th></tr>
<tr><th></th><th>if total remuneration of the Director is considered</th><th>if total remuneration of the Director excluding variable pay and commission is considered</th></tr>
<tr><td>R A Shah</td><td>3.21</td><td>0.85</td></tr>
<tr><td>S S Baijal</td><td>5.39</td><td>1.27</td></tr>
<tr><td>B S Mehta</td><td>4.18</td><td>1.27</td></tr>
<tr><td>H S Shah</td><td>1.91</td><td>0.45</td></tr>
<tr><td>S M Datta</td><td>3.86</td><td>0.95</td></tr>
<tr><td>V S Rangan</td><td>3.49</td><td>0.85</td></tr>
<tr><td>M M Chitale</td><td>2.85</td><td>0.42</td></tr>
<tr><td>S A Panse</td><td>3.06</td><td>0.64</td></tr>
<tr><td>B R Arora</td><td>3.06</td><td>0.64</td></tr>
<tr><td>S S Lalbhai</td><td>213.38</td><td>86.99</td></tr>
<tr><td>S A Lalbhai</td><td>68.48</td><td>28.89</td></tr>
<tr><td>B N Mohanan</td><td>33.77</td><td>28.70</td></tr>
<tr><td>T R Gopi Kannan</td><td>42.14</td><td>38.22</td></tr>
</table>
</td></tr>
<tr><td>ii) Percentage increase in remuneration of each of the Directors, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year</td><td>
<table>
<tr><th>Directors</th><th>%</th></tr>
<tr><td>R A Shah</td><td>10.42</td></tr>
<tr><td>S S Baijal</td><td>8.54</td></tr>
<tr><td>B S Mehta</td><td>15.00</td></tr>
<tr><td>H S Shah</td><td>2.94</td></tr>
<tr><td>S M Datta</td><td>48.26</td></tr>
<tr><td>V S Rangan</td><td>(12.80)</td></tr>
<tr><td>M M Chitale</td><td>2.17</td></tr>
<tr><td>S A Panse</td><td>9.78</td></tr>
<tr><td>B R Arora</td><td>9.78</td></tr>
<tr><td>Chairman and Managing Director</td><td></td></tr>
<tr><td>S S Lalbhai</td><td>(0.44)</td></tr>
<tr><td>Managing Director</td><td></td></tr>
<tr><td>S A Lalbhai</td><td>0.15</td></tr>
<tr><td>Whole-time Director</td><td></td></tr>
<tr><td>B N Mohanan</td><td>(5.40)</td></tr>
<tr><td>Whole-time Director and Chief Financial Officer</td><td></td></tr>
<tr><td>T R Gopi Kannan</td><td>(4.97)</td></tr>
<tr><td>Company Secretary</td><td></td></tr>
<tr><td>L P Patni</td><td>2.36</td></tr>
</table>
</td></tr>
<tr><td>iii) Percentage increase in the median remuneration of employees in the financial year</td><td>2.66%</td></tr>
<tr><td>iv) Number of permanent employees on the rolls of Company</td><td>2,454</td></tr>
<tr><td>v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</td><td>Average increase for Key Managerial Personnel and for other employees was about 8%.

There is no exceptional increase in remuneration of Key Managerial Personnel.</td></tr>
<tr><td>vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company</td><td>It is affirmed that the remuneration is as per the Remuneration Policy of the Company.</td></tr>
</table>

*Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2018.

Atul Ltd has identified 2 reporting Segments, namely, Life Science Chemicals and Performance and Other Chemicals.

Life Science Chemicals Segment

Particulars	2017-18	2016-17	% change
Sales (₹ cr)	1,026	807	27%
Share in total sales (%)	34%	31%	3%

Life Science Chemicals Segment consists of 3 Sub-segments, namely, Crop Protection, Pharmaceuticals and Intermediates and Aromatics - I.

Crop Protection

Product groups: Herbicides, Insecticides, Fungicides, Others

The products falling under these product groups are used by customers belonging to Agriculture and Crop Protection Chemicals industries. The product groups comprise about 20 products and 40 formulations. 2,4-D, Indoxacarb and Isoprothiolane are some of the key products.

During 2017-18, sales increased by 43% from ₹ 455 cr to ₹ 651 cr. Sales in India increased by 52% from ₹ 153 cr to ₹ 232 cr; bulk sales in India increased by 52% from ₹ 83 cr to ₹ 126 cr whereas brand sales which are currently only in India increased by 51% from ₹ 70 cr to ₹ 106 cr. Sales outside India increased by 39% from ₹ 302 cr to ₹ 419 cr and formed 64% of the total. Increase on account of volume was 35%. Sales increased mainly because of good demand for one of the key herbicides. The Company completed 3 projects and undertook 1 project for implementation.

The size of the world Crop Protection Chemicals industry is estimated at US$ 53.7 bn and is growing at about 0.2%. The size of the world Agrochemicals industry is estimated at US$ 61 bn and is growing at about 0.5%. The size of the world Agriculture industry is estimated at US$ 3.2 tn.

The main user industries, namely Agriculture and Crop Protection Chemicals, are growing well because of the need to feed a growing population under constraints of related resources. 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 brand sales, iii) improving its manufacturing and working capital efficiencies, iv) generating and adding capacities and v) introducing new products and formulations.

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

Pharmaceuticals and Aromatics – I

Product groups: API intermediates, Active Pharmaceutical Ingredients, Others

The products falling under these product groups are used by customers belonging to Pharmaceutical industry for various therapeutic categories, such as anti-depressant, anti-diabetic, anti-infective, anti-retroviral and cardiovascular. The product groups comprise about 72 products. Carbonates, chloroformates, isocyanates and organic ureas are some of the key classes of products.

During 2017-18, sales increased by 7% from ₹ 342 cr to ₹ 367 cr. Sales in India increased by 22% from ₹ 178 cr to ₹ 218 cr. Sales outside India decreased by 9% from ₹ 164 cr to ₹ 149 cr and formed 41% of the total. Growth on account of volume was 6%. The Company completed 1 project and undertook 1 project for implementation. Atul Bioscience Ltd (ABL), a 100% subsidiary company, focused on production of advanced API intermediates, increased its sales by 33% from ₹ 57 cr to ₹ 76 cr, primarily because of volume; it undertook 2 debottlenecking projects for implementation.

The size of the world Pharmaceutical industry is estimated at US$ 1.75 tn, of which the conventional pharmaceutical segment is estimated to be US$ 1.3 tn. Of this, the size of the world API industry is estimated to be US$ 160 bn. There are about 20 major companies which dominate the world marketplace.

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

The prices of some products may come down in a short time. Fluctuations in foreign exchange may impact sales realisations.

Performance and Other Chemicals Segment

Particulars	2017-18	2016-17	% change
Sales (₹ cr)	2,024	1,832	10%
Share in total sales (%)	66%	69%	-3%

Performance and Other Chemicals Segment consists of 4 Sub-segments, namely, Aromatics - II, Bulk Chemicals and Intermediates, Colors and Polymers.

Aromatics – II

Product groups: Intermediates, Perfumery, Others

The products falling under these product groups are mainly used by customers belonging to Fragrance and Personal Care industries. The product groups comprise about 20 products. *para* Cresol, Sodium Sulphate and Sodium Sulphite are some of the key products.

During 2017-18, sales increased from ₹ 537 cr to ₹ 539 cr. Sales in India increased by 22% from ₹ 123 cr to ₹ 150 cr. Sales outside India decreased by 6% from ₹ 414 cr to ₹ 389 cr and formed 72% of the total. Growth on account of volume was 7%. The Company completed 1 project and undertook 1 project for implementation.

The world market for *para* Cresol (a key product) is estimated at 64,000 mt and is growing at about 2%. Though earlier the product used to be manufactured in the UK and the USA, China and India are now major suppliers of the product. The size of the world Fragrance industry is estimated at US$ 12.5 bn and is growing at about 4%. The size of the world Personal Care industry is estimated at US$ 400 bn of which personal care ingredients segment is US$ 21 bn and is growing at about 4%.

The main user industries, namely, Fragrance and Personal Care, are growing well due to an improved standard of living. The Company will participate in this growth by i) broadening its market reach, ii) increasing its manufacturing efficiencies, iii) generating and adding capacities and iv) introducing new products.

Higher raw material prices which can not be passed on to customers impacted profitability. Fluctuations in foreign exchange may impact sales realisations.

Bulk Chemicals and Intermediates

Product groups: Bulk chemicals, Adhesion promoters, Others

The products falling under these product groups are used mainly for internal consumption and by customers belonging to Cosmetic, Dyestuff and Tyre industries. The product groups comprise about 21 products. Resorcinol, Resorcinol Formaldehyde Resins, Sulphur Trioxide, Chlorosulphonic Acid and Caustic Soda are some of the key products.

During 2017-18, sales (external) increased by 27% from ₹ 138 cr to ₹ 175 cr. Sales in India increased by 26% from ₹ 89 cr to ₹ 112 cr. Sales outside India increased by 29% from ₹ 49 cr to ₹ 63 cr and formed 36% of the total. Growth on account of volume was 8%. The Company undertook 2 projects for implementation.

The world market for Resorcinol (a key product) is estimated at US$ 426 mn and is growing at about 2.5%. The size of the world Tyre industry is estimated at US$ 220 bn and is growing at about 3.7%. The size of the world Chlor-alkali industry is estimated at US$ 44 bn and is growing at about 3.2%.

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

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

Colors

Product groups: Textile dyes, Pigments, Paper dyes, Inks, Textile chemicals, Others

The products falling under these product groups are used by customers belonging to Textile, Paint and Coatings and Paper industries. The product groups comprise about 603 products. Vat Green, Pigment Red and Sulphur Black are some of the key products.

During 2017-18, sales increased by 11% from ₹ 407 cr to ₹ 452 cr. Sales in India increased by 5% from ₹ 224 cr to ₹ 236 cr. Sales outside India increased by 18% from ₹ 183 cr to ₹ 216 cr and formed 48% of the total. Growth on account of volume was 12%. The Company completed 2 projects. Rudolf Atul Chemicals Ltd (RACL), a joint venture company formed in 2011-12, provides a complete range of textile chemicals in Indian market; it increased its sales by 12% from ₹ 65 cr to ₹ 73 cr, primarily because of volume.

The size of the world Dyestuff industry is estimated at US$ 5.6 bn and is growing at about 3.5%. China is the largest manufacturer of dyes, followed by India. The world market for high performance pigments is estimated at US$ 4.7 bn and is growing at about 3.8%.

The main user industries, namely, Paint and Coatings and Textile, will continue to grow because of increase in discretionary spending. The Company along with RACL will participate in this growth by i) broadening its market reach in new geographies, ii) increasing its manufacturing and working capital efficiencies and iii) introducing new dyes, pigments and products for non-textile applications.

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

Polymers

Product groups: Epoxy Resins, Curing agents, Reactive diluents, Sulfones, Protective paints and Adhesives based on Epoxy, Synthetic rubber, Polyurethane, Cyanoacrylate, PVC and PVA.

The products falling under these product groups are used by customers belonging to Aerospace, Automobile, Composites, Construction, Defence, Electrical and Electronics, Footwear, Paint and Coatings, Paper, Sport and Leisure and Wind Energy industries. The product groups comprise about 96 synthetic products and 300 formulations. B11, P62 and P101 are some of the key products. Synthetic and formulated products are versatile and have significant applications in Aerospace, Automobile, FRP Composites, Wind Energy, Electrical and Electronics, Paint and Coatings, Construction, Defence, Sport and Leisure and Paper industries.

During 2017-18, sales increased by 14% from ₹ 750 cr to ₹ 858 cr. Sales in India increased by 26% from ₹ 462 cr to ₹ 580 cr; bulk sales in India increased by 26% from ₹ 386 cr to ₹ 487 cr whereas retail sales increased by 22% from ₹ 76 cr to ₹ 93 cr. Sales outside India decreased by 3% from ₹ 288 cr to ₹ 278 cr and formed 32% of the total. Growth on account of volume was 6%.

The world market for epoxy resins and curing agents is estimated at US$ 6.8 bn and is growing at about 2% and Indian market is estimated at US$ 260 mn and is growing at about 6%. There are about 7 major companies which dominate the world marketplace. The world market for sulfones (curing agents) is estimated at US$ 350 mn and is growing at about 5%.

The user industries, Construction, Defence, Electrical and Electronics, 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 curing agents and v) introducing new products and formulations.

Cheaper imports of epoxy resins and curing agents may keep the margins under pressure. Since the 2 main raw materials, namely Bisphenol-A and Epichlorohydrin, are imported, fluctuations in foreign exchange may impact margins.

Internal Control Systems

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 the Statutory as well as the Internal Auditors covering all key areas of business. Significant audit observations and follow up actions and recommendations thereon are reported to the higher Management and Audit Committee for their review.

The Company has an in-house Internal Audit department consisting of professionally qualified Managers. It 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, joint venture and associate companies in India and abroad. Internal Audit is also carried out for Atul Foundation and entities overseen by it.

During 2017-18, the Company further strengthened the systems of Internal Audit and risk assessment and mitigation and took several key initiatives. In specific, it i) conducted over 90 reviews, ii) introduced over 10 data analytics scripts for continuous monitoring and iii) developed | implemented 4 new Standard Operating Procedures (SOPs).

Human Resources

The Company continued with its drive to institutionalise and upgrade its HR processes to help build a more robust workforce capable of managing dynamic and growing business needs. In particular, it focused on improving its processes related to Integrated Development, Performance Management, Succession Planning and Recruitment.

During 2017-18, on an average, 3.5 mandays of training was imparted. The training needs are identified based on self-assessment, L+1 assessment, 360 degree feedback and Individual Development Plan; in addition, there are certain standard in-house and external Management Development Programs (to enhance functional and behavioural competencies) which an employee is expected to go through, depending upon his (her) grade and potential. The process of identification and review of Targets and Initiatives is becoming more robust and is continuously upgraded. Succession planning process is being enhanced so that, to the extent possible, people from within take up higher responsibility. The Company is strengthening its recruitment process that supports appointments of Executive Trainees, Management Trainees and mid-career managers.

The number of employees (as on March 31, 2018) increased by 20 from 2,434 to 2,454. Marketing and Research and Development functions have been further strengthened (15% of new recruits belong to these functions).

Long-term settlement with the Union at Ankleshwar site expired in 2017-18, and discussions are underway to arrive at an amicable settlement. Employee Relations at all locations remained cordial and progressive, and the endeavour is to completely eliminate any divide that separates managers and workmen and use the strengths of everyone to enhance the performance of the Company.

One must take a position
that is neither safe, nor politic, nor popular,
but take
because the conscience says it is right.

~ Martin Luther King

1. Philosophy

Transparency and accountability are the 2 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:

2.1.1 Approving:

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

2.1.2 Monitoring:

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

2.1.3 Noting:

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

2.1.4 Recommending:

i) appointment of the Statutory Auditors
ii) final dividend

2.1.5 Reviewing:

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

2.1.6 Setting:

i) a corporate culture and the Values

ii) well-defined mandate, composition and working procedures of the Committees

2.1.7 Others:

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

ii) Aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the Shareholders

iii) Applying high ethical standards

iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgement to items where there is a potential for conflict of interest

v) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus of the Company

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

vii) Exercising objective and independent judgement on corporate affairs

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

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

2.2 Appointment and tenure

2|3rd of the Directors (other than the 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 5 years. The contracts with Whole-time Directors provide notice period of 6 months and severance pay as per the provisions of the Companies Act, 2013.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of 13 Members comprising 9 Non-executive Directors (7 Independent and 2 Non-independent), 4 Executive Directors (including 2 promoters). The Independent Directors account for 54% of the strength of the Board, as against minimum requirement of 50% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 33.33% as per the Companies Act, 2013. The Non-executive Directors are eminent professionals, drawn from amongst persons with skill, experience and knowledge in one or more fields of finance, law, management or any other discipline related to the business of the Company.

No.	Name	Directorship(s) in other company (ies)[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			
01.	S S Lalbhai	5	3	–
	Managing Director			
02.	S A Lalbhai	3	–	–
	Whole-time Directors			
03.	B N Mohanan	8	–	–
04.	T R Gopi Kannan	8	4	–

No.	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]
	Non-executive Directors			
05.	R A Shah	9	4	4
06.	S S Baijal	1	–	2
07.	B S Mehta	7	5	3
08.	H S Shah	–	–	1
09.	S M Datta	8	4	2
10.	V S Rangan	8	8	–
11.	M M Chitale	9	4	5
12.	S A Panse	9	5	–
13.	B R Arora	2	5	–

Mr S S Lalbhai and Mr S A Lalbhai are promoter Directors.

Except Mr B S Mehta and Mr R A Shah, all other Non-executive Directors are Independent.

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

[2] In compliance with Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships | Chairmanships of only the Audit Committees and the Stakeholders Relationship Committees of all public limited companies including the Company were considered

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2017-18, the Board met 5 times.

No.	Day	Date	Venue
01.	Friday	May 05, 2017	Mumbai
02.	Friday	July 21, 2017	Mumbai
03.	Tuesday	October 17, 2017	Mumbai
04.	Friday	January 19, 2018	Mumbai
05.	Friday	March 23, 2018	Mumbai

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM on July 28, 2017
		Total	Attended	
01.	S S Lalbhai	5	5	Present
02.	R A Shah	5	5	–
03.	S S Baijal	5	4	Present
04.	B S Mehta	5	5	–
05.	H S Shah	5	3	–
06.	S A Lalbhai	5	5	Present
07.	S M Datta	5	5	–
08.	B N Mohanan	5	5	Present
09.	V S Rangan	5	3	Present
10.	M M Chitale	5	5	–
11.	T R Gopi Kannan	5	5	Present
12.	S A Panse	5	5	Present
13.	B R Arora	5	5	Present

2.6 Appointment | Cessation

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

2.7 Remuneration

No.	Name	Remuneration during the year (₹)			
		Sitting fees	Salary and perquisites	Commission	Total
	Chairman and Managing Director				
01.	S S Lalbhai	–	2,87,06,933	4,17,10,000	7,04,16,933
	Managing Director				
02.	S A Lalbhai	–	95,35,077	1,30,64,250	2,25,99,327
	Whole-time Directors				
03.	B N Mohanan	–	1,11,43,925	–	1,11,43,925
04.	T R Gopi Kannan	–	1,39,06,933	–	1,39,06,933
	Non-executive Directors				
05.	R A Shah	2,80,000	–	7,80,000	10,60,000
06.	S S Baijal	4,20,000	–	13,60,000	17,80,000
07.	B S Mehta	4,20,000	–	9,60,000	13,80,000
08.	H S Shah	1,50,000	–	4,80,000	6,30,000
09.	S M Datta	3,15,000	–	9,60,000	12,75,000
10.	V S Rangan	2,80,000	–	8,71,000	11,51,000
11.	M M Chitale	1,40,000	–	8,00,000	9,40,000
12.	S A Panse	2,10,000	–	8,00,000	10,10,000
13.	B R Arora	2,10,000	–	8,00,000	10,10,000

Sitting fees of up to ₹ 35,000 per meeting constitute fees paid to the Non-executive Directors for attending Board, Committee and other meetings.

Commission up to 1% of the net profit of the Company to the Non-executive Directors was approved by the Members of the Company at the AGM held on July 26, 2013 for a period of 5 years, effective April 01, 2013. The Board approves, within the aforesaid limit, commission payable to each Non-executive Director.

3. Committees of the Board

The Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Investment Committee

3.1 Audit Committee

3.1.1 Role

i) Approving:
   - appointment of the Chief Financial Officer
   - transactions with Related Parties and subsequent modifications thereof

ii) Conducting:
   - » pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any areas of concern
   - » valuation of undertakings or assets, wherever necessary

iii) Formulating:
   - » scope, functioning, periodicity and methodology for conducting the Internal Audit in consultation with the Internal Auditor
   - » Code of Conduct and related matters

iv) Reviewing:
   - » adequacy of the 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
   - » significant transactions and arrangements entered into by the unlisted subsidiary companies
   - » the Auditors' independence, performance and effectiveness of the audit process
   - » periodically with the Auditors the Internal Control Systems, the scope of audit including the observations of the Auditors and the Financial Statements before submission to the Board
   - » the annual Financial Statements and Auditors' Report with the Management before submission to the Board for approval with particular reference to:
     - – any changes in Accounting Policies and practices
     - – compliance with Accounting Standards
     - – compliance with the Stock Exchanges and legal requirements concerning the Financial Statements
     - – disclosure of any Related Party Transactions
     - – going concern assumption
     - – major accounting entries involving estimates based on exercise of judgement by the Management
     - – matters required to be included in the Directors' Responsibility Statement for the Directors' Report
     - – qualifications in the draft Audit Report
     - – significant adjustments made in the Financial Statements arising out of audit findings
   - » with the Internal Auditors any significant findings and follow up thereon including findings of any internal investigations into matters where there is suspected fraud or irregularity or failure of the Internal Control Systems of material nature and reporting such matters to the Board
   - » financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
   - » compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
   - » reasons for substantial defaults, if any, in the payment to the depositors, the debenture holders, the Members (in case of non-payment of declared dividends) and creditors
   - » the Financial Statements, in particular, investments made by unlisted subsidiary companies
   - » functioning of Whistle-blowing mechanism
   - » following information mandatorily:
     - – appointment, removal and terms of remuneration of the Chief Internal Auditor
     - – Internal Audit Reports relating to weaknesses in the Internal Control Systems
     - – Management Discussion and Analysis of financial condition and results of operations
     - – management letters | letters of internal control weaknesses issued by the Statutory Auditors
     - – statement of Related Party Transactions submitted by the Management
   - » with the Management the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for the purposes other than those stated

v) Others:
   - » Determining procedures for risk assessment and minimisation, and reviewing them periodically to ensure that the Executive Management controls risks through means of a properly defined framework
   - » Evaluating internal financial controls and Risk Management system
   - » Recommending appointment, remuneration and terms of appointment of the Auditors and approval for payment for any other services
   - » Scrutinising inter-corporate loans and investments
   - » Carrying out any other function as mentioned in the terms of reference of the Audit Committee

3.1.2 Composition

The Committee comprises the following Members, all having relevant experience in financial matters:

No.	Name	Designation
01.	S S Baijal	Chairman
02.	B S Mehta	Member
03.	V S Rangan	Member
04.	B R Arora[1]	Member

[1] Effective January 19, 2018

3.1.3 Meetings and attendance

During 2017-18, 4 meetings were held.

No.	Name	Total	Attended
01.	S S Baijal	4	4
02.	B S Mehta	4	4
03.	V S Rangan	4	4
04.	B R Arora[1]	–	–

[1] Effective January 19, 2018

The Statutory Auditors, the Cost Auditors, the Chairman and Managing Director, the Whole-time Director and CFO, the Company Secretary, the heads of Finance, Accounts, 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

3.2.1 Role

i) Devising a policy on the Board diversity

ii) Formulating criteria for evaluation of the Independent Directors and the Board

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

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

v) Recommending | Determining remuneration of the Executive Directors as per the Policy

3.2.2 Composition

The Committee comprises following Members:

No.	Name	Designation
01.	H S Shah	Chairman
02.	S S Baijal	Member
03.	R A Shah	Member
04.	M M Chitale[1]	Member

[1] Effective January 19, 2018

3.2.3 Meetings and attendance

During 2017-18, no meeting was held.

The Board notes the Minutes of the Nomination and Remuneration Committee meetings.

3.3 Stakeholders Relationship Committee

3.3.1 Role

i) Considering and resolving grievances (including complaints related to non-receipt of the Annual Report, non-receipt of declared dividends and transfer of shares) of security holders (including the Shareholders, debenture holders and other security holders)

ii) Reviewing any other related matter which the Committee may deem fit in the circumstances of the case including the following:
   - Change of name(s) of the Members on share certificates
   - Consolidation of share certificates
   - Deletion of name(s) of guardian(s)
   - Deletion of name(s) from share certificates
   - Dematerialisation of shares
   - Issue of duplicate share certificates
   - Rematerialisation of shares
   - Replacement of shares
   - Splitting-up of shares
   - Transfer of shares
   - Transmission of shares
   - Transposition of names

3.3.2 Composition

The Committee comprises following Members:

No.	Name	Designation
01.	H S Shah	Chairman
02.	S S Lalbhai	Member
03.	T R Gopi Kannan	Member
04.	B R Arora[1]	Member

[1] Effective March 23, 2018

Mr L P Patni, Company Secretary, is the Chief Compliance Officer.

3.3.3 Meetings and attendance

During 2017-18, 4 meetings were held.

No.	Name	Total	Attended
01.	H S Shah	4	2
02.	S S Lalbhai	4	4
03.	T R Gopi Kannan	4	4
04.	B R Arora[1]	–	–

[1] Effective March 23, 2018

During 2017-18, 6 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors.

No.	Nature of complaint	Received	Redressed
01.	Non-receipt of dividend warrant	–	–
02.	Non-receipt of share certificates	1	1
03.	Non-receipt of duplicate share certificates	1	1
04.	Others	4	4
	Total	6	6

The Board notes the Minutes of the Stakeholders Relationship Committee meetings.

3.4 Corporate Social Responsibility Committee

3.4.1 Role

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

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

iii) Monitoring the CSR Policy from time to time

iv) Recommending the amount of expenditure to be incurred on the CSR activities which may not be less than 2% of the average net profit of the last 3 years

3.4.2 Composition

The Committee comprises following Members:

No.	Name	Designation
01.	H S Shah	Chairman
02.	S S Lalbhai	Member
03.	B N Mohanan	Member
04.	S A Panse[1]	Member

[1] Effective January 19, 2018

3.4.3 Meetings and attendance

During 2017-18, 1 meeting was held.

No.	Name	Total	Attended
01.	H S Shah	1	–
02.	S S Lalbhai	1	1
03.	B N Mohanan	1	1
04.	S A Panse[1]	–	–

[1] Effective January 19, 2018

The Board notes the Minutes of the CSR Committee meetings.

3.5 Investment Committee

3.5.1 Role

i) Approving capital expenditure proposals exceeding ₹ 5 cr, but not exceeding ₹ 25 cr each
ii) Recommending to the Board for approval of capital expenditure proposals exceeding ₹ 25 cr each
iii) Recommending to the Board acquisition, disinvestment and divestment proposals
iv) Reviewing business strategies
v) Reviewing progress of the approved projects

3.5.2 Composition

The Committee comprises following Members:

No.	Name	Designation
01.	R A Shah	Chairman
02.	S S Baijal	Member
03.	B S Mehta	Member
04.	S M Datta	Member
05.	S S Lalbhai	Member

3.5.3 Meetings and attendance

During 2017-18, 3 meetings were held.

No.	Name	Total	Attended
01.	R A Shah	3	3
02.	S S Baijal	3	3
03.	B S Mehta	3	3
04.	S M Datta	3	3
05.	S S Lalbhai	3	3

The Board notes the Minutes of the Investment Committee meetings.

4. Subsidiary companies registered in India

As on March 31, 2018, the Company had 12 non-material Indian unlisted subsidiary companies:

a) 5 wholly-owned – Anchor Adhesives Pvt Ltd, Atul Bioscience Ltd, Atul Finserv Ltd, Atul Fin Resources Ltd and Atul Nivesh Ltd

b) 1 joint venture – Atul Rajasthan Date Palms Ltd

c) 6 others – Aaranyak Urmi Ltd, Aasthan Dates Ltd, Atul Biospace Ltd, Atul Infotech Pvt Ltd, Biyaban Agri Ltd and Raja Dates Ltd

The Financial Statements of the above companies were reviewed by the Audit Committee. The Minutes of the meetings of all the subsidiary companies were placed before the Board.

5. Company policies

5.1 Compliance

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

5.2 Code of Conduct

The Code of Conduct is available on the website of the Company at https://www.atul.co.in/investors/polices All the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman and Managing Director forms part of this report.

5.3 Prevention of Sexual Harassment of Women at Workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on Prevention of Sexual Harassment of Women at Workplace. During 2017-18, no complaint was received by the Committee set up pursuant to the aforesaid Policy.

5.4 Related Party Transactions

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

5.5 'Material' subsidiary companies

The Company has formulated a policy for determining 'material' subsidiary companies and the same is disclosed on the website of the Company at https://www.atul.co.in/investors/policies

5.6 Familiarisation Programs

The details of Familiarisation Programs imparted to Independent Directors are disclosed on the website of the Company at https://www.atul.co.in/investors/policies

5.7 Commodity price risk or foreign exchange risk and hedging activities

The Company does not go for commodity price risk hedging activities as it does not expect significant advantage in medium to long-term horizon. However, for minimising procurement risk for short duration, it enters into annual purchase contracts for key raw materials linked to input costs | published benchmark prices.

Foreign exchange risks are tracked and managed within the Risk Management framework. Short-term foreign currency asset - liability mismatch is continuously monitored and hedged. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations.

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 2017-18 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company complied with the statutory provisions, rules and regulations relating to the capital markets during the last 3 years and the Stock Exchanges or the 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

7.1.1 Location and time where last 3 AGMs were held:

Year	Location	Date	Time
2014-15	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	August 04, 2015	10:30 am
2015-16	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 29, 2016	10:30 am
2016-17	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 28, 2017	10:30 am

7.1.2 Special Resolutions were passed in the previous 3 AGMs.

7.1.3 Resolutions through postal ballot were not passed.

7.2 Annual General Meeting 2018

Details of the 41st AGM is as under:

Year	Location	Date	Time
2017-18	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 27, 2018	10:30 am

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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

July 14, 2018 to July 20, 2018

7.5 Date of dividend payment

August 01, 2018

7.6 Listing on the Stock Exchanges

Equity shares of the Company are listed on the BSE Ltd (BSE) and the National Stock Exchange of India Ltd (NSE). The Company has paid listing fees for 2018-19 to the Stock Exchanges where securities are listed. Pursuant to a circular of the Securities and Exchange Board of India, custody charges were also paid to the Depositories, namely National Securities Depository Ltd 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 the BSE Sensex

The monthly high and low share prices of the Company in comparison with the BSE Sensex during 2017-18 are as under:

Month	Share price of the Company on BSE		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2017	2,560.00	2,307.00	30,184.22	29,241.48
May 2017	2,588.00	2,330.00	31,255.28	29,804.12
June 2017	2,580.00	2,367.50	31,522.87	30,680.66
July 2017	2,547.95	2,177.00	32,672.66	31,017.11
August 2017	2,250.00	1,958.25	32,686.48	31,128.02
September 2017	2,418.90	2,134.00	32,524.11	31,081.83
October 2017	2,550.00	2,280.00	33,340.17	31,440.48
November 2017	2,635.00	2,380.00	33,865.95	32,683.59
December 2017	2,850.00	2,470.00	34,137.97	32,565.16
January 2018	3,084.00	2,697.60	36,443.98	33,703.37
February 2018	2,792.95	2,500.00	36,256.83	33,482.81
March 2018	2,743.10	2,524.80	34,278.63	32,483.84

7.9 Registrar and transfer agent

Link Intime India Pvt Ltd

506-508 Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, Telephone: (+91 79) 26465179 | 86 | 87.

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 Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, certificates were also received from the Company Secretary in practice for timely dematerialisation of the shares and for conducting the 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.

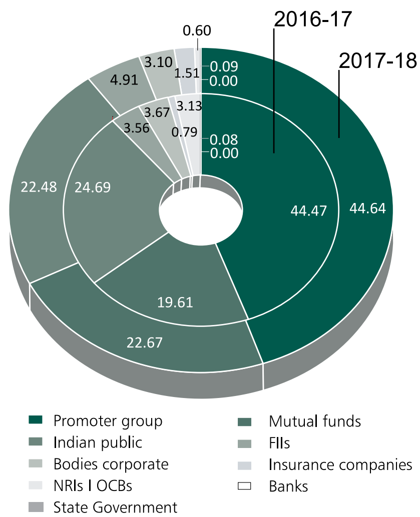
7.11 Distribution of shareholding as on March 31, 2018

7.11.1 Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 – 10	6,077	23.77	31,366	0.11
11 – 50	9,300	36.37	2,64,699	0.89
51 – 100	3,605	14.10	2,98,207	1.01
101 – 500	4,814	18.83	11,63,969	3.92
501 – 1,000	886	3.46	6,57,606	2.22
1,001 – 2,000	384	1.50	5,48,696	1.85
2,001 – 3,000	143	0.56	3,55,637	1.20
3,001 – 4,000	66	0.26	2,38,283	0.80
4,001 – 5,000	41	0.16	1,90,252	0.64
5,001 – 10,000	98	0.38	7,04,143	2.37
10,001 and above	157	0.61	2,52,08,875	84.99
Total	**25,571**	**100.00**	**2,96,61,733**	**100.00**

7.11.2 Category-wise:

Category	Shares (Numbers)	Shareholding (%)
Promoter group	1,32,41,101	44.64
Mutual funds	67,25,894	22.67
Indian public	66,66,512	22.48
Foreign institutional investors	14,55,284	4.91
Bodies corporate	9,20,471	3.10
Insurance companies	4,47,229	1.51
Non-resident Indians | Overseas bodies corporate	1,78,887	0.60
Banks	26,019	0.09
State Government	336	0.00
Total	**2,96,61,733**	**100.00**



7.12 Details of equity shares in unclaimed suspense account

During the year, the Company had transferred entire 40,390 equity shares lying in unclaimed suspense account to the Investor Education and Protection Fund pursuant to Section 124 (6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

7.13 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2018 as follows: 97.90% in electronic form and 2.10% in physical form.

7.14 Outstanding American Depository Receipts | Global Depository Receipts | 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 American Depository Receipts, Global Depository Receipts, warrants or any convertible instruments.

7.15 Equity shares held by the Non-executive Directors

No.	Name	Shares
01.	R A Shah	14,960
02.	S S Baijal	6,000
03.	B S Mehta	162
04.	H S Shah	1,290
05.	S M Datta	10,000
06.	V S Rangan	3,000
07.	M M Chitale	50
08.	S A Panse	50
09.	B R Arora	100

7.16 Location of plants

i) Atul 396 020, District Valsad, Gujarat, India

ii) GIDC, Ankleshwar 393 002, District Bharuch, Gujarat, India

iii) GIDC, Kharod 394 115, District Bharuch, Gujarat, India

iv) MIDC, Tarapur 401 506, District Palghar, Maharashtra, India

7.17 Address for correspondence

Secretarial and Legal department, Atul Ltd, Atul 396 020, Gujarat, India

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

7.18 E-mail address of grievance redressal office

shareholders@atul.co.in

7.19 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.

7.20 Communication

Half-yearly report sent to each household of the Members	Half-yearly report was not sent to the Members.
Quarterly and half-yearly results	Quarterly and half-yearly results of the Company were 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 edition. The results were published in accordance with the guidelines of the Stock Exchanges.
Website where displayed	On the website of the Company: www.atul.co.in On the website of the Stock Exchanges: 1. www.bseindia.com 2. www.nseindia.com
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 the analysts	Presentation was made to the analysts on May 04, 2018 and a copy thereof was displayed on the website of the Company.
Management Discussion and Analysis	Management Discussion and Analysis is part of the Annual Report.

7.21 Tentative Board meeting dates for consideration of results for 2018-19

No.	Particulars	Dates
01.	First quarter results	July 20, 2018
02.	Second quarter and half-yearly results	October 26, 2018
03.	Third quarter results	January 17, 2019
04.	Fourth quarter and annual results	April 26, 2019

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

8.1 Compliance with the mandatory requirements

The Company complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8.2 Extent of compliance with the non-mandatory requirements

The Company complies with the following non-mandatory requirements:

i) Reporting of the Internal Auditor to the Audit Committee

ii) Unqualified Financial Statements

9. **Evaluation by the Independent Directors**

The Independent Directors at their meeting held on March 23, 2018 carried out annual evaluation in accordance with the Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. **Role of the Company Secretary in overall governance process**

The Directors have access to the suggestions and services of the Company Secretary | Legal 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.

11. **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, Whole-time Director and CFO issued a certificate to the Board as prescribed under Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said certificate was placed before the Board at the meeting held on April 27, 2018 in which the accounts for the year ended March 31, 2018 were considered and approved by the Board.

12. **Certification by the Practicing Company Secretary**

Certificate from Rajesh Parekh & Co., Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of the Annual Report.

13. **Declaration by the Chairman and Managing Director**

In accordance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

For Atul Ltd

Mumbai
April 27, 2018

(S S Lalbhai)
Chairman and Managing Director

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, 2018, as stipulated in Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination 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 SEBI Listing Regulations, 2015.

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.

For Rajesh Parekh & Co.
Company Secretary

Ahmedabad
April 27, 2018

(Rajesh Parekh)
Proprietor
Membership Number: 8073

Business Responsibility Report

Securities and Exchange Board of India (SEBI) has mandated the requirement of submission of Business Responsibility Report (BRR) for the first 500 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Atul is pleased to present its second BRR for 2017-18 based on the suggested framework provided by SEBI.

Section A: General information

01. Corporate Identity Number (CIN): L99999GJ1975PLC002859
02. Name: Atul Ltd
03. Registered office address: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India
04. Website: www.atul.co.in
05. E-mail address: sec@atul.co.in
06. Financial year reported: 2017-18
07. Sector(s) engaged in (industrial activity code-wise): 201- basic chemicals, 202 - other chemical products
08. 3 key products | services manufactured | provided:
    - i) Epoxy resins and hardeners
    - ii) Herbicides
    - iii) Textile dyes
09. Number of locations where business activity is undertaken:
    - i) International locations: 6*
    - ii) National locations: 9

    * through subsidiary companies
10. Markets served: national and international

Section B: Financial details

01. Paid up capital: ₹ 29.68 cr
02. Turnover: ₹ 3,050 cr
03. Profit after tax: ₹ 270 cr
04. Spending on Corporate Social Responsibility: ₹ 7.39 crore (2% of average net profit of the Company for last 3 financial years)
05. Activities in which the Corporate Social Responsibility expenditures have been incurred: refer to page number 27.

Section C: Other details

01. Number of subsidiary companies: 20
02. Participation of the subsidiary companies in Business Responsibility (BR) initiatives: all operating subsidiary companies are participating in the BR initiatives of the Company.
03. Percentage of participation in BR initiatives by other entities (suppliers | customers) with whom the Company does business: less than 30%.

Section D: BR information

01. Details of the Director (responsible for BR) and the head of BR

a. Details of the Director:

Name:	**Mr Bharathy Mohanan**
Designation:	Whole-time Director and President – Utilities and Services
DIN:	00198716

b. Details of the head of BR:

Name:	**Mr Deepak Ahuja**
Designation:	General Manager – Human Resources
E-mail address:	deepak_ahuja@atul.co.in
Telephone:	(+91 2632) 230398

02. Principles related to BR as per National Voluntary Guidelines

The National Voluntary Guidelines on Economic, Environmental and Social responsibilities of Businesses released by the Ministry of Corporate Affairs has adopted 9 Principles related to BRR. These are as follows:

P1 **Ethics, transparency and accountability**
Businesses will conduct and govern themselves with ethics, transparency and accountability.

P2 **Product lifecycle sustainability**
Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

P3 **Well-being of the employees**
Businesses will promote the well-being of all employees.

P4 **Engagement with the Stakeholders**
Businesses will respect the interests of and be responsive towards all the Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.

P5 **Human rights**
Businesses will respect and promote human rights.

P6 **Environment**
Businesses will respect, protect and make efforts to restore the environment.

P7 **Policy advocacy**
Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.

P8 **Equitable development**
Businesses will support inclusive growth and equitable development.

P9 **Value to the customers**
Businesses will engage with and provide value to their customers and consumers in a responsible manner.

a. Details of the compliance (Y: yes, N: no)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
01.	Does the Company have policies for the 9 Principles of BR?	Y	Y	Y	Y	Y	Y	Y	Y	Y
02.	Have the policies been formulated in consultation with the relevant Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
03.	Do the policies conform to any national | international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has developed policies for its significant operations in conformance with the international standards (such as ISO 9000, ISO 14000, OHSAS 18000), UNGC guidelines and ILO Principles.								
04.	Have the policies been approved by the Board? If so, has it been signed by the owner | MD | CEO | appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by a Whole-time Director (WtD).								
05.	Does the Company have a specified Committee of the Board | Directors | Officials to oversee the implementation of the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has appointed a WtD to oversee implementation of the policies.								
06.	What is the URL to view the policies online?	The policies are not yet made available online.								
07.	Have the policies been formally communicated to all relevant internal and external Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to many relevant internal and external Stakeholders.								
08.	Does the Company have an in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
09.	Does the Company have a grievance redressal mechanism to address grievances of the Stakeholders (related to the policies)?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit | evaluation of the working of the policies by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

03. Governance

No.	Questions	Frequency
a.	What is the frequency with which the Board, Committee of the Board or the CEO assesses the BR performance?	The WtD assesses the BR performance once a quarter.
b.	Whether BR and Sustainability reports be published and if so, its frequency and the URL of the published reports?	Published annually. URL: http://www.atul.co.in/sustainability/overview.html

Section E: Principle-wise performance

Principle 1: Ethics, transparency and accountability

Businesses must conduct and govern themselves with ethics, transparency and accountability.

01. Does the Policy relating to ethics, bribery and corruption cover only the Company or does it extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

    The Policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

02. How many Stakeholders' complaints have been received in 2017-18 and what percentage was satisfactorily resolved by the Management?

    During 2017-18, no such complaints were received from the Stakeholders and there were no outstanding complaints as on March 31, 2018.

Principle 2: Product lifecycle sustainability

Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

01. List up to 3 products or services of the Company whose design(s) has (have) incorporated social or environmental concerns, risks and | or opportunities.

    i) *para* Cresol

    ii) Resorcinol

    iii) 2,4-D Acid

02. Does the Company have procedures in place for sustainable sourcing (including transportation)? If so, what percentage of inputs was sourced sustainably?

    The Company is in the process of institutionalising procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by ISO 9001 and ISO 14001 standards.

03. Has the Company taken any steps to procure goods and services from local and small producers | providers, including communities surrounding its place of work? If so, what steps have been taken to improve their capacity and capability?

    The Company gives preference to local and small producers I providers of goods and services based near its manufacturing sites. Its managers regularly interact with such producers I providers of goods and services to improve their capacity and capability, particularly in the areas of manufacturing and fabrication and safety, health and environment.

04. Does the Company have a mechanism to recycle its products and waste? If so, what percentage of products and waste is recycled (separately as <5%, 5-10%, >10%) and what are the details thereof?

    The Company has in-house facilities to recycle its waste and is continuously striving to minimise them. At present, it is recycling more than 10% of its waste. In addition to the in-house facilities, it also works with selected companies which are duly authorised by the State Pollution Control Board (SPCB) for using such waste as their inputs.

Principle 3: Well-being of the employees

Businesses will promote the well-being of all employees.

01. Number of employees: 2,454 permanent employees as on March 31, 2018
02. Number of employees on temporary | contractual | casual basis: 2,949 as on March 31, 2018
03. Number of permanent women employees: 109 as on March 31, 2018
04. Number of permanent employees with disabilities: 6 as on March 31, 2018
05. Recognition of employee association by the Management: the Management has recognised employee associations for workmen.
06. Percentage of permanent employees who are members of the recognised employee associations: 100% of workmen constituting 45% of the permanent employees.
07. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in 2017-18 and pending as on March 31, 2018: none

08. Percentage of employees given safety and skill up-gradation training in 2017-18:

Employee category	Employees imparted safety training	Employees imparted skill up-gradation training
Permanent employees	38%	76%
Temporary | contractual | casual employees	79%	79%
Permanent women employees	34%	86%
Permanent employees with disabilities	67%	67%

Principle 4: Engagement with the Stakeholders

Businesses will respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.

01. Has the Company mapped its internal and external Stakeholders?

    The Company has mapped its internal and external Stakeholders; they are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.

02. Out of the above, has the Company identified the disadvantaged, marginalised and vulnerable Stakeholders?

    The Company has identified the poor, tribals, women and children as the disadvantaged, marginalised and vulnerable Stakeholders.

03. Are there any special initiatives taken by the Company to engage with the disadvantaged, marginalised and vulnerable Stakeholders?

Stakeholder groups	Program	Initiatives (not exhaustive)*
Poor	• Empowerment • Health • Infrastructure • Relief	• Generated employment by hiring apprentices • Constructed individual household toilets • Repaired community sheds and roads in villages • Provided financial assistance to cancer patients
Tribals	• Education • Empowerment	• Provided school education • Imparted vocational skills
Women	• Empowerment • Relief	• Trained women to become skilled elementary school teachers • Supported prevention of exploitation of women
Children	• Education • Infrastructure	• Distributed books to children in village schools • Repaired school buildings

* Details of various initiatives undertaken by the Company are given at page numbers 28 and 29.

Principle 5: Human rights

Businesses will respect and promote human rights.

01. Does the Policy of the Company on human rights cover only the Company or extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

    The Policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

02. How many Stakeholder complaints have been received in 2017-18 and what percent was satisfactorily resolved by the Management?

    During 2017-18, no complaints were received.

Principle 6: Environment

Businesses will respect, protect and make efforts to restore the environment.

01. Does the Policy related to environment cover only the Company or extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

    The Policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

02. Does the Company have strategies | initiatives to address global environmental issues such as climate change, global warming, etc? If so, what is the URL?

    The Company has strategies I initiatives for enhancing its own performance (over which it is able to exercise control) related to issues concerning the environment. There is no URL at present.

03. Does the Company identify and assess potential environmental risks?

The Company identifies and assesses potential environmental risks for its existing and new products.

04. Does the Company have any project related to Clean Development Mechanism? If so, state the details thereof and mention whether any environmental compliance report is filed.

The Company does not have any project related to Clean Development Mechanism.

The Company is continuously improving its environmental performance for its existing products and undertakes thorough investigation for new products. It drops any project, even if financially viable, if it does not meet norms of CPCB I SPCB.

05. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? If so, what is the URL?

The Company regularly undertakes many initiatives related to clean technology, energy efficiency, renewable energy, etc

For example, it has installed Energy Monitoring System (EMS), installed LED lights across the Company, procured only those motors which are energy efficient and enhanced hydrogen bottling capacity by 42%. It recovers products from effluents | emissions | waste. At present, it does not have any URL.

06. Are the emissions | waste generated by the Company within permissible limits given by CPCB | SPCB for 2017-18?

The effluents I emissions I waste generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB I SPCB for 2017-18.

07. Number of show cause | legal notices received from CPCB | SPCB which are pending (not resolved to satisfaction) as of end of 2017-18.

There were no pending show cause notices as on March 31, 2018.

Principle 7: Policy advocacy

Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.

01. Is the Company a member of any trade chamber or association?

The Company is a member of various associations such as:

i) Basic Chemicals, Cosmetics and Dyes Export Promotion Council
ii) Chemical and Allied Export Promotion Council of India
iii) Confederation of Indian Industry
iv) Crop Care Federation of India
v) Federation of Indian Chambers of Commerce and Industry
vi) Federation of Indian Export Organisations
vii) Pesticides Manufacturers and Formulators Association

02. Has the Company advocated | lobbied through above associations for advancement or improvement of public good? If so, which are the broad areas?

The Company works with the trade associations from time to time for advancement or improvement of public good. For example, it worked with such associations and on its own for rationalisation of duty structure (excise and customs).

Principle 8: Equitable development

Businesses will support inclusive growth and equitable development.

01. Does the Company have specified programs | projects | initiatives in pursuit of the Policy related to equitable development? If so, what are the details thereof?

The Company has 6 programs, namely, Education, Empowerment, Health, Relief, Conservation and Infrastructure in support of inclusive growth and equitable development. Serving the society is embedded in its working since its inception – for example, its first site was established not only as a factory, but an integrated township. The details of initiatives undertaken for such programs are given at page numbers 16 and 17.

02. Are the programs | projects undertaken through in-house teams | own foundation | external NGOs | Government structures | any other organisation?

The Company undertakes projects through Atul Foundation (a trust established by the Company), NGOs and other selected trusts.

03. Has the Company done any impact assessment of its initiatives?

Every initiative is monitored and reviewed for its effective implementation, quantitatively and qualitatively.

04. What is the direct contribution of the Company towards community development in terms of amount (in ₹) and what are the details of the projects I initiatives undertaken?

The direct contribution of the Company was ₹ 739 lakhs (2017-18); details of the projects | initiatives undertaken are mentioned at page number 29.

05. Has the Company taken steps to ensure that community development projects | initiatives are successfully adopted by the community?

Atul Foundation Trust identifies and implements projects along with the beneficiaries to ensure their successful adoption; for example, the project to build toilets is being implemented with active participation of all the beneficiaries.

Principle 9: Value to the customers

Businesses will engage with and provide value to their customers and consumers in a responsible manner.

01. What percentage of customer complaints | consumer cases are pending as on March 31, 2018?

Around 1%.

02. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company proactively displays product information on the label as per applicable national and international laws. Any additional information required is provided to the customers | consumers.

03. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and | or anti-competitive behaviour during the last 5 years and pending as on March 31, 2018?

No cases were filed by any Stakeholder against the Company for the above reasons.

04. Did the Company carry out any consumer survey | satisfaction trends?

The Company undertakes customer satisfaction surveys periodically. The feedback received is compiled and analysed to take corrective actions.

Dividend Distribution Policy

Background

The Dividend Distribution Policy is formulated as required by the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Philosophy

The Company believes that ploughing back of profits for driving growth is important in the long run for the creation of Shareholders' value. At the same time, it recognises the need for distributing a portion of the profit as payout by way of appropriate rate of dividend to the Shareholders. Thus, the Company strikes a judicious balance between the two while recommending the dividend rate for approval of the Shareholders.

Parameters for declaration of dividend

A) Financial parameters | Internal factors:

i) Consolidated net operating profit after tax
ii) Working capital requirements
iii) Capital expenditure requirements
iv) Resources required to fund acquisitions and | or new businesses
v) Cash required to meet contingencies
vi) Quantum of outstanding debt
vii) Past dividend trends
viii) Investments in subsidiary | associate companies
ix) Outlook for the near-term

B) External factors:

i) Government policies
ii) Economic environment and outlook for growth
iii) Trade cycles
iv) Dividend declared by companies in the same industry
v) Any other factor having impact on the business of the Company

Circumstances under which the Shareholders may or may not expect dividend

The Shareholders may generally expect a reasonable dividend in case of significant profit and cash flow from operations.

Utilisation of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this Policy.

Parameters adopted with regard to various classes of shares

a) Presently, the authorised share capital of the Company is divided into equity shares of ₹ 10 each and preference shares of ₹ 100 each. At present, the issued and paid-up share capital of the Company comprises only equity shares.

b) The Company will first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend will be declared on equity shares.

Amendment

The Policy may be amended by the Board of Directors.

NOTICE is hereby given that the 41st Annual General Meeting of the Members of Atul Ltd will be held on Friday, July 27, 2018, at 10:30 am at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380 015, Gujarat, India to transact the following business:

Ordinary business:

01. To receive, consider and adopt:
    i. the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Directors and the Auditors thereon and
    ii. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the Report of the Auditors thereon.
02. To declare dividend on equity shares.
03. To appoint a Director in place of Mr B N Mohanan (DIN: 00198716) who retires by rotation and being eligible, offers himself for reappointment.
04. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

    "RESOLVED THAT pursuant to the Resolution number 05 passed at the 40th Annual General Meeting of the Company held on July 28, 2017 the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (FRN 117366W | W-100018) as the Statutory Auditors of the Company be and is hereby ratified for the financial year ending on March 31, 2019."

Special business:

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

    "RESOLVED THAT the words "subject to ratification at every AGM" be and are hereby dropped from the Resolution number 05 passed at the 40th Annual General Meeting of the Company held on July 28, 2017 which pertained to appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (FRN 117366W | W-100018) as the Statutory Auditors of the Company for a term of 5 consecutive years."
06. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), approval be and is hereby accorded to the reappointment of Mr S S Lalbhai (DIN: 00045590) as the Chairman and Managing Director of the Company, and his receiving of remuneration including minimum remuneration for a period of 5 years effective July 01, 2019, as per the draft Agreement submitted to this meeting and for identification initialed by the Chairman.

    RESOLVED FURTHER THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions 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 modification 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 expedient, necessary, proper or in the best interest of the Company."
07. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr S M Datta (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 the second term of 5 consecutive years from April 01, 2019 to March 31, 2024."
08. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr V S Rangan (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 the second term of 5 consecutive years from April 01, 2019 to March 31, 2024."
09. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr B S Mehta (DIN: 00035019), 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 a term of 5 consecutive years from June 01, 2018 to May 31, 2023."
10. To consider and, if thought fit, to pass with or without modifications, the following Resolution as a Special Resolution:

    "RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), the consent of the Company be and is hereby accorded for continuance of the office of Independent Director by Mr B R Arora (DIN: 00194168) appointed *vide* Resolution number 9 on August 04, 2015 by the Members."

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

    "RESOLVED THAT pursuant to the provisions of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), the consent of the Company be and is hereby accorded for continuance of the office of Non-executive Director by Mr R A Shah (DIN: 00009851) appointed *vide* Resolution number 3 on July 28, 2017 by the Members."

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

    "RESOLVED THAT pursuant to Article 87(2) of the Articles of Association of the Company and in accordance with the provisions of Section 197 of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof) (the Act), the Non-executive Directors of the Company be paid remuneration by way of commission, over and above the sitting fees, up to 1% of the net profit of the Company computed in the manner laid down in Section 198 of the Act, for each of 5 financial years commencing from April 01, 2018, in a such proportion and manner as the Board of Directors may from time to time determine."

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(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2.69 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2019 as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, (FRN: 000010) for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers be and is hereby ratified and confirmed."

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 not more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 10:30 am on Wednesday, July 25, 2018.

02. Copies of the Balance Sheet, Statement of the Profit and Loss, 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 ended March 31, 2018 are annexed | attached.

03. The Register of Members and the Share Transfer Books of the Company will remain closed from July 14, 2018 to July 20, 2018 (both days inclusive).

04. The dividend if approved will be paid to those Members whose names stand on the Register of Members on July 13, 2018.

    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. Fresh instructions regarding bank details must be given to the DPs.

    iii) Instructions regarding change of address, nomination and power of attorney must be given directly to the DPs.

05. Unpaid dividend payable to the Members in respect of the 23rd dividend onwards, that is, from financial year ended March 31, 2011, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividends as to when they are due for transfer to the said fund is given below:

Dividend	Financial year ended	Date of declaration of dividend	Dividend payment	Expected date of transfer of unpaid dividend to IEPF
23rd	March 31, 2011	August 04, 2011	45%	August 03, 2018
24th	March 31, 2012	July 27, 2012	45%	July 26, 2019
25th	March 31, 2013	July 26, 2013	60%	July 25, 2020
26th	March 31, 2014	July 25, 2014	75%	July 24, 2021
27th	March 31, 2015	August 04, 2015	85%	August 03, 2022
28th	March 31, 2016	July 29, 2016	100%	July 28, 2023
29th	March 31, 2017	July 28, 2017	100%	July 27, 2024

No claim will 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. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company has transferred the equity shares in respect of which dividend has not been claimed | encashed for 7 or more consecutive years to the Investor Education and Protection Fund (IEPF) of the Central Government during the financial year 2017-18. The Company keeps on sending letters to the Shareholders whose dividend has not been claimed | encashed for 7 or more consecutive years. The details of such Shareholders are posted on the website of the Company at https://www.atul.co.in/investors/unclaimed-dividends Please note that the shares transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.

07. Electronic copy of the Annual Report for 2017-18 is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants; however, a print copy is being sent in the permitted mode to such Members who may have so requested and to the Members who have not so registered.

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 so registered, physical copy of the Notice of the 41st 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 41st Annual General Meeting (AGM) and the Annual Report for 2017-18 will also be available on the website of the Company, www.atul.co.in, which can be downloaded. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days on or before the date of the AGM. Even after registering for e-communication, the Members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.

11. The Members desiring any information relating to the accounts, are requested to write to the Company at least 7 days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.

12. 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 41st Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Ltd (CDSL).

    12.1 The instructions for remote e-voting are as under:

    i) Log on to the e-voting website: www.evotingindia.com

    ii) Click on 'Shareholders' tab

    iii) Enter User ID as determined from the following table:

User ID for the Members holding shares in dematerialised (demat) form with CDSL	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with NSDL	the 8-character DP ID followed by 8-digit client ID
User ID for the Members holding shares in physical form	the folio number of the shares held in the Company

    iv) Enter image verification details as displayed on the screen and click on 'Login'

    v) **The Members who are already registered with CDSL and have exercised e-voting through www.evotingindia.com earlier may follow the steps given below:**

    a. Use the existing password.

    b. Click on the Electronic Voting Serial Number of Atul Ltd for voting.

    c. 'Resolution description' appears on the voting page with 'Yes | No' options for voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the Resolution.

    d. Click on the 'Resolutions file link' to view the details.

    e. After selecting the Resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.

    f. After voting on a Resolution, the Members will not be allowed to modify their vote.

    g. A print of the voting done may be taken by clicking on 'Click here to print' tab on the voting page.

    h. In case a Member holding shares in demat form forgets his password, he can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.

vi) **The Members (holding shares in demat | physical form) who are NOT already registered with CDSL and are using the e-voting facility for the first time may follow the steps given below:**

a. Register as under:

» The Members who have already submitted their Permanent Account Number (PAN) to the Company | Depository Participant (DP) may enter their 10-digit alpha-numeric PAN issued by the Income Tax department. Others are requested to use the sequence number in the PAN field. The sequence number is mentioned in the attendance slip.

» Enter Date of Birth (DOB) as recorded in demat account or in records of the Company for the said demat account or folio in dd | mm | yyyy format.

or

Enter the Dividend Bank Details (DBD) as recorded in demat account or in records of the Company for the said demat account or folio.

or

If the DOB or DBD details are not recorded with the DP or the Company, enter the Member ID | folio number in the DBD field as under:

User ID for the Members holding shares in dematerialised (demat) form with CDSL	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with NSDL	the 8-character DP ID followed by 8-digit client ID
User ID for the Members holding shares in physical form	the folio number of the shares held in the Company

b. After entering these details appropriately, click on 'Submit'.

c. The Members holding shares in physical form will reach the Company selection screen. However, the Members holding shares in demat form will reach 'Password creation' menu and will have to enter login password in the 'new password' field. It is strongly recommended not to share the password with any other person and take utmost care to keep it confidential.

d. The Members holding shares in physical form can use login details only for e-voting on the Resolutions contained in this Notice.

e. Click on the Electronic Voting Serial Number of Atul Ltd for voting.

f. 'Resolution description' appears on the voting page with 'Yes | No' options for voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the Resolution.

g. Click on the 'Resolutions file link' to view the details.

h. After selecting the Resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.

i. After voting on a Resolution, the Members will not be allowed to modify their vote.

j. A print of the voting done may be taken by clicking on 'Click here to print' tab on the voting page.

k. In case a Member holding shares in demat form forgets his password, he can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.

vii) Note for the Non-individual Member and the Custodian:

a. Non-individual Member (that is, other than Individuals, Hindu Undivided Family, Non-Resident Individual) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

b. A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed to helpdesk.evoting@cdslindia.com

c. After receiving the login details a Compliance user will be created using the admin login and password. The Compliance user will be able to link the account(s) for which they wish to vote on.

d. The list of accounts will be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts votes can be cast.

e. A scanned copy of the Board Resolution and Power of Attorney issued in favour of the Custodian, if any, will have to be uploaded in PDF format in the system for verification by the Scrutiniser.

viii) The Members can also use mobile application 'm-Voting' of CDSL for e-voting using their e-voting credentials.

ix) In case of queries or issues regarding e-voting, the Members may refer to the 'Frequently asked questions' and e-voting manual available at www.evotingindia.com, under 'help' section. The Members may also contact Mr Rakesh Dalvi, Manager, Central Depository Services (India) Ltd, 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, Maharashtra, India, E-mail address: helpdesk.evoting@cdslindia.com, Telephone: 1800 225 533, or Mr Nilesh Dalwadi, Team Member, Link Intime India Pvt Ltd, 506-508 Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, E-mail address: nilesh.dalwadi@linkintime.co.in, Telephone: (+91 79) 26465179 | 86 | 87, or Mr S M Bhavsar, Senior Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, E-mail address: shareholders@atul.co.in, Telephone: (+91 79) 26461294 | 26463706.

12.2 The remote e-voting period commences on July 24, 2018 (at 9:00 am) and ends on July 26, 2018 (at 5:00 pm). During this period, the Members holding shares either in physical form or in demat form, as on the cut-off date of July 20, 2018, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the Member, no change will be allowed subsequently.

12.3 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 of July 20, 2018.

12.4 SPANJ & Associates, Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting and the voting process at the AGM in a fair and transparent manner.

12.5 The Scrutiniser will within a period not exceeding 3 working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.

12.6 The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed on www.atul.co.in, the website of the Company and on www.evotingindia.com, the website of CDSL within 2 days of passing of the Resolutions at the AGM and also will be communicated to the BSE Ltd and the National Stock Exchange of India Ltd.

13. The facility for voting through ballot | polling paper will also be made available at the venue of the Annual General Meeting (AGM). The Members attending the meeting who have not already cast their vote through remote e-voting will be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the AGM, but will not be entitled to cast their vote again.

14. The Members may send their comments on or suggestions for improvement of the Annual Report by e-mail to sec@atul.co.in.

15. 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 Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to him are as under:

Name	**Mr B N Mohanan**
Date of birth	May 26, 1950
Brief résumé	Mr B N Mohanan joined the Company on August 29, 1992 and is a Whole-time Director since January 01, 2009. He is the Member of the Corporate Social Responsibility Committee of the Board. Mr Mohanan has 46 years of experience in various capacities and is currently the President, Utilities and Services and the Occupier. He is also the Managing Director of Atul Biospace Ltd and Atul Rajasthan Date Palms Ltd. Mr Mohanan holds a graduate degree in Science (Engg hons) from the University of Calicut.
Directorship in other companies	**Public companies** Aasthan Dates Ltd – Chairman Atul Biospace Ltd – Managing Director Atul Clean Energy Ltd – Chairman Atul Finserv Ltd Atul Rajasthan Date Palms Ltd – Managing Director Atul Seeds Ltd Biyaban Agri Ltd – Chairman Raja Dates Ltd – Chairman **Foreign companies** Atul Middle East FZ-LLC DPD Ltd
Membership in committees of other companies	**Member of Committees** Atul Rajasthan Date Palms Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	5,800

16. At the ensuing Annual General Meeting:
    i) Mr S S Lalbhai is proposed to be reappointed as the Chairman and Managing Director of the Company effective July 01, 2019.
    ii) Mr S M Datta and Mr V S Rangan are proposed to be reappointed as Independent Director of the Company for the second term effective April 01, 2019.
    iii) Mr B S Mehta is proposed to be appointed as an Independent Director effective June 01, 2018.
    iv) Mr B R Arora and Mr R A Shah are proposed to be continued as Director of the Company in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

    The information or details required as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the Directors are given in the Explanatory Statement.
17. Route map for the venue of the Annual General Meeting is given separately.

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
CIN: L99999GJ1975PLC002859
June 01, 2018

CIN: Company Identification Number
CPN: Certificate of Practice Number
DIN: Director Identification Number
FRN: Firm Registration Number

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 number 05, 06, 07, 08, 09, 10, 11, 12 and 13 mentioned in the accompanying Notice:

Item number 05

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 40th Annual General Meeting (AGM) held on July 28, 2017 until the conclusion of 45th AGM subject to ratification at every AGM in terms of Section 139 of the Companies Act, 2013. The recent amendments in law have dispensed with the requirement of ratification of the Statutory Auditors in AGM subsequent to their appointment. Considering the change in law, ratification of the Statutory Auditors is not required and accordingly the Resolution number 5 passed at the 40th AGM of the Company held on July 28, 2017 is proposed to be modified by dropping the words "subject to ratification at every AGM" therein to align it with the amended provisions of the Companies Act, 2013.

The Board seeks approval of the aforesaid modification by the Members and accordingly requests their approval of the Ordinary Resolution.

Memorandum of interest

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

Item number 06

The Members in the AGM held on July 26, 2013 had appointed Mr S S Lalbhai as the Chairman and Managing Director (CMD) of the Company for a period of 5 years, effective July 01, 2014. The current term of his office is due to expire on June 30, 2019.

Mr Lalbhai has 34 years of experience with the Company and has made significant contribution in its growth. It is now proposed to reappoint him as the CMD of the Company for further period of 5 years commencing July 01, 2019. The Board has approved proposal for his reappointment as the CMD. His brief résumé is as under:

Name	**Mr S S Lalbhai**
Date of birth	March 15, 1960
Brief résumé	Mr S S Lalbhai is the Chairman of the Board of the Company since August 2007 and Managing Director since June 1984. He is a Member of the Corporate Social Responsibility Committee, Investment Committee and the Stakeholders Relationship Committee of the Board. Mr Lalbhai is a Member of the Governing Council of Shree Vallabh Shikshan Ashram and a Trustee on the Board of BAIF Development Research Foundation (BAIF). He is the Chairman of the Finance Committee and HR Committee of BAIF. He is the Chairman of DHRUVA and GRISERV, two trusts promoted by BAIF. He is a Trustee or a Member of some of the other social institutions established by the Lalbhai Group. Mr Lalbhai holds a post graduate degree in Chemistry from the University of Massachusetts and a post graduate degree in Economic Policy and Planning from Northeastern University.
Directorship in other companies	**Public companies** Amal Ltd – Chairman Atul Bioscience Ltd – Chairman Atul Rajasthan Date Palms Ltd – Vice Chairman Navin Fluorine International Ltd Pfizer Ltd
Membership in committees of other companies	**Chairman of Committee** Navin Fluorine International Ltd – Nomination and Remuneration Committee **Member of Committees** Amal Ltd – Nomination and Remuneration Committee Navin Fluorine International Ltd – Audit Committee Pfizer Ltd – Stakeholders Relationship Committee
Relationship with other Directors	None
Number of shares held in the Company	91,772

The terms of reappointment of Mr Lalbhai are in accordance with applicable provisions of the Companies Act, 2013.

The terms and conditions of the reappointment of Mr Lalbhai are set out in the draft Agreement, which is placed before the meeting.

The material terms of the draft Agreement are as under:

I. Responsibilities:

Mr Lalbhai will carry out the functions entrusted to him by the Board subject to the superintendence, direction and control of the Board. Certain special powers relating to the Management are conferred on him and enumerated in the draft Agreement.

II. Tenure:

The period of office of Mr Lalbhai will be for 5 years from July 01, 2019 to June 30, 2024.

III. Remuneration:

During the tenure of Mr Lalbhai, he will be paid remuneration as below:

1) Basic Salary of ₹ 11,94,750 (Rupees eleven lakhs ninety four thousand seven hundred and fifty only) per month. The Basic Salary may be increased from time to time by the Nomination and Remuneration Committee at its absolute discretion within the contractual period of 5 years; however, the maximum Basic Salary payable will not exceed ₹ 30,00,000 (Rupees thirty lakhs only) per month.

2) Perquisites

   a) Housing: the Company will provide furnished residential accommodation with gas, water and electricity, or pay House Rent Allowance as per its policy.

   b) Furnishing: the Company will provide furniture and fixtures as per its policy.

   c) Medical reimbursement: the Company will reimburse medical expenses for self and family incurred as per its policy.

   d) Leave travel assistance: the Company will provide leave travel assistance for self and family once in a year as per its policy.

   e) Group accident insurance: the Company will provide group accident insurance of sum assured up to ₹ 50 cr.

   f) Club fees: the Company will reimburse annual fees for up to two clubs.

   g) Car: the Company will provide a car at its entire cost as per its policy.

   h) Car driver wages | fuel | maintenance: the Company will reimburse for car driver wages, fuel and maintenance as per its policy.

   i) Communication devices: the Company will provide a landline telephone at residence and other communication devices at its entire cost as per its policy.

3) Retirals

   a) The Company will contribute towards Provident Fund and Superannuation Fund provided that such contribution either singly or put together does not exceed the limit prescribed under Section 36(I)(iv) of Income Tax Act, 1961 read with Rule 87 of Income Tax Rules, 1962.

   b) 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.

   c) The Company will grant on full pay and allowances leave, not exceeding 1 month for every 11 months of service. Unavailed accumulated leaves lying unencashed may also be carried forward to the next tenure, if any.

4) Commission

   The Company will pay commission at the rate of 1% of net profit of the Company provided that the commission will not exceed 60 months Basic Salary. When payable for the part of the year, commission will be payable on pro-rata basis.

IV. Mr Lalbhai 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.

V. The above remuneration and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under Section 198 and any other applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Lalbhai will be paid minimum remuneration subject to Schedule V of the Companies Act, 2013.

VI. A rateable proportion of the aforesaid remuneration will be payable by the Company, in the event of cessation of office during any financial year.

VII. Mr Lalbhai will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

VIII. The Directors are at liberty to appoint more than one Managing Director.

IX. Notice period of six months will be applicable from either side.

X. In terms of Regulation 17(1B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairperson of the Board of the Company effective April 01, 2020 will be a Non-executive Director. In case Mr Lalbhai choses to relinquish the position of Chairman upon such Regulation becoming effective, but continues as a Managing Director, all the above terms and conditions will remain unchanged and his designation with effect from that date will stand changed to 'Vice Chairman and Managing Director' or such other as may be approved by the Board on the recommendation of the Nomination and Remuneration committee.

XI. Mr Lalbhai will be entitled to compensation in accordance with Section 202 of the Companies Act, 2013, in the event of termination of office.

The Board considers that the association of Mr Lalbhai will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in Item number 06 in the Notice in relation to the reappointment of Mr Lalbhai as the Chairman and Managing Director for 5 years for approval by the Members as a Special Resolution.

Memorandum of interest

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

Item number 07

The Members in the AGM held on July 25, 2014 had appointed Mr S M Datta as an Independent Director of the Company for a term of 5 consecutive years, effective April 01, 2014. The current term of his office is due to expire on March 31, 2019. His brief résumé is as under:

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 also a Member of the Investment Committee of the Board. 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 associated with various renowned institutes. Mr Datta holds a post graduate degree in Science and Technology from the University of Calcutta. He 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).
Directorship in other companies	**Public companies** Bhoruka Power Corporation Ltd Castrol India Ltd – Chairman IL & FS Investment Managers Ltd – Chairman Peerless Financial Products Distribution Ltd Peerless General Finance & Investment Company Ltd – Chairman Philips India Ltd – Chairman Transport Corporation of India Ltd – Chairman **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 – Stakeholders Relationship Committee IL & FS Investment Managers Ltd – Corporate Social Responsibility Committee **Member of Committees** Castrol India Ltd – Audit Committee Castrol India Ltd – Nomination and Remuneration Committee Castrol India Ltd – Stakeholders Relationship Committee IL & FS Investment Managers Ltd – Audit Committee IL & FS Investment Managers Ltd – Nomination and Remuneration Committee Peerless General Finance & Investment Company Ltd – Audit Committee Peerless General Finance & Investment Company Ltd – Nomination and Remuneration Committee Transport Corporation of India Ltd – Audit Committee Transport Corporation of India Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	10,000

Mr Datta, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering himself for appointment, it is proposed to appoint him as an Independent Director for the second term of 5 consecutive years from April 01, 2019 to March 31, 2024. A Notice has been received from a Member proposing Mr Datta as a candidate for the office of Director of the Company.

Effective April 01, 2019, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced on May 09, 2018 *inter-alia* requires justification in the explanatory statement for appointment of a person who has attained 75 years of age as an Independent Director.

In the opinion of the Board, Mr Datta:

i) possesses rich experience and expertise relevant to the Company

ii) fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder

iii) is independent of the Management

Further, his proposed appointment is on the basis of the reports of his performance evaluation.

Given the above, corroborated by the valuable contribution made by Mr Datta since 2002, the Board is of the view that his continued association will be of immense benefit to the Company.

A 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.

Accordingly, the Board recommends the Resolution in Item number 07 in relation to appointment of Mr Datta as an Independent Director for second term of 5 consecutive years for the approval by the Members as a Special Resolution.

Memorandum of interest

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 number 07.

Item number 08

The Members in the AGM held on July 25, 2014 had appointed Mr V S Rangan as an Independent Director of the Company for a term of 5 consecutive years, effective April 01, 2014 to March 31, 2019. The current term of his office is due to expire on March 31, 2019. His brief résumé is as under:

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 also a Member of the Audit Committee of the Board. Mr Rangan is an Executive Director of Housing Development Finance Corporation Ltd (HDFC); he has been working with HDFC since 1986. Mr Rangan holds a graduate degree in Commerce and is an Associate Member of Institute of Chartered Accountants of India and Institute of Cost and Management Accountants of India.

Directorship in other companies	**Public companies** Cholamandalam Investment & Finance Company Ltd HDFC Investments Ltd HDFC Property Ventures Ltd HDFC Trustee Company Ltd Housing Development Finance Corporation Ltd TVS Credit Services Ltd **Private companies** Computer Age Management Services Pvt Ltd HDFC Credila Financial Services Pvt Ltd HDFC Education & Development Services Pvt Ltd True North Corporate Pvt Ltd
Membership in committees of other companies	**Chairman of Committees** Cholamandalam Investment & Finance Company Ltd – Nomination and Remuneration Committee Cholamandalam Investment & Finance Company Ltd – Risk Management Committee HDFC Credila Financial Services Pvt Ltd – Allotment Committee HDFC Credila Financial Services Pvt Ltd – Asset Liability Management Committee HDFC Credila Financial Services Pvt Ltd – Risk Management Committee HDFC Property Ventures Ltd – Corporate Social Responsibility Committee **Member of Committees** Cholamandalam Investment & Finance Company Ltd – Audit Committee Computer Age Management Services Pvt Ltd – Investment Review Committee Computer Age Management Services Pvt Ltd – New Business and Pricing Committee Computer Age Management Services Pvt Ltd – Nomination and Remuneration Committee HDFC Credila Financial Services Pvt Ltd – Corporate Responsibility Committee HDFC Credila Financial Services Pvt Ltd – Nomination and Remuneration Committee HDFC Education & Development Services Pvt Ltd – Allotment Committee – Debt Securities HDFC Education & Development Services Pvt Ltd – Allotment Committee – Equity Securities HDFC Education & Development Services Pvt Ltd – Audit Committee HDFC Investments Ltd – Audit Committee HDFC Investments Ltd – Nomination and Remuneration Committee HDFC Investments Ltd – Risk Management Committee HDFC Property Ventures Ltd – Audit Committee HDFC Trustee Company Ltd – Audit Committee HDFC Trustee Company Ltd – Customer Service Committee HDFC Trustee Company Ltd – Risk Management Committee Housing Development Finance Corporation Ltd – Allotment Committee – Debt Securities Housing Development Finance Corporation Ltd – Allotment Committee – Equity Securities Housing Development Finance Corporation Ltd – Assets Liability Committee Housing Development Finance Corporation Ltd – Corporate Social Responsibility Committee Housing Development Finance Corporation Ltd – Risk Management Committee Housing Development Finance Corporation Ltd – Stakeholders Relationship Committee TVS Credit Services Ltd – Audit Committee
Relationship with other Directors	None
Number of shares held in the Company	3,000

Mr Rangan, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering himself for appointment, it is proposed to appoint him as an Independent Director for the second term of 5 consecutive years from April 01, 2019 to March 31, 2024. 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:

i) possesses rich experience and expertise relevant to the Company

ii) fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder

iii) is independent of the Management

Further, his proposed appointment is on the basis of the reports of his performance evaluation.

Given the above, corroborated by the valuable contribution made by Mr Rangan since 2010, the Board is of the view that his continued association will be of immense benefit to the Company.

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.

Accordingly, the Board recommends the Resolution in Item number 08 in relation to appointment of Mr Rangan as an Independent Director for second term of 5 consecutive years for the approval by the Members as a Special Resolution.

Memorandum of interest

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 number 08.

Item number 09

Subject to the approval of the Members, the Board of Directors appointed Mr B S Mehta, a Non- executive Director, as an Independent Director of the Company for a term of 5 consecutive years from June 01, 2018 to May 31, 2023. His brief résumé is 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 1992. He is a Member of the Audit Committee and the Investment Committee of the Board. Mr Mehta is a distinguished Chartered Accountant of India and Chief Mentor in Bansi S. Mehta & Co. since 2009. Mr Mehta was the President of Institute of the Chartered Accountants of India for the year 1981-82. Mr Mehta holds a graduate degree in commerce and is a Fellow Member of Institute of Chartered Accountants of India.
Directorship in other companies	**Public companies** Century Enka Ltd Gillette India Ltd Housing Development Finance Corporation Ltd Pidilite Industries Ltd Procter & Gamble Hygiene and Health Care Ltd Sasken Technologies Ltd **Private companies** ThyssenKrupp Industrial Solutions (India) Pvt Ltd **Foreign companies** Jumbo World Holdings Ltd (BVI)
Membership in committees of other companies	**Chairman of Committees** Pidilite Industries Ltd – Audit Committee Sasken Technologies Ltd – Audit Committee **Member of Committees** Century Enka Ltd – Audit Committee Century Enka Ltd – Corporate Social Responsibility Committee Century Enka Ltd – Nomination and Remuneration Committee Gillette India Ltd – Audit Committee Housing Development Finance Corporation Ltd – Audit Committee Housing Development Finance Corporation Ltd – Nomination and Remuneration Committee Procter & Gamble Hygiene and Health Care Ltd – Audit Committee Pidilite Industries Ltd – Nomination and Remuneration Committee Pidilite Industries Ltd – Risk Management Committee
Relationship with other Directors	None
Number of shares held in the Company	162

Mr Mehta, being eligible in terms of Section 149 of the Companies Act, 2013 and other applicable provisions and offering himself for appointment, it is proposed to appoint him as an Independent Director for a term of 5 consecutive years from June 01, 2018 to May 31, 2023. A Notice has been received from a Member proposing Mr Mehta as a candidate for the office of Director of the Company.

Effective April 01, 2019, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced on May 09, 2018 *inter-alia* requires justification in the explanatory statement for appointment of a person who has attained 75 years of age as an Independent Director.

In the opinion of the Board, Mr Mehta:

i) possesses rich experience and expertise relevant to the Company,

ii) fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and

iii) is independent of the Management.

Given the above, corroborated by the valuable contribution made by Mr Mehta since 1992, the Board is of the view that his association as an Independent Director will be of immense benefit to the Company.

Copy of the draft letter for appointment of Mr Mehta 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 Mehta does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Accordingly, the Board recommends the Resolution in Item number 09 in relation to appointment of Mr Mehta as an Independent Director for a term of 5 consecutive years for the approval by the Members as a Special Resolution.

Memorandum of interest

Except Mr Mehta, 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 number 09.

Item number 10

Brief résumé of Mr B R Arora is as under:

Name	**Mr B R Arora**
Date of birth	June 03, 1944
Brief résumé	Mr B R Arora is a Director of the Board since April 2015. He is a Member of the Audit Committee and the Stakeholders Relationship Committee of the Board. Mr Arora has 48 years of experience with leading multinational companies in India and abroad in Agrochemicals, Biologics, Infant Nutrition and Pharmaceuticals Businesses. Mr Arora held several senior positions including Chairman, Cyanamid Agro Ltd, Managing Director, Cyanamid India Ltd, Chairman and Managing Director, Wyeth – Lederle Ltd, Regional President – Asia, Pfizer Nutrition, Regional President – Asia and Pacific RIM, Nestle S A, Chairman, PT Wyeth Nutrition Indonesia and Board Member, Wyeth Philippines Inc. He was also a Member of the Board of Directors of Asia Pacific Infant and Young Child Nutrition Association, Singapore, Chairman of the American Business Council, Mumbai and Vice President of Organisation of Pharmaceuticals Producers of India. Mr Arora holds a graduate degree in Mechanical Engineering from Punjab Engineering College and has undergone several programs at Asian Institute of Management, Philippines, Michigan Business School, Harvard Business School and London Business School.
Directorship in other companies	**Public companies** Agappe Diagnostics Ltd Wockhardt Ltd
Membership in committees of other companies	**Member of Committees** Agappe Diagnostics Ltd – Audit Committee Agappe Diagnostics Ltd – Nomination and Remuneration Committee Wockhardt Ltd – Audit Committee Wockhardt Ltd – Stakeholders Relationship Committee
Relationship with other Directors	None
Number of shares held in the Company	100

Effective April 01, 2019, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced on May 09, 2018 requires passing of Special Resolution with justification in the explanatory statement for appointment or continuance of a Non-executive Director who will attain 75 years of age.

The term of Mr Arora who was appointed as an Independent Director of the Company in the Annual General Meeting held on August 04, 2015 will expire on April 01, 2020. A Special Resolution is required to be passed for continuance of his office in view of his age crossing 75 years during his remainder term and hence this Resolution.

Given the rich experience and expertise of Mr Arora corroborated by the valuable contribution made by him, the Board is of the view that his continuance as an Independent Director will be of immense benefit to the Company.

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

Accordingly, the Board recommends the Resolution in Item number 10 in relation to continuance of Mr Arora as an Independent Director of the Company for the approval by the Members as a Special Resolution.

Memorandum of interest

Except Mr Arora, 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 number 10.

Item number 11

Brief résumé Mr R A Shah is as under:

Name	**Mr R A Shah**
Date of birth	July 07, 1931
Brief résumé	Mr R A Shah was appointed a Director of the Company on May 26, 1983. He is a Member of the Investment Committee and the Nomination and Remuneration Committee of the Board. Mr Shah is a Senior Partner of Crawford Bayley & Co., a firm of Solicitors and Advocates. Mr Shah holds a degree in Law from University of Mumbai and has passed Solicitor exam from the Honourable High Court at Mumbai.
Directorship in other companies	**Public companies** Abbott India Ltd BASF India Ltd Colgate Palmolive India Ltd – Vice Chairman Deepak Fertilisers and Petrochemicals Corporation Ltd Godfrey Philips India Ltd – Chairman Lupin Ltd Pfizer Ltd – Chairman Procter & Gamble Hygiene and Health Care Ltd- Chairman The Bombay Dyeing and Manufacturing Company Ltd **Foreign company** Jumbo World Holdings Ltd (BVI)
Membership in committees of other companies	**Chairman of Committees** Abbott India Ltd – Audit Committee Colgate Palmolive India Ltd – Audit Committee Colgate Palmolive India Ltd – Nomination and Remuneration Committee Godfrey Philips India Ltd – Corporate Social Responsibility Committee Pfizer Ltd – Audit Committee Procter & Gamble Hygiene and Health Care Ltd – Audit Committee **Member of Committees** Abbott India Ltd – Nomination and Remuneration Committee Abbott India Ltd – Stakeholders Relationship Committee BASF India Ltd – Audit Committee BASF India Ltd – Nomination and Remuneration Committee Godfrey Philips India Ltd – Audit Committee Godfrey Philips India Ltd – Nomination and Remuneration Committee Lupin Ltd – Nomination and Remuneration Committee Pfizer Ltd – Nomination and Remuneration Committee The Bombay Dyeing and Manufacturing Company Ltd – Audit Committee The Bombay Dyeing and Manufacturing Company Ltd – Nomination and Remuneration Committee.
Relationship with other Directors	None
Number of shares held in the Company	14,960

Effective April 01, 2019, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced on May 09, 2018 requires passing of Special Resolution with justification in the explanatory statement for appointment or continuance of a Non-executive Director who has attained 75 years of age.

A Special Resolution is required to be passed for continuance of office by Mr R A Shah in view of his age being in excess of 75 years and hence this Resolution.

Considering rich experience and expertise of Mr Shah corroborated by the valuable contribution made by him since 1983, the Board is of the view that his continuance as a Director will be of immense benefit to the Company.

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

Accordingly, the Board recommends the Resolution in Item number 11 in relation to continuance of the office of Non-executive Director by Mr R A Shah for the approval by the Members as a Special Resolution.

Memorandum of interest

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 number 11.

Item number 12

Pursuant to Article 87(2) of the Articles of Association read with Section 197 of the Companies Act, 2013, the Non-executive Directors are entitled to receive commission up to 1% of the net profit of the Company in any financial year, with the approval of the Company by way of Ordinary Resolution. Earlier the 36th AGM had authorised payment of such commission for a period of 5 years which expired on March 31, 2018 and the same requires further renewal.

In view of the time and attention which the Non-executive Directors are called upon to give for the purpose of business of the Company, it is considered that the payment of such commission to the Non-executive Directors as permitted by Article 87(2) aforesaid, may be made for the period of 5 years effective April 01, 2018.

The Board recommends the Resolution in Item number 12 in the Notice in relation to the payment of commission to Non-executive Directors for a period of 5 years for approval by the Members as an Ordinary Resolution.

Memorandum of interest

Except Non-executive Directors of the Company, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in Item number 12.

Item number 13

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

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditors, R Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers at a remuneration of ₹ 2.69 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2019.

The Board seeks ratification of the aforesaid remuneration by the Members and accordingly requests their approval of the Ordinary Resolution.

Memorandum of interest

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

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
CIN: L99999GJ1975PLC002859
June 01, 2018

CIN: Company Identification Number
CPN: Certificate of Practice Number
DIN: Director Identification Number
FRN: Firm Registration Number

Performance trend

(₹ cr)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Operating results														
Net sales	3,050	2,639	2,403	2,510	2,307	1,964	1,746	1,508	1,168	1,159	998	895	817	682
Revenue	3,186	2,891	2,652	2,571	2,405	2,022	1,792	1,553	1,204	1,196	1,033	925	837	710
PBIDT	511	512	485	391	362	268	203	194	143	124	97	85	78	68
Interest	9	21	26	24	31	32	43	26	26	41	33	28	29	22
PBDT [1]	502	491	459	367	331	236	160	168	117	83	64	57	49	46
Depreciation	105	91	62	55	54	49	44	39	37	32	29	31	29	27
PBT from operations [1]	397	400	397	312	277	187	116	129	80	51	35	26	20	19
Exceptional | Non-recurring items	–	–	3[2]	–	20[2]	5	6	10	–	(5)	3	–	63	–
PBT	397	400	400	312	297	192	122	139	80	46	38	26	83	19
Tax	127	115	126	95	84	56	34	43	27	10	3	1	(1)	3
Net profit	270	285	274	217	213	136	88	96	53	36	35	25	84	16
Dividend (including DDT[3])	33	36	30	30	26	21	16	16	14	10	10	10	10	7
Financial position														
Gross block [4]	1,243	1,118	945	1,345	1,285	1,202	1,100	1,002	986	967	936	771	730	685
Net block [4]	989	965	883	578	573	526	474	420	424	443	433	295	273	249
Other assets (net)	1,209	1,111	1,011	719	719	585	550	474	355	384	428	374	349	312
Capital employed	2,198	2,076	1,894	1,297	1,292	1,111	1,024	894	779	827	861	669	622	561
Equity share capital	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Other equity	2,168	1,891	1,562	986	911	726	612	537	454	429	403	270	243	170
Total equity	2,198	1,921	1,592	1,016	941	756	642	567	484	459	433	300	273	200
Borrowings	–	155	302	281	351	355	382	327	295	368	428	369	349	361
Per equity share (₹)														
Dividend [5]	12.00	10.00	10.00	8.50	7.50	6.00	4.50	4.50	4.00	3.00	3.00	3.00	3.00	2.00
Book value	741	648	537	343	317	255	216	191	163	155	146	101	92	67
EPS	91.16	96.18	92.53	73.30	71.74	45.69	29.70	30.34	19.15	12.77	12.35	9.98	28.00	6.07
Key indicators														
PBIDT %	16.75	19.40	20.18	15.58	15.69	13.65	11.63	12.86	12.24	10.70	9.72	9.50	9.55	9.97
PBDT %	16.46	18.61	19.10	14.62	14.35	12.02	9.16	11.14	10.02	7.16	6.41	6.37	6.00	6.74
PBT %	13.02	15.16	16.52	12.43	12.01	9.52	6.64	8.55	6.85	4.40	3.51	2.91	2.45	2.79
Employee cost %	5.93	6.56	6.99	6.14	6.07	6.52	6.70	6.76	8.82	7.85	8.12	8.04	10.40	9.97
Interest cost %	0.30	0.80	1.08	0.96	1.34	1.63	2.46	1.72	2.23	3.54	3.31	3.13	3.55	3.23
Debt-Equity ratio	–	0.08	0.19	0.28	0.37	0.47	0.60	0.58	0.61	0.80	0.99	1.23	1.28	1.81
Interest coverage ratio	56.78	24.38	18.65	16.29	11.68	8.38	4.72	7.46	5.50	3.02	2.94	3.04	2.69	3.09
Asset turnover ratio [6]	2.60	2.44	3.10	2.02	1.87	1.70	1.67	1.55	1.20	1.22	1.14	1.25	1.19	1.02
RoCE % [1]	22.38	25.71	30.91	26.76	26.04	21.04	16.93	18.46	13.09	11.19	9.42	8.81	8.41	6.98
RoNW % [1]	13.11	16.23	20.78	22.18	23.45	18.74	13.56	16.37	11.24	8.95	8.80	8.73	8.56	6.58
Payment to exchequer	442	307	335	305	267	212	191	167	99	101	98	99	82	70

Notes:
[1] Excluding exceptional items | [2] Relates to one-time dividend received, grouped as revenue, but excluded from PBIDT above | [3] Dividend distribution tax | [4] Including capital work-in-progress | [5] For the year | [6] Excluding capital work-in-progress

Figures from the year 2015-16 are as per Ind AS, for the year 2010-11 to 2014-15 are as per revised Schedule VI and prior to 2010-11 are as per old Schedule VI of the Companies Act, 1956.

Standalone

Consolidated

Independent Auditor's Report

To the Members of Atul Ltd

Report on the Standalone Ind AS Financial Statements

01. We have audited the accompanying Standalone Ind AS Financial Statements of Atul Ltd (the Company) which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended and a summary of the significant Accounting Policies and other explanatory information.

Management's responsibility for the Standalone Ind AS Financial Statements

02. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other Accounting Principles generally accepted in India.

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

Auditor's responsibility

03. Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

04. In conducting our audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

05. We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

06. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Controls relevant to the preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Directors of the Company, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

07. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

Opinion

08. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Ind AS and other Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Other matter

09. The Standalone Financial Statements of the Company for the year ended March 31 2017, were audited by the M/s Dalal & Shah Chartered Accountants LLP, the predecessor Auditor.

    Our opinion on the Standalone Ind AS Financial Statements is not modified in respect of this matter.

Report on other legal and regulatory requirements

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

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

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

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

    d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

    e) On the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164(2) of the Act.

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

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

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

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

        iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

11. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W | W-100018

Samir R. Shah
Partner
Membership Number: 101708

Mumbai
April 27, 2018

Annexure A to the Independent Auditor's Report

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

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

01. We have audited the Internal Financial Controls over financial reporting of Atul Ltd (the Company) as of March 31, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

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

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

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

Meaning of Internal Financial Controls over financial reporting

06. The Internal Financial Controls over financial reporting of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. Internal Financial Controls over financial reporting of a Company include those policies and procedures that a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls over financial reporting

07. Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

08. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W | W-100018

Samir R. Shah
Partner
Membership Number: 101708

Mumbai
April 27, 2018

Annexure B to the Independent Auditor's Report

Referred to in paragraph 11 under 'Report on other legal and regulatory requirements' Section of our report of even date.

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

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, appears reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed | transfer deed | conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the Balance Sheet date, except the following:

Particulars of the land and building	Carrying value as at March 31, 2018	Name of entity on the title deed
Freehold land	₹ 0.32 cr	Atul Products Ltd
Freehold land	₹ 0.02 cr	Atic Industries Ltd
Freehold land	₹ 1.76 cr	Agrimore Ltd
Investment properties	₹ 0.94 cr	Atul products Ltd
Building in Delhi	₹ 0.02 cr	Atul products Ltd

In respect of immovable properties of land that have been taken on lease and disclosed as property, plant and equipment in the Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. There are no buildings that have been taken on lease.

02. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

03. According to the information and explanations given to us, the Company has granted an interest bearing unsecured loan to a wholly owned subsidiary company Atul Bioscience Ltd and an interest free unsecured loan to Amal Ltd (Pursuant to an Order of the Board for Industrial and Financial Reconstruction) covered in the register maintained under Section 189 of the Companies Act, 2013. The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

In respect of aforesaid loans:

a) The terms and conditions of the grant of such loans are, in our opinion, not prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c) There is no overdue amount remaining outstanding as at the Balance Sheet date.

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

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

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

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

a) The Company has been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other material statutory dues in arrears as at March 31, 2018 for a period of more than 6 months from the date they became payable.

c) There are no disputed dues of sales tax, service tax, customs duty, value added tax and goods and service tax which have not been deposited as on March 31, 2018. Details of dues of income tax and excise duty which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount unpaid (₹ cr)	Amount paid under protest (₹ cr)
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	Assessment year 1997-98 and 1999-2000	0.66	0.91
		Income Tax Appellate Tribunal	2010-11	*	0.87
The Central Excise Act, 1944 and Chapter V of the Finance Act, 1994	Excise duty and Service tax	Commissioner (Appeals)	1992-2018	4.41	0.11
		Customs, Excise and Service Tax Appellate Tribunal	1993-2016	5.17	0.50
		High Court	1994-95	3.53	—
Customs Act, 1962	Custom duty	Commissioner (Appeals)	1988-2009	3.19	—
		High Court	2017-18	1.76	—

* ₹ 16,000.

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

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

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

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

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

13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the Related Parties and the details of Related Party Transactions have been disclosed in the Financial Statements etc, as required by the applicable Accounting Standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, and hence reporting under Clause (xiv) of CARO 2016 is not applicable to the Company.

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

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W | W-100018

Samir R. Shah
Partner
Membership Number: 101708

Mumbai
April 27, 2018

Balance Sheet as at March 31, 2018

(₹ cr)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	918.87	927.69
b) Capital work-in-progress	2	69.56	36.99
c) Investment properties	3	3.22	3.22
d) Intangible assets	4	0.01	0.02
e) Financial assets			
i) Investments	5	594.81	531.57
ii) Loans	6	5.03	7.01
iii) Other financial assets	7	2.48	4.65
f) Income tax assets (net)	27.5	0.67	–
g) Other non-current assets	8	44.04	74.63
Total non-current assets		**1,638.69**	**1,585.78**
2 Current assets			
a) Inventories	9	378.95	367.89
b) Financial assets			
i) Trade receivables	10	717.68	507.06
ii) Cash and cash equivalents	11	20.19	5.38
iii) Bank balances other than cash and cash equivalents above	12	1.98	1.83
iv) Loans	6	2.04	5.18
v) Other financial assets	7	31.94	25.12
c) Other current assets	8	127.68	121.50
Total current assets		**1,280.46**	**1,033.96**
Total assets		**2,919.15**	**2,619.74**
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	13	29.68	29.68
b) Other equity	14	2,167.86	1,891.14
Total equity		**2,197.54**	**1,920.82**
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Other financial liabilities	16	22.57	21.44
b) Provisions	17	17.71	20.04
c) Deferred tax liabilities (net)	27.5	124.65	99.75
Total non-current liabilities		**164.93**	**141.23**
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	15	0.01	134.00
ii) Trade payables	19	470.46	329.06
iii) Other financial liabilities	16	55.18	68.82
b) Other current liabilities	18	14.66	16.20
c) Provisions	17	8.36	7.62
d) Current tax liabilities (net)	27.5	8.01	1.99
Total current liabilities		**556.68**	**557.69**
Total liabilities		**721.61**	**698.92**
Total equity and liabilities		**2,919.15**	**2,619.74**

The accompanying Notes 1-27 form an integral part of the Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Statement of Profit and Loss
for the year ended March 31, 2018

(₹ cr)

Particulars	Note	2017-18	2016-17
INCOME			
Revenue from operations	20	3,147.56	2,848.27
Other income	21	38.46	42.46
Total income		**3,186.02**	**2,890.73**
EXPENSES			
Cost of materials consumed	22	1,653.33	1,324.51
Purchase of stock-in-trade		8.09	18.04
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	31.76	17.88
Excise duty		40.07	153.74
Employee benefit expenses	24	181.34	173.23
Finance costs	25	8.90	21.02
Depreciation and amortisation expenses	2, 4	104.78	91.12
Other expenses	26	760.50	690.67
Total expenses		**2,788.77**	**2,490.21**
Profit before tax		**397.25**	**400.52**
Tax expense			
Current tax	27.5	102.21	79.73
Deferred tax	27.5	24.63	35.49
Total tax expense		**126.84**	**115.22**
Profit for the year		**270.41**	**285.30**
Other Comprehensive Income			
a) Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through Other Comprehensive Income (FVOCI)		37.32	77.34
ii) Remeasurement gain | (loss) on defined benefit plans		2.73	2.48
iii) Income tax related to item no (ii) above		(0.95)	(0.86)
b) Items that will be reclassified to profit | loss			
i) Effective portion of gain | (loss) on cash flow hedges		0.05	(0.72)
ii) Income tax related to item no (i) above		(0.02)	0.25
Other Comprehensive Income, net of tax		**39.13**	**78.49**
Total Comprehensive Income for the year		**309.54**	**363.79**
Earnings per equity share			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	27.11	91.16	96.18

The accompanying Notes 1-27 form an integral part of the Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

For and on behalf of the Board of Directors

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Statement of changes in equity
for the year ended March 31, 2018

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2016		**29.68**
Changes in Equity share capital during the year		–
As at March 31, 2017		**29.68**
Changes in Equity share capital during the year		–
As at March 31, 2018	13	**29.68**

B Other equity

(₹ cr)

Particulars	Reserves and surplus			Other Comprehensive Income		Total other equity
	Securities premium reserve	General reserve	Retained earnings	FVOCI equity instruments	Effective portion of cash flow hedges	
As at March 31, 2016	**34.66**	**95.80**	**1,145.10**	**287.50**	**(0.59)**	**1,562.47**
Profit for the year	–	–	285.30	–	–	285.30
Other Comprehensive Income	–	–	1.62	77.34	(0.47)	78.49
Total Comprehensive Income for the year	**–**	**–**	**286.92**	**77.34**	**(0.47)**	**363.79**
Transfer to retained earnings on disposal of FVOCI equity instruments	–	–	0.73	(0.73)	–	–
Hedging gain | (loss) reclassified to Statement of Profit and Loss	–	–	–	–	0.59	0.59
Transactions with owners in their capacity as owners:						
Dividend paid (including dividend distribution tax)	–	–	(35.71)	–	–	(35.71)
As at March 31, 2017	**34.66**	**95.80**	**1,397.04**	**364.11**	**(0.47)**	**1,891.14**
Profit for the year	–	–	270.41	–	–	270.41
Other Comprehensive Income	–	–	1.78	37.32	0.03	39.13
Total Comprehensive Income for the year	**–**	**–**	**272.19**	**37.32**	**0.03**	**309.54**
Transfer to retained earnings on disposal of FVOCI equity instruments	–	–	1.54	(1.54)	–	–
Hedging gain | (loss) reclassified to Statement of Profit and Loss	–	–	–	–	0.47	0.47
Transactions with owners in their capacity as owners:						
Dividend paid (including dividend distribution tax)	–	–	(33.29)	–	–	(33.29)
As at March 31, 2018	**34.66**	**95.80**	**1,637.48**	**399.89**	**0.03**	**2,167.86**

The accompanying Notes 1-27 form an integral part of the Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

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S A Panse
B R Arora
Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Statement of Cash Flows
for the year ended March 31, 2018

(₹ cr)

Particulars	Note	2017-18	2016-17
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		397.25	400.52
Adjustments for:			
Add:			
Depreciation and amortisation expenses	2, 4	104.78	91.12
Finance costs	25	8.89	21.02
Loss on disposal of property, plant and equipment	26	0.12	0.20
Unrealised exchange rate difference (net)		(7.68)	0.95
		106.11	113.29
		503.36	513.81
Less:			
Dividends received	21	21.16	22.27
Interest income from financial assets measured at amortised cost		2.29	2.87
Gain on disposal of property, plant and equipment	21	0.30	3.71
		23.75	28.85
Operating profit before change in operating assets and liabilities		479.61	484.96
Adjustments for:			
(Increase) | Decrease in inventories	9	(11.06)	6.28
(Increase) | Decrease in trade receivables		(202.94)	(87.91)
(Increase) | Decrease in other financial assets		(2.72)	4.10
(Increase) | Decrease in other assets		10.56	20.38
Increase | (Decrease) in trade payables		141.39	34.80
Increase | (Decrease) in other financial liabilities		10.95	(13.42)
Increase | (Decrease) in other current liabilities		(1.54)	(7.23)
Increase | (Decrease) in current provisions		0.75	0.62
Increase | (Decrease) in non-current provisions		(2.33)	2.81
		(56.94)	(39.57)
Cash generated from operations		422.67	445.39
Less:			
Income tax paid (net of refund)		97.53	75.42
Net cash flow from operating activities A		**325.14**	**369.97**

Statement of Cash Flows
for the year ended March 31, 2018 (continued)

(₹ cr)

	Particulars		Note	2017-18	2016-17
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payments towards property, plant and equipment (including capital advance)			(114.04)	(175.65)
	Proceeds from disposal of property, plant and equipment			–	4.68
	Proceeds from disposal of equity instruments measured at FVOCI			0.06	0.76
	Repayments | (Disbursements) of loans given (net)			5.31	1.48
	Proceeds | (Payments) from fixed deposits (net)			(0.01)	(0.17)
	Interest received on financial assets measured at amortised cost			2.20	2.91
	Dividends received			19.72	6.43
	Net cash used in investing activities	**B**		**(86.76)**	**(159.56)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayments of term loans			(21.23)	(29.63)
	Disbursements | (Repayments) of working capital loans (net)			(133.99)	(111.60)
	Payments of unclaimed dividend			(0.23)	(0.27)
	Interest paid			(9.07)	(23.12)
	Dividend on equity shares (including dividend distribution tax)			(33.07)	(35.43)
	Purchase of equity instruments measured at cost			(25.98)	(8.38)
	Net cash used in financing activities	**C**		**(223.57)**	**(208.43)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**		14.81	1.98
	Cash and cash equivalents at the beginning of the year			5.38	3.40
	Cash and cash equivalents at the end of the year			20.19	5.38

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

ii) Cash flows from operating activities include ₹ 7.39 cr (March 31, 2017: ₹ 6.60 cr) being expenses towards Corporate Social Responsibility initiatives.

iii) Refer Note 15 (f) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-27 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

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Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Background

Atul Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India and its principal place of business is located at Atul, Gujarat, India.

The Company is in the business of Life Science Chemicals and Performance and Other Chemicals and caters to the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composite, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy across the world.

Note 1 Significant Accounting Policies

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

a) Basis of preparation:

i) Compliance with Ind AS:

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

ii) Historical cost convention:

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

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

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

c) Biological assets: measured at fair value less cost to sell

iii) Recent accounting pronouncements:

Standards issued, but not yet effective:

Appendix B to Ind AS 21, 'Foreign currency transactions and advance consideration': On March 28, 2018, the Ministry of Corporate Affairs (the MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will be effective from April 01, 2018. The Company has evaluated the effect of this on the Financial Statements and the impact is not material.

Ind AS 115, 'Revenue from Contracts with Customers': On March 28, 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers of the Company.

The standard permits two possible methods of transaction:

a) Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'.

b) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch–up approach)

The effective date of adoption of Ind AS 115 is financial period beginning on or after April 01, 2018.

The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly, comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. No material impact of Ind AS 115 is expected.

Note 1 Significant Accounting Policies (continued)

b) Foreign currency transactions:

i) Functional and presentation currency:

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

ii) Transactions and balances:

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

c) Revenue recognition:

i) Timing of recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the activities of the Company. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract. Revenue from services is recognised in the accounting period in which the services are rendered.

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

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

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

ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as goods and services tax, value added tax, etc. Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not. Discounts given include rebates, price reductions and other incentives given to customers. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed to be present as sales are made with a credit term which is consistent with market practice.

d) Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

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

Note 1 Significant Accounting Policies (continued)

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

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

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

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

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

e) Government grants:

i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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

iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) Leases:

As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to the Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

g) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly

Note 1 Significant Accounting Policies (continued)

attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Fruit bearing plants qualify as bearer plants under Ind AS 16. Expenditure incurred on cultivation of plantations up to the date they become capable of bearing fruit are accumulated under Bearer plant under development (Immature) and then capitalised as a Bearer plant (Mature) to be amortised | depreciated over their estimated useful life.

The plantation destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plant (Mature) or being carried under Bearer plant under development (Immature) are charged off to the Statement of Profit and Loss.

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

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

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the straight-line method to allocate the cost of assets, net of their residual values, over their estimated useful lives.

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

Asset category	**Estimated useful life**
Buildings	30 to 60 years
Plant and equipment[1]	6 to 20 years
Vehicles[1]	6 to 10 years
Office equipment and furniture	5 to 10 years
Roads	5 years
Bearer plants[1]	40 years

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

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

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

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

h) Intangible assets:

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

Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent.

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

i) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment

Note 1 Significant Accounting Policies (continued)

property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

j) Impairment of assets:

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

k) Cash and cash equivalents:

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

l) Trade receivables:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the Effective Interest Rate (EIR) method, less provision for impairment based on expected credit loss.

m) Trade and other payables:

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

n) Inventories:

Inventories (other than harvested product of biological assets) are stated at cost or net realisable value, whichever is lower. Cost is determined on moving weighted average basis.

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

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

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

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

The harvested product of biological assets of the Company that is oil palm Fresh Fruit Bunch (FFB) is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

o) Investments and other financial assets:

Classification:

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

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

ii) Those measured at amortised cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or Other Comprehensive Income.

Note 1 Significant Accounting Policies (continued)

For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

Initial recognition and measurement:

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

Subsequent measurement:

After initial recognition, financial asset is measured at:

i) fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

ii) amortised cost

Debt instruments:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

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

Measured at fair value through Other Comprehensive Income (OCI):

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

Measured at fair value through profit or loss:

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

Equity instruments:

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

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

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

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

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27.8 details how the Company determines whether there has been a significant increase in credit risk.

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

Derecognition:

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

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

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

Financial liabilities:

i) Classification as debt or equity

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

ii) Initial recognition and measurement

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

iii) Subsequent measurement

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

iv) Derecognition

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

p) Offsetting financial instruments:

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

q) Derivatives and hedging activities:

The Company holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated, but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in other

Note 1 Significant Accounting Policies (continued)

income or other expenses. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

ii) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions. It designates certain Interest rate swaps as cash flow hedge to mitigate the risk of foreign exchange exposure on variable interest loans.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain | (loss) on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain | (loss) previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

r) Borrowings:

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

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

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

s) Borrowing costs:

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

t) Biological assets:

The oil palm trees are bearer plants and are therefore presented and accounted for as property, plant and equipment. However, the oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested oil palm FFBs are transferred to inventory at fair value less costs to sell when harvested.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auction charges, commission paid to brokers and dealers and estimated costs of transport to the market, but excludes finance costs and income taxes.

Changes in fair value of oil palm FFB on trees are recognised in the Statement of Profit and Loss.

Measurement technique:

The fair value of growing oil palm FFB is determined using a discounted cash flow model based on the expected yield by plantation size, the market price for the produce | sampling and after allowing for harvesting costs, contributory asset charges for the land and bearer plants owned by the Company and other costs yet to be incurred in getting the fruit bunches to maturity or sampling ready for sale.

Note 1 Significant Accounting Policies (continued)

u) Provisions and contingent liabilities:

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

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

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

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

v) Employee benefits:

Defined benefit plan:

Gratuity:

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

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

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

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

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

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 contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Company, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability, with a corresponding charge to the Statement of Profit and Loss.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the

Note 1 Significant Accounting Policies (continued)

Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

Short-term employee benefits:

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

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

Other long-term employee benefits:

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

The obligations are presented as current liabilities in the Balance Sheet if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

w) 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. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

x) Earnings per share:

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

y) Contributed equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements require use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 1(g)

ii) Estimation of defined benefit obligation: Note 27.6

iii) Fair value measurements: Note 27.7

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 2 Property, plant and equipment

(₹ cr)

Particulars	Land – freehold[1]	Land – leasehold[2]	Buildings[1,3]	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plants	Total	Capital work-in-progress[4]
Gross carrying amount										
As at March 31, 2016	6.34	3.66	134.84	606.83	7.95	9.75	4.39	–	773.76	169.66
Additions	8.21	–	28.45	261.32	1.01	2.20	6.40	0.33	307.92	163.83
Other adjustments[5]	–	–	–	(0.07)	–	–	–	–	(0.07)	–
Disposal, transfer and adjustments	(0.59)	–	(0.01)	–	(0.79)	–	–	–	(1.39)	(296.50)
As at March 31, 2017	**13.96**	**3.66**	**163.28**	**868.08**	**8.17**	**11.95**	**10.79**	**0.33**	**1,080.22**	**36.99**
Additions	6.64	–	13.80	70.57	1.80	1.87	1.60	–	96.28	120.40
Other adjustments[5]	–	–	–	0.05	–	–	–	–	0.05	–
Disposal, transfer and adjustments	–	–	–	(0.84)	(2.75)	–	–	–	(3.59)	(87.83)
As at March 31, 2018	**20.60**	**3.66**	**177.08**	**937.86**	**7.22**	**13.82**	**12.39**	**0.33**	**1,172.96**	**69.56**
Depreciation | Amortisation										
Up to March 31, 2016	–	0.05	6.24	51.63	1.46	1.90	0.44	–	61.72	–
For the year	–	0.05	6.61	79.81	1.59	1.73	1.22	0.01	91.02	–
Disposal and adjustments	–	–	–	0.02	(0.22)	(0.01)	–	–	(0.21)	–
Up to March 31, 2017	**–**	**0.10**	**12.85**	**131.46**	**2.83**	**3.62**	**1.66**	**0.01**	**152.53**	**–**
For the year	–	0.05	7.44	92.01	1.34	1.63	2.29	0.01	104.77	–
Disposal and adjustments	–	–	–	(0.83)	(2.38)	–	–	–	(3.21)	–
Up to March 31, 2018	**–**	**0.15**	**20.29**	**222.64**	**1.79**	**5.25**	**3.95**	**0.02**	**254.09**	**–**
Net carrying amount										
As at March 31, 2017	13.96	3.56	150.43	736.62	5.34	8.33	9.13	0.32	927.69	36.99
As at March 31, 2018	**20.60**	**3.51**	**156.79**	**715.22**	**5.43**	**8.57**	**8.44**	**0.31**	**918.87**	**69.56**

Notes:

1. Pursuant to the order passed by The 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 the Government of Gujarat and paid a security deposit ₹ 2 cr (March 31, 2017: ₹ 2 cr).
2. Refer Note 27.12 (b) (ii) for disclosures where the Company is a lessee under a finance lease.
3. Includes premises on ownership basis ₹ 1.10 cr (March 31, 2017: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2017: ₹ 2,000).
4. Capital work-in-progress mainly comprises addition | expansion projects in progress.
5. Exchange rate difference capitalised during current year ₹ 0.05 cr (Previous year: ₹ (0.07) cr).
6. Refer Note 15 for information on property, plant and equipment hypothecated | mortgaged as security by the Company.
7. Refer Note 27.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

(₹ cr)

Note 3 Investment properties	As at March 31, 2018	As at March 31, 2017
Land – freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	**3.22**	**3.22**

a) Amount recognised in the Statement of Profit and Loss for investment properties:

The Company has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Statement of Profit and Loss, since the Company does not receive any rental income, incur any depreciation or other operating expenses.

b) The Company does not have any contractual obligations to purchase, construct or develop, for maintenance or enhancements of investment property.

c) Fair value:

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment properties	141.00	134.00
	141.00	**134.00**

Estimation of fair value

The Company obtains valuations from independent valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for investment properties are included in level 3.

(₹ cr)

Note 4 Intangible assets	Computer software
Gross carrying amount	
As at March 31, 2016	**0.21**
As at March 31, 2017	**0.21**
As at March 31, 2018	**0.21**
Amortisation	
Up to March 31, 2016	**0.09**
Amortisation charged for the year	0.10
Up to March 31, 2017	**0.19**
Amortisation charged for the year	0.01
Up to March 31, 2018	**0.20**
Net carrying amount	
As at March 31, 2017	0.02
As at March 31, 2018	**0.01**

(₹ cr)

Note 5 Non-current investments	As at March 31, 2018	As at March 31, 2017
a) Investment in equity instruments of subsidiary companies measured at cost[1]	130.63	103.27
b) Investment in equity instruments of joint venture company measured at cost	6.13	6.13
c) Investment in equity instruments of other companies measured at FVOCI	452.32	415.06
d) Investment in preference shares of subsidiary companies at amortised cost	5.72	7.10
e) Investments in Government or Trust securities measured at amortised cost	0.01	0.01
	594.81	**531.57**

[1] Includes share application money

(₹ cr)

Note 5 Non-current investments (continued)	Face value	As at March 31, 2018		As at March 31, 2017	
		Number of shares		Number of shares	
a) Investment in equity instruments (fully paid-up)					
i) Subsidiary companies | Joint venture company | Associate company measured at cost					
Quoted					
In subsidiary company measured at cost[1, 2]					
Amal Ltd	10	4,12,453	18.16	4,12,453	18.16
Unquoted					
In foreign subsidiary companies measured at cost					
Atul Brasil Quimicos Ltda	R$ 1	7,04,711	2.03	7,04,711	2.03
Atul China Ltd	US$ 4,10,000	1	0.92	1	0.92
Atul Deutschland GmbH	€ 1,00,000	1	–	1	–
Atul Europe Ltd	£ 1	32,88,911	24.14	32,88,911	24.14
Atul Middle East FZ-LLC	AED 1,000	300	0.51	300	0.51
Atul USA Inc	US$ 1,000	2,000	6.29	2,000	6.29
In Indian subsidiary companies measured at cost					
Aasthan Dates Ltd	10	20,98,000	2.10	20,98,000	2.10
Anchor Adhesives Pvt Ltd	10	5,86,155	2.28	5,86,155	2.28
Atul Bioscience Ltd	10	1,08,40,050	12.57	1,08,40,050	12.57
Atul Biospace Ltd	10	1,05,69,839	11.62	84,63,349	8.82
Atul Finserv Ltd	100	20,83,971	36.81	12,25,533	12.26
	7	5,00,000	5.00	5,00,000	5.00
Atul Rajasthan Date Palms Ltd	1,000	30,001	3.00	30,001	3.00
Biyaban Agri Ltd	10	10,91,100	1.09	10,91,100	1.09
Raja Dates Ltd	10	40,95,500	4.10	40,95,500	4.10
In joint venture company measured at cost					
Rudolf Atul Chemicals Ltd	10	29,18,750	6.13	29,18,750	6.13
ii) Other companies measured at FVOCI					
Quoted					
Arvind SmartSpaces Ltd	10	4,12,747	7.58	4,12,747	3.58
Arvind Ltd	10	41,27,471	158.06	41,27,471	163.01
BASF India Ltd	10	2,61,396	50.28	2,61,396	35.83
ICICI Bank Ltd	2	1,09,026	3.03	99,115	2.74
Jain Irrigation Systems Ltd	2	4,000	0.04	4,000	0.04
Jain Irrigation Systems Ltd -DVR[3]	2	200		200	
Nagarjuna Fertilizers and Chemicals Ltd	1	34,650	0.05	34,650	0.07
Nagarjuna Oil Refinery Ltd	1	31,500	0.01	31,500	0.01
Novartis India Ltd	5	3,74,627	22.93	3,74,627	25.33
Pfizer Ltd	10	9,58,927	209.55	9,58,927	183.66
Unquoted					
Bharuch Enviro Infrastructure Ltd	10	70,000	0.07	70,000	0.07
Narmada Clean Tech Ltd	10	7,15,272	0.72	7,15,272	0.72
Gujarat Synthwood Ltd[4]	10	4,00,000	–	4,00,000	–

(₹ cr)

Note 5 Non-current investments (continued)	Face value	As at March 31, 2018		As at March 31, 2017	
		Number of shares		Number of shares	
b) Investment in preference shares (fully paid-up)					
Subsidiary company measured at amortised cost[1,5]					
Unquoted					
Amal Ltd (0% Redeemable preference shares)	10	80,00,000	5.72	1,00,00,000	7.10
c) Investments in Government or Trust securities measured at amortised cost					
6 years National Savings Certificates (deposited with the Government departments)		–	0.01	–	0.01
d) Share application money		–	0.01	–	–
			594.81		**531.57**

(₹ cr)

Particulars	Book value As at		Market value As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Quoted[2]	469.69	432.43	456.69	418.74
Unquoted	125.12	99.14	–	–
	594.81	**531.57**	**456.69**	**418.74**

[1] Associate company up to November 30, 2016

[2] Book value includes equity component of ₹ 18.12 cr (March 31. 2017: ₹ 18.12 cr) recognised on 0% preference shares and loans given to Amal Ltd carried at amortised cost

[3] Shares with differential voting rights (DVR) carrying value of ₹ 12,700 (March 31, 2017: ₹ 12,040)

[4] Under liquidation

[5] Previous year includes ₹ 1 cr due for redemption as on March 31, 2017

(₹ cr)

Note 6 Loans	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Loan to subsidiary companies (refer Note 27.4 and 27.13)				
i) Secured, considered good	1.70	5.03	0.59	7.01
ii) Unsecured, considered good	0.34	–	4.59	–
	2.04	**5.03**	**5.18**	**7.01**

(₹ cr)

Note 7 Other financial assets	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Security deposits for utilities and premises	0.37	0.73	0.41	2.86
b) Derivative financial assets – foreign exchange forward contracts	0.05	–	1.31	–
c) Finance lease receivable	–	1.25	–	1.38
d) Balance with banks in fixed deposits, with maturity beyond 12 months	–	0.50	–	0.41
e) Dividends receivable	17.38	–	15.93	–
f) Other receivables (including discount receivable, insurance receivable, etc)	14.14	–	7.47	–
	31.94	**2.48**	**25.12**	**4.65**

(₹ cr)

Note 8 Other assets	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Balances with the Government authorities				
i) Taxes paid under protest	–	18.82	–	16.46
ii) VAT receivable	–	19.07	6.33	34.99
iii) GST receivable	76.89	–	–	–
iv) Balances with the statutory authorities	0.14	–	59.00	–
v) Deposit paid under protest	–	0.24	–	3.41
vi) Security deposit	–	2.00	–	2.00
b) Export incentive receivable	24.09	–	30.37	–
c) Capital advances	–	3.91	–	17.77
d) Advances				
i) Related Parties (refer Note 27.4)	0.55	–	–	–
ii) Others	25.03	–	25.02	–
e) Other receivables	0.98	–	0.78	–
	127.68	**44.04**	**121.50**	**74.63**

(₹ cr)

Note 9 Inventories*	As at March 31, 2018	As at March 31, 2017
a) Raw materials and packing materials	107.27	82.22
Add: Goods-in-transit	31.58	18.01
	138.85	100.23
b) Work-in-progress	99.11	112.76
c) Finished goods	97.54	112.03
d) Stock-in-trade	1.93	5.55
e) Stores, spares and fuel	31.69	30.27
Add: Goods-in-transit	9.83	7.05
	41.52	37.32
	378.95	**367.89**

* Valued at cost or net realisable value, whichever is lower.

Amounts recognised in the Statement of Profit and Loss:

Written-down value of inventories to net realisable value amounted to ₹ 6.85 cr (March 31, 2017: ₹ 6.21 cr). These were recognised as an expense during the year and included in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

(₹ cr)

Note 10 Trade receivables	As at March 31, 2018		As at March 31, 2017	
a) Unsecured, considered good				
i) Trade receivables		579.84		413.46
ii) Related Parties (refer Note 27.4)		137.84		93.60
b) Unsecured, considered doubtful	2.60		3.16	
Less: Allowance for doubtful debts	2.60		3.16	
		–		–
		717.68		**507.06**

(₹ cr)

Note 11 Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
a) Balances with banks		
In current accounts	20.09	5.28
b) Cash on hand	0.10	0.10
	20.19	**5.38**

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

(₹ cr)

Note 12 Bank balances other than cash and cash equivalents above	As at March 31, 2018	As at March 31, 2017
a) Unclaimed dividend	1.94	1.71
b) Unclaimed interest on public deposit	0.01	0.02
c) Short-term bank deposit with maturity between 3 to 12 months	0.03	0.10
	1.98	**1.83**

(₹ cr)

Note 13 Equity share capital	As at March 31, 2018	As at March 31, 2017
Authorised		
8,00,00,000 (March 31, 2017: 8,00,00,000) equity shares of ₹ 10 each	80.00	80.00
	80.00	80.00
Issued		
2,96,91,780 (March 31, 2017: 2,96,91,780) equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (March 31, 2017: 2,96,61,733) equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (March 31, 2017: 29,991)		
Add: Forfeited shares (amount paid-up)	0.02	0.02
	29.68	**29.68**

a) Rights, preferences and restrictions:

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

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, if any. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Each holder of equity shares is entitled to one vote per share.

ii) Dividend:

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

b) Shares reserved for allotment 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:

No.	Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
		Holding %	Number of Shares	Holding %	Number of Shares
1	Aagam Holdings Pvt Ltd	22.41%	66,50,000	22.41%	66,50,000
2	Aeon Investments Pvt Ltd	6.94%	20,60,817	6.79%	20,14,383

(₹ cr)

Note 14 Other equity	As at March 31, 2018	As at March 31, 2017
a) Securities premium reserve	34.66	34.66
b) General reserve	95.80	95.80
c) Retained earnings		
Balance as at the beginning of the year	1,397.04	1,145.10
Add: Profit for the year	270.41	285.30
Add: Remeasurement gain	(loss) on defined benefit plans	1.78	1.62
Add: Transfer from OCI on disposal of FVOCI equity instruments	1.54	0.73
Less: Dividend on equity shares for the year {2016-17: ₹ 10 per share, (2015-16: ₹ 10 per share)}	(29.66)	(29.66)
Less: Dividend distribution tax on dividend	(3.63)	(6.05)
Balance as at the end of the year	1,637.48	1,397.04
d) Other reserves		
i) FVOCI equity instruments		
Balance as at the beginning of the year	364.11	287.50
Add: Equity instruments through Other Comprehensive Income (FVOCI)	37.32	77.34
Less: Transfer to retained earnings on disposal of FVOCI equity instruments	(1.54)	(0.73)
Balance as at the end of the year	399.89	364.11
ii) Effective portion of cash flow hedges		
Balance as at the beginning of the year	(0.47)	(0.59)
Add: Effective portion of gain	(loss) on cash flow hedges	0.05	(0.72)
Add: Deferred tax liability	(0.02)	0.25
Less: Hedging gain	(loss) reclassified to Statement of Profit and Loss	0.47	0.59
Balance as at the end of the year	0.03	(0.47)
	2,167.86	**1,891.14**

Nature and purpose of other reserves

a) Securities premium reserve

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

b) FVOCI - equity instruments

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

c) Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Company uses foreign currency forward contracts, foreign currency option contracts and Interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

(₹ cr)

Note 15 Borrowings	Maturity	Terms of repayment	Effective interest rate p.a.	As at March 31, 2018		As at March 31, 2017	
				Current	Non-current	Current	Non-current
a) Secured							
i) Rupee term loan from a foreign financial institution (refer Note a)	January, 2018	15 equal half yearly installments	6.99% – 7.46%	–	–	–	10.42
ii) Foreign currency term loans from banks (refer Note b and c)	September, 2017	12 equal quarterly installments	3 months LIBOR + 2.90%	–	–	–	10.81
iii) Working capital loans from banks (refer Note d)	1-6 months	Repayable on demand	2.43% – 10.40%	–	–	8.17	–
b) Unsecured							
i) Loan from banks including foreign banks	1-6 months	1-6 months	1.10%	–	–	51.87	–
ii) Commercial papers	1-3 months	1-3 months	6.50%	–	–	73.95	–
iii) Deposit from the Directors	1-12 months	1-12 months	6.50%[1]	0.01	–	0.01	–
				0.01	–	134.00	21.23
Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 16)				–	–	–	(21.23)
				0.01	**–**	**134.00**	**–**

[1]9.00% p.a. during the previous year.

a) Rupee term loan from a foreign financial institution was secured by first *pari passu* charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, present and future, excluding specific assets with first *pari passu* charge with other lenders and second charge on entire current assets of the Company, both present and future.

b) Foreign currency term loan from a foreign bank was secured by first *pari passu* charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, present and future, excluding specific assets with first *pari passu* charge and second charge on entire current assets of the Company, both present and future.

c) Foreign currency term loan from a bank was secured by first *pari passu* charge on the entire movable and immovable property, plant and equipment of the Company, both present and future.

d) Security details:

Working capital loans repayable on demand from banks is secured by hypothecation of tangible current assets, 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 letters of credit given by the bankers aggregating to ₹ 88.30 cr (March 31, 2017: ₹ 83.24 cr).

e) The carrying amount of assets hypothecated | mortgaged as security for current and non-current borrowings is:

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
First charge for current and second charge for non-current borrowings		
i) Inventories	378.95	367.89
ii) Trade receivables	717.68	507.06
iii) Current assets other than inventories and trade receivables	181.79	153.83
	1,278.42	**1,028.78**
First charge for non-current and second charge for current borrowings		
Property, plant and equipment excluding leasehold land	900.21	908.98
Total assets as security	**2,178.63**	**1,937.76**

f) Net debt reconciliation:

(₹ cr)

Particulars	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
Net debt as at March 31, 2017	155.23	–	155.23
Repayments	(155.22)	–	(155.22)
Interest expense	6.38	–	6.38
Interest paid	(6.38)	–	(6.38)
Net debt as at March 31, 2018	**0.01**	**–**	**0.01**

(₹ cr)

Note 16 Other financial liabilities	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Current maturities of long-term debt (refer Note 15)	–	–	21.23	–
b) Employee benefits payable	24.28	–	22.56	–
c) Security deposits	–	19.80	–	19.30
d) Interest accrued, but not due	–	–	0.18	–
e) Unclaimed dividend*	1.95	–	1.71	–
f) Unclaimed matured deposits and interest thereon*	0.01	–	0.01	–
g) Creditor for capital goods	18.81	–	18.38	–
h) Other liabilities (includes discount payable)	10.13	2.77	4.75	2.14
	55.18	**22.57**	**68.82**	**21.44**

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2018.

(₹ cr)

Note 17 Provisions	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Provision for compensated absences	6.86	17.71	6.08	20.04
b) Others {refer a (ii) and b below}	1.50	–	1.54	–
	8.36	**17.71**	**7.62**	**20.04**

a) Information about individual provisions and significant estimates

i) Compensated absences:

The Compensated absences cover the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 6.86 cr (March 31, 2017: ₹ 6.08 cr) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

ii) Effluent disposal:

The entity has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount the entity expects to incur for which the obligating event has already arisen as on the reporting date.

b) Movement of provision for effluent disposal:

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	1.54	1.65
Less: Utilised	(1.54)	(1.65)
Provision made during the year	1.50	1.54
Balance as at the end of the year	**1.50**	**1.54**

(₹ cr)

Note 18 Other current liabilities	As at March 31, 2018	As at March 31, 2017
a) Statutory dues	4.05	11.23
b) Advances received from customers	10.61	4.97
	14.66	**16.20**

(₹ cr)

Note 19 Trade payables	As at March 31, 2018	As at March 31, 2017
a) Related Party (refer Note 27.4)	11.32	6.35
b) Others (refer Note 27.14 for outstanding dues of micro enterprise and small enterprise)	459.14	322.71
	470.46	**329.06**

(₹ cr)

Note 20 Revenue from operations	2017-18	2016-17
Sale of products[1]	3,090.41	2,792.60
Sale of services	2.08	0.08
Other operating revenue:		
Export incentives	43.03	44.74
Scrap sales	6.21	7.63
Processing charges	5.83	3.22
	3,147.56	**2,848.27**

[1]Revenue from operations up to June 30, 2017 includes excise duty of ₹ 40.07 cr and ₹ 154.86 cr for the year 2016-17, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, 'Revenue', GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended on March 31, 2018 are not comparable with the previous year.

(₹ cr)

Note 21 Other income	2017-18	2016-17
Dividends from equity investment measured at FVOCI	3.33	2.89
Dividends from equity investment measured at cost	17.38	19.21
Dividends from investments measured at FVPL	0.45	0.17
Interest income from financial assets measured at amortised cost	2.76	3.22
Interest from others	3.51	1.84
Lease income	0.34	0.03
Gain on disposal of property, plant and equipment	0.30	3.71
Exchange rate difference – gain	2.88	–
Miscellaneous income	7.51	11.39
	38.46	**42.46**

(₹ cr)

Note 22 Cost of materials consumed	2017-18	2016-17
Raw materials and packing materials consumed		
Stocks at commencement	82.22	68.01
Add: Purchase	1,678.38	1,338.72
	1,760.60	1,406.73
Less: Stocks at close	107.27	82.22
	1,653.33	**1,324.51**

(₹ cr)

Note 23 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2017-18	2016-17
Stocks at close		
Finished goods	97.54	112.03
Work-in-progress	99.11	112.76
Stock-in-trade	1.93	5.55
	198.58	230.34
Less: Stocks at commencement		
Finished goods	112.03	127.48
Work-in-progress	112.76	113.64
Stock-in-trade	5.55	7.10
	230.34	248.22
(Increase) | Decrease in stocks	**31.76**	**17.88**

(₹ cr)

Note 24 Employee benefit expenses	2017-18	2016-17
Salaries, wages and bonus (refer Note 27.6)	162.17	155.29
Contribution to Provident and other funds (refer Note 27.6)	12.35	11.88
Staff welfare	6.82	6.06
	181.34	**173.23**

(₹ cr)

Note 25 Finance costs	2017-18	2016-17
Interest on borrowings	6.38	17.16
Interest on financial liabilities at amortised cost	1.02	1.11
Interest on others	1.01	1.20
Other borrowings cost	0.49	0.52
Exchange difference regarded as an adjustment to borrowing cost	–	1.03
	8.90	**21.02**

(₹ cr)

Note 26 Other expenses	2017-18	2016-17
Power, fuel and water	336.26	315.81
Freight, cartage and octroi	95.10	69.82
Manpower services	46.12	40.74
Consumption of stores and spares	45.90	44.87
Conversion and plant operation charges	40.82	32.07
Plant and equipment repairs	52.47	50.91
Building repairs	18.25	15.36
Sundry repairs	7.70	7.54
Rent	2.11	2.31
Rates and taxes	1.28	1.25
Insurance	5.44	6.96
Commission	11.60	7.40
Travelling and conveyance	17.10	15.85
Payments to the Statutory Auditors		
a) Audit fees	0.26	0.29
b) Tax matters	0.09	0.09
c) Other matters	0.24	0.32
d) Out of pocket expenses	0.05	0.02
Payments to the Cost Auditors		
a) Audit fees	0.03	0.02
b) Other matters (Previous year: ₹ 7,000)	–	
c) Out of pocket expenses (Current year: ₹ 15,432 and Previous year: ₹ 17,970)		
Directors' fees and travelling	0.31	0.24
Directors' commission (other than the Executive Directors)	0.79	0.79
Bad debts and irrecoverable balances written off	0.29	2.07
Loss on assets sold, discarded or demolished	0.12	0.20
Expenditure on Corporate Social Responsibility initiatives (refer Note 27.15)	7.39	6.60
Exchange rate difference - loss	–	5.43
Miscellaneous expenses	70.78	63.71
	760.50	**690.67**

Note 27.1 Contingent liabilities

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts in respect of:		
i) Excise duty	8.73	8.00
ii) Income tax	7.15	6.24
iii) VAT	–	0.67
iv) Custom duty	1.94	0.18
v) Water charges	90.73	87.27
vi) Others	5.92	6.43

The above matters are currently being considered by the tax authorities | various forums and the Company expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities | various forums. The above (except in respect of water charges matter) excludes interest | penalties which may become payable in case of unfavourable outcome.

Note 27.2 Commitments

Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	21.33	25.09

Note 27.3 Research and Development

Details of expenditure incurred on approved in-house Research and Development facilities:

(₹ cr)

Particulars	2017-18	2016-17
Capital expenditure on building	–	6.07
Other capital expenditure	2.23	12.86
Recurring expenditure	20.59	19.00
	22.82	**37.93**

Note 27.4 (A) Related Party information		
Name of the Related Party and nature of relationship		
No.	Name of the Related Party	Description of relationship
01	Aaranyak Urmi Ltd[1]	Subsidiary companies
02	Aasthan Dates Ltd	
03	Amal Ltd[2]	
04	Anchor Adhesives Pvt Ltd	
05	Atul Aarogya Ltd	
06	Atul Ayurveda Ltd	
07	Atul Bioscience Ltd	
08	Atul Biospace Ltd	
09	Atul Brasil Quimicos Ltda	
10	Atul China Ltd	
11	Atul Clean Energy Ltd	
12	Atul Crop Care Ltd	
13	Atul Deutschland GmbH	
14	Atul Elkay Polymers Ltd	
15	Atul Entertainment Ltd	
16	Atul Europe Ltd	
17	Atul Finserv Ltd	
18	Atul Fin Resources Ltd[1]	
19	Atul Hospitality Ltd	
20	Atul Infotech Pvt Ltd[1]	
21	Atul Middle East FZ-LLC	
22	Atul Nivesh Ltd[1]	
23	Atul Rajasthan Date Palms Ltd[1]	
24	Atul (Retail) Brands Ltd	
25	Atul Seeds Ltd	
26	Atul USA Inc	
27	Biyaban Agri Ltd	
28	DPD Ltd[1]	
29	Gujarat Synthwood Ltd[3]	
30	Jayati Infrastructure Ltd	
31	Lapox Polymers Ltd	
32	Osia Dairy Ltd	
33	Osia Infrastructure Ltd	
34	Raja Dates Ltd	
	Other Related Parties with whom transactions have taken place during the year	
35	Rudolf Atul Chemicals Ltd	Joint venture company
36	Anaven LLP	Joint operation
37	Aagam Holdings Pvt Ltd	Entity over which control exercised by Key Management Personnel
38	Samveg Agencies Pvt Ltd	

Note 27.4 (A) Related Party information (continued)		
Name of the Related Party and nature of relationship		
No.	**Name of the Related Party**	**Description of relationship**
39	Key Management Personnel	
	S S Lalbhai	Chairman and Managing Director
	S A Lalbhai	Managing Director
	B N Mohanan	Whole-time Director and President - U&S
	T R Gopi Kannan	Whole-time Director and CFO
	R A Shah	Non-executive Director
	S S Baijal	Non-executive Director
	B S Mehta	Non-executive Director
	H S Shah	Non-executive Director
	S M Datta	Non-executive Director
	V S Rangan	Non-executive Director
	M M Chitale	Non-executive Director
	S A Panse	Non-executive Director
	B R Arora	Non-executive Director
40	Close family members of Key Management Personnel	
	Vimla S Lalbhai	Mother of S S Lalbhai
	Swati S Lalbhai	Sister of S S Lalbhai
	Astha S Lalbhai	Daughter of S S Lalbhai
	Saumya S Lalbhai	Son of S A Lalbhai
	Nishtha S Lalbhai	Daughter of S S Lalbhai
41	Welfare funds	
	Atul Foundation Trust	Entities over which Key Management Personnel or their close family members have significant influence
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya	
	Urmi Stree Sanstha	
42	Other Related Parties[4]	
	The Atul Officers Retirement Benefit Fund	Post-employment benefit plan of Atul Ltd
	Atul Products Ltd-Ankleshwar Division Employees' Provident Fund Trust	
	Atul Limited Employees Gratuity Fund	

[1]Investments held through subsidiary companies | [2]Associate company up to November 30, 2016 | [3]Under liquidation | [4]Refer Note 27.6 for information on transactions with post-employment benefit plans mentioned above.

(₹ cr)

Note 27.4 (B) Transactions with subsidiary companies		2017-18	2016-17
a) Sales and income			
01	Sale of goods	**497.97**	**457.64**
	Atul Bioscience Ltd	34.77	25.52
	Atul Biospace Ltd	7.75	9.35
	Atul China Ltd	69.88	78.70
	Atul Europe Ltd	187.01	198.12
	Atul Infotech Pvt Ltd (Previous year: ₹ 12,415)	–	
	Atul USA Inc	198.56	145.95

(₹ cr)

Note 27.4 (B) Transactions with subsidiary companies (continued)		2017-18	2016-17
02	Service charges received	**2.16**	**1.92**
	Amal Ltd	0.40	0.29
	Atul Bioscience Ltd	1.53	1.43
	Atul Crop Care Ltd	0.06	0.07
	Atul Finserv Ltd	0.04	0.01
	Atul Infotech Pvt Ltd	0.10	0.09
	Lapox Polymers Ltd	0.03	0.03
03	Interest received	**0.56**	**0.85**
	Atul Bioscience Ltd	0.56	0.85
04	Lease rent received		
	Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000)		
	Atul Bioscience Ltd (Current year: ₹ 3,935 and Previous year: ₹ 3,935)		
b)	**Purchases and expenses**		
01	Purchase of goods	**30.42**	**25.39**
	Aasthan Dates Ltd	–	0.01
	Amal Ltd	25.93	21.43
	Atul Bioscience Ltd	0.13	0.19
	Atul Biospace Ltd	–	0.03
	Atul China Ltd	0.01	–
	Atul Europe Ltd	0.08	0.55
	Atul Infotech Pvt Ltd	–	0.03
	Atul USA Inc	0.22	0.71
	DPD Ltd	4.05	2.44
02	Purchase of capital goods	**–**	**0.07**
	Amal Ltd	–	0.05
	Atul Bioscience Ltd	–	0.02
03	Service charges	**23.18**	**19.14**
	Atul Crop Care Ltd	10.13	8.07
	Atul Finserv Ltd	0.65	0.59
	Atul Infotech Pvt Ltd	2.59	2.55
	Lapox Polymers Ltd	9.81	7.93
04	Commission	**3.44**	**2.19**
	Atul Brasil Quimicos Ltda	0.64	–
	Atul China Ltd	1.03	0.94
	Atul Europe Ltd	1.53	1.10
	Atul USA Inc	0.24	0.15
05	Reimbursement of expenses	**14.53**	**13.04**
	Amal Ltd (Previous year: ₹ 41,011)	0.01	
	Atul Bioscience Ltd	0.02	0.03
	Atul China Ltd	0.41	0.28
	Atul Crop Care Ltd	4.71	3.48
	Atul Europe Ltd	4.96	5.26
	Atul Finserv Ltd	0.91	1.12
	Atul Infotech Pvt Ltd (Previous year: ₹ 3,200)	0.04	
	Atul Middle East FZ-LLC	0.40	0.01
	Atul USA Inc	0.29	0.68
	Lapox Polymers Ltd	2.78	2.18

Notes to the Financial Statements

(₹ cr)

Note 27.4 (B) Transactions with subsidiary companies (continued)		2017-18	2016-17
c) Other transactions			
01	Repayments of loan given	**6.30**	**3.25**
	Amal Ltd	2.00	3.25
	Atul Bioscience Ltd	4.30	–
02	Direct investments made in equity shares	**27.35**	**9.67**
	Atul Biospace Ltd	2.80	4.91
	Atul Finserv Ltd	24.55	4.76
03	Repayments of deposit given	**2.14**	**–**
	Atul Infotech Pvt Ltd	2.14	–
04	Reimbursements received	**0.01**	
	Amal Ltd (Previous year: ₹ 9,845)	–	
	Atul Bioscience Ltd (Current year: ₹ 37,802)		–
	Atul Infotech Pvt Ltd (Previous year: ₹ 26,438)	0.01	
05	Redemption of preference shares	**2.00**	**–**
	Amal Ltd	2.00	–
06	Dividends received	**14.46**	**11.77**
	Atul Bioscience Ltd	7.05	6.50
	Atul Biospace Ltd	1.16	–
	Atul Europe Ltd	5.21	5.27
	Atul USA Inc	1.04	–

(₹ cr)

Note 27.4 (C) Transactions with joint venture company		2017-18	2016-17
a) Sales and income			
01	Sale of goods	2.75	3.38
02	Service charges received	2.90	2.68
03	Lease rent received	0.54	0.25
b) Purchases and expenses			
01	Purchase of goods	0.30	0.03
c) Other transactions			
01	Dividends received from equity investment measured at cost	2.92	3.72
02	Interest paid of loan	–	0.41
03	Repayments of Inter Corporate Deposits taken	–	10.50
04	Reimbursements received	0.56	0.74
05	Repayments of security deposit	–	0.20
All above transactions are with Rudolf Atul Chemicals Ltd.			

(₹ cr)

Note 27.4 (D) Transactions with joint operation		2017-18	2016-17
a) Sales and income			
01	Sale of capital work-in-progress	10.13	–
02	Service charges received	1.75	–
03	Lease rent received	0.01	–
b) Other transactions			
01	Reimbursements received	1.18	–
All above transactions are with Anaven LLP.			

(₹ cr)

Note 27.4 (E) Transactions with entity over which control exercised by Key Management Personnel		2017-18	2016-17
a)	**Expenses**		
01	Reimbursements		**0.03**
	Samveg Agencies Pvt Ltd (Current year: ₹ 22,550)		0.03

(₹ cr)

Note 27.4 (F) Key Management Personnel compensation		2017-18	2016-17
a)	**Remuneration**	**12.83**	**12.91**
01	Short-term employee benefits	11.05	11.05
02	Post-employment benefits[1]	0.76	0.92
03	Commission and other benefits to Non-executive Directors	1.02	0.94
04	Interest on deposits from Directors (Current year: ₹ 6,912 and Previous year: ₹ 9,000)		

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 27.4 (G) Close family members of Key Management Personnel compensation		2017-18	2016-17
a)	**Remuneration**	**0.35**	**0.29**
01	Astha S Lalbhai	0.23	0.19
02	Saumya S Lalbhai	–	0.03
03	Nishtha S Lalbhai	0.12	0.07

(₹ cr)

Note 27.4 (H) Transactions with entities over which Key Management Personnel or their close family members have significant influence		2017-18	2016-17
a)	**Sales and income**		
01	Sale of goods	**0.18**	**0.15**
	Atul Kelavani Mandal	0.04	0.04
	Atul Rural Development Fund (Previous year: ₹ 49,622)	0.01	
	Atul Vidyalaya	0.13	0.11
	Urmi Stree Sanstha (Previous year: ₹ 1,723)	–	
b)	**Purchases and expenses**		
01	Reimbursement of expenses		
	Atul Vidyalaya (Previous year: ₹ 2,500)	–	
	Urmi Stree Sanstha (Current year: ₹ 27,401 and Previous year: ₹ 14,433)		
c)	**Other transactions**		
01	Expenditure on Corporate Social Responsibility initiatives	**7.20**	**6.33**
	Atul Foundation Trust	5.80	4.83
	Atul Rural Development Fund	1.40	1.50
02	Reimbursements received	**0.05**	**0.06**
	Atul Kelavani Mandal (Current year: ₹ 13,153 and Previous year: ₹ 42,171)		
	Atul Vidyalaya	0.05	0.06

(₹ cr)

Note 27.4 (I) Outstanding balances as at year end		As at March 31, 2018	As at March 31, 2017
a) With subsidiary companies			
01	Loans receivable	**9.63**	**15.93**
	Amal Ltd[1]	9.63	11.63
	Atul Bioscience Ltd	–	4.30
02	Deposit receivable	**–**	**2.14**
	Atul Infotech Pvt Ltd	–	2.14
03	Dividends receivable	**14.46**	**11.77**
	Atul Bioscience Ltd	7.05	6.50
	Atul Biospace Ltd	1.16	–
	Atul Europe Ltd	5.21	5.27
	Atul USA Inc	1.04	–
04	Receivables	**135.10**	**92.41**
	Amal Ltd (Previous year: ₹ 49,533)	0.08	
	Atul Bioscience Ltd	6.15	5.98
	Atul Biospace Ltd	0.86	0.80
	Atul Brasil Quimicos Ltda	0.04	–
	Atul China Ltd	19.07	23.31
	Atul Crop Care Ltd	0.01	0.01
	Atul Elkay Polymers Ltd	0.07	0.07
	Atul Europe Ltd	44.79	23.34
	Atul Finserv Ltd	0.07	0.01
	Atul USA Inc	63.96	38.89
	Lapox Polymers Ltd (Current year: ₹ 21,819)		–
05	Payables	**14.15**	**7.66**
	Aasthan Dates Ltd (Previous year: ₹ 20,500)	–	
	Amal Ltd	8.10	3.42
	Atul Bioscience Ltd	0.04	0.03
	Atul China Ltd	0.38	0.17
	Atul Crop Care Ltd	1.43	–
	Atul Europe Ltd	2.05	2.08
	Atul Finserv Ltd	0.19	0.14
	Atul Infotech Pvt Ltd	0.24	0.19
	Atul Middle East FZ-LLC	–	0.01
	Atul USA Inc	0.32	0.45
	Lapox Polymers Ltd	1.40	1.17

[1] Interest free loan at amortised cost (Current year: ₹ 7.07 cr and Previous year: ₹ 7.89 cr) including equity component, pursuant to the order of Board for Industrial and Financial Reconstruction.

Note 27.4 (I) Outstanding balances as at year end (continued)

(₹ cr)

b)	With joint venture company	As at March 31, 2018	As at March 31, 2017
01	Dividends receivable	2.92	3.72
02	Receivables	1.44	1.59
03	Refundable security deposit	2.60	2.60
04	Payables	0.10	–

All above balances are with Rudolf Atul Chemicals Ltd

(₹ cr)

c)	With joint operation	As at March 31, 2018	As at March 31, 2017
01	Receivables	0.88	–

(₹ cr)

d)	With Key Management Personnel	As at March 31, 2018	As at March 31, 2017
01	Payables	**0.01**	**0.01**
	Directors deposit	0.01	0.01

(₹ cr)

e)	With Entities over which Key Management Personnel or their close family members have significant influence	As at March 31, 2018	As at March 31, 2017
01	Receivables	**0.07**	**0.03**
	Atul Kelavani Mandal (Previous year: ₹ 35,655)	0.05	
	Atul Rural Development Fund (Current year: ₹ 25,564)		0.01
	Atul Vidyalaya	0.02	0.02
	Urmi Stree Sanstha (Current year: ₹ 7,199 and Previous year: ₹ 1,864)		
02	Payables		**0.03**
	Atul Rural Development Fund (Current year: ₹ 12,500)		0.03

Note 27.4 (J) Terms and conditions

01	Sales to and purchases from Related Parties were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available, at cost plus margin.
02	Transactions relating to dividends and subscriptions for new equity shares were on the same terms and conditions that applied to other Shareholders.
03	All outstanding balances are unsecured and are repayable in cash.

Note 27.5 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

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

(₹ cr)

	Particulars	2017-18	2016-17
i)	**Current tax**		
	Current tax on profit for the year	103.04	81.80
	Adjustments for current tax of prior periods	(0.83)	(2.07)
	Total current tax expense	**102.21**	**79.73**
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	138.74	61.26
	Decrease | (Increase) in deferred tax assets	(114.11)	(25.77)
	Total deferred tax expense | (benefit)	**24.63**	**35.49**
	Income tax expense	**126.84**	**115.22**

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

(₹ cr)

	Particulars	2017-18	2016-17
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	0.95	0.86
	Total current tax expense	**0.95**	**0.86**
ii)	**Deferred tax**		
	Effective portion of gain | (loss) on cash flow hedges	0.02	(0.25)
	Total deferred tax expense | (benefit)	**0.02**	**(0.25)**
	Income tax expense	**0.97**	**0.61**

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

	Particulars	2017-18	2016-17
a)	Statutory income tax rate	34.61%	34.61%
b)	Differences due to:		
i)	Expenses not deductible for tax purposes	0.93%	0.75%
ii)	Income exempt from income tax	(1.56%)	(2.17%)
iii)	Income tax incentives	(0.55%)	(3.48%)
iv)	Others	(1.43%)	(0.94%)
	Effective income tax rate	**32.00%**	**28.77%**

Note 27.5 Current and Deferred tax (continued)

d) Current tax assets

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	–	3.11
Add: Tax paid in advance, net of provisions during the year	0.67	(3.11)
Closing balance	**0.67**	**–**

e) Current tax liabilities

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	1.99	–
Add: Current tax payable for the year	102.21	79.73
Less: Taxes paid	(96.19)	(77.74)
Closing balance	**8.01**	**1.99**

f) Deferred tax liabilities (net)

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

(₹ cr)

Particulars	As at March 31, 2018	(Charged) | Credited to profit or loss | OCI | equity	As at March 31, 2017	(Charged) | Credited to profit or loss | OCI | equity	As at March 31, 2016
Property, plant and equipment	140.33	1.59	138.74	61.26	77.48
Total deferred tax liabilities	**140.33**	**1.59**	**138.74**	**61.26**	**77.48**
Provision for leave encashment	(8.58)	0.46	(9.04)	(1.23)	(7.81)
Provision for doubtful debts	(0.91)	0.19	(1.10)	0.22	(1.32)
Provision for doubtful advances	–	–	–	0.07	(0.07)
Investment properties	(6.21)	(2.26)	(3.95)	(0.18)	(3.77)
Unrealised MTM losses on derivatives (CIRS)	–	1.75	(1.75)	(1.75)	–
Cash flow hedges	0.02	0.27	(0.25)	0.06	(0.31)
MAT credit entitlement	–	22.90	(22.90)	(22.90)	–
Total deferred tax assets	**(15.68)**	**23.31**	**(38.99)**	**(25.71)**	**(13.28)**
Net deferred tax liabilities | (assets)	**124.65**	**24.90**	**99.75**	**35.55**	**64.20**

g) Unrecognised temporary differences

The Company has not recognised deferred tax liability | asset associated with fair value gain | (loss) on equity share measured at OCI as based on the Management projection of future taxable income and existing plan, it is not probable that such difference will reverse in the foreseeable future.

h) Effective income tax rate

The effective income tax rate up to March 31, 2018 was 34.61%. The increase in effective income tax rate to 34.94% was announced in Union Budget 2018 which was substantively enacted on March 29, 2018 and has been in effect from April 01, 2018. As a result, the relevant deferred tax balances has been remeasured using revised effective income tax rate.

Note 27.6 Employee benefit obligations

Funded schemes

a) **Defined benefit plans:**

Gratuity

The Company operates a gratuity plan through the 'Atul Employees Gratuity Trust'. Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme, whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after 5 years of continuous service.

Balance Sheet amount (Gratuity)

(₹ cr)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2016	**47.27**	**(47.27)**	**–**
Current service cost	2.52	–	2.52
Interest expense | (income)	3.69	(3.69)	–
Total amount recognised in profit and loss	**6.21**	**(3.69)**	**2.52**
Remeasurement			
Return on plan assets, excluding amount included in interest expense | (income)	–	(1.98)	(1.98)
(Gain) | Loss from change in financial assumptions	1.11	–	1.11
Experience (gain) | loss	(1.61)	–	(1.61)
Total amount recognised in Other Comprehensive Income	**(0.50)**	**(1.98)**	**(2.48)**
Employer contributions	–	(0.04)	(0.04)
Benefit payments	(5.81)	5.81	–
As at March 31, 2017	**47.17**	**(47.17)**	–
Current service cost	2.74	–	2.74
Interest expense | (income)	3.41	(3.41)	–
Total amount recognised in profit and loss	**6.15**	**(3.41)**	**2.74**
Remeasurement			
Return on plan assets, excluding amount included in interest expense | (income)	–	0.06	0.06
(Gain) | Loss from change in financial assumptions	(1.17)	–	(1.17)
Experience (gain) | loss	(1.62)	–	(1.62)
Total amount recognised in Other Comprehensive Income	**(2.79)**	**0.06**	**(2.73)**
Employer contributions	–	(0.01)	(0.01)
Benefit payments	(5.11)	5.11	–
As at March 31, 2018	**45.42**	**(45.42)**	–

The net liability disclosed above relates to following funded and unfunded plans: (₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	45.42	47.17
Fair value of plan assets	(45.42)	(47.17)
Deficit of Gratuity plan	**–**	**–**

Note 27.6 Employee benefit obligations (continued)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.68%	7.22%
Attrition rate	9.70%	7.30%
Rate of return on plan assets	7.68%	7.22%
Salary escalation rate	8.27% and 6.00%	7.75%

Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Discount rate	1.00%	1.00%	(3.39%)	(3.92%)	3.70%	4.31%
Attrition rate	1.00%	1.00%	(0.09%)	(0.06%)	0.10%	0.06%
Rate of return on plan assets	1.00%	1.00%	(3.39%)	(3.92%)	3.70%	4.31%
Salary escalation rate	1.00%	1.00%	3.67%	4.27%	(3.43%)	(3.96%)

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

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

Major categories of plan assets are as follows:

(₹ cr)

Particulars	As at March 31, 2018				As at March 31, 2017			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India assets	–	1.18	1.18	2.60%	–	1.27	1.27	2.69%
Debt instruments								
Corporate bonds	0.99	–	0.99	2.18%	1.22	–	1.22	2.59%
Investment funds								
Insurance fund	43.07	–	43.07	94.83%	44.52	–	44.52	94.38%
Others	–	0.02	0.02	0.04%	–	–	–	–
Special deposit scheme	–	0.16	0.16	0.35%	–	0.16	0.16	0.34%
	44.06	**1.36**	**45.42**	**100%**	**45.74**	**1.43**	**47.17**	**100%**

Note 27.6 Employee benefit obligations (continued)

Risk exposure

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

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in Government securities. These are subject to interest rate risk. The Company has a Risk Management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets.

A large portion of assets consists insurance funds, although the Company also invests in corporate bonds and special deposit schemes. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are ₹ 2.53 cr.

The weighted average duration of the defined benefit obligation is 6 years (2016-17: 5 years). The expected maturity analysis of gratuity is as follows:

(₹ cr)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2018	9.65	6.25	19.51	44.45	79.86
As at March 31, 2017	7.45	5.75	20.50	51.22	84.92

Provident Fund:

The Company has established an Employee Provident Fund Trust administered by the Company to which both the employee and the employer make monthly contribution equal to 12% of basic salary of employee respectively. The Company's contribution to the Provident Fund for all employees is charged to the Statement of Profit and Loss. In case of any liability arising due to short fall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability is ₹ Nil. The Company has contributed the following amounts towards Provident Fund during the respective period ended:

(₹ cr)

Expenses recognised for the year ended on March 31, 2018 (included in Note 24)	As at March 31, 2018	As at March 31, 2017
i) Defined benefit obligations	9.48	9.14
ii) Funds	9.81	9.16
iii) Net assets | (liabilities)	0.33	0.03
iv) Charge to the Statement of Profit and Loss during the year	0.20	0.20

Note 27.6 Employee benefit obligations (continued)

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

	Particulars	2017-18	2016-17
i)	Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
ii)	Withdrawal rates	5% p.a. for all age groups	6% p.a. for all age groups
iii)	Rate of discount	7.68%	7.22%
iv)	Expected rate of interest	8.55%	8.65%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.55%	8.65%

b) Defined contribution plans:

Provident and other funds:

Amount of ₹ 9.60 cr (March 31, 2017: ₹ 9.36 cr) is recognised as expense and included in Note 24 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 0.71 cr (March 31, 2017: ₹ 5.99 cr) is recognised as expense and included in Note 24 'Salaries, wages and bonus'.

Note 27.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	–	452.32	–	–	415.06	–
Preference shares	–	–	5.72	–	–	7.10
Government securities	–	–	0.01	–	–	0.01
Share application money	–	0.01	–	–	–	–
Trade receivables	–	–	717.68	–	–	507.06
Loans	–	–	7.07	–	–	12.19
Security deposits for utilities and premises	–	–	1.10	–	–	3.27
Dividends receivable	–	–	17.38	–	–	15.93
Derivative financial assets designated as hedges	–	0.07	–	–	1.70	–
Finance lease receivable	–	–	1.25	–	–	1.38
Cash and bank balances	–	–	22.17	–	–	7.21
Other receivables	–	–	14.64	–	–	7.88
Total financial assets	**–**	**452.40**	**787.02**	**–**	**416.76**	**562.03**
Financial liabilities						
Borrowings	–	–	0.01	–	–	155.23
Trade payables	–	–	470.46	–	–	329.06
Security deposits	–	–	19.80	–	–	19.30
Derivative financial liabilities designated as hedges	–	0.02	–	–	2.43	–
Derivative financial liabilities not designated as hedges	–	–	–	5.07	–	–
Employee benefits payable	–	–	24.28	–	–	22.56
Creditors for capital goods	–	–	18.81	–	–	18.38
Other liabilities (Includes discount payables)	–	–	14.86	–	–	8.79
Total financial liabilities	**–**	**0.02**	**548.22**	**5.07**	**2.43**	**553.32**

Note 27.7 Fair value measurements (continued)

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the 3 levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

i) Financial assets and liabilities measured at fair value – recurring fair value measurements at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVOCI:					
Quoted equity shares	5	451.53	–	–	451.53
Unquoted equity shares[1]	5	–	–	0.79	0.79
Share application money	5	0.01	–	–	0.01
Derivatives designated as hedges:					
Foreign exchange forward contracts		–	0.07	–	0.07
Total financial assets		**451.54**	**0.07**	**0.79**	**452.40**
Financial liabilities					
Derivatives designated as hedges:					
Currency options		–	0.02	–	0.02
Derivatives not designated as hedges:					
Currency swaps		–	–	–	–
Total financial liabilities		**–**	**0.02**	**–**	**0.02**

(₹ cr)

ii) Assets and liabilities for which fair values are disclosed at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Investments:					
Preference shares	5	–	–	5.72	5.72
Government securities	5	0.01	–	–	0.01
Loans	6	–	–	7.07	7.07
Security deposits for utilities and premises	7	–	–	1.10	1.10
Finance lease receivable	7	–	–	1.25	1.25
Total financial assets		**0.01**	**–**	**15.14**	**15.15**
Financial liabilities					
Borrowings	15	–	–	0.01	0.01
Security deposits	16	–	–	19.80	19.80
Total financial liabilities		**–**	**–**	**19.81**	**19.81**
Investment properties	3	**–**	**–**	**141.00**	**141.00**

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Note 27.7 Fair value measurements (continued)

(₹ cr)

iii) Financial assets and liabilities measured at fair value – recurring fair value measurements at March 31, 2017	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVOCI:					
Quoted equity shares	5	414.27	–	–	414.27
Unquoted equity shares[1]	5	–	–	0.79	0.79
Derivatives designated as hedges:					
Currency options		–	1.70	–	1.70
Total financial assets		**414.27**	**1.70**	**0.79**	**416.76**
Financial liabilities					
Derivatives designated as hedges:					
Foreign exchange forward contracts		–	2.43	–	2.43
Derivatives not designated as hedges:					
Currency swaps			5.07		5.07
Total financial liabilities		**–**	**7.50**	**–**	**7.50**

(₹ cr)

iv) Assets and liabilities for which fair values are disclosed at March 31, 2017	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Investments:					
Preference shares	5	–	–	7.10	7.10
Government securities	5	0.01	–	–	0.01
Loans	6	–	–	12.19	12.19
Security deposits for utilities and premises	7	–	–	3.27	3.27
Finance lease receivable	7	–	–	1.38	1.38
Total financial assets		**0.01**	–	**23.94**	**23.95**
Financial liabilities					
Borrowings	15	–	–	154.80	154.80
Security deposits	16	–	–	19.30	19.30
Total financial liabilities		–	–	**174.10**	**174.10**
Investment properties	3	–	–	**134.00**	**134.00**

[1] Includes investment in Bharuch Enviro Infrastructure Ltd (70,000 equity shares) and in Narmada Clean Tech Ltd (7,15,272 equity shares) which are for operation purposes and the Company expects its refund on exit. The Company estimates that the fair value of these investments are not materially different as compared to its cost.

Note 27.7 Fair value measurements (continued)

There were no transfers between any levels during the year.

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

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

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

b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments

ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves

iii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date

iv) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model

v) the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in level 1 and 2.

c) Valuation processes

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

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

(₹ cr)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments:				
Preference shares	5.72	5.72	7.10	7.04
Government securities	0.01	0.01	0.01	0.01
Loans for utilities and premises	7.07	7.07	12.19	13.78
Security deposits for utilities and premises	1.10	1.10	3.27	3.27
Finance lease receivable	1.25	1.25	1.38	1.38
Total financial assets	**15.15**	**15.15**	**23.95**	**25.48**
Financial liabilities				
Borrowings	0.01	0.01	155.23	154.80
Security deposits	19.80	19.80	19.30	19.30
Total financial liabilities	**19.81**	**19.81**	**174.53**	**174.10**

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, capital creditors, dividends receivable, other liabilities (including discount payable) and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values for loans and investment in preference shares were calculated based on cash flows discounted using a current lending rate.

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

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

Note 27.8 Financial Risk Management

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

i) Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.

ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and a clear understanding of risk interrelationships.

iii) Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.

iv) Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v) Risk reporting and monitoring: Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

a) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

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

(₹ cr)

As at March 31, 2018	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	15	0.01	0.01	–	0.01
Trade payables	19	470.46	470.46	–	470.46
Security and other deposits	16	19.80	19.80	–	19.80
Employee benefits payable	16	24.28	24.28	–	24.28
Creditors for capital goods	16	18.81	18.81	–	18.81
Other liabilities	16	14.86	14.86	–	14.86
Derivatives (settlement on net basis)		0.02	0.02	–	0.02
As at March 31, 2017	**Note**	**Carrying amount**	**Less than 12 months**	**More than 12 months**	**Total**
Borrowings	15	155.23	155.23	–	155.23
Interest on non-current borrowings			0.46	–	0.46
Trade payables	19	329.06	329.06	–	329.06
Security and other deposits	16	19.30	19.30	–	19.30
Employee benefits payable	16	22.56	22.56	–	22.56
Creditors for capital goods	16	18.38	17.99	0.39	18.38
Other liabilities	16	8.79	8.40	0.39	8.79
Derivatives (settlement on net basis)		2.43	2.43	–	2.43

Note 27.8 Financial Risk Management (continued)

b) Management of market risk

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

i) price risk

ii) interest rate risk

iii) foreign exchange risk

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

	Potential impact of risk	Management policy	Sensitivity to risk
i)	**Price risk**		
	The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2018 is ₹ 451.53 cr (March 31, 2017: ₹ 414.27 cr).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management Policy. Any new investment or divestment must be approved by the Board, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows. For equity instruments, a 9.14% increase in Nifty 50 prices may have led to approximately an additional ₹ 40.83 cr gain in Other Comprehensive Income (2016-17: ₹ 32.52 cr). A 9.14% decrease in Nifty 50 prices may have led to an equal, but opposite effect.
ii)	**Interest rate risk**		
	a) Financial liabilities:		
	The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2018, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ Nil (March 31, 2017: ₹ 51.87 cr)	In order to manage its interest rate risk arising from variable interest rate borrowings, the Company uses interest rate swaps to hedge its exposure to future market interest rates whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the Treasury department. The Risk Management Committee and the Treasury department maintain a list of approved instruments which can be used for the purpose of such interest rate hedging.	As an estimation of the approximate impact of the interest rate risk with respect to the financial instruments, the Company has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates may have led to approximately an additional ₹ Nil (2016-17: ₹ 0.13 cr) gain in Other Comprehensive Income. A 25 bps decrease in interest rates may have led to an equal, but opposite effect.

Note 27.8 Financial Risk Management (continued)

b) Financial assets:		
The Company holds variable interest rate financial assets and fixed interest rate financial assets. However, it does not designate fixed interest rate financial assets at fair value through profit and loss. Therefore, changes in interest rates of fixed rate instruments may not affect profit or loss | equity. As at March 31, 2018, the exposure to interest rate risk due to variable interest rate loans amounted to ₹ Nil (March 31, 2017: ₹ 4.30 cr).	In order to manage its interest rate risk on variable interest rate financial assets, any new loan is as per the Policy of the Company.	The Company has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates may have led to approximately an additional ₹ Nil (2016-17: ₹ 0.01 cr) gain in Other Comprehensive Income. A 25 bps decrease in interest rates may have led to an equal, but opposite effect.
iii) Foreign exchange risk		
The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.	The Company has exposure arising out of export, import, loans and other transactions other than functional risk. The Company hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management Policy of the Company.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Company has calculated the impact as follows: For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an increase in additional ₹ 5.48 cr gain in Other Comprehensive Income (2016-17: gain of ₹ 3.76 cr). A 2% decrease may have led to an increase in additional ₹ 5.01 cr loss in Other Comprehensive Income (2016-17: loss of ₹ 2.36 cr).

Foreign currency risk exposure:

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

Particulars	As at March 31, 2018					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Trade receivables	54.80	356.43	2.75	22.17	0.03	0.27
Dividends receivable	0.16	1.04	–	–	0.57	5.21
Less:						
Hedged through derivatives[1]						
Foreign exchange forward contracts	0.92	6.01	–	–	–	–
Net exposure to foreign currency risk (assets)	**54.04**	**351.46**	**2.75**	**22.17**	**0.60**	**5.48**
Financial liabilities						
Borrowings	–	–	–	–	–	–
Trade payables	16.09	104.64	0.14	1.09	0.03	0.24
Less:						
Hedged through derivatives[1]						
Currency range option	3.72	24.22	–	–	–	–
Net exposure to foreign currency risk (liabilities)	**12.37**	**80.42**	**0.14**	**1.09**	**0.03**	**0.24**

[1]Includes hedges for highly probable transactions up to next 12 months

Note 27.8 Financial Risk Management (continued)

Particulars	As at March 31, 2017					
	US$ mn	₹ cr	€ mn	₹ cr	£mn	₹ cr
Financial assets						
Trade receivables	37.67	244.26	2.43	16.80	0.10	0.77
Dividends receivable	–	–	–	–	0.65	5.25
Less:						
Hedged through derivatives[1]						
Currency range options	7.65	49.60	–	–	–	–
Net exposure to foreign currency risk (assets)	**30.02**	**194.66**	**2.43**	**16.80**	**0.75**	**6.02**
Financial liabilities						
Borrowings	10.67	69.15	–	–	–	–
Trade payables	8.07	52.33	0.22	1.52	0.01	0.04
Less:						
Hedged through derivatives[1]						
Foreign exchange forward contracts	9.00	58.35	–	–	–	–
Currency swaps	1.67	10.80	–	–	–	–
Net exposure to foreign currency risk (liabilities)	**8.07**	**52.33**	**0.22**	**1.52**	**0.01**	**0.04**

[1]Includes hedges for highly probable transactions up to next 12 months

c) Management of credit risk

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

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Reconciliation of loss allowance provision – Trade receivables

(₹ cr)

Particulars	Loss allowance on Trade receivables
Loss allowance as on March 31, 2016	**3.80**
Changes in loss allowance	(0.64)
Loss allowance as on March 31, 2017	**3.16**
Changes in loss allowance	(0.56)
Loss allowance as on March 31, 2018	**2.60**

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in Government securities, preference shares and loans to subsidiary companies. The Company has diversified portfolio of investment with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Company.

Note 27.8 Financial Risk Management (continued)

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2018 (₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US$								
Foreign exchange risk								
Foreign exchange forward contracts	6.01	–	0.07	–	1-12	66.18	0.07	(0.07)
Currency range options	–	24.22	–	(0.02)	1-12	64.90-68.90	(0.02)	0.02

As at March 31, 2017 (₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US$								
Foreign exchange risk								
Foreign exchange forward contracts	–	58.35	–	(2.43)	1-12	68.06	(2.43)	2.43
Currency range options	49.60	–	1.70	–	1-12	67.98-73.20	1.70	(1.70)

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2018 (₹ cr)

Type of hedge	Change in the value of the hedging instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	0.05	–	(0.73)	Revenue and inventories

Note 27.8 Financial Risk Management (continued)

As at March 31, 2017 *(₹ cr)*

Type of hedge	Change in the value of the hedging instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	(0.73)	–	(0.89)	Revenue and inventories

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
Derivative instruments	**As at March 31, 2018**	**As at March 31, 2017**
Balance at the beginning of the year	**(0.48)**	**(0.59)**
Gain | (Loss) recognised in Other Comprehensive Income during the year	0.05	(0.73)
Amount reclassified to revenue during the year	0.48	0.59
Tax impact on above	(0.02)	0.25
Balance at the end of the year	**0.03**	**(0.48)**

Note 27.9 Capital Management

The primary objective of Capital Management of the Company is to maximise Shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity.

For the purpose of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:
Total equity includes General reserve, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Total debt	0.01	155.23
Total equity	2,197.54	1,920.82
Debt-Equity ratio	–	0.08

Note 27.10 Segment information

In accordance with Ind AS 108 'Operating Segments', segment information has been given in the Consolidated Financial Statements of Atul Ltd, and therefore no separate disclosure on segment information is given in the Standalone Financial Statements.

Note 27.11 Earnings per share

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

Particulars		2017-18	2016-17
Profit for the year attributable to the Equity Shareholders	₹ cr	270.41	285.30
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 EPS	₹	91.16	96.18

Note 27.12 Leases

a) Operating lease

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) Finance lease

i) The Company has given a building on finance lease for a term of 30 years.

Future minimum lease payments receivable under finance leases, together with the present value of the net minimum lease payments (MLP), are as under:

(₹ cr)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Minimum lease payments receivable	Present value of MLP receivable	Minimum lease payments receivable	Present value of MLP receivable
Not later than 1 year	–	–	0.20	0.20
Later than 1 year and not later than 5 years	0.40	0.35	0.40	0.34
Later than 5 years	2.00	0.90	2.00	0.84
Total minimum lease payments receivable	**2.40**	**1.25**	**2.60**	**1.38**
Less: unearned finance income	1.15	–	1.22	–
Present value of minimum lease payments receivable	**1.25**	**1.25**	**1.38**	**1.38**
Less: allowance for uncollectible lease payments	–	–	–	–
	1.25	**1.25**	**1.38**	**1.38**

ii) The Company has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the current rental. However, the Company has no specific obligation for renewal. The Company has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land, and has thus accounted for the same as finance lease.

Note 27.13 Loans

Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with Section 186 (4) of the Companies Act, 2013.

Particulars	Purpose	Amount outstanding as at		Maximum balance during the year	
		March 31, 2018	March 31, 2017	2017-18	2016-17
i) Subsidiary companies:					
Atul Bioscience Ltd	Seed funding support as promoters	–	4.30	4.30	4.30
Amal Ltd*	Interest free loan, pursuant to Board for Industrial and Financial Reconstruction order	7.07	7.89	7.89	9.37

* At amortised cost

Notes:

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

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

Note 27.14 Disclosure requirement under MSMED Act, 2006

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

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.06	3.30
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.02	0.02
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.14	2.51
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	0.02	0.01
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	–	–
Further interest remaining due and payable for earlier years	–	–

Note 27.15 Expenditure on Corporate Social Responsibility initiatives

a) Gross amount required to be spent by the Company during the year is ₹ 7.39 cr

b) Amount spent during the year on:

(₹ cr)

Particulars	Paid	Payable	Total
i) Construction | acquisition of any asset	–	–	–
ii) On purposes other than (i) above	7.39	–	7.39

Note 27.16 Rounding off

Figures less than ₹ 50,000 have been shown at actual in brackets.

Note 27.17 Offsetting financial assets and liabilities

The below Note presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar Agreements, but not offset, as at March 31, 2018 and March 31, 2017.

a) Collateral against borrowings

The Company has hypothecated | mortgaged financial instruments as collateral against a number of its borrowings. Refer to Note 15 for further information on financial and non-financial collateral hypothecated | mortgaged as security against borrowings.

b) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Balance Sheet.

Note 27.18 Events after the reporting period

The proposed dividend on equity shares at ₹ 12.00 per share is recommended by the Board which is subject to the approval of Shareholders in the ensuing Annual General Meeting.

Note 27.19 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board on April 27, 2018.

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Independent Auditor's Report

To the Members of Atul Ltd

Report on the Consolidated Ind AS Financial Statements

01. We have audited the accompanying Consolidated Ind AS Financial Statements of Atul Ltd (hereinafter referred to as 'the Parent') and its subsidiary companies (the Parent and its subsidiary companies together referred to as 'the Group') and its joint venture company, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of changes in equity, for the year then ended, and a summary of the significant Accounting Policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind AS Financial Statements') which includes a joint operation of the Group accounted on a proportionate basis.

Management's responsibility for the Consolidated Ind AS Financial Statements

02. The Board of Directors of the Parent Company is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of changes in equity of the Group including its Joint venture company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate Accounting Policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Parent, as aforesaid.

Auditor's responsibility

03. Our responsibility is to express an opinion on these Consolidated Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

04. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements are free from material misstatement.

05. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Controls relevant to the Parent's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Board of Directors of the Parent Company, as well as evaluating the overall presentation of the Consolidated Ind AS Financial Statements.

06. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS Financial Statements.

Opinion

07. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other Auditors on separate Financial Statements of the joint operation and the subsidiary companies referred to below in the Other matters paragraph, the aforesaid Consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

Other matters

08. We did not audit the Financial Statements of a joint operation included in the Standalone Financial Statements of a subsidiary company included in the Group whose Financial Statements reflect total assets of ₹ 40.20 cr as at March 31, 2018 and total revenues of ₹ 0.09 cr for the year ended on that date, as considered in the Standalone Financial Statements of the Company included in the Group. The Financial Statements of this joint operation have been audited by other Auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this joint operation, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operation is based solely on the report of such other Auditor.

09. We did not audit the Financial Statements | financial information of 30 subsidiary companies whose Financial Statements | financial information reflect total assets of ₹ 260.27 cr as at March 31, 2018, total revenues of ₹ 596.12 cr and net cash inflows amounting to ₹ 6.13 cr for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Financial Statements | financial information have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other Auditors.

10. We did not audit the financial information of a subsidiary company, whose financial information reflects total assets of ₹ 0.60 cr as at March 31, 2018, total revenue of ₹ Nil and net cash outflows amounting to ₹ 0.01 cr for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. This financial information is unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary company, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

11. The Consolidated Financial Statements of the Company for the year ended March 31 2017, were audited by the M/s Dalal & Shah Chartered Accountants LLP, the predecessor Auditor.

Our opinion on the Consolidated Ind AS Financial Statements above and our report on Other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors.

Report on other legal and regulatory requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of other Auditors on separate Financial Statements of joint operation, subsidiary companies and joint venture company incorporated in India, referred in the Other matters paragraph above we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other Auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.

d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the Statutory Auditors of its subsidiary companies and joint venture company incorporated in India, none of the Directors of the Group companies and joint venture company incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure A, which is based on the Auditor's reports of the Parent company, subsidiary companies and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness Internal Financial Controls over financial reporting of those Companies, for the reasons stated therein.

   Reporting on the adequacy of Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls under Section 143(3)(i) of the Act is not applicable to the joint operation of the Group, such joint operation being a Limited Liability Partnership.

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

   i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company.

   ii) The Group and its joint venture company did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and joint venture company incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W | W-100018

Samir R. Shah
Partner
Membership Number: 101708

Mumbai
April 27, 2018

Annexure A to the Independent Auditor's Report

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

Report on the Internal Financial Controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

01. In conjunction with our audit of the Consolidated Ind AS Financial Statements of Atul Ltd (hereinafter referred to as 'the Parent') as of and for the year ended March 31, 2018, we have audited the Internal Financial Controls over financial reporting of the Parent, its subsidiary companies and joint venture company which are companies incorporated in India, as of that date.

Management's responsibility for Internal Financial Controls

02. The respective Board of Directors of the Parent, its subsidiary companies and joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

03. Our responsibility is to express an opinion on the Internal Financial Controls over financial reporting of the Parent, its subsidiary companies and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

05. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors of the subsidiary companies and joint venture company, which are companies incorporated in India, in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over financial reporting of the Parent, its subsidiary companies and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls over financial reporting

06. The Internal Financial Controls over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. The Internal Financial Controls over financial reporting of the Company include those policies and procedures that a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company, b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

Inherent limitations of Internal Financial Controls over financial reporting

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

Opinion

08. In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors referred to in the Other matters paragraph below, Parent, its subsidiary companies and joint venture company, which are companies incorporated in India, have, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2018, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal controls stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

09. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting insofar as it relates to 30 subsidiary companies and a joint operation, which are companies incorporated in India, is based solely on the corresponding reports of the Auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration Number: 117366W | W-100018

Samir R. Shah
Partner
Membership Number: 101708

Mumbai
April 27, 2018

Consolidated Balance Sheet as at March 31, 2018

(₹ cr)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	1,000.30	999.04
b) Capital work-in-progress	2	96.20	58.99
c) Investment properties	3	3.22	3.22
d) Goodwill	4 (a)	23.75	23.75
e) Other intangible assets	4 (a)	0.01	0.02
f) Biological assets other than bearer plants	4 (b)	11.50	9.32
g) Investments accounted for using the equity method	5	10.72	10.00
h) Financial assets			
i) Investments	6	453.42	416.02
ii) Loans	7	0.20	–
iii) Other financial assets	8	1.52	1.14
i) Income tax assets (net)	29.5	2.58	1.21
j) Deferred tax assets	29.5	5.01	2.67
k) Other non-current assets	9	49.67	74.66
Total non-current assets		**1,658.10**	**1,600.04**
2 Current assets			
a) Inventories	10	411.43	419.24
b) Biological assets	4 (b)	11.20	11.77
c) Financial assets			
i) Investments	11	5.70	2.92
ii) Trade receivables	12	723.40	518.96
iii) Cash and cash equivalents	13	42.67	23.44
iv) Bank balances other than cash and cash equivalents above	14	6.72	4.86
v) Other financial assets	8	20.90	19.98
d) Other current assets	9	133.47	125.92
Total current assets		**1,355.49**	**1,127.09**
Total assets		**3,013.59**	**2,727.13**
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	15	29.68	29.68
b) Other equity	16	2,214.24	1,936.26
Equity attributable to owners of Atul Ltd		**2,243.92**	**1,965.94**
Non-controlling interests		20.01	15.25
Total equity		**2,263.93**	**1,981.19**
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	17	–	0.38
ii) Other financial liabilities	18	25.23	24.05
b) Provisions	19	17.84	20.15
c) Deferred tax liabilities (net)	29.5	129.55	104.09
d) Other non-current liabilities	20	8.30	9.67
Total non-current liabilities		**180.92**	**158.34**
2 Current liabilities			
a) Financial liabilities			
i) Borrowings	17	15.91	144.59
ii) Trade payables	21	459.02	337.49
iii) Other financial liabilities	18	57.66	74.63
b) Other current liabilities	20	17.15	17.90
c) Provisions	19	10.87	9.60
d) Current tax liabilities (net)	29.5	8.13	3.39
Total current liabilities		**568.74**	**587.60**
Total liabilities		**749.66**	**745.94**
Total equity and liabilities		**3,013.59**	**2,727.13**

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Consolidated Statement of Profit and Loss
for the year ended March 31, 2018

(₹ cr)

Particulars	Note	2017-18	2016-17
INCOME			
Revenue from operations	22	3,337.92	2,996.05
Other income	23	25.91	52.55
Total income		**3,363.83**	**3,048.60**
EXPENSES			
Cost of materials consumed	24	1,734.88	1,397.28
Purchases of stock-in-trade		15.84	27.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	52.75	10.80
Excise duty		42.15	162.11
Employee benefit expenses	26	213.38	200.14
Finance costs	27	12.74	25.17
Depreciation and amortisation expenses	2, 4	110.38	95.44
Other expenses	28	773.73	688.87
Total expenses		**2,955.85**	**2,607.21**
Profit before share of net profit of investments accounted for using equity method and tax		**407.98**	**441.39**
Share of net profit of joint venture company accounted for using the equity method		4.23	4.67
Profit before tax		**412.21**	**446.06**
Tax expense			
Current tax	29.5	108.16	87.11
Deferred tax	29.5	22.81	35.60
Total tax expense		**130.97**	**122.71**
Profit for the year		**281.24**	**323.35**
Other Comprehensive Income			
a) Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through Other Comprehensive Income (FVOCI)		37.28	77.36
ii) Remeasurement gain | (loss) on defined benefit plans		2.72	2.44
iii) Income tax related to item no (ii) above		(0.95)	(0.84)
iv) Share of Other Comprehensive Income of joint venture company accounted for using the equity method (net of tax)		(0.01)	(0.02)
b) Items that will be reclassified to profit | loss			
i) Effective portion of gain | (loss) on cash flow hedges		0.05	(0.73)
ii) Income tax related to item no (i) above		(0.02)	0.25
iii) Exchange differences on translation of foreign operations		5.06	4.45
Other Comprehensive Income, net of tax		**44.13**	**82.91**
Total Comprehensive Income for the year		**325.37**	**406.26**
Profit is attributable to:			
Owners of the Company		276.48	322.97
Non-controlling interests		4.76	0.38
		281.24	**323.35**
Other Comprehensive Income is attributable to:			
Owners of the Company		44.13	82.90
Non-controlling interests		–	0.01
		44.13	**82.91**
Total Comprehensive Income is attributable to:			
Owners of the Company		320.61	405.87
Non-controlling interests		4.76	0.39
		325.37	**406.26**
Earnings per equity share attributable to owners of the Company			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	29.11	94.82	109.01

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Consolidated Statement of changes in equity

for the year ended March 31, 2018

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2016		**29.68**
Changes in Equity share capital during the year		–
As at March 31, 2017		**29.68**
Changes in Equity share capital during the year		–
As at March 31, 2018	15	**29.68**

B Other equity

(₹ cr)

Particulars	Attributable to owners of the Company								
	Reserves and surplus			Other reserves			Total other equity	Non-controlling interest	Total
	Securities premium reserve	General reserve	Retained earnings	FVOCI equity instruments	Cash flow hedging reserve	Foreign currency translation reserve			
As at March 31, 2016	**34.66**	**97.36**	**1,156.81**	**287.52**	**(0.59)**	**9.35**	**1,585.11**	**2.45**	**1,587.56**
Profit for the year	–	–	322.97	–	–	–	322.97	0.38	323.35
Other Comprehensive Income	–	–	1.58	77.36	(0.48)	4.45	82.91	0.01	82.92
Total Comprehensive Income for the year	**–**	**–**	**324.55**	**77.36**	**(0.48)**	**4.45**	**405.88**	**0.39**	**406.27**
Transfer to retained earnings on disposal of FVOCI equity instruments	–	–	0.75	(0.75)	–	–	–	–	–
Hedging gain | (loss) reclassified to Statement of Profit and Loss	–	–	–	–	0.59	–	0.59		0.59
Transactions with owners in their capacity as owners:									
Dividend paid (including dividend distribution tax)	–	–	(37.02)	–	–	–	(37.02)	–	(37.02)
Transactions with non-controlling interests	–	–	(18.30)	–	–	–	(18.30)	12.41	(5.89)
As at March 31, 2017	**34.66**	**97.36**	**1,426.79**	**364.13**	**(0.48)**	**13.80**	**1,936.26**	**15.25**	**1,951.51**
Profit for the year	–	–	276.48	–	–	–	276.48	4.76	281.24
Other Comprehensive Income	–	–	1.76	37.28	0.03	5.06	44.13	–	44.13
Total Comprehensive Income for the year	**–**	**–**	**278.24**	**37.28**	**0.03**	**5.06**	**320.61**	**4.76**	**325.37**
Transfer to retained earnings on disposal of FVOCI equity instruments	–	–	1.59	(1.59)	–	–	–	–	–
Hedging gain | (loss) reclassified to Statement of Profit and Loss	–	–	–	–	0.48	–	0.48	–	0.48
Transactions with owners in their capacity as owners:									
Dividend paid (including dividend distribution tax)	–	–	(38.51)	–	–	–	(38.51)	–	(38.51)
Non-controlling interest on acquisition of subsidiary companies	–	–	(4.60)	–	–	–	(4.60)	–	(4.60)
As at March 31, 2018	**34.66**	**97.36**	**1,663.51**	**399.82**	**0.03**	**18.86**	**2,214.24**	**20.01**	**2,234.25**

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

For and on behalf of the Board of Directors

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Consolidated Statement of Cash Flows
for the year ended March 31, 2018

(₹ cr)

Particulars		Note	2017-18	2016-17
A	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Profit before tax		412.21	446.06
	Adjustments for:			
	Add:			
	Depreciation and amortisation expenses	2, 4	110.38	95.44
	Finance costs	27	12.74	25.17
	Loss on disposal of property, plant and equipment	28	0.12	0.20
	Unrealised exchange rate difference (net)		(6.16)	4.64
	Effect of exchange rates on translation of operating cash flows		4.01	5.78
			121.09	131.23
			533.30	577.29
	Less:			
	Dividends received	23	8.07	7.25
	Interest income from financial assets measured at amortised cost		0.29	0.04
	Remeasurement to fair value of existing equity interest in acquire in business combination	23	–	30.98
	Changes in fair value of biological assets	23	(0.28)	1.78
	Gain on disposal of property, plant and equipment	23	0.43	3.71
	Share of profit on joint venture company		4.23	4.65
			12.74	48.41
	Operating profit before change in operating assets and liabilities		520.56	528.88
	Adjustments for:			
	(Increase) | Decrease in inventories	10	7.83	(2.53)
	(Increase) | Decrease in trade receivables		(198.29)	(82.20)
	(Increase) | Decrease in other financial assets		(6.57)	5.87
	(Increase) | Decrease in other assets		9.19	20.00
	Increase | (Decrease) in trade payables		121.46	22.39
	Increase | (Decrease) in other financial liabilities		7.74	(17.23)
	Increase | (Decrease) in other current liabilities		0.59	(5.05)
	Increase | (Decrease) in current provisions		0.93	0.77
	Increase | (Decrease) in non-current provisions		(2.31)	2.85
			(59.43)	(55.13)
	Cash generated from operations		461.13	473.75
	Less:			
	Income tax paid (net of refund)		105.42	82.01
	Net cash flow from operating activities A		**355.71**	**391.74**

Consolidated Statement of Cash Flows
for the year ended March 31, 2018 (continued)

(₹ cr)

	Particulars		Note	2017-18	2016-17
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Payments towards property, plant and equipment (including capital advance)			(143.04)	(216.71)
	Payments to acquire equity investment measured at cost			(0.01)	12.60
	Proceeds from sale of equity investment measured at FVOCI			(0.11)	(0.09)
	Proceeds from sale of equity investment measured at cost			3.51	8.96
	Repayments of loans			–	21.35
	(Disbursements) of loans			(0.20)	–
	Proceeds | (Payments) from fixed deposits			(1.73)	(1.02)
	Proceeds | (Payments) from mutual funds			(2.78)	(0.86)
	Proceeds from disposal of property, plant and equipment			–	4.68
	Interest received on financial assets measured at amortised cost			0.29	0.04
	Dividends received			13.94	(2.16)
	Net cash used in investing activities	**B**		**(130.13)**	**(173.21)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Repayments of term loans | non-current borrowings			(23.10)	(31.13)
	Disbursements | (Repayments) of working capital loans | current borrowings			(128.68)	(111.79)
	Payments of unclaimed dividend			(0.23)	(0.27)
	Transaction with non-controlling interests			(4.60)	(5.89)
	Interest paid			(12.91)	(27.30)
	Dividend on equity shares (including dividend distribution tax)			(37.88)	(35.45)
	Net cash used in financing activities	**C**		**(207.40)**	**(211.83)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**		**18.18**	**6.70**
	Cash and cash equivalents at the beginning of the year			23.44	18.07
	Net effect of exchange gain | (loss) on cash and cash equivalents			1.05	(1.33)
	Cash and cash equivalents at the end of the year			42.67	23.44

Notes:

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

ii) Cash flows from operating activities include ₹ 7.63 cr (March 31, 2017: ₹ 6.72 cr) being expenditure towards Corporate Social Responsibility initiatives.

iii) Refer Note 17 (g) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 27, 2018

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

For and on behalf of the Board of Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 27, 2018

Background

Atul Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India and the principal place of business is located at Atul, Gujarat, India.

The Company and its subsidiary companies are referred to as the Group here under. The Group is serving the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy across the world.

Note 1 Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Group in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary companies.

a) Basis of preparation:

i) Compliance with Ind AS:

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

ii) Historical cost convention:

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

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

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

c) Biological assets: measured at fair value less cost to sell

b) Principles of Consolidation and equity accounting:

i) Subsidiary companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

ii) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements

Under Ind AS 111 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the 'Joint Arrangement'. The Group has interest only in one joint venture company.

Joint venture company

Interest in joint venture company is accounted for using the equity method {see (iv) below}.

Joint operation

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Theses have been incorporated in the Consolidated Financial Statement under the appropriate headings. Details of the joint operation are set out in Note 29.14.

Note 1 Significant Accounting Policies (continued)

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and Other Comprehensive Income of the entity. Dividends received or receivable from associate company and joint venture company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (l) below.

v) Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced, but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in Other Comprehensive Income are reclassified to the Statement of Profit and Loss where appropriate.

c) Foreign currency transactions:

i) Functional and presentation currency:

Items included in the Financial Statements of each entities of the Group are measured using the currency of the primary economic environment in which the Company operates (‘functional currency’). The Consolidated Financial Statements are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss except that they are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income | (expense).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

iii) Group companies:

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative

c) all resulting exchange differences are recognised in Other Comprehensive Income

When a foreign operation is disposed, the associated exchange differences are reclassified to the Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

d) Revenue recognition:

i) Timing of recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Group. This generally happens upon dispatch of the goods to customers, except for export sales which are recognised when significant risk and rewards are transferred to the buyer as per the terms of contract. Revenue from services is recognised in the accounting period in which the services are rendered.

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

Interest income:

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

Dividends:

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

ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as goods and services tax, value added tax, etc. Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not. Discounts given include rebates, price reductions and other incentives given to customers. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed to be present as the sales are made with a credit term which is consistent with market practice.

e) Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

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

Note 1 Significant Accounting Policies (continued)

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

f) Government grants:

a) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

b) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

c) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

g) Leases:

As a lessee:

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor:

Income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

Note 1 Significant Accounting Policies (continued)

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to the Consolidated Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

h) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary company comprises the:

i) fair values of the assets transferred,

ii) liabilities incurred to the former owners of the acquired business,

iii) equity interest issued by the Group,

iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- sum of consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as Goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in Other Comprehensive Income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing can be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or Other Comprehensive Income, as appropriate.

i) Property, plant and equipment:

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

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

Fruits bearing plants qualify as bearer plants under Ind AS 16. Expenditure incurred on cultivation of plantations up to the date they become capable of bearing fruit are accumulated under Bearer plant under development (Immature) and then capitalised as a Bearer plant (Mature) to be amortised | depreciated over their estimated useful life.

The plantation destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plant (Mature) or being carried under Bearer plant under development (Immature) are charged off to Consolidated Statement of Profit and Loss.

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

Note 1 Significant Accounting Policies (continued)

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

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term of useful lives are as follows:

Asset category	Estimated useful life
Buildings	30 to 60 years
Roads	5 years
Plant and equipment[1]	6 to 20 years
Office equipment and furniture	5 to 10 years
Vehicles[1]	6 to 10 years
Bearer plants[1]	40 years

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

The property, plant and equipment including land acquired under finance leases are depreciated over the useful life of the asset or over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other income.

j) Intangible assets:

i) Goodwill

Goodwill on acquisitions of subsidiary companies is included in intangible assets. Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill of the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the Goodwill arose. The units or Groups of units are identified at the lowest level at which Goodwill is monitored for internal management purposes, which in our case are the operating segments.

ii) Computer software

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

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

k) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

l) Impairment of assets:

The carrying amount of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment 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 and to the extent that the carrying amount of the asset does not exceed the carrying amount that will have been determined if no impairment loss had previously been recognised.

Note 1 Significant Accounting Policies (continued)

m) Cash and cash equivalents:

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

n) Trade receivables:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate method (EIR), less provision for impairment based on expected credit loss.

o) Trade and other payables:

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

p) Inventories:

Inventories (other than harvested product of biological assets) are stated at cost or net realisable value, whichever is lower. Cost is arrived at moving weighted average basis.

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

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group.

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

The harvested product of biological assets of the Group is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

q) Investments and other financial assets:

Classification:

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

i) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through profit or loss)

ii) Those measured at amortised cost

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

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

Initial recognition and measurement:

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

Subsequent measurement:

After initial recognition, financial asset is measured at:

i) fair value (either through Other Comprehensive Income or through profit or loss) or,

ii) amortised cost.

Debt instruments:

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

Note 1 Significant Accounting Policies (continued)

Measured at amortised cost:

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

Measured at fair value through Other Comprehensive Income:

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

Measured at fair value through profit or loss:

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

Equity instruments:

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on its investment equity instruments in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the right to receive payment is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

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

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

Derecognition:

A financial asset is derecognised only when the Group:

i) has transferred the rights to receive cash flows from the financial asset (or the rights to cash flows from the asset expire) or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through the Statement of Profit and Loss or Other Comprehensive Income as applicable. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

r) Financial liabilities:

i) Classification as debt or equity

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

ii) Initial recognition and measurement

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

iii) Subsequent measurement

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

iv) Derecognition

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

s) Offsetting financial instruments:

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

t) Derivatives and hedging activities:

The Group holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates on foreign currency exposures or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated, but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets| liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flows hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions. It designates certain Interest Rate Swap as cash flows hedge to mitigate the risk of foreign exchange exposure on variable interest loans.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income and accumulated in the cash flows hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flows hedging reserve till the period the hedge was effective remains in cash flows hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flows hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flows hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

u) Borrowings:

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

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

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

Note 1 Significant Accounting Policies (continued)

v) Borrowing costs:

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

w) Biological assets:

The biological assets of the Group comprises of oil palms, date palms and tissue culture.

Mature and immature tissue culture raised date palm plants, which are ready for dispatch less than 12 months from the reporting date are classified under current assets under separate head of biological assets other than bearer plants and others under non-current assets under separate head of biological assets other than bearer plants.

The oil palm trees are bearer plants and are therefore presented and accounted for as property, plant and equipment {(Refer Note 4(b)}. However, the oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets other than bearer plants until the point of harvest. Harvested oil palm FFBs are transferred to inventory at fair value less costs to sell when harvested.

Changes in fair value of oil palm FFB on trees are recognised in the Statement of Profit and Loss. Farming cost like labour costs and other are recognised in the Statement of Profit and Loss.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market, but excludes finance costs and income taxes.

Measurement technique:

The fair value of growing oil palm FFB, date palm FFB and tissue culture is determined using a discounted cash flow model based on the expected yield by plantation size, the market price for the produce | sampling and after allowing for harvesting costs, contributory asset charges for the land and bearer plants owned by the entity and other costs yet to be incurred in getting the fruit bunches to maturity or sampling ready for sale.

The fair value of date palms and tissue culture raised date palms (immatured plant) are being measured at cost less accumulated impairment loss, if any as quoted market price are not available for the immature date palms plants at different stages and for which fair value measurements are determined to be clearly unreliable.

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

x) Provisions and contingent liabilities:

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

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

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

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

y) Employee benefits:

Defined benefit plan:

Gratuity:

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

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

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

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

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

Provident fund:

Provident Fund for certain eligible employees is managed by the Group 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 contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Group, 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.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labours Welfare Fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

Short-term employee benefits:

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

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

Other long-term employee benefits:

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

The obligations are presented as current liabilities in the Balance Sheet if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Note 1 Significant Accounting Policies (continued)

z) 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. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

aa) Earnings per share:

Basic earnings per share (EPS) is calculated by dividing the profit attributable to owners of Atul Ltd by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of additional equity shares that will have been outstanding assuming the conversion of all dilutive potential equity shares.

ab) Contributed equity:

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical estimates and judgements

Preparation of the Financial Statements require the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 2

ii) Estimation of defined benefit obligation: Note 29.6

iii) Estimated Goodwill impairment: Note 4(a)

iv) Consolidation decisions and classification of joint arrangements: Note 29.14

Estimates and judgements are continually evaluated. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Note 2 Property, plant and equipment

(₹ cr)

Particulars	Land – freehold[1]	Land – leasehold	Buildings[1,2]	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plants	Total	Capital work-in-progress[3]
Gross carrying amount										
As at March 31, 2016	11.63	3.70	146.66	628.26	8.03	11.82	4.39	–	814.49	180.44
Acquisition of subsidiary companies	10.50	10.13	0.32	6.97	–	0.01	–	–	27.93	–
Additions	10.48	0.04	29.28	262.98	1.00	2.65	6.40	6.10	318.93	175.05
Other adjustments[4]	–	–	–	(0.07)	–	–	–	–	(0.07)	–
Disposal, transfer and adjustments	(0.59)	–	(0.01)	(0.02)	(0.79)	–	–	–	(1.41)	(296.50)
As at March 31, 2017	**32.02**	**13.87**	**176.25**	**898.12**	**8.24**	**14.48**	**10.79**	**6.10**	**1,159.87**	**58.99**
Additions	7.08	–	18.77	79.94	1.75	2.66	1.60	–	111.80	333.71
Other adjustments[4]	–	–	–	0.05	–	–	–	–	0.05	–
Disposal, transfer and adjustments	–	–	–	(0.90)	(2.75)	–	–	–	(3.65)	(296.50)
As at March 31, 2018	**39.10**	**13.87**	**195.02**	**977.21**	**7.24**	**17.14**	**12.39**	**6.10**	**1,268.07**	**96.20**
Depreciation | Amortisation										
Up to March 31, 2016	**–**	**0.09**	**6.71**	**54.53**	**1.47**	**2.58**	**0.44**	**–**	**65.82**	**–**
For the year	–	0.09	7.10	82.80	1.65	2.35	1.22	0.13	95.34	–
Disposal and adjustments	–	–	–	–	(0.26)	(0.07)	–	–	(0.33)	–
Up to March 31, 2017	**–**	**0.18**	**13.81**	**137.33**	**2.86**	**4.86**	**1.66**	**0.13**	**160.83**	**–**
For the year	–	0.09	8.04	96.14	1.36	2.30	2.29	0.15	110.37	–
Disposal and adjustments	–	–	–	(0.94)	(2.49)	–	–	–	(3.43)	–
Up to March 31, 2018	**–**	**0.27**	**21.85**	**232.53**	**1.73**	**7.16**	**3.95**	**0.28**	**267.77**	**–**
Net carrying amount										
As at March 31, 2017	32.02	13.69	162.44	760.79	5.38	9.62	9.13	5.97	999.04	58.99
As at March 31, 2018	**39.10**	**13.60**	**173.17**	**744.68**	**5.51**	**9.98**	**8.44**	**5.82**	**1,000.30**	**96.20**

Notes:

1. Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Group has created first charge over its certain land and buildings in favour of Government of Gujarat and paid security deposit ₹ 2 cr (March 31, 2017: ₹ 2 cr).
2. Includes premises on ownership basis ₹ 1.10 cr (March 31, 2017: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2017: ₹ 2,000).
3. Capital work-in-progress mainly comprises addition | expansion projects in progress.
4. Exchange rate difference capitalised during current year ₹ 0.05 cr (Previous year: ₹ (0.07) cr).
5. Refer Note 17 for information on property, plant and equipment hypothecated | mortgaged as security by the Group.
6. Refer Note 29.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

(₹ cr)

Note 3 Investment properties	As at March 31, 2018	As at March 31, 2017
Land – freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	**3.22**	**3.22**

a) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties

The Group has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Consolidated Statement of Profit and Loss, since the Group does not receive any rental income, incur any depreciation or other operating expenses.

b) The Group does not have any contractual obligations to purchase, construct or develop for maintenance or enhancements of investment property.

c) Fair value:

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Investment properties	141.00	134.00
	141.00	**134.00**

Estimation of fair value

The Group obtains valuations from independent valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All fair value estimates for investment properties are included in level 3.

(₹ cr)

Note 4 (a) Intangible assets	Computer software	Goodwill
Gross carrying amount		
As at March 31, 2016	0.22	–
Acquisition of subsidiary company	–	23.75
As at March 31, 2017	**0.22**	**23.75**
As at March 31, 2018	**0.22**	**23.75**
Amortisation		
Up to March 31, 2016	0.10	–
Amortisation charged for the year	0.10	–
Up to March 31, 2017	**0.20**	**–**
Amortisation charged for the year	0.01	–
Up to March 31, 2018	**0.21**	**–**
Net carrying amount		
As at March 31, 2017	0.02	23.75
As at March 31, 2018	**0.01**	**23.75**

Significant estimate - Impairment of Goodwill

For the purpose of impairment testing, Goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which Goodwill is monitored for internal Management purposes and which is not higher than the operating segment of the Group. The Goodwill of ₹ 23.75 cr pertains to the control acquisition of Amal Ltd. The recoverable amount of the cash generating unit has been determined based on the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal has been determined based on closing quoted share price of Amal Ltd on an active market as on March 31, 2018.

The Group has carried out annual Goodwill impairment assessment as at March 31, 2018. The Management believes that any reasonably possible change in the key assumptions may not cause the carrying amount to exceed the recoverable amount of the cash generating units. Accordingly, there was no impairment recorded during the year.

Note 4 (b) Biological assets

a) Biological assets of the Group consists:
   i) Immature tissue culture raised date palms that are classified as non-current biological assets. The Group has a plucking cycle of about 4-5 months.
   ii) Mature tissue culture raised date palms that are classified as current biological assets.

b) Reconciliation of changes to the carrying value of biological assets between the beginning and the end of the current year are as follows:

(₹ cr)

Particulars	Tissue culture raised date palms			
	March 31, 2018		March 31, 2017	
	Mature	Immature	Mature	Immature
Opening balance	**11.77**	**9.32**	**8.28**	**11.25**
Increase due to production	0.18	9.86	0.22	9.40
Change due to biological transformation	7.68	(7.68)	11.33	(11.33)
Decrease due to sale	(9.04)	–	(9.84)	–
Decrease due to write off	(0.05)	–	–	–
Change in fair value due to price changes	0.66	–	1.78	–
Closing balance	**11.20**	**11.50**	**11.77**	**9.32**
Current assets	11.20	–	11.77	–
Non-current assets*	–	11.50	–	9.32
Biological assets shown in Balance Sheet	**11.20**	**11.50**	**11.77**	**9.32**

* Non-current biological assets are expected to take more than 12 months from reporting date to become ready for dispatch.

As at March 31, 2018, the Group had 3,658 mature plants (March 31, 2017: 14,535) and 55,916 immature plants (March 31, 2017: 30,897).

During current year the Group has sold 10,723 plants (March 31, 2017: 1,986).

(₹ cr)

Note 5 Investments accounted for using the equity method	Place of business	% of ownership interest	As at March 31, 2018	As at March 31, 2017
Investment in equity instruments (fully paid-up)				
Unquoted investment in joint venture company:				
Rudolf Atul Chemicals Ltd	India	50	10.00	14.31
Add: Group share of profit | (loss) for the year			0.72	(4.31)
Total equity accounted investments			**10.72**	**10.00**

(₹ cr)

Particulars	Book value as at		Market value as at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Quoted	–	–	–	–
Unquoted	10.72	10.00	–	–
	10.72	**10.00**	**–**	–

(₹ cr)

Note 6 Non-current investments	Face value	As at March 31, 2018		As at March 31, 2017	
		Number of shares	Amount	Number of shares	Amount
a) Investment in equity instruments (fully paid-up)					
Equity instruments measured at FVOCI					
Quoted					
Arvind Ltd	10	41,27,471	158.06	41,27,471	163.01
Arvind SmartSpaces Ltd	10	4,12,747	7.58	4,12,747	3.58
Aurbindo Pharma Ltd	1	500	0.03	–	–
Balmar Lawrie & Co Ltd	10	1,500	0.04	–	–
Banswara Syntex Ltd	10	3,000	0.03	–	–
BASF India Ltd	10	2,61,396	50.28	2,61,396	35.83
Camlin Fine Sciences Ltd	10	1,500	0.02	–	–
Cummins India Ltd	2	190	0.01	–	–
DCM Shriram Ltd	2	–	–	250	0.01
DIC India Ltd	10	250	0.01	250	0.01
Edelweiss Financial Services Ltd	10	–	–	1,000	0.02
ICICI Bank Ltd	2	1,09,026	3.03	99,115	2.74
IDFC Bank Ltd	10	6,000	0.03	–	–
Jain Irrigation Systems Ltd	2	4,000	0.04	4,000	0.04
Jain Irrigation Systems Ltd - DVR[1]	2	200		200	
Mayur Uniquoters Ltd	10	500	0.02	–	–
Nagarjuna Fertilizers and Chemicals Ltd	1	34,650	0.05	34,650	0.07
Nagarjuna Oil Refinery Ltd	1	31,500	0.01	31,500	0.01
NOCIL Ltd	10	2,001	0.04	2,001	0.02
Novartis India Ltd	5	3,84,660	23.54	3,84,660	26.02
Pfizer Ltd	10	9,58,927	209.55	9,58,927	183.65
Power Mech Projects Ltd	10	200	0.02	200	0.01
Prabhat Dairy Ltd	10	1,500	0.02	1,500	0.02
Praj Industries Ltd	10	1,000	0.01	–	–
Rural Electrification Corporation Ltd	10	–	–	1,000	0.02
Sanghavi Movers Ltd	2	500	0.01	500	0.01
Tata Motors Ltd	2	500	0.02	–	–
Texmaco Infrastructure & Holdings Ltd	1	1,650	0.01	1,650	0.01
Tourism Finance Corporation of India Ltd	10	–	–	3,000	0.02
VA Tech Wabag Ltd	2	548	0.03	–	–
Unquoted					
Bharuch Enviro Infrasturcture Ltd	10	91,000	0.09	91,000	0.09
Narmada Clean Tech Ltd	10	7,15,272	0.72	7,15,272	0.72
Gujarat Synthwood Ltd[2]	10	7,00,800	–	7,00,800	–
b) Investment in Government securities measured at amortised cost					
6 years National Savings Certificates			0.01		0.01
Investment in NHAI bonds			0.10		0.10
c) Share application money			0.01		–
			453.42		**416.02**

Note 6 Non-current investments (continued)

(₹ cr)

Particulars	Book value as at		Market value as at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Quoted	453.30	415.91	453.30	415.91
Unquoted	0.12	0.11	–	–
	453.42	**416.02**	**453.30**	**415.91**

[1] Carrying value of ₹ 12,700 (March 31, 2017: ₹ 12,400) | [2] Under liquidation

(₹ cr)

Note 7 Non-current loans	As at March 31, 2018	As at March 31, 2017
Loan to others		
Unsecured, considered good	0.20	–
	0.20	–

(₹ cr)

Note 8 Other financial assets	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Security deposits for utilities and premises	0.47	1.01	0.86	0.73
b) Derivative financial assets - foreign exchange forward contracts	0.05	–	1.31	–
c) Balance with banks in fixed deposits, with maturity beyond 12 months	–	0.51	–	0.41
d) Dividends receivable	3.51	–	9.40	–
e) Other receivables (including discount receivable, insurance receivable, etc.)	16.87	–	8.41	–
	20.90	**1.52**	**19.98**	**1.14**

(₹ cr)

Note 9 Other assets	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Balances with the Government authorities				
i) Taxes paid under protest	–	18.83	–	16.47
ii) VAT receivable	0.78	19.07	6.93	34.99
iii) GST receivable	79.13	–	–	–
iv) Balances with the statutory authorities	0.15	–	60.45	–
v) Deposit paid under protest	–	0.24	–	3.41
vi) Security deposit	–	2.00	–	2.00
b) Export incentive receivable	24.26	–	30.52	–
c) Capital advances	–	9.53	–	17.77
d) Prepayment				
Others	26.66	–	26.40	–
e) Other receivables	2.49	–	1.62	0.02
	133.47	**49.67**	**125.92**	**74.66**

Notes to the Consolidated Financial Statements

(₹ cr)

Note 10 Inventories*		As at March 31, 2018	As at March 31, 2017
a)	Raw materials and packing materials	113.38	86.15
	Add: Goods-in-transit	31.58	18.01
		144.96	104.16
b)	Work-in-progress	99.42	112.88
c)	Finished goods	122.25	157.92
d)	Stock-in-trade	1.93	5.55
e)	Stores, spares and fuel	33.04	31.68
	Add: Goods-in-transit	9.83	7.05
		42.87	38.73
		411.43	**419.24**

* Valued at cost or net realisable value, whichever is lower.

Amounts recognised in the Consolidated Statement of Profit and Loss:

Written-down of inventories to net realisable value amounted to ₹ 6.85 cr (March 31, 2017: ₹ 6.22 cr). These were recognised as an expense during the year and included in cost of materials consumed and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Consolidated Statement of Profit and Loss.

(₹ cr)

Note 11 Current investment		As at March 31, 2018		As at March 31, 2017	
		Number of units	Amount	Number of units	Amount
	Investment in mutual funds measured at FVPL				
a)	Birla Sun Life Cash Plus Fund	61,566	0.62	62,660	0.63
b)	HDFC Liquid Fund	1,873	0.20	1,873	0.19
c)	SBI Premier Liquid Fund	1,129	0.70	1,129	0.19
d)	Axis Short-term Fund	–	–	10,73,242	1.91
e)	Axis Liquid Fund	21,724	4.18	–	–
			5.70		**2.92**

(₹ cr)

Note 12 Trade receivables		As at March 31, 2018		As at March 31, 2017	
a)	Unsecured, considered good				
	Trade receivables		723.40		518.96
b)	Unsecured, considered doubtful	2.60		3.16	
	Less: Allowance for doubtful debts (refer Note 29.8)	2.60		3.16	
			723.40		**518.96**

(₹ cr)

Note 13 Cash and cash equivalents		As at March 31, 2018	As at March 31, 2017
a)	Balances with banks		
	In current accounts	42.56	23.33
b)	Cash on hand	0.11	0.11
		42.67	**23.44**

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

(₹ cr)

Note 14 Bank balances other than cash and cash equivalents above	As at March 31, 2018	As at March 31, 2017
a) Unclaimed dividend	1.95	1.71
b) Unclaimed interest on public deposit	0.01	0.02
c) Short-term bank deposit with maturity between 3 and 12 months	4.76	3.13
	6.72	**4.86**

(₹ cr)

Note 15 Equity share capital	As at March 31, 2018	As at March 31, 2017
Authorised		
8,00,00,000 (March 31, 2017: 8,00,00,000) equity shares of ₹ 10 each	80.00	80.00
	80.00	80.00
Issued		
2,96,91,780 (March 31, 2017: 2,96,91,780) equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (March 31, 2017: 2,96,61,733) equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (March 31, 2017: 29,991) Add: Forfeited shares (amount paid-up)	0.02	0.02
	29.68	**29.68**

a) Rights, preferences and restrictions:

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

i) Equity shares:

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts and preference shares, if any. The distribution will be in proportion to the number of equity shares held by the Shareholders.

Each holder of equity shares is entitled to one vote per share.

ii) Dividend:

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

b) Shares reserved for allotment 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:

No.	Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
		Holding %	Number of Shares	Holding %	Number of Shares
1	Aagam Holdings Pvt Ltd	22.41%	66,50,000	22.41%	66,50,000
2	Aeon Investments Pvt Ltd	6.94%	20,60,817	6.79%	20,14,383

(₹ cr)

Note 16 Other equity		As at March 31, 2018	As at March 31, 2017
a)	Securities premium reserve	34.66	34.66
b)	General reserve	97.36	97.36
c)	Retained earnings		
	Balance as at the beginning of the year	1,426.79	1,156.81
	Add: Profit for the year	276.48	322.97
	Add: Remeasurement gain | (loss) on defined benefit plans	1.76	1.58
	Add: Transfer from OCI on disposal of FVOCI equity instruments	1.59	0.75
	Less: Dividend paid (including dividend distribution tax)	(38.51)	(37.02)
	Less: Non-controlling interests on acquisition of subsidiary company	(4.60)	(18.30)
	Balance as at the end of the year	1,663.51	1,426.79
d)	Other reserves		
	i) FVOCI equity instruments		
	Balance as at the beginning of the year	364.13	287.52
	Add: Equity instruments through Other Comprehensive Income (FVOCI)	37.28	77.36
	Less: Transfer to retained earnings on disposal of FVOCI equity instruments	(1.59)	(0.75)
	Balance as at the end of the year	399.82	364.13
	ii) Effective portion of cash flows hedges		
	Balance as at the beginning of the year	(0.48)	(0.59)
	Add: Effective portion of gain | (loss) on cash flow hedges	0.05	(0.73)
	Add: Deferred tax liability	(0.02)	0.25
	Less: Hedging gain | (loss) reclassified to Consolidated Statement of Profit and Loss	0.48	0.59
	Balance as at the end of the year	0.03	(0.48)
	iii) Exchange difference in translating the Financial Statements of a foreign operation		
	Balance as at the beginning of the year	13.80	9.35
	Add: Changes in foreign currency translation reserve	5.06	4.45
	Balance as at the end of the year	18.86	13.80
		2,214.24	**1,936.26**

Nature and purpose of other reserves

a) Securities premium reserve

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

b) FVOCI – equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in Other Comprehensive Income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

c) Cash flow hedging reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Group uses foreign currency forward contracts, foreign currency option contracts and Interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

d) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in Other Comprehensive Income as described in the Accounting Policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

(₹ cr)

Note 17 Borrowings		Maturity	Terms of repayment	Effective interest rate p.a.	As at March 31, 2018		As at March 31, 2017	
					Current	Non-current	Current	Non-current
a)	Secured							
	i) Rupee term loan from a foreign financial institution (refer Note a)	January 2018	15 equal half yearly installments	6.99% - 7.46%	–	–	–	10.42
	ii) Foreign currency term loans from banks (refer Note b and c)	September 2017	12 equal quarterly installments	3 months LIBOR + 2.90%	–	–	–	10.81
	iii) Working capital loans from banks (refer Note e)	1-12 months	Repayable on demand	2.43% - 11.00%	3.38	–	13.43	–
	iv) Rupee term loans from bank (refer Note d)	June 2018	60 equal monthly installments	Base rate + 2.50%	–	–	–	1.87
b)	Unsecured							
	i) Loan from banks including foreign banks	1-6 months	1-6 months	1.00% - 5.00%	1.00	–	52.95	–
	ii) Loan from Related Parties	1-6 months	1-6 months	9.25%	11.52	–	4.25	–
	iii) Commercial papers	1-3 months	1-3 months	6.50%	–	–	73.95	–
	iv) Deposit from the Directors	1-12 months	1-12 months	6.50%[1]	0.01	–	0.01	–
					15.91	–	144.59	23.10
	Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 18)				–	–	–	(22.72)
					15.91	**–**	**144.59**	**0.38**

[1] 9.00% p.a. during the previous year.

a) Rupee term loan from a foreign financial institution was secured by first *pari passu* charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, present and future, excluding specific assets with first *pari passu* charge with other lenders and second charge on entire current assets of the Company, both present and future.

b) Foreign currency term loan from a foreign bank was secured by first *pari passu* charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, present and future, excluding specific assets with first *pari passu* charge and second charge on entire current assets of the Company, both present and future.

c) Foreign currency term loan from a bank was secured by first *pari passu* charge on the entire movable and immovable property, plant and equipment of the Company, both present and future.

d) Rupee term loan from bank was secured by exclusive charge on the property, plant and equipment of a subsidary company as a whole, both present and future.

e) Security details:

Working capital loans repayable on demand from banks is secured by hypothecation of tangible current assets, namely, inventories and book debts of the Company and certain subsidiary companies as a whole and also secured by second and subservient charge on immovable and movable assets of the Group to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 88.30 cr (March 31, 2017: ₹ 82.47 cr).

f) The carrying amount of assets hypothecated | mortgaged as security for current and non-current borrowings is:

(₹ cr)

	Particulars	As at March 31, 2018	As at March 31, 2017
	First charge for current and second charge for non-current borrowings		
i)	Inventories	378.95	367.89
ii)	Trade receivables	717.68	507.06
iii)	Current assets other than inventories and trade receivables	184.60	158.25
		1,281.23	**1,033.20**
	First charge for non-current and second charge for current borrowings		
	Property, plant and equipment excluding leasehold land	937.06	946.51
	Total assets as security	**2,218.29**	**1,979.71**

Note 17 Borrowings (continued)

g) Net debt reconciliation:

(₹ cr)

Particulars	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
Net debt as at March 31, 2017	**144.59**	**23.10**	**167.69**
Repayments	(128.68)	(23.10)	(151.78)
Interest expense	7.38	–	7.38
Interest paid	(7.38)	–	(7.38)
Net debt as at March 31, 2018	**15.91**	**–**	**15.91**

(₹ cr)

Note 18 Other financial liabilities	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Current maturities of long-term debt (refer Note 17)	–	–	22.72	–
b) Employee benefits payable	23.93	–	21.71	–
c) Security deposits	–	22.46	–	21.92
d) Interest accrued, but not due	–	–	0.20	–
e) Unclaimed dividend*	1.95	–	1.71	–
f) Unclaimed matured deposits and interest thereon*	0.01	–	0.01	–
g) Creditor for capital goods	19.64	–	20.52	–
h) Other liabilities (includes discount payable)	12.13	2.77	7.76	2.13
	57.66	**25.23**	**74.63**	**24.05**

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2018.

(₹ cr)

Note 19 Provisions	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Provision for compensated absences	7.69	17.84	6.74	20.15
b) Others {refer a(ii) and (b) below}	3.18	–	2.86	–
	10.87	**17.84**	**9.60**	**20.15**

a) Information about individual provisions and significant estimates

i) Compensated absences:

The Compensated absences cover the liability for sick and earned absences. Out of the total amount disclosed above, the amount of ₹ 7.69 cr (March 31, 2017: ₹ 6.08 cr) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

ii) Effluent disposal:

The Group has provided for expenses it estimates to be incurred for safe disposal of waste in line with the regulatory framework it operates in. The provision represents the unpaid amount the entity expects to incur for which the obligating event has already arisen as on the reporting date.

Note 19 Provisions (continued)

b) Movement of provision for effluent disposal

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance as at the beginning of the year	1.54	1.65
Less: Utilised	(1.54)	(1.65)
Provision made during the year	1.50	1.54
Balance as at end of the year	**1.50**	**1.54**

(₹ cr)

Note 20 Other liabilities	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
a) Deferred income on account of Government grant received	–	8.30	–	9.67
b) Statutory dues	6.12	–	12.37	–
c) Advances received from customers	11.03	–	5.53	–
	17.15	**8.30**	**17.90**	**9.67**

(₹ cr)

Note 21 Trade payables	As at March 31, 2018	As at March 31, 2017
Trade payables	459.02	337.49
	459.02	**337.49**

(₹ cr)

Note 22 Revenue from operations	2017-18	2016-17
Sale of products[1]	3,272.34	2,932.91
Sale of services	10.01	7.10
Other operating revenue:		
Export incentives	43.16	44.90
Scrap sales	6.58	7.92
Processing charges	5.83	3.22
	3,337.92	**2,996.05**

[1] Revenue from operations up to June 30, 2017 includes excise duty of ₹ 42.15 cr and ₹ 162.11 cr for the year 2016-17, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, 'Revenue', GST is not included in revenue from operations. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended on March 31, 2018 is not comparable with the previous year.

(₹ cr)

Note 23 Other income	2017-18	2016-17
Dividends from equity investment measured at FVOCI	3.02	3.24
Dividends from equity investment measured at cost	4.52	3.72
Dividends on current investments	0.53	0.29
Interest income from financial assets measured at amortised cost	3.21	3.39
Interest from others	3.49	1.51
Lease income	0.54	0.23
Fair value changes in biological assets	(0.28)	1.78
Gain on disposal of property, plant and equipment	0.43	3.71
Remeasurement to fair value of existing equity interest acquired in business combination	–	30.98
Exchange rate difference - gain	1.61	1.74
Miscellaneous income	8.84	1.96
	25.91	**52.55**

(₹ cr)

Note 24 Cost of materials consumed	2017-18	2016-17
Raw materials and packing materials consumed		
Stocks at commencement	86.15	71.11
Add: Purchase	1,762.11	1,412.32
	1,848.26	1,483.43
Less: Stocks at close	113.38	86.15
	1,734.88	**1,397.28**

(₹ cr)

Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2017-18	2016-17
Stocks at close		
Finished goods	122.25	157.92
Work-in-progress	99.42	112.88
Stock-in-trade	1.93	5.55
	223.60	276.35
Less: Stocks at commencement		
Finished goods	157.92	165.95
Work-in-progress	112.88	114.10
Stock-in-trade	5.55	7.10
	276.35	287.15
(Increase) | Decrease in stocks	**52.75**	**10.80**

(₹ cr)

Note 26 Employee benefit expenses	2017-18	2016-17
Salaries, wages and bonus (refer Note 29.6)	192.12	179.92
Contribution to Provident and other funds (refer Note 29.6)	13.19	12.91
Staff welfare	8.07	7.31
	213.38	**200.14**

(₹ cr)

Note 27 Finance costs	2017-18	2016-17
Interest on borrowings	7.38	18.11
Interest on financial liabilities at amortised cost	1.02	1.11
Interest on others	3.85	4.40
Other borrowings cost	0.49	0.52
Exchange difference (net)	–	1.03
	12.74	**25.17**

(₹ cr)

Note 28 Other expenses	2017-18	2016-17
Power, fuel and water	348.92	322.91
Freight, cartage and octroi	95.57	70.17
Manpower services	37.38	33.80
Consumption of stores and spares	47.29	45.87
Conversion and plant operation charges	41.67	32.76
Plant and equipment repairs	55.41	52.25
Building repairs	19.01	15.83
Sundry repairs	7.76	7.54
Rent	2.77	2.97
Rates and taxes	1.35	1.33
Insurance	5.99	7.47
Commission	8.49	3.30
Travelling and conveyance	17.91	17.11
Payments to the Statutory Auditors		
a) Audit fees	0.70	0.75
b) Tax matters	0.09	0.09
c) Other matters	0.34	0.42
d) Out of pocket expenses	0.05	0.02
Payments to the Cost Auditors		
a) Audit fees	0.03	0.02
b) Other matters (Previous year: ₹ 7,000)	–	
c) Out of pocket expenses (Current year: ₹ 15,432 and Previous year: ₹ 17,970)		
Directors' fees and travelling	1.79	1.71
Directors' commission (other than the Executive Directors)	0.86	0.85
Bad debts and irrecoverable balances written off	0.32	2.07
Loss on assets sold, discarded or demolished	0.12	0.20
Expenditure on Corporate Social Responsibility initiatives	7.63	6.72
Exchange rate difference - loss	–	5.48
Miscellaneous expenses	72.28	57.23
	773.73	**688.87**

Note 29.1 Contingent liabilities

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Group not acknowledged as debts in respect of:		
i) Excise duty	8.73	8.00
ii) Income tax	7.87	8.23
iii) Sales tax | VAT	0.67	0.68
iv) Service tax	0.15	0.01
v) Custom duty	1.94	–
vi) Water charges	90.73	89.28
vii) Others	5.92	6.02

The above matters are currently being considered by the tax authorities | various forums and the Group expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities | various forums. The above (except in respect of water charges matter) excludes interest | penalties which may become payable in case of an unfavourable outcome.

Note 29.2 Commitments

a) **Capital commitments**

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

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	40.20	35.73

b) The Group has a commitment of ₹ 25.31 cr (Previous year: Nil) towards capital contribution to joint operation.

Note 29.3 Research and Development

Details of expenditure incurred on approved in-house Research and Development facilities:

(₹ cr)

Particulars	2017-18	2016-17
Capital expenditure on building	–	6.07
Other capital expenditure	2.23	12.86
Recurring expenditure	20.59	19.00
	22.82	**37.93**

Note 29.4 (A) Related Party information		
Name of the Related Party and nature of relationship		
No.	**Name of the Related Party**	**Description of relationship**
1	Aagam Holdings Pvt Ltd	Entity over which control exercised by Key Management Personnel
2	Samveg Agencies Pvt Ltd	
3	Rudolf GmbH	Entity over which control exercised by Joint Venture partner
4	Rudolf Duraner	
5	Key Management Personnel	
	S S Lalbhai	Chairman and Managing Director
	S A Lalbhai	Managing Director
	B N Mohanan	Whole-time Director and President - U&S
	T R Gopi Kannan	Whole-time Director and CFO
	R A Shah	Non whole-time Director
	S S Baijal	Non whole-time Director
	B S Mehta	Non whole-time Director
	H S Shah	Non whole-time Director
	S M Datta	Non whole-time Director
	V S Rangan	Non whole-time Director
	M M Chitale	Non whole-time Director
	S A Panse	Non whole-time Director
	B R Arora	Non whole-time Director
6	Close family members of Key Management Personnel	
	Vimla S Lalbhai	Mother of S S Lalbhai
	Swati S Lalbhai	Sister of S S Lalbhai
	Astha S Lalbhai	Daughter of S S Lalbhai
	Saumya S Lalbhai	Son of S A Lalbhai
	Nishtha S Lalbhai	Daughter of S S Lalbhai
7	Welfare funds	Entities over which Key Management Personnel or their close family members have significant influence
	Atul Foundation Trust	
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya	
	Urmi Stree Sanstha	
8	Other Related Parties[1]	
	The Atul Officers Retirement Benefit Fund	Post-employment benefit plan of Atul Ltd
	Atul Products Ltd – Ankleshwar Division Employees' Provident Fund Trust	
	Atul Limited Employees Gratuity Fund	
	Atul Bioscience Staff Gratuity Trust	Post-employment benefit plan of Atul Bioscience Ltd

[1] Refer Note 29.6 for information on transactions with post-employment benefit plans mentioned above.

(₹ cr)

Note 29.4 (B) Transactions with entity over which control exercised by Key Management Personnel		2017-18	2016-17
a)	**Expenses**		
1	Reimbursement		**0.03**
	Samveg Agencies Pvt Ltd (Current year: ₹ 22,550)		0.03
b)	**Other transactions**		
1	Loan taken	**11.20**	**–**
	Aagam Holdings Pvt Ltd	11.20	–
2	Repayment of loan received	**4.70**	**7.00**
	Aagam Holdings Pvt Ltd	4.70	7.00
3	Interest paid on loan	**0.34**	**0.10**
	Aagam Holdings Pvt Ltd	0.34	0.10

(₹ cr)

Note 29.4 (C) Transactions with entity over which control exercised by Joint Venturer		2017-18	2016-17
a)	**Sales and income**		
1	Commission received	**0.53**	**0.49**
	Rudolf GmbH	0.53	0.49
2	Waiver of payable	**–**	**0.34**
	Rudolf GmbH	–	0.34
b)	**Purchases and expenses**		
1	Purchase of goods	**23.33**	**14.42**
	Rudolf GmbH	23.33	14.42
2	Insurance expense	**–**	**0.03**
	Rudolf GmbH	–	0.03
3	Testing fees	**–**	**0.01**
	Rudolf GmbH	–	0.01

(₹ cr)

Note 29.4 (D) Key Management Personnel compensation		2017-18	2016-17
a)	**Remuneration**	**12.83**	**12.91**
1	Short-term employee benefits	11.05	11.05
2	Post-employment benefits[1]	0.76	0.92
3	Commission and other benefits to Non-executive | Independent Directors	1.02	0.94
4	Interest on deposits from Directors (Current year: ₹ 6,912 and Previous year: ₹ 9,000)		

[1] Compensation excludes provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 29.4 (E) Close family members of Key Management Personnel compensation		2017-18	2016-17
a)	**Remuneration**	**0.35**	**0.29**
1	Astha S Lalbhai	0.23	0.19
2	Saumya S Lalbhai	–	0.03
3	Nishtha S Lalbhai	0.12	0.07

(₹ cr)

Note 29.4 (F) Transactions with entities over which Key Management Personnel or their close family members have significant influence		2017-18	2016-17
a)	**Sales and income**		
1	Sale of goods	**0.18**	**0.15**
	Atul Kelavani Mandal	0.04	0.04
	Atul Rural Development Fund (Previous year: ₹ 49,622)	0.01	
	Atul Vidyalaya	0.13	0.11
	Urmi Stree Sanstha (Previous year: ₹ 1,723)	–	
b)	**Purchases and expenses**		
1	Reimbursements		
	Atul Vidyalaya (Previous year: ₹ 2,500)	–	
	Urmi Stree Sanstha (Current year: ₹ 27,401 and Previous year: ₹ 14,433)		
c)	**Other transactions**		
1	Expenditure on Corporate Social Responsibility initiatives	**7.62**	**6.33**
	Atul Foundation Trust	6.05	4.83
	Atul Rural Development Fund	1.57	1.50
2	Reimbursements received	**0.05**	**0.06**
	Atul Kelavani Mandal (Current year: ₹ 13,153 and Previous year: ₹ 42,171)		
	Atul Vidyalaya	0.05	0.06

(₹ cr)

Note 29.4 (G) Outstanding balances at the year end			
a)	**With entity over which control exercised by Key Management Personnel**	**As at March 31, 2018**	**As at March 31, 2017**
1	Loan Payables	**6.50**	**–**
	Aagam Holdings Pvt Ltd	6.50	–
b)	**With entity over which control exercised by Joint Venturer**		
1	Payables	**0.75**	**1.34**
	Rudolf GmbH	0.75	1.34
c)	**With Key Management Personnel**		
1	Payables	**0.01**	**0.01**
	Deposits of Directors	0.01	0.01
d)	**With entities over which Key Management Personnel or their close family members have significant influence**		
1	Receivables	**0.07**	**0.03**
	Atul Kelavani Mandal (Previous year: ₹ 35,655)	0.05	–
	Atul Rural Development Fund (Current year: ₹ 25,564)		0.01
	Atul Vidyalaya	0.02	0.02
	Urmi Stree Sanstha (Current year: ₹ 7,199 and Previous year: ₹ 1,864)		
2	Payables		**0.03**
	Atul Rural Development Fund (Current year: ₹ 12,500)		0.03

Note 29.5 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

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

(₹ cr)

	Particulars	2017-18	2016-17
i)	**Current tax**		
	Current tax on profit for the year	109.04	89.22
	Adjustments for current tax of prior periods	(0.88)	(2.11)
	Total current tax expense	**108.16**	**87.11**
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	2.15	63.73
	Decrease | (Increase) in deferred tax assets	20.66	(28.13)
	Total deferred tax expense | (benefit)	**22.81**	**35.60**
	Income tax expense	**130.97**	**122.71**

Note 29.5 Current and Deferred tax (continued)

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

(₹ cr)

	Particulars	2017-18	2016-17
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	0.95	0.85
	Total current tax expense	**0.95**	**0.85**
ii)	**Deferred tax**		
	Effective portion of gain | (loss) on cash flow hedges	0.02	(0.25)
	Total deferred tax expense | (benefit)	**0.02**	**(0.25)**
	Income tax expense	**0.97**	**0.60**

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

	Particulars	2017-18	2016-17
a)	Statutory income tax rate	34.61%	34.61%
b)	Differences due to:		
i)	Expenses not deductible for tax purposes	1.05%	0.76%
ii)	Income exempt from income tax	(1.63%)	(2.33%)
iii)	Income tax incentives	(0.50%)	(3.37%)
iv)	Others	(1.69%)	(0.04%)
	Effective income tax rate	**31.84%**	**29.63%**

d) Current tax liabilities (net)

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	3.39	0.59
Add: Current tax payable for the year	108.16	87.11
Less: Taxes paid	(103.42)	(84.31)
Closing balance	**8.13**	**3.39**

e) Current tax assets (net)

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	1.21	4.36
Add: Tax paid in advance, net of provisions during the year	1.37	(3.15)
Closing balance	**2.58**	**1.21**

f) Deferred tax liabilities | (assets)

The following is the analysis of deferred tax liabilities | (assets) balances presented in the Consolidated Balance Sheet:

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liabilities	129.55	104.09
Deferred tax assets	(5.01)	(2.67)
	124.54	**101.42**

Note 29.5 Current and Deferred tax (continued)

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

(₹ cr)

Particulars	As at March 31, 2018	(Charged) | Credited to profit or loss | OCI | equity	As at March 31, 2017	(Charged) | Credited to profit or loss | OCI | equity	As at March 31, 2016
Property, plant and equipment	145.23	2.15	143.08	63.73	79.35
Provision for leave encashment	(8.09)	1.15	(9.24)	(1.24)	(8.00)
Provision for doubtful debts	(1.65)	(0.55)	(1.10)	0.22	(1.32)
Provision for doubtful advances	–	–	–	0.07	(0.07)
Unabsorbed depreciation*	(2.35)	–	(2.35)	(2.35)	–
Investment properties	(6.21)	(2.26)	(3.95)	(0.18)	(3.77)
Unrealised MTM losses on derivatives (CIRS)	–	1.75	(1.75)	(1.75)	–
Effective portion of gain | (loss) on cash flow hedges	0.02	0.27	(0.25)	0.06	(0.31)
Elimination of profits resulting from intra-group transactions	(2.30)	(2.30)	–	–	–
MAT credit entitlement	(0.11)	22.91	(23.02)	(22.95)	(0.07)
Net deferred tax (assets) | liabilities	**124.54**	**23.12**	**101.42**	**35.61**	**65.81**

* The Group has recognised deferred tax assets on carried forward tax losses and unabsorbed depreciation of Amal Ltd. The subsidiary company has incurred the losses over the last few financial years. The Group has recognised deferred tax assets to the extent of deductible temporary difference. The subsidiary company is currently generating and expected to generate taxable income from 2018 onwards. The losses can be carried forward for a period of 8 years as per local tax regulations and the Group expects to recover the losses.

g) Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiary companies that were loss-making for sometime, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Unused tax losses for which no deferred tax asset has been recognised	23.72	23.71
Potential tax benefit @ 34.61%	8.21	8.21

As at March 31, 2018 the Group has net operating losses and carry forwards that will expire as follows:

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Net operating losses		
2019-20	0.81	0.80
2020-21	0.31	0.31
2021-22	0.24	0.24
2022-23	0.14	0.14
Unabsorbed depreciation		
Indefinitely	22.22	22.22

Note 29.5 Current and Deferred tax (continued)

h) Unrecognised temporary differences

The Group has not recognised deferred tax liability associated with undistributed earnings of its subsidiary companies as it can control the timing of the reversal of these temporary differences and it is probable that such differences will not reverse in the foreseeable future.

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Temporary difference relating to investments in subsidiary companies for which deferred tax liabilities have not been recognised:		
Undistributed earnings	7.08	19.35
Unrecognised deferred tax liabilities relating to the above temporary differences @ 17.30%	1.23	3.35

The Group has not recognised deferred tax liability | asset associated with fair value gain | (loss) on equity share measured at OCI as based on the Management projection of future taxable income and existing plan, it is not probable that such difference will reverse in the foreseeable future.

i) Effective income tax rate

The effective income tax rate up to March 31, 2018 is 34.61%. The increase in effective income tax rate to 34.94% was announced in Union Budget 2018 which was substantively enacted on March 29, 2018 and will be effective from April 01, 2018. As a result, the relevant deferred tax balances has been remeasured using revised effective income tax rate.

Note 29.6 Employee benefit obligations

a) Defined benefit plans:

Balance Sheet amount (Gratuity)

(₹ cr)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2016	**48.02**	**(47.96)**	**0.06**
Current service cost	2.67	–	2.67
Interest expense | (income)	3.73	(3.73)	–
Total amount recognised in the Consolidated Statement of Profit and Loss	**6.40**	**(3.73)**	**2.67**
Remeasurement			
Return on plan assets, excluding amount included in interest expense | (income)	0.02	(1.98)	(1.96)
(Gain) | Loss from change in financial assumptions	1.14	–	1.14
Experience (gain) | loss	(1.64)	–	(1.64)
Total amount recognised in Other Comprehensive Income	**(0.48)**	**(1.98)**	**(2.46)**
Employer contributions	–	(0.18)	(0.18)
Benefit payments	(5.85)	5.85	–
As at March 31, 2017	**48.09**	**(48.00)**	**0.09**
Current service cost	2.96	–	2.96
Interest expense | (income)	3.46	(3.46)	–
Total amount recognised in the Consolidated Statement of Profit and Loss	**6.42**	**(3.46)**	**2.96**
Remeasurement			
Return on plan assets, excluding amount included in interest expense | (income)	–	0.07	0.07
(Gain) | Loss from change in financial assumptions	(1.13)	–	(1.13)
Experience (gain) | loss	(1.66)	–	(1.66)
Total amount recognised in Other Comprehensive Income	**(2.79)**	**0.07**	**(2.72)**
Employer contributions	–	(0.28)	(0.28)
Benefit payments	(5.22)	5.18	(0.04)
As at March 31, 2018	**46.50**	**(46.49)**	**0.01**

Note 29.6 Employee benefit obligations (continued)

The net liability disclosed above relates to following funded and unfunded plans: *(₹ cr)*

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	46.50	48.09
Fair value of plan assets	(46.49)	(48.00)
Deficit of Gratuity plan	**0.01**	**0.09**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.68%	7.22%
Attrition rate	9.70%	7.30%
Rate of return on plan assets	7.68%	7.22%
Salary escalation rate	8.27% and 6.00%	7.75%

Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Discount rate	1.00%	1.00%	(3.46%)	(3.92%)	3.78%	4.31%
Attrition rate	1.00%	1.00%	(0.11%)	(0.06%)	0.12%	0.06%
Rate of return on plan assets	1.00%	1.00%	(3.46%)	(3.92%)	3.78%	4.31%
Salary escalation rate	1.00%	1.00%	3.74%	4.27%	(3.49%)	(3.96%)

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

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

Major category of plan assets are as follows:

(₹ cr)

Particulars	As at March 31, 2018				As at March 31, 2017			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Government of India assets	–	1.18	1.18	2.54%	–	1.27	1.27	2.67%
Debt instruments								
Corporate bonds	0.98	–	0.98	2.11%	1.22	–	1.22	2.57%
Investment funds								
Insurance fund	44.04	0.11	44.15	94.97%	44.71	0.13	44.84	94.42%
Others	–	0.02	0.02	0.04%	–	–	–	–
Special deposit scheme	–	0.16	0.16	0.34%	–	0.16	0.16	0.34%
	45.02	**1.47**	**46.49**	**100%**	**45.93**	**1.56**	**47.49**	**100%**

Note 29.6 Employee benefit obligations (continued)

Risk exposure

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

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in Government securities. These are subject to interest rate risk. The Group has a Risk Management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets.

A large portion of assets consists of insurance funds, although the Group also invests in corporate bonds and special deposit schemes. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 are ₹ 2.83 cr.

The weighted average duration of the defined benefit obligation is 6 years (2016-17: 5 years). The expected maturity analysis of gratuity is as follows:

Particulars	Less than a year	Between 1 - 2 year	Between 2 - 5 year	Over 5 year	Total
Defined benefit obligation (gratuity)					
As at March 31, 2018	9.80	6.33	19.83	46.10	82.06
As at March 31, 2017	7.45	5.75	20.50	51.22	84.92

Provident Fund:

In case of certain employees, the Provident Fund contribution is made to a trust administered by the Group. 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, 2018.

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

Particulars	2017-18	2016-17
i) Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
ii) Withdrawal rates	5.0% p.a. for all age groups	6% p.a. for all age groups
iii) Rate of discount	7.68%	7.22%
iv) Expected rate of interest	8.65%	8.65%
v) Retirement age	60 years	60 years
vi) Guaranteed rate of interest	8.65%	8.65%

(₹ cr)

Expenses recognised for the year ended March 31, 2018 (included in Note 26)	As at March 31, 2018	As at March 31, 2017
i) Defined benefit obligation	9.48	9.14
ii) Fund	9.81	9.16
iii) Net asset | (liability)	0.33	0.03
iv) Charge to the Consolidated Statement of Profit and Loss during the year	0.20	0.20

Note 29.6 Employee benefit obligations (continued)

b) Defined contribution plans:

Provident and other funds:

Amount of ₹ 10.33 cr (March 31, 2017: ₹ 10.28 cr) is recognised as expense and included in Note 26 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 1.11 cr (March 31, 2017: ₹ 6.02 cr) is recognised as expense and included in Note 26 'Salaries, wages and bonus'.

Note 29.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	–	453.30	–	–	415.91	–
Mutual funds	5.70	–	–	2.92	–	–
Government securities	–	–	0.01	–	–	0.01
NHAI bonds	–	–	0.10	–	–	0.10
Share application money	–	0.01	–	–	–	–
Trade receivables	–	–	723.40	–	–	518.96
Loans	–	–	0.20	–	–	–
Security deposits for utilities and premises	–	–	1.48	–	–	1.59
Dividends receivable	–	–	3.51	–	–	9.40
Derivative financial assets designated as hedges	–	0.07	–	–	1.70	–
Cash and bank balances	–	–	49.39	–	–	28.30
Other receivables	–	–	17.38	–	–	8.82
Total financial assets	**5.70**	**453.38**	**795.47**	**2.92**	**417.61**	**567.18**
Financial liabilities						
Borrowings	–	–	15.91	–	–	167.69
Trade payables	–	–	459.02	–	–	337.49
Security deposits	–	–	22.46	–	–	21.92
Derivative financial liabilities designated as hedges	–	0.02	–	–	2.43	–
Derivative financial liabilities not designated as hedges	–	–	–	5.07	–	–
Employee benefits payable	–	–	23.93	–	–	21.71
Creditors for capital goods	–	–	19.64	–	–	20.52
Other liabilities (includes discount payables)	–	–	16.86	–	–	11.81
Total financial liabilities	**–**	**0.02**	**557.82**	**5.07**	**2.43**	**581.14**

Note 29.7 Fair value measurements (continued)

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the 3 levels prescribed under the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

i) Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL:					
Mutual funds	11	5.70	–	–	5.70
Financial investments at FVOCI:					
Quoted equity shares	6	452.49	–	–	452.49
Unquoted equity shares[1]	6	–	–	0.81	0.81
Share application money	6	0.01	–	–	0.01
Derivatives designated as hedges:					
Foreign exchange forward contracts		–	0.07	–	0.07
Total financial assets		**458.20**	**0.07**	**0.81**	**459.08**
Financial liabilities					
Derivatives designated as hedges:					
Currency options		–	0.02	–	0.02
Total financial liabilities		**–**	**0.02**	**–**	**0.02**
Biological assets					
Tissue culture raised date palms		–	22.70	–	22.70
Total biological assets		**–**	**22.70**	**–**	**22.70**

(₹ cr)

ii) Assets and liabilities for which fair values are disclosed at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Investments:					
Government securities	6	0.01	–	–	0.01
NHAI bonds	6	0.10	–	–	0.10
Security deposits for utilities and premises	8	–	–	1.48	1.48
Total financial assets		**0.11**	**–**	**1.48**	**1.59**
Financial liabilities					
Borrowings	17	–	–	15.91	15.91
Security deposits	18	–	–	22.46	22.46
Total financial liabilities		**–**	**–**	**38.37**	**38.37**
Investment properties	3	**–**	**–**	**141.00**	**141.00**

Note 29.7 Fair value measurements (continued)

(₹ cr)

iii) Assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2017	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Financial investments at FVPL:					
Mutual funds	11	2.92	–	–	2.92
Financial investments at FVOCI:					
Quoted equity shares	6	415.10	–	–	415.10
Unquoted equity shares[1]	6	–	–	0.81	0.81
Derivatives designated as hedges:					
Currency options		–	1.70	–	1.70
Total financial assets		**418.02**	**1.70**	**0.81**	**420.53**
Financial liabilities					
Derivatives designated as hedges:					
Foreign exchange forward contracts		–	2.43	–	2.43
Derivatives not designated as hedges:					
Currency swaps		–	5.07	–	5.07
Total financial liabilities		**–**	**7.50**	**–**	**7.50**
Biological assets					
Tissue culture raised date palms		–	21.09	–	21.09
Total biological assets		**–**	**21.09**	**–**	**21.09**

(₹ cr)

iv) Assets and liabilities for which fair values are disclosed at March 31, 2017	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Investments:					
Government securities	6	0.01	–	–	0.01
NHAI bonds	6	0.10	–	–	0.10
Security deposits for utilities and premises	8	–	–	1.59	1.59
Total financial assets		**0.11**	–	**1.59**	**1.70**
Financial liabilities					
Borrowings	17	–	–	167.26	167.26
Security deposits	18	–	–	21.92	21.92
Total financial liabilities		–	–	**189.18**	**189.18**
Investment properties	3	–	–	**134.00**	**134.00**

[1] Includes investment in Bharuch Enviro Infrastructure Ltd (91,000 equity shares) and Narmada Clean Tech Ltd (7,15,272 equity shares) which are for operation purposes and the Company expects its refund on exit. The Company estimates that the fair value of these investments is not materially different as compared to its cost.

There were no transfers between any levels during the year.

Note 29.7 Fair value measurements (continued)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual fund units that have a quoted price. The fair value of all equity instruments which are traded in the Stock Exchanges is valued using the closing price as at the reporting period. The mutual fund units are valued using the closing net assets value.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and biological assets which are included in level 3.

b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments,

ii) the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves,

iii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date,

iv) the fair value of the remaining financial instruments is determined using discounted cash flows analysis.

All of the resulting fair value estimates are included in level 1, 2 and 3.

c) Valuation processes

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

d) Fair value of financial assets and liabilities measured at amortised cost *(₹ cr)*

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments:				
Government securities	0.01	0.01	0.01	0.01
Investment in NHAI bonds	0.10	0.10	–	–
Security deposits for utilities and premises	1.48	1.48	1.59	1.59
Total financial assets	**1.59**	**1.59**	**1.60**	**1.60**
Financial liabilities				
Borrowings	15.91	15.91	167.69	167.26
Security deposits	22.46	22.46	21.92	21.92
Total financial liabilities	**38.37**	**38.37**	**189.61**	**189.18**

The carrying amounts of trade receivables, trade payables, other receivables, short-term security deposits, bank deposits with more than 12 months maturity, creditors for capital goods, dividends receivable, other liabilities (including discount payable) and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values for loans and investment in preference shares were calculated based on cash flows discounted using a current lending rate.

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

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

Note 29.8 Financial risk management

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

i) Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.

ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and a clear understanding of risk inter-relationships.

iii) Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.

iv) Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v) Risk reporting and monitoring: Focused on providing to the Audit Committee and the Board periodic information on risk profile evolution and mitigation plans.

a) Management of liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

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

(₹ cr)

As at March 31, 2018	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	17	15.91	15.91	–	15.91
Trade payables	21	459.02	459.02	–	459.02
Security and other deposits	18	22.46	22.46	–	22.46
Employee benefits payable	18	23.93	23.93	–	23.93
Creditors for capital goods	18	19.64	19.64	–	19.64
Other liabilities	18	16.86	16.86	–	16.86
Derivatives (settlement on net basis)		0.02	0.02	–	0.02
As at March 31, 2017	**Note**	**Carrying amount**	**Less than 12 months**	**More than 12 months**	**Total**
Borrowings	17	167.69	162.48	5.21	167.69
Interest on non-current borrowings			0.46	–	0.46
Trade payables	21	337.49	337.49	–	337.49
Security and other deposits	18	21.92	21.92	–	21.92
Employee benefits payable	18	21.71	21.71	–	21.71
Creditors for capital goods	18	20.52	20.52	–	20.52
Other liabilities	18	11.81	11.42	0.39	11.81
Derivatives (settlement on net basis)		2.43	2.43	–	2.43

Note 29.8 Financial Risk Management (continued)

b) Management of market risk

The size and operations of the Group exposes it to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) foreign exchange risk

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

	Potential impact of risk	Management policy	Sensitivity to risk
i)	**Price risk**		
	The Group is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified at fair value through Other Comprehensive Income as at March 31, 2018 is ₹ 452.50 cr (March 31, 2017: ₹ 415.10 cr). The fair value of mutual fund classified at fair value through profit and loss as at March 31, 2018 is ₹ 5.70 cr (March 31, 2017: ₹ 2.92 cr).	In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management policy. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows: For equity instruments, a 9.14% increase in Nifty 50 prices may have led to approximately an additional ₹ 40.89 cr gain in Other Comprehensive Income (2016-17: ₹ 32.56 cr). A 9.14% decrease in Nifty 50 prices may have led to an equal, but opposite effect.
ii)	**Interest rate risk**		
	Financial liabilities:		
	The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2018, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ Nil (March 31, 2017: ₹ 51.87 cr).	In order to manage its interest rate risk arising from variable interest rate borrowings, the Group uses interest rate swaps to hedge its exposure to future market interest rates whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the Treasury department. The Risk Management Committee and the Treasury department maintain a list of approved instruments which can be used for the purpose of such interest rate hedging.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates may have led to approximately an additional ₹ Nil (2016-17: ₹ 0.14 cr) gain in Other Comprehensive Income. A 25 bps decrease in interest rates may have led to an equal, but opposite effect.

Note 29.8 Financial Risk Management (continued)

iii) Foreign exchange risk

The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the functional currency (₹) of the Group. The risk also includes highly probable foreign currency cash flows. The objective of the cash flows hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.

The Group has exposure arising out of export, import, loans and other transactions other than functional risk. The Group hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by the Risk Management Policy of the Group.

As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Financial Statements, the Group has calculated the impact as follows:

For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an increase in additional ₹ 2.78 cr gain in Other Comprehensive Income (2016-17: gain of ₹ 2.05 cr). A 2% decrease may have led to an increase in additional ₹ 2.30 cr loss in Other Comprehensive Income (2016-17: Gain of ₹ 0.65 cr).

Foreign currency risk exposure:

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

Particulars	As at March 31, 2018			
	US$ mn	₹ cr	€ mn	₹ cr
Financial assets				
Trade receivables	37.07	241.10	1.21	9.78
Less:				
Hedged through derivatives[1]				
Foreign exchange forward contracts	0.92	6.01	–	–
Net exposure to foreign currency risk (assets)	**36.15**	**235.09**	**1.21**	**9.78**
Financial liabilities				
Trade payables	16.39	106.55	0.06	0.48
Less:				
Hedged through derivatives[1]				
Currency range options	3.72	24.22	–	–
Net exposure to foreign currency risk (liabilities)	**12.67**	**82.33**	**0.06**	**0.48**

[1] Includes hedges for highly probable transactions up to next 12 months

Particulars	As at March 31, 2017			
	US$ mn	₹ cr	€ mn	₹ cr
Financial assets				
Trade receivables	27.00	175.07	0.85	5.89
Less:				
Hedged through derivatives[1]				
Currency range options	7.65	49.60	–	–
Net exposure to foreign currency risk (assets)	**19.35**	**125.47**	**0.85**	**5.89**
Financial liabilities				
Borrowings	10.67	69.15	–	–
Trade payables	7.87	51.06	0.22	1.50
Capital creditors	0.03	0.16	–	–
Less:				
Hedged through derivatives[1]				
Foreign exchange forward contracts	9.00	58.35	–	–
Currency swaps	1.67	10.80	–	–
Net exposure to foreign currency risk (liabilities)	**7.90**	**51.22**	**0.22**	**1.50**

[1] Includes hedges for highly probable transactions up to the next 12 months

Note 29.8 Financial Risk Management (continued)

c) **Management of credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited due to the customer base being large, diverse and across sectors and countries. All trade receivables are reviewed and assessed for default on a monthly basis.

Historical experience of collecting receivables of the Group is supported by low level of past default, and hence the credit risk is perceived to be low.

Reconciliation of loss allowance provision – Trade receivables

(₹ cr)

Particulars	As at March 31, 2018
Loss allowance as on March 31, 2016	**3.80**
Changes in loss allowance	(0.64)
Loss allowance as on March 31, 2017	**3.16**
Changes in loss allowance	(0.56)
Loss allowance as on March 31, 2018	**2.60**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in Government securities, preference shares and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings; hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Group.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2018

(₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US $								
Foreign exchange risk								
Foreign exchange forward contracts	6.01	–	0.07	–	1-12	66.18	0.07	(0.07)
Currency range options	–	24.22	–	(0.02)	1-12	64.90-68.90	(0.02)	0.02

As at March 31, 2017

(₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectivenes
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US $								
Foreign exchange risk								
Foreign exchange forward contracts	–	58.35	–	(2.43)	1-12	68.06	(2.43)	2.43
Currency range options	49.60	–	1.70	–	1-12	67.98-73.20	1.70	(1.70)

Note 29.8 Financial Risk Management (continued)

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2018 *(₹ cr)*

Type of hedge	Change in the value of the hedging instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	0.05	–	(0.73)	Revenue and inventories finance costs

As at March 31, 2017 *(₹ cr)*

Type of hedge	Change in the value of the hedging instrument recognised in Other Comprehensive Income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	(0.73)	–	(0.89)	Revenue and inventories finance costs

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
Derivative instruments	**As at March 31, 2018**	**As at March 31, 2017**
Balance at the beginning of the year	**(0.48)**	**(0.59)**
Gain | (Loss) recognised in Other Comprehensive Income during the year	0.05	(0.73)
Amount reclassified to revenue during the year	0.48	0.59
Tax impact on above	(0.02)	0.25
Balance at the end of the year	**0.03**	**(0.48)**

Note 29.9 Capital Management

The primary objective of Capital Management of the Group is to maximise Shareholder value. The Group monitors capital using Debt-Equity ratio which is total debt divided by total equity.

For the purposes of Capital Management, the Group considers the following components of its Balance Sheet to manage capital:

Total equity includes General reserves, Retained earnings, Share capital and Security premium. Total debt includes current debt plus non-current debt.

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Total debt	15.91	167.69
Total equity	2,243.92	1,965.94
Debt-Equity ratio	0.01	0.09

Note 29.10 Offsetting financial assets and liabilities

The below Note presents the recognised financial instruments that are offset or subject to enforceable master netting arrangements and other similar Agreements, but not offset as at March 31, 2018 and March 31, 2017.

a) Collateral against borrowings

The Group has hypothecated | mortgaged financial instruments as collateral against its borrowings. Refer Note 17 for further information on financial and non-financial collateral hypothecated | mortgaged as security against borrowings.

b) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Balance Sheet.

Note 29.11 Earnings per share

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

Particulars		2017-18	2016-17
Profit for the year attributable to the Equity Shareholders	₹ *cr*	281.24	323.35
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 EPS	₹	94.82	109.01

Note 29.12 Leases

a) Operating lease

The Group 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 28.

b) Finance lease

The Group has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the current rental. However, the Group has no specific obligation for renewal. The Group has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land, and it has thus accounted for the same as Finance lease.

Note 29.13 Rounding off

Figures less than ₹ 50,000 have been shown at actual in brackets.

Note 29.14 Interests in other entities

a) Subsidiary companies

The subsidiary companies of the Group at March 31, 2018 are set out below. Unless otherwise stated, they have Share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Note 29.14 Interests in other entities (continued)

Name of entity	Principal activities	Place of business | country of incorporation	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
			As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
			%	%	%	%
Aaranyak Urmi Ltd	Food products	India	100	–	–	–
Aasthan Dates Ltd	Agri products	India	100	100	–	–
Amal Ltd	Chemicals	India	52.85	36.74	47.15	63.26
Anchor Adhesives Private Ltd	Chemicals	India	100	100	–	–
Atul Aarogya Ltd	Healthcare products	India	100	100	–	–
Atul Ayurveda Ltd	Ayurvedic products	India	100	100	–	–
Atul Bioscience Ltd	Chemicals	India	100	100	–	–
Atul Biospace Ltd	Agri products	India	100	100	–	–
Atul Brasil Qumicos Ltda	Chemicals	Brasil	100	100	–	–
Atul China Ltd	Chemicals	China	100	100	–	–
Atul Clean Energy Ltd	Renewable energy	India	100	100	–	–
Atul Crop Care Ltd	Agri products	India	100	100	–	–
Atul Deutschland GmbH	Chemicals	Germany	100	100	–	–
Atul Elkay Polymer Ltd	Polymers	India	100	100	–	–
Atul Entertainment Ltd	Entertainment	India	100	100	–	–
Atul Europe Ltd	Chemicals	UK	100	100	–	–
Atul Finserv Ltd	Investments	India	100	100	–	–
Atul Finresource Ltd	Finance	India	100	100	–	–
Atul Hospitality Ltd	Hospitality	India	100	100	–	–
Atul Infotech Private Ltd	Information Technology	India	100	100	–	–
Atul Middle East FZ-LLC	Chemicals	UAE	100	100	–	–
Atul Nivesh Ltd	Investments	India	100	100	–	–
Atul Rajasthan Date Palms Ltd	Agri products	India	74	74	26	26
Atul (Retail) Brands Ltd	Retail	India	100	100	–	–
Atul Seeds Ltd	Agri products	India	100	100	–	–
Atul USA Inc	Chemicals	USA	100	100	–	–
Biyaban Agri Ltd	Agri products	India	100	100	–	–
DPD Ltd	Agri products	UK	98	98	2	2
Jayati Infrastructure Ltd	Infrastructure	India	100	100	–	–
Lapox Polymers Ltd	Polymers	India	100	100	–	–
Osia Dairy Ltd	Dairy	India	100	100	–	–
Osia Infrastructure Ltd	Infrastructure	India	100	100	–	–
Raja Dates Ltd	Agri products	India	100	100	–	–

Note 29.14 Interests in other entities (continued)

b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary company are before inter-company eliminations.

(₹ cr)

Summarised Balance Sheet	Amal Ltd	
	As at March 31, 2018	As at March 31, 2017
Current assets	17.19	10.12
Current liabilities	9.49	12.04
Net current assets	**7.70**	**(1.92)**
Non-current assets	35.69	27.90
Non-current liabilities	6.77	5.93
Net non-current assets	**28.92**	**21.97**
Net assets	**36.62**	**20.05**
Accumulated NCI	**17.27**	**12.68**

(₹ cr)

Summarised Statement of Profit and Loss	Amal Ltd	
	2017-18	2016-17
Revenue	32.65	8.12
Profit for the year	9.70	0.35
Other Comprehensive Income	–	0.01
Total Comprehensive Income	9.70	0.36
Profit allocated to NCI	4.58	0.23
Dividends paid to NCI	–	–

(₹ cr)

Summarised cash flows	Amal Ltd	
	2017-18	2016-17
Cash flows from operating activities	3.90	4.14
Cash flows from investing activities	(1.34)	(1.47)
Cash flows from financing activities	(1.89)	(1.16)
Net increase | (decrease) in cash and cash equivalents	**0.67**	**1.51**

c) Joint operations

Joint control over operations of Anaven LLP:

During the year, the Group has started a joint arrangement in the name of Anaven LLP, with AkzoNobel BV (AkzoNobel). The legal form of this entity confers separation between the parties to the joint arrangement and the entity itself. The arrangement requires consent of both the parties for all relevant activities; hence it is classified as 'jointly controlled'. The Company has a participating interest in Anaven LLP, primarily in the nature of production-sharing between AkzoNobel and itself. Based on this, the Management concluded that Anaven LLP is to be classified as a 'joint operation' and accordingly may require recognition of its share of assets, liabilities, revenues and expenses.

d) Interests in joint venture company accounted using the equity method

(₹ cr)

Name of entity	Place of business | country of incorporation	% of ownership interest	Relationship	Quoted fair value		Carrying amount	
				As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Rudolf Atul Chemicals Ltd	India	50	Joint venture	*	*	10.72	10.00
Total						**10.72**	**10.00**

* Note: Unlisted entity - no quoted price available

Note 29.14 Interests in other entities (continued)

Rudolf Atul Chemicals Ltd

The Group acquired 50% interest in Rudolf Atul Chemicals Ltd (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.

i) Commitments and contingent liabilities in respect of the joint venture company

(₹ cr)

Particulars	As at March 31, 2018	As at March 31, 2017
Share in contingent liabilities in respect of disputed demands for income tax of the joint venture company	0.62	0.73
Total commitments and contingent liabilities	**0.62**	**0.73**

ii) Summarised financial information in respect of the joint venture company

The tables below provide summarised financial information in respect of the joint venture company that are material to the Group. The information disclosed are as presented in the Financial Statements of the joint venture company. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in Accounting Policies.

(₹ cr)

Summarised Balance Sheet	Rudolf Atul Chemicals Ltd	
	As at March 31, 2018	As at March 31, 2017
Current assets		
Cash and cash equivalents	4.69	7.57
Other assets	30.87	26.38
Total current assets	**35.56**	**33.95**
Total non-current assets	**6.17**	**6.40**
Current liabilities		
Financial liabilities (excluding trade payables)	7.11	9.15
Other liabilities	9.46	8.07
Total current liabilities	**16.57**	**17.22**
Non-current liabilities		
Financial liabilities (excluding trade payables)	2.64	2.67
Other liabilities	0.16	0.12
Total non-current liabilities	**2.80**	**2.79**
Net assets	**22.36**	**20.34**

Note 29.14 Interests in other entities (continued)

(₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	As at March 31, 2018	As at March 31, 2017
Opening net assets	19.99	28.61
Profit for the year	9.04	9.33
Other Comprehensive Income	(0.01)	(0.03)
Dividends paid	(7.03)	(17.92)
Closing net assets	21.99	19.99
Share of Group in %	50%	50%
Share of Group in ₹	11.00	10.00
Carrying amount	**11.00**	**10.00**

Summarised Statement of Profit and Loss

(₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	2017-18	2016-17
Revenue	75.83	73.11
Interest income	0.53	0.93
Depreciation and amortisation	0.36	0.32
Interest expense	0.12	0.12
Income tax expense	4.92	5.11
Profit for the year	**9.04**	**9.33**
Other Comprehensive Income	(0.01)	(0.03)
Total Comprehensive Income	**9.03**	**9.30**
Dividends received	3.52	8.96

Note 29.15 Segment information

a) Description of Segments and principal activities

The Group has determined the following reporting Segments based on the information reviewed by Chief Operating Decision Maker:

Name of segment	Product groups
Life Science Chemicals	APIs, API Intermediates, Fungicides, Herbicides
Performance and Other Chemicals	Adhesion promoters, Bulk chemicals, Epoxy resins and hardeners, Intermediates, Perfumery ingredients, Textile dyes
Others	Agribiotech

b) Primary Segment - business

(₹ cr)

	Particulars	Life Science Chemicals		Performance and Other Chemicals		Others		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
i)	Segment revenue								
	Gross sales	1,130.67	907.50	2,368.88	2,231.26	56.38	49.44	3,555.93	3,188.20
	Less: Inter segment revenue	1.76	–	216.25	192.15	–	–	218.01	192.15
	Net revenue from operations	1,128.91	907.50	2,152.63	2,039.11	56.38	49.44	3,337.92	2,996.05
ii)	Segment results								
	Profit before finance cost and tax	131.81	147.89	290.36	303.36	7.88	5.68	430.05	456.93
	Less: Finance costs							12.74	25.17
	Less: Other unallocable expenditure (net of unallocable income)							9.33	(9.63)
	Add: Share of net profit of joint venture company							4.23	4.67
	Profit before tax							412.21	446.06
iii)	Other information								
	Segment assets	723.78	651.54	1,591.20	1,445.36	73.59	64.35	2,388.57	2,161.25
	Unallocated common assets							625.02	565.88
	Total assets							3,013.59	2,727.13
	Segment liabilities	149.21	118.20	395.50	303.78	18.98	17.10	563.69	439.08
	Unallocated common liabilities							185.97	306.86
	Total liabilities							749.66	745.94
	Additions to assets and intangible assets	40.89	79.41	96.43	121.96	1.24	7.15	138.56	208.52
	Unallocated additions to assets and intangible assets							2.31	14.50
	Total capital expenditure*							140.87	223.02
	Depreciation	31.29	23.81	73.93	67.03	2.38	2.35	107.60	93.19
	Unallocated depreciation							2.78	2.25
	Total depreciation							110.38	95.44

c) Secondary Segment - geographical

(₹ cr)

Particulars	In India		Outside India		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Segment revenue	1,630.60	1,429.49	1,707.32	1,566.56	3,337.92	2,996.05
Carrying cost of assets by location of assets	2,748.74	2,537.72	264.85	189.41	3,013.59	2,727.13
Additions to assets and intangible assets*	140.87	223.02	–	–	140.87	223.02

Other disclosures:

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

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

iii) The Group accounts for inter Segment sales and transfers at market price.

* Including capital work-in-progress and capital advances

Note 29.16 Disclosure of additional information pertaining to the parent, subsidiary companies and joint arrangement as per Schedule III of the Companies Act, 2013

No.	Name of the entity in the Group	Net assets		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of consolidated net assets	Amount (₹ cr)	As % of consolidated profit and (loss)	Amount (₹ cr)	As % of consolidated Other Comprehensive Income	Amount (₹ cr)	As % of consolidated Total Comprehensive Income	Amount (₹ cr)
	Parent company								
01	Atul Ltd	90.06%	2,197.54	88.35%	270.41	100.15%	39.13	89.69%	309.54
	Indian subsidiary companies								
01	Aaranyak Urmi Ltd	0.01%	0.01	–	–	–	–	–	–
02	Aasthan Dates Ltd	0.08%	1.75	(0.01%)	(0.02)	–	–	(0.01%)	(0.02)
03	Amal Ltd	1.50%	36.62	3.17%	9.70	0.03%	0.01	2.81%	9.71
04	Anchor Adhesives Pvt Ltd	0.02%	0.43	0.01%	0.02	–	–	0.01%	0.02
05	Atul Aarogya Ltd	0.01%	0.13	–	–	–	–	–	–
06	Atul Ayurveda Ltd	–	0.08	–	–	–	–	–	–
07	Atul Bioscience Ltd	0.97%	23.59	3.04%	9.29	(0.05%)	(0.02)	2.69%	9.27
08	Atul Biospace Ltd	0.52%	12.64	0.29%	0.88	–	–	0.26%	0.88
09	Atul Clean Energy Ltd	–	0.05	–	–	–	–	–	–
10	Atul Crop Care Ltd	0.06%	1.51	0.16%	0.52	0.03%	0.01	0.15%	0.53
11	Atul Elkay Polymers Ltd	0.01%	0.13	–	–	–	–	–	–
12	Atul Entertainment Ltd	–	0.08	–	–	–	–	–	–
13	Atul Finserv Ltd	1.63%	39.86	0.03%	0.09	(0.14%)	(0.05)	0.01%	0.04
14	Atul Fin Resources Ltd	0.11%	2.57	0.03%	0.08	–	–	0.02%	0.08
15	Atul Hospitality Ltd	–	0.08	–	–	–	–	–	–
16	Atul Infotech Pvt Ltd	0.70%	16.74	–	0.01	(0.05%)	(0.02)	–	(0.01)
17	Atul Nivesh Ltd	0.11%	2.57	0.03%	0.08	–	–	0.02%	0.08
18	Atul Rajasthan Date Palms Ltd	0.36%	8.83	0.12%	0.38	–	–	0.11%	0.38
19	Atul (Retail) Brands Ltd	–	0.05	–	–	–	–	–	–
20	Atul Seeds Ltd	–	0.05	–	–	–	–	–	–
21	Biyaban Agri Ltd	0.02%	0.58	(0.02%)	(0.06)	–	–	(0.02%)	(0.06)
22	Jayati Infrastructure Ltd	–	0.05	–	–	–	–	–	–
23	Lapox Polymers Ltd	0.05%	1.10	0.08%	0.24	0.03%	0.01	0.07%	0.25
24	Osia Dairy Ltd	–	0.05	–	–	–	–	–	–
25	Osia Infrastructure Ltd	–	0.05	–	–	–	–	–	–
26	Raja Dates Ltd	0.15%	3.75	(0.04%)	(0.12)	–	–	(0.03%)	(0.12)
	Foreign subsidiary companies								
01	Atul Brasil Quimicos Ltda	–	0.09	(0.03%)	(0.10)	–	–	(0.03%)	(0.10)
02	Atul China Ltd	0.19%	4.54	0.23%	0.69	–	–	0.20%	0.69
03	Atul Deutschland GmbH	0.02%	0.49	(0.01%)	(0.04)	–	–	(0.01%)	(0.04)
04	Atul Europe Ltd	1.31%	32.03	1.52%	4.65	–	–	1.35%	4.65
05	Atul Middle East FZ-LLC	0.01%	0.26	–	0.01	–	–	–	0.01
06	Atul USA Inc	0.74%	18.09	0.33%	1.00	–	–	0.29%	1.00
07	DPD Ltd	0.60%	14.72	1.34%	4.11	–	–	1.19%	4.11
	Joint venture company								
01	Rudolf Atul Chemicals Ltd	–	–	1.38%	4.23	–	–	1.23%	4.23
	Joint operation								
01	Anaven LLP	0.76%	18.51	–	0.01	–	–	–	0.01
	Total (A)	**100.00%**	**2,439.62**	**100.00%**	**306.06**	**100.00%**	**39.07**	**100.00%**	**345.13**
	a) Adjustment arising out of consolidation		**(195.70)**		**(29.58)**		**5.06**		**(24.52)**
	b) Non-controlling interests								
01	Amal Ltd		17.27		4.58		–		4.58
02	Atul Rajasthan Date Palms Ltd		2.29		0.10		–		0.10
03	DPD Ltd		0.45		0.08		–		0.08
			20.01		**4.76**		**–**		**4.76**
	Total (B)		**(175.69)**		**(24.82)**		**5.06**		**(19.76)**
	Grand total (A+B)		**2,263.93**		**281.24**		**44.13**		**325.37**

Note 29.17 Events occurring after the reporting period

The proposed dividend on equity shares at ₹ 12.00 per share is recommended by the Board which is subject to the approval of Shareholders in the ensuing Annual General Meeting.

Note 29.18 Authorisation for issue of the Consolidated Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on April 27, 2018.

In terms of our report attached			For and on behalf of the Board of Directors
For Deloitte Haskins & Sells LLP Chartered Accountants			
Samir R. Shah **Partner**	T R Gopi Kannan **Whole-time Director and CFO**	R A Shah S S Baijal B S Mehta H S Shah	S S Lalbhai **Chairman and Managing Director**
	L P Patni **Company Secretary**	S M Datta V S Rangan M M Chitale	S A Lalbhai **Managing Director**
Mumbai April 27, 2018	B N Mohanan **Whole-time Director and President - U&S**	S A Panse B R Arora **Directors**	Mumbai April 27, 2018

Form AOC - I

{Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014}

Statement containing salient features of the Financial Statements of subsidiary | joint venture companies

Part A: Subsidiary companies

(₹ cr)

No.	Name of the company	Reporting period for the concerned subsidiary company, if different from that of holding company reporting period	Reporting currency and exchange rate as on date of the relevant financial year in case of foreign subsidiary companies		Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% Shareholding
			Currency	Exchange rate											
01	Aaranyak Urmi Ltd	NA	NA	NA	0.01	–	0.01	–	–	–	–	–	–	–	100.00%
02	Aasthan Dates Ltd	NA	NA	NA	2.10	(0.35)	1.75	–	–	0.01	(0.02)	–	(0.02)	–	100.00%
03	Amal Ltd	NA	NA	NA	9.43	(0.83)	24.45	15.85	0.02	31.53	9.70	–	9.70	–	52.86%
04	Anchor Adhesives Pvt Ltd	NA	NA	NA	0.59	(0.16)	0.43	–	–	0.03	0.03	0.01	0.02	–	100.00%
05	Atul Aarogya Ltd	NA	NA	NA	0.06	0.07	0.13	–	0.11	–	–	–	–	–	41.67%
06	Atul Ayurveda Ltd	NA	NA	NA	0.06	0.02	0.08	–	0.05	–	–	–	–	–	41.67%
07	Atul Bioscience Ltd	NA	NA	NA	10.84	12.75	60.37	36.78	0.01	76.45	13.70	4.41	9.29	7.05	100.00%
08	Atul Biospace Ltd	NA	NA	NA	10.57	2.07	15.00	2.36	7.90	9.46	1.34	0.46	0.88	1.16	100.00%
09	Atul Brasil Quimicos Ltda	NA	BRL	19.72	1.39	(1.30)	0.55	0.46	–	0.95	(0.09)	–	(0.09)	–	100.00%
10	Atul China Ltd	NA	CNY	10.38	3.51	(0.59)	19.53	16.61	–	89.44	0.73	–	0.73	–	100.00%
11	Atul Clean Energy Ltd	NA	NA	NA	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	28.47%
12	Atul Crop Care Ltd	NA	NA	NA	0.05	1.46	2.68	1.17	0.14	10.13	0.71	0.19	0.52	–	26.00%
13	Atul Deutschland GmbH	NA	Euro	80.62	0.81	(0.32)	0.37	(0.12)	–	–	(0.04)	–	(0.04)	–	100.00%
14	Atul Elkay Polymer Ltd	NA	NA	NA	0.05	(0.11)	0.07	0.13	0.01	–	–	–	–	–	50.00%
15	Atul Entertainment Ltd	NA	NA	NA	0.06	0.02	0.08	–	0.05	–	–	–	–	–	41.67%
16	Atul Europe Ltd	NA	GBP	92.28	30.35	1.81	96.10	63.94	8.54	215.85	5.17	0.19	4.98	5.21	100.00%
17	Atul Fin Resources Ltd	NA	NA	NA	2.50	0.07	2.57	–	–	0.11	0.10	0.02	0.08	–	100.00%
18	Atul Finserve Ltd	NA	NA	NA	21.19	18.67	40.02	0.16	38.74	0.73	0.09	–	0.09	–	100.00%
19	Atul Hospitality Ltd	NA	NA	NA	0.06	0.02	0.08	–	0.03	–	–	–	–	–	41.67%
20	Atul Infotech Pvt Ltd	NA	NA	NA	0.24	16.51	17.33	0.58	0.03	2.96	0.03	0.02	0.01	–	100.00%
21	Atul Middle East FZ-LLC	NA	AED	17.74	0.53	(0.27)	0.27	0.01	–	–	0.01	–	0.01	–	100.00%
22	Atul Nivesh Ltd	NA	NA	NA	2.50	0.07	2.57	–	–	0.11	0.10	0.02	0.08	–	100.00%
23	Atul Rajasthan Date Palms Ltd	NA	NA	NA	8.11	0.72	20.28	11.45	–	3.18	0.19	(0.19)	0.38	–	74.00%
24	Atul (Retail) Brands Ltd	NA	NA	NA	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	43.05%
25	Atul Seeds Ltd	NA	NA	NA	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	41.67%
26	Atul USA Inc	NA	USD	65.04	13.01	5.08	54.85	36.76	–	252.68	1.32	0.31	1.01	1.04	100.00%
27	Biyaban Agri Ltd	NA	NA	NA	1.09	(0.51)	0.58	–	–	–	(0.06)	–	(0.06)	–	100.00%
28	DPD Ltd	NA	GBP	92.28	2.31	12.46	18.66	3.89	–	21.04	5.45	1.02	4.43	–	98.00%
29	Jayati Infrastructure Ltd	NA	NA	NA	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	41.67%
30	Lapox Polymers Ltd	NA	NA	NA	0.05	1.04	2.65	1.56	0.72	9.54	0.35	0.11	0.24	–	20.00%
31	Osia Dairy Ltd	NA	NA	NA	0.06	(0.01)	0.05	–	0.03	–	–	–	–	–	41.67%
32	Osia Infrastructure Ltd	NA	NA	NA	0.06	–	0.06	–	0.04	–	–	–	–	–	40.00%
33	Raja Dates Ltd	NA	NA	NA	4.10	(0.34)	3.83	0.07	–	0.01	(0.11)	0.01	(0.12)	–	100.00%

Note:
AED: United Arab Emirate Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, USD: United States Dollar
Gujarat Synthwood Ltd is under liquidation.
NA: Not applicable.

Part B: Associate and joint venture companies

Statement pursuant to section 129 (3) of the Companies Act, 2013 related to joint arrangements

(₹ *cr*)

No.	Name of the company	Latest audited Balance Sheet date	Shares of associate | joint arrangements held by the Company on the year end			Description of how there is significant influence	Reason why the associate| joint arrangements is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Accumulated profit | (loss)	Profit | (Loss) for the year	
			No.	Amount of investment	Extent of holding %					Considered in consolidation	Not considered in consolidation
	Joint venture company										
01	Rudolf Atul Chemicals Ltd	March 31, 2018	29,18,750	6.13	50.00%	Refer Note 1	NA	11.18	12.00	4.23	4.81
	Joint operation										
01	Anaven LLP	March 31, 2018		21.56	50.00%	Refer Note 2	NA	18.51	0.01	0.01	0.01

Note 1: By representation on the Board of Directors of the joint venture company, the Company participates in the policy-making process.

Note 2: This is a jointly controlled entity.

Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India

Attendance slip

41st Annual General Meeting

Friday, July 27, 2018

DP ID		Folio number | Client ID number	

Full name of the Shareholder | Proxy attending the meeting:

....

(First name) (Middle name) (Last name)

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) (Last name)

Signature of the Shareholder | Proxy

Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India

Route map to the venue of the Annual General Meeting

Venue distance from:
Railway station – 10 km
Airport – 16 km

Atul Ltd

Form number 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: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India

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

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

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

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

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

as my | our Proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 41st Annual General Meeting of the Company, to be held on Friday, July 27, 2018 at 10:30 am at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380 015, Gujarat, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	**Resolutions**
01.	Adoption of the Financial Statements and Reports thereon and the Consolidated Financial Statements for the financial year ended March 31, 2018
02.	Declaration of the dividend on equity shares
03.	Reappointment of Mr B N Mohanan as a Director
04.	Ratification of appointment of Deloitte Haskins & Sells LLP as the Statutory Auditors and fix their remuneration
05.	Modification of resolution pertaining to appointment of Deloitte Haskins & Sells LLP as the Statutory Auditors
06.	Reappointment of Mr S S Lalbhai as the Chairman and Managing Director
07.	Reappointment of Mr S M Datta as an Independent Director for 5 consecutive years
08.	Reappointment of Mr V S Rangan as an Independent Director for 5 consecutive years
09.	Appointment of Mr B S Mehta as an Independent Director for 5 consecutive years
10.	Approval for continuance of appointment of Mr B R Arora as an Independent Director
11.	Approval for continuance of appointment of Mr R A Shah as a Non-executive Director
12.	Payment of commission to Non-executive Directors
13.	Ratification of remuneration of R Nanabhoy & Co for Cost Audit

Signed this ___ day of ____________ 2018.

Affix Revenue Stamp here

Signature of the Member

Signature of the Proxy holder(s)

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

Make a difference

Ever since its inception, Atul Ltd is conducting its business in an inclusive way. Atul Foundation Trust (AFT) is working to achieve sustainable development, particularly in rural areas to help uplift the lives of the underprivileged. AFT (2017-18 project spend: ₹606.27 lakhs, administration cost: ₹3.34 lakhs) provides a complete account of the funds received for various projects and sends its Annual Report to every donor.

If you wish to join in our endeavour of enhancing the standard of living of the less fortunate and are looking for an organisation that will channelise and direct 100% of your contribution to projects at hand, AFT may be a good option. Given below are some of the projects AFT is currently implementing. If you wish to sponsor any project(s), please write to contact@atulfoundation.org

Contributions or donations to AFT qualify for tax exemption under Section 80G of the Income Tax Act, 1961.

Highlights: 2017-18

3,278 young minds nurtured through the Education program

68,000 trees planted

8,724 lives touched through health camps

2,398 tribal individuals empowered through a range of initiatives

1,500 individual household toilets constructed

01. Food for tribal children for one month:

Sponsoring food for one tribal child = ₹1,700

I wish to sponsor food for ______ (number) tribal children by contributing ₹1,700 x ______ = ₹____________

02. Amenity blocks in a village:

Sponsoring the construction of one amenity block = ₹18,000

I wish to sponsor construction of ______ (number) amenity blocks by contributing ₹18,000 x ______ = ₹____________

03. Training and incentives to *adhyapikas*:

Sponsoring the training imparted to and incentives paid to an *adhyapika* for one month = ₹5,000

I wish to sponsor ______ (number) *adhyapikas* by contributing ₹5,000 x ______ = ₹____________

04. I wish to donate ₹____________ towards the corpus of Atul Foundation Trust.

My contact details are given below:

Name: ________________________ Home | Office address: ________________________

____

E-mail address: ________________________ Mobile telephone: ________________________

The donation amount may be remitted along with the requisite information with respect to how you wish to participate (project, corpus, etc), by drawing a cheque in favour of Atul Foundation Trust and sending it to Atul Foundation Trust, Atul 396 020, Gujarat, India or through RTGS as per the details given below:

Beneficiary: Atul Foundation Trust

Account number: 911010029486212

Bank: Axis Bank Ltd

IFS code: UTIB 0000 459

Branch: Atul

Corporate information

Directors

Mr Sunil Lalbhai
(Chairman and Managing Director)

Mr Rajendra Shah

Dr Satguru Baijal

Mr Bansi Mehta

Mr Hasmukh Shah

Mr Samveg Lalbhai
(Managing Director)

Mr Susim Datta

Mr Bharathy Mohanan
(Whole-time Director and President - U&S)

Mr Srinivasa Rangan

Mr Mukund Chitale

Mr Gopi Kannan Thirukonda
(Whole-time Director and CFO)

Ms Shubhalakshmi Panse

Mr Baldev Arora

Company Secretary

Mr Lalit Patni

Statutory Auditors

Deloitte Haskins & Sells LLP

Cost Auditors

R Nanabhoy & Co

Secretarial Auditors

SPANJ & Associates

Registered office

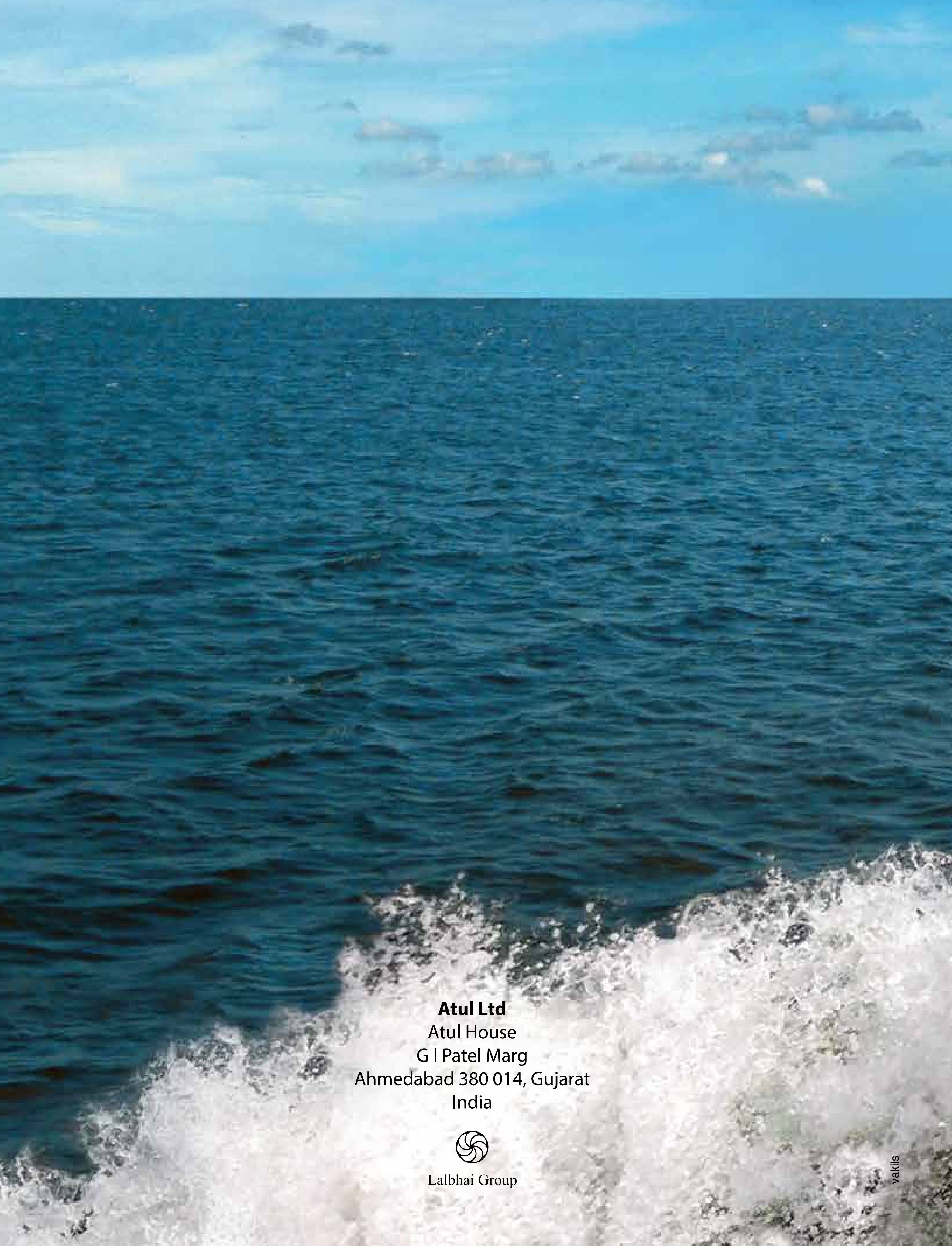
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

Head office

Atul 396 020, Gujarat
India
E-mail address: 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
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

Lalbhai Group

vakils