

INCLUSIVENESS

Caring Growing Sharing



Atul Ltd | Annual Report 2014-15

We will be responsible towards nature and protect the environment (caring); build teams and expand our organisations (growing) and bring out our intrinsic goodness – to be unconditional givers – and create an integrated society (sharing). This approach of Inclusiveness where growing is synonymous with caring and sharing is what our Company has stood for since its inception in 1947. The world-famous mangoes come from Valsad (the district in which Atul established its first facilities); mango trees therefore are perhaps an apt metaphor to denote our endeavour of caring, growing and sharing.

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You are not a drop in the ocean. You
are the entire ocean in a drop.
~ Jalāl ad-Dīn Rūmī

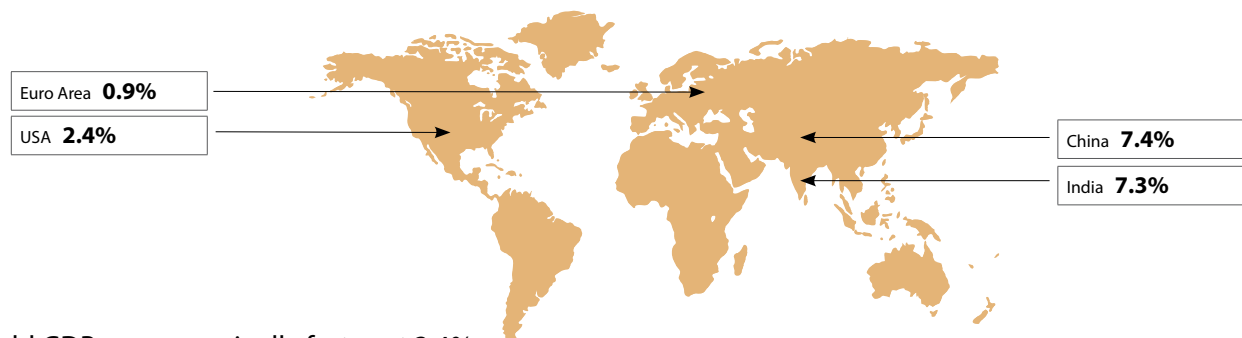
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Forward looking statements

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

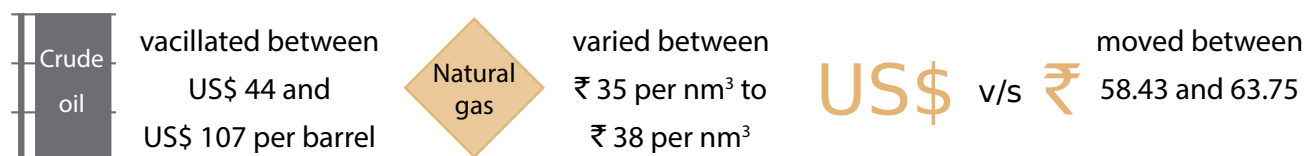
Reminiscing 2014-15

World economy* inched up ...



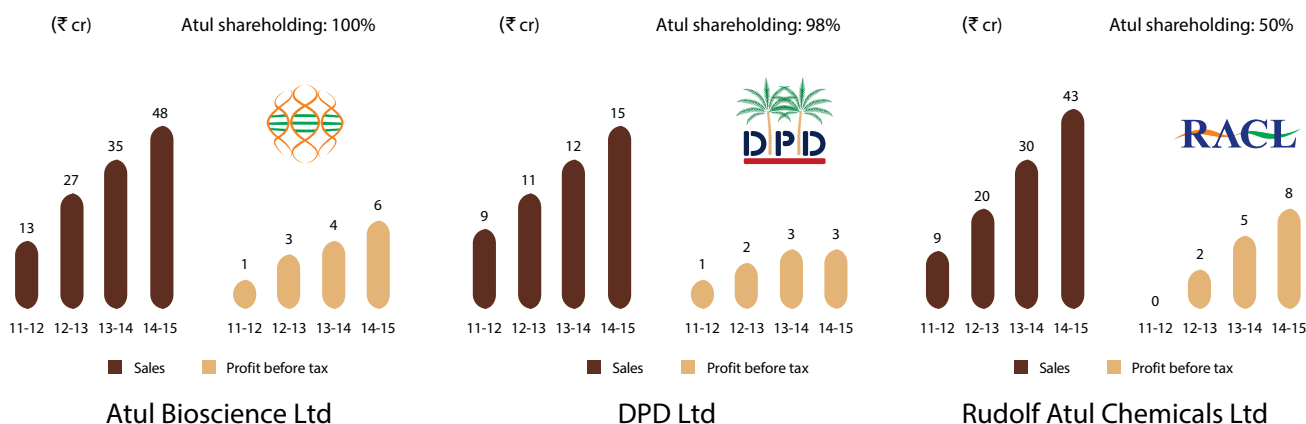
World GDP grew marginally faster, at 3.4%

Basic inputs and forex rates fluctuated wildly and remained unpredictable ...



Our Company maintained its trend of consistent improvement ...

- » Undertook 31 Key Initiatives to improve the environment
- » Increased profit before tax from operations from ₹ 277 cr to ₹ 312 cr and undertook capex of ₹ 354 cr
- » Served the society with 22 Key Initiatives in the areas of education, health and infrastructure



* Calendar year 2014 for all countries except India where the year is April to March

Corporate identity



Yoga

Plural, syncretic and beyond rituals of all hues and forms, Yoga is the art and the science of unleashing the infinite potentials of the human body, mind (and soul). The significance of Yoga for achieving peace and quiet from within is as powerful as its ability to enhance clarity and flexibility of action. Yoga is a gift of India to the world. United Nations, on December 11, 2014, established June 21 as the International Day of Yoga.

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

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

Inspirational past ...

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

Industrious present ...

- » Consistently improving process efficiencies and recovering useful products from pollutants
- » Steadily enhancing presence in all key markets and increasing sales of own brands, an initiative started in 2004-05
- » Serving the society through Atul Foundation (Trust) in the areas of national priority, namely, Education, Empowerment, Conservation, Infrastructure, Health and Relief

Illuminating future ...

- » Expanding in life science, performance and other chemicals with abundant possibilities and seeding new businesses
- » Having depth in science and technology and having integrated manufacturing facilities
- » Willing to take calculated risks and is committed to learn from successes as well as failures

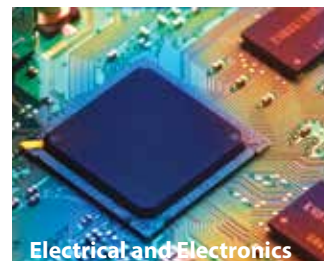
Promoter group shareholding of 50.72%

Relatively small Equity share capital of ₹ 29.68 cr compared to net worth of ₹ 1,016 cr

History of consistent dividend since commencement of operations in 1952 (except 1999-2000)



Serving diverse industries



Breadth and depth

- » Production facilities in India (Ankleshwar and Valsad, Gujarat and Tarapur, Maharashtra)
- » Subsidiary company with production facility in the UK (Bristol)
- » Joint venture companies with production facilities in India (Valsad, Gujarat and Jodhpur, Rajasthan)
- » Distribution network for brand sales across India
- » Wholly-owned subsidiary companies in Brazil (Sao Paulo), China (Shanghai), the UAE (Dubai), the UK (Wilmslow) and the USA (Charlotte, North Carolina)

...

- » Manufactures about 920 products and 460 formulations divided into Life Science Chemicals and Performance and Other Chemicals Segments
- » Serves about 5,700 customers in 68 countries
- » Owns 68 brands in Crop Protection and Polymers Businesses



Energised by Purpose

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

- » Fostering a spirit of continuous learning and innovation
- » Adopting the developments in science and technology
- » Providing high quality products and services, thus becoming the most preferred partner
- » Having people who practise Values and exemplify high standards 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



Mr Balwantrai Mazumdar
(1902 – 1981)

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



Mr Kasturbhai Lalbhai
(1894 – 1980)

The legacy of our Founder has been synonymous with

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



Mr Siddharth Kasturbhai
(1923 – 1998)

A chemical engineer and the elder son of our Founder, Mr Siddharth Kasturbhai dedicated his life in the development of Atul Conglomerate, according equal value to the creation of wealth and service to society.

The principles he upheld of trusteeship in governance, the personal qualities he lived by of integrity, perseverance, low profile and simplicity and the single-minded devotion he gave to the tasks on hand will remain our guiding force.

United by Values

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



Integrity ...

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

Understanding ...

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



Unity ...

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

Responsibility ...

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



Excellence ...

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

Letter to the Shareholders

Dear Shareholder,

During the fiscal, we pursued the Purpose enunciated by our *karmayogi* Founder, Mr Kasturbhai Lalbhai, while endeavouring to imbibe, nourish and promote the Values he so fondly cherished. We remained committed to continuing his legacy of conducting business that reflects its true purpose. To actualise this, we prepared ourselves further for growing meaningfully in a more competitive world; simultaneously we worked so as to consistently and increasingly give back to each section of the Stakeholders.

2014 was a year of optimism for many economies – the **world GDP** grew by 3.4% to US\$ 77.3 t. The USA led the show – its GDP grew by 2.4% to US\$ 17.4 t, that of China grew by 7.4% to US\$ 10.4 t and that of Euro Area grew by 0.9% to US\$ 13.4 t. The GDP of India grew by 7.2%* to US\$ 2.1 t. 2015 has had a shaky start – many believe that recession is likely to plague some economies, and demand is likely to remain subdued at least in the first half.

World Chemical Industry, the size of which is US\$ 4.3 t, grew by 2.5%. India at US\$ 100 b* grew at 4% and continued to remain at number 7. China at US\$ 1.5 t grew at 5% and maintained its number one position. The other five countries ahead of India, namely the USA, Japan, Germany, South Korea and France, showed growth between -0.8% and 4% in 2014. The Industry is expected to grow slower at 2% during 2015; nonetheless we will work with focus and optimism and promote the 'Make in India' theme in our own small way.

Our Company put forward improved **results** for the fiscal: sales grew to ₹ 2,510 cr (↑9%), EBITDA increased to ₹ 391 cr (↑8%) and PBT from operations increased to ₹ 312 cr (↑13%). EBITDA margin remained unchanged because of increase in fixed costs. The increases in sales and profit were small – indeed, we believe that we have the potential to perform significantly better. The Board has recommended a dividend of 85%, the highest so far, reflecting confidence in the future.

*2014-15

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During the fiscal, our Company completed 4 **projects** with an investment of ₹ 33 cr which are expected to generate sales of ₹ 143 cr at full capacity utilisation; 7 projects with an investment of ₹ 321 cr are underway, which on completion, at full capacity utilisation, are expected to generate sales of ₹ 554 cr, and it will be within the reach of our Company to aim for achieving sales of ₹ 4,000 cr in 2017-18, as we see at present. In addition, we are continuously taking up small capital expenditure proposals for debottlenecking and upgradation as we believe we have a lot to harness and optimise from what we already have.

The **subsidiary and joint venture companies** have further improved their performance: Atul Bioscience grew its sales and PBT by 37% and 50% to ₹ 47 cr and ₹ 6 cr respectively. Rudolf Atul Chemicals increased its sales and PBT by 42% and 55% to ₹ 43 cr and ₹ 8 cr respectively. DPD grew its sales and PBT by 17% and 9% to £ 1.6 m and £ 0.3 m respectively. Atul Rajasthan Date Palms will commence sales only during 2015-16. The proposal to merge Amal Ltd, an associate company, was approved by the Board of our Company.

Atul Brasil Quimicos, a subsidiary of our Company, is expected to help grow sales in South America. Atul USA, Atul Europe and Atul China have further improved their sales and are expected to increase trading of products other than those manufactured by our Company. Our Company established Atul Middle East FZ-LLC for growing sales in that part of Asia and Africa. These actions reflect the aspirations of our Company to grow across the world and focus on better, more informed **service to our customers**.

Atul Foundation (Trust) under which all other trusts, institutions, etc promoted by our Company related to **social responsibility** are placed continued to serve the society mainly in the areas of education, empowerment, health, relief, infrastructure and conservation. Page number 18 will give a broad idea about some initiatives. The creation of Atul Institute of Vocational Excellence, replete with world-class infrastructure facilities (which

When a company grows its business while caring for the environment and sharing (its knowledge, resources and profit) with the society, it is actually making its own journey sustainable; this is because it then no longer exists for its own narrow objective of profit, but instead becomes a part of the whole ecosystem – with this, it consists of every element of the whole, working for a larger purpose. Our legendary Founder, Mr Kasturbhai Lalbhai, established businesses keeping in focus this eternal truth, and the team Atul is endeavouring to carry forward this enriching legacy.



New registered office of Atul in Ahmedabad (inaugurated on January 21, 2015)

will be inaugurated in 2015-16), will actualise further our enduring commitment to the society.

All that our Company is doing, related to business or social work, is impossible without the most important asset, its **people**. I very much value the commitment and contributions of the members of Atul family, most of whom are 'working behind the scenes'. Atul HR continued to focus on improving processes related to performance management and training and development. An improved Reward and Recognition Scheme has been evolved effective January 1, 2015.

The **Non-executive Directors** on our Company Board are amongst the best; my colleagues and I are privileged to benefit from their varied experience and receive their constructive criticism, encouragement and guidance. Mr Gopal Patel chose to retire because of ill-health; the Board will miss a man with a keen eye for detail. Our Company has inducted three accomplished professionals, Mr Mukund Chitale, Ms Shubhalakshmi Panse and Mr Baldev Arora, as Independent Directors.

India is on the threshold of unprecedented growth, and we will participate in this new story in different ways, by growing existing products, adding downstream products, introducing related products

and seeding new products - all by enhancing focus on serving our customers and understanding their dynamic expectations. To make this happen, we will work with a **steely resolve**, with a **spirit of solidarity** and with a **sense of common purpose** which have always propelled businesses further.

As a company whose inherent core Values are Indian – where growing is considered incomplete without caring and sharing – we will expand our business footprints while protecting the environment and serving the society with similar rigour. We are reinforcing this concept of **Inclusiveness** in our approach to business, and I am certain, as a Shareholder, you are equally convinced about the strength of this universal concept which has enabled our Company to sustain business and create value over a long period of time.

As we 'turn yet another page' of our lives, may God bless us all to work for and write a brighter future.

Sincerely,

(Sunil Siddharth Lalbhai)
Chairman and Managing Director

Operational highlights

The measure of intelligence is the ability to change.

~ Albert Einstein

Though our Company maintained the improvement trend in sales and profit during 2014-15, it was unable to reach the envisaged numbers. Difficult times will only bring out the best in us, and we will persevere to do better. Here, we share some of the Key Initiatives we accomplished during 2014-15:



People

- » Commenced structured job rotations
- » Improved goal setting and appraisal dialogue process
- » Improved Reward and Recognition Scheme
- » Introduced comprehensive induction module for Executive and Management Trainees
- » Introduced Integrated Development Plan for managers



Systems

- » Automated payroll of 3 subsidiary companies
- » Implemented 'mobSales' – open source integrated mobility solution for brand sales
- » Implemented 'netQ' – open source vendor portal to ensure better connect with vendors
- » Implemented online vendor bid
- » Implemented 'SaraI' – open source human resource self-service multi-lingual kiosk system

Safety

- » Completed consequences analysis for 22 hazardous chemicals
- » Conducted 489 programs for enhancing safety awareness
- » Conducted 54 safety audits
- » Conducted 33 hazop studies and mitigated 31 risks for new projects
- » Conducted 7 onsite mock drills



Health

- » Carried out 4,919 general health check-ups
- » Circulated 54 health related articles
- » Conducted 4 programs on fitness and health awareness
- » Established and commissioned well equipped occupational health centre at Ankleshwar
- » Initiated pre-medical check-up for contract workmen



Environment

- » Achieved zero liquid effluent discharge in 1 key product
- » Commissioned new research laboratory for environment protection
- » Contested public interest litigation against the Company that got disposed of by the relevant Court
- » Upgraded continuous ambient air and weather monitoring setup
- » Used bio-based Epichlorohydrin (Epicerol®) manufactured by Solvay, thereby decreased 25 kMT of CO₂ equivalent



Technology and Manufacturing

- » Decreased consumption of raw materials in 3 products
- » Decreased consumption of solvents in 35 products
- » Decreased water consumption by 11% in selected products
- » Increased yields of 40 products
- » Recovered 9 useful products from effluent and waste





Research and Development

- » Developed 60 new products | formulations
- » Developed processes of 2 products with lower catalyst usage
- » Improved processes of 13 existing products
- » Improved quality of 22 products
- » Supported 33 scale-ups



Sales and Marketing

- » Decreased inventories in 3 Businesses
- » Decreased overdue receivables in 3 Businesses
- » Increased contribution margins in 2 Businesses through selling prices
- » Launched 1 new brand
- » Sold in 2 countries for the first time

Growth

- » Added 691 customers and 90 distributors
- » Debottlenecked capacity in 31 products
- » Decreased time-cycle in 16 products
- » Introduced 19 products and 14 formulations
- » Undertook 11 projects with capital outlay of ₹ 354 cr; 4 completed and 7 underway



Recognitions

Dignity consists not in possessing honours, but in the consciousness whether we deserve them.

~ Aristotle Stagiritis



Golden Peacock Award 2014 for Best Eco – Innovation in Agriculture for 'Greening the deserts'



IIA Excellence Award 2015 India for Innovation



Gujarat Cleaner Production Award 2014 for outstanding achievement in implementing cleaner production practices



National Quality Excellence Award 2015 for Environmental Sustainability



Sustainability Award for best green process in chemical sector – Sulphur Black plant



National Quality Award 2015 for creating wealth from waste



100 Most Talented Global HR Leaders Award for Excellence in Human Resources



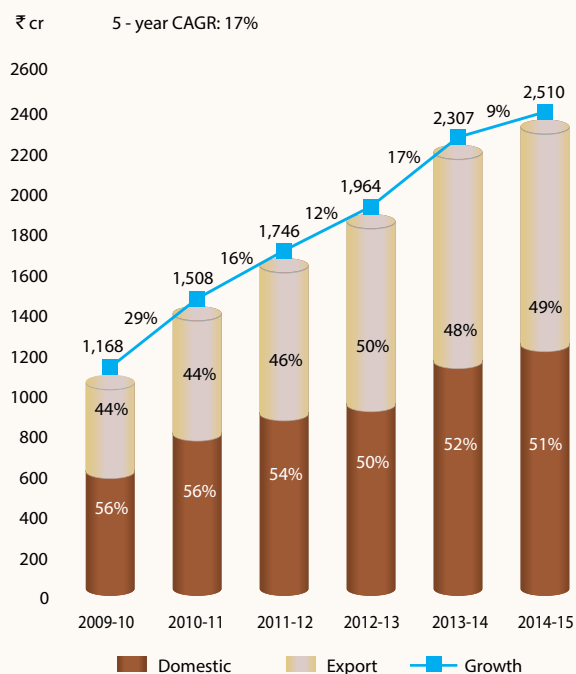
Ruby Jubilee 40th National Competition for Young Managers – 2014 in Western Region



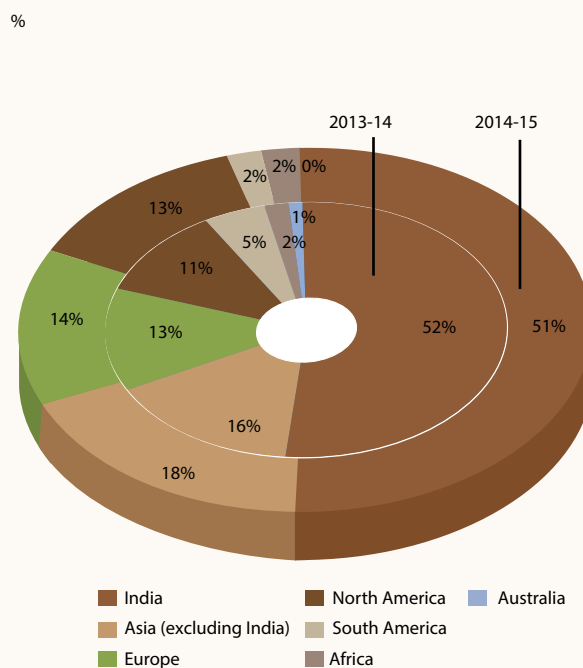
IDC Insights ICONIC 2014 Award for best IT solution deployed in India's Manufacturing and Logistics category

Financial charts

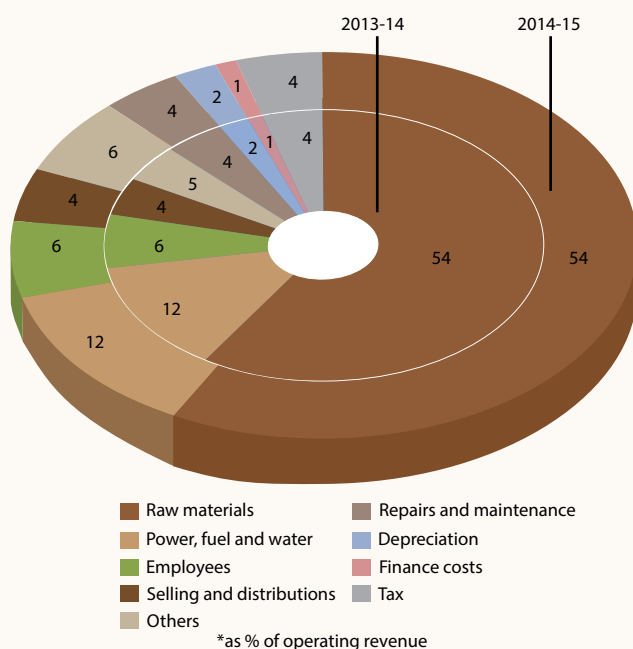
Sales



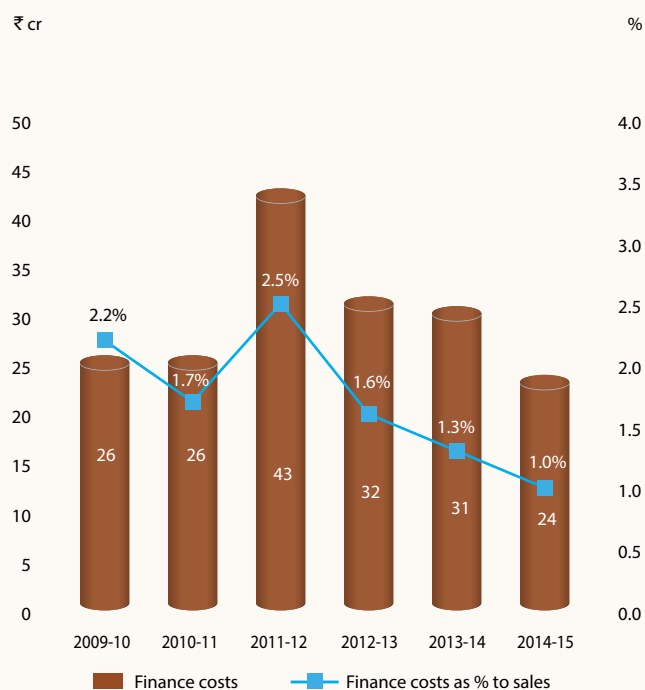
Sales by geography



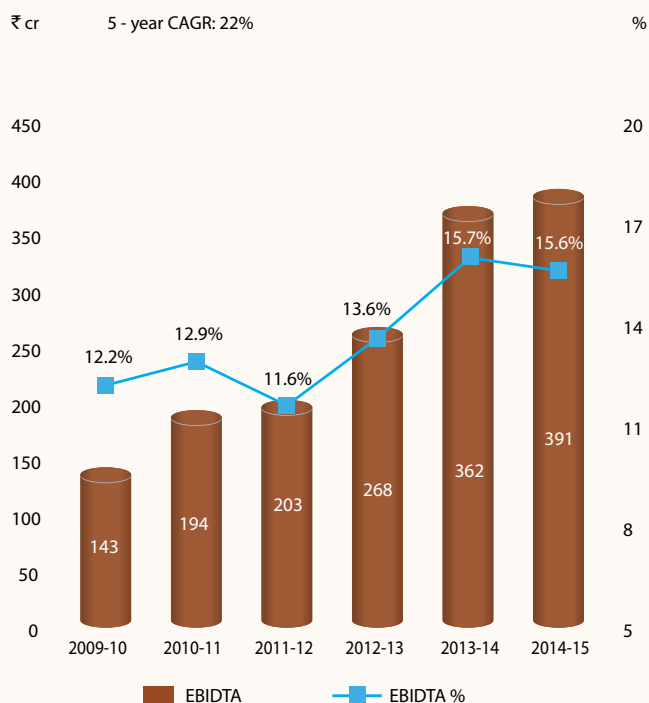
Expenses*



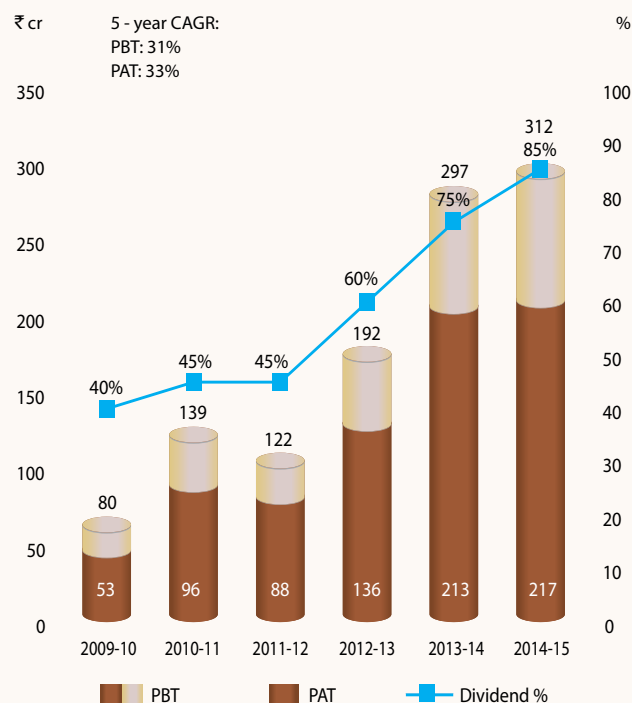
Finance costs



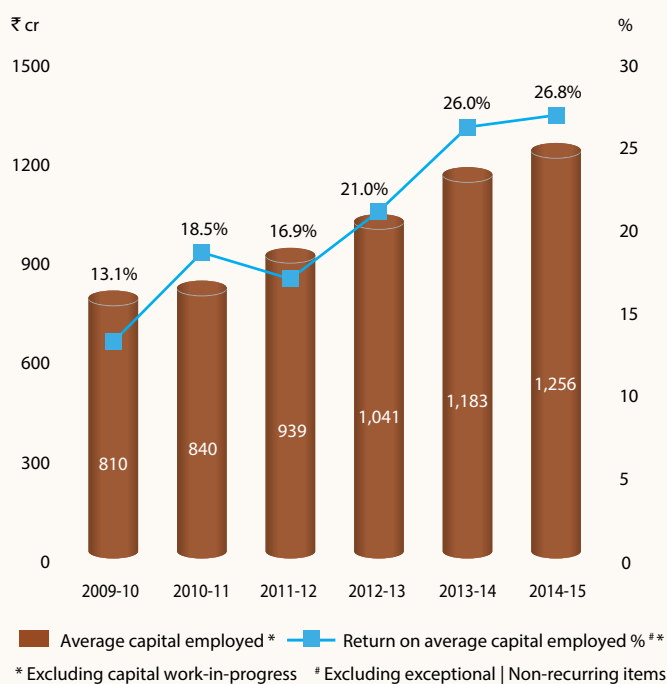
EBIDTA



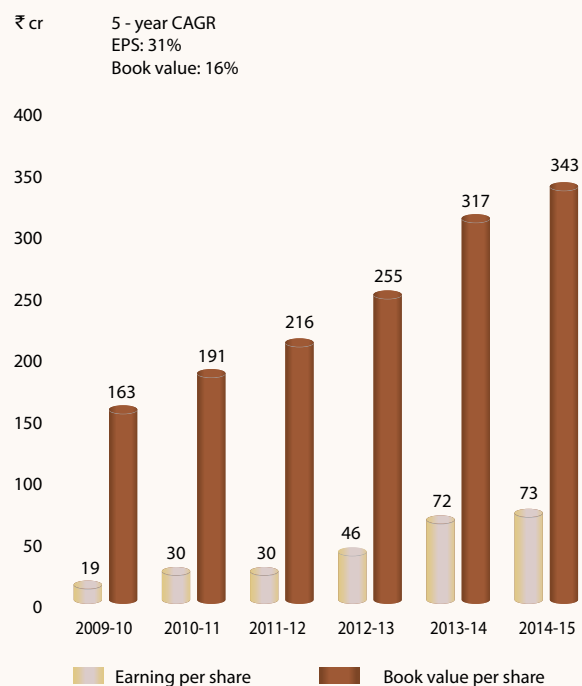
Profit before tax, Profit after tax and Dividend



Return on average capital employed

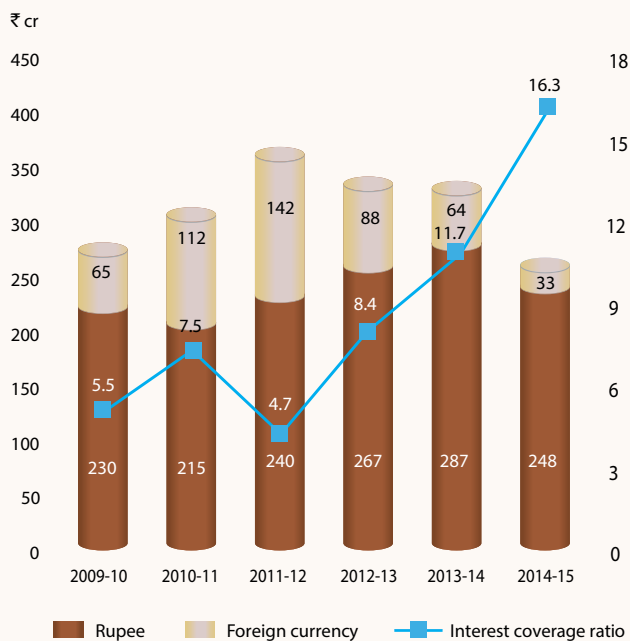


Earning per share and Book value per share

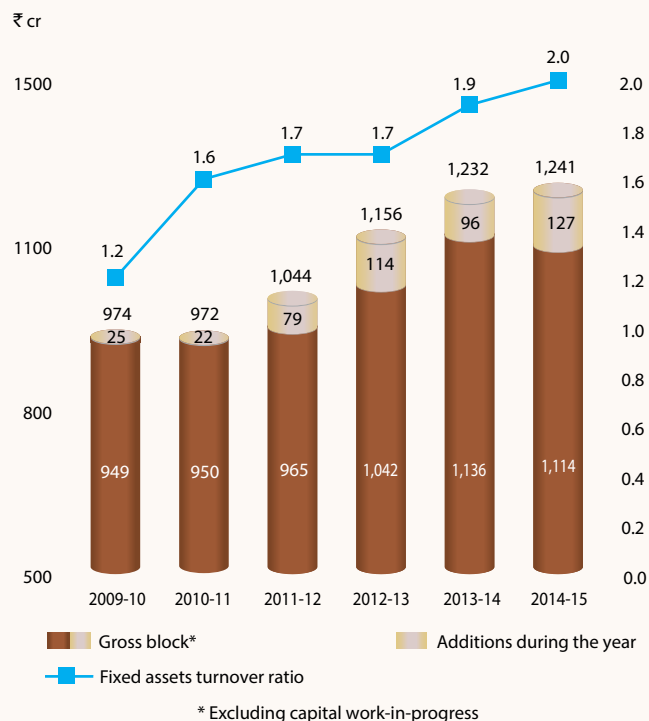


Financial charts

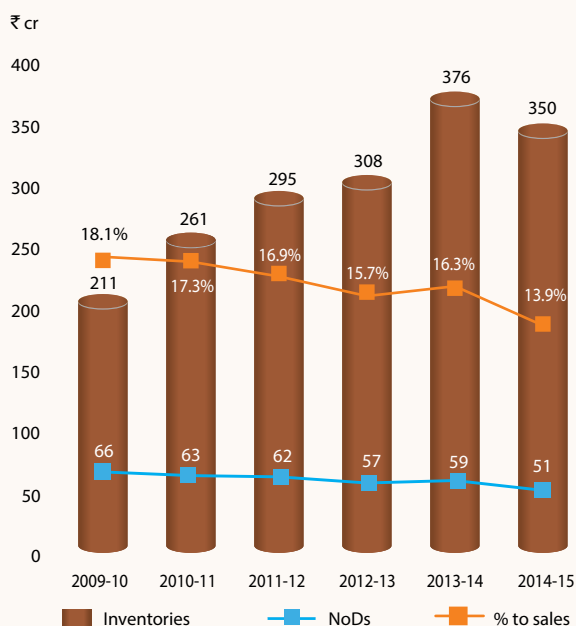
Borrowings



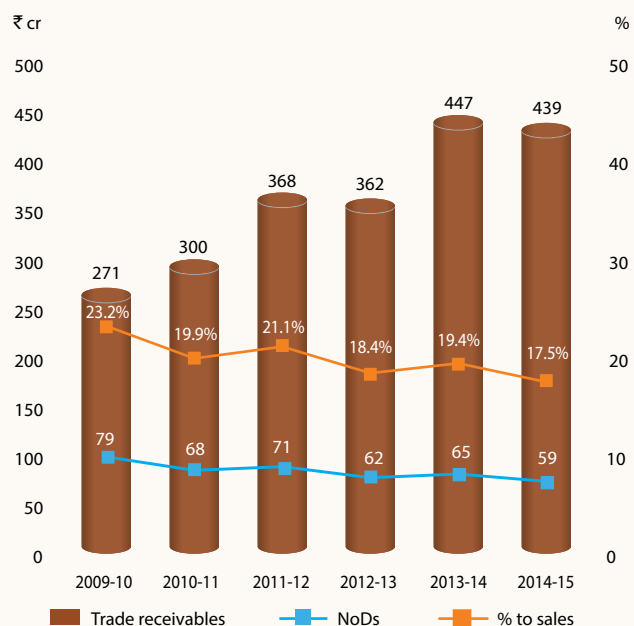
Fixed assets



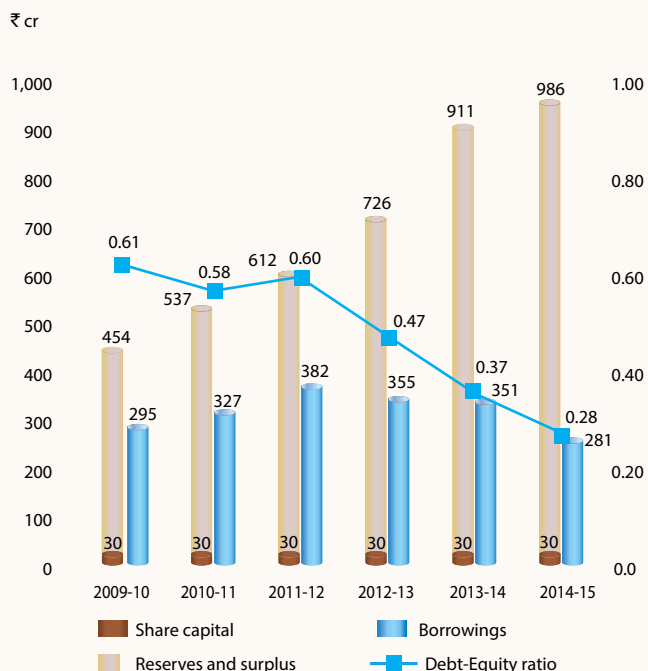
Inventories



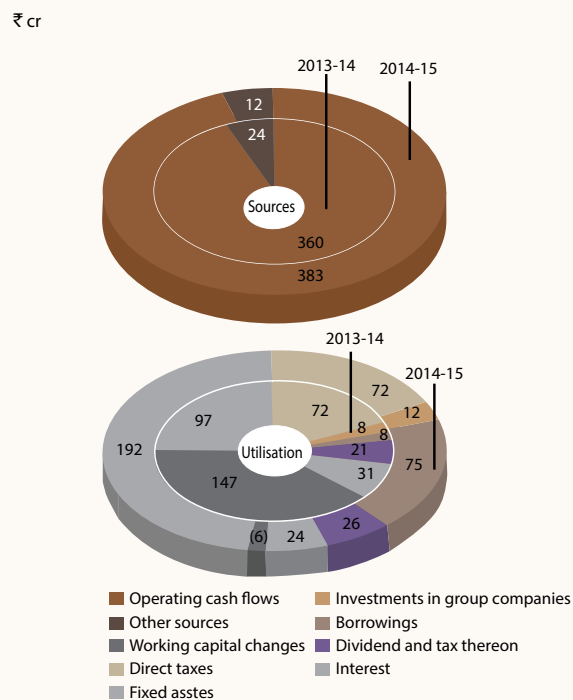
Trade receivables



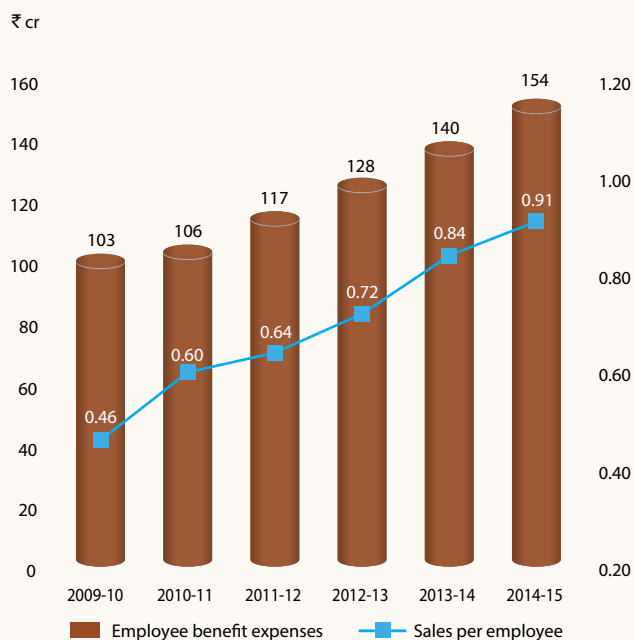
Debt-Equity



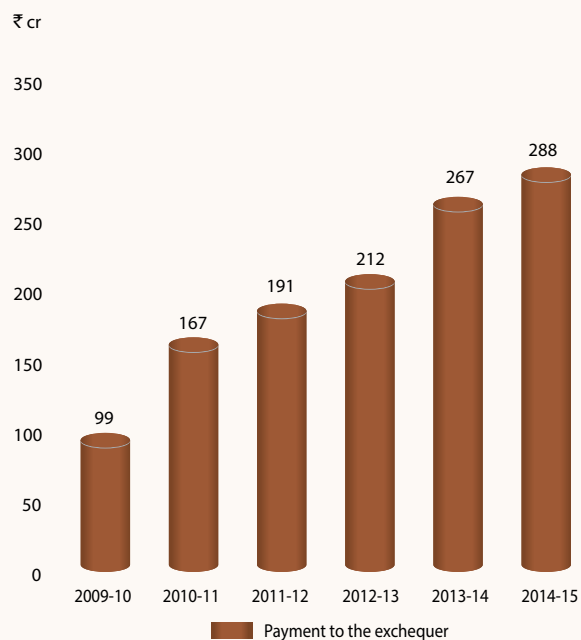
Sources and Utilisation of cash



Employee benefit expenses and Sales per employee



Payment to the exchequer



Serving the society

I slept and dreamt that life was joy. I awoke and saw that life was service. I acted and behold, service was joy.

~ Rabindranath Tagore

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

Ever since its first plants were commissioned, Atul has been engaged in serving the society in the areas of Education, Empowerment, Health, Relief, Infrastructure and Conservation. The Company has started schools and vocational institutes, provided medical and other support to those less fortunate, especially during earthquakes, famines and floods and has improved facilities and amenities in the villages particularly around its manufacturing locations.

During 2014-15, the Company undertook 22 Key Initiatives to serve the society; some of them are highlighted below:



Education

- » Enhanced involvement of parents in the teaching and learning process for optimised school development
- » Organised interaction of students, teachers and parents with distinguished Personalities
- » Provided 8,700 units of writing materials to 2,500 students of 23 primary schools in 9 villages
- » Sensitised students in understanding and appreciating physical and psychological safety in all contexts
- » Started outreach initiative with students to sensitise the society about social evils (like dowry, etc)



Empowerment

- » Achieved near completion of 75,000 square feet permanent infrastructure for Atul Institute of Vocational Excellence
- » Conducted 8 classes in 12 villages training 153 students for operating Computers
- » Conducted 6 classes in 4 villages training 102 women for making garments
- » Conducted 3 classes in 3 villages training 56 women for making soft toys
- » Organised 9 courses training 633 students in various vocations

Health

- » Organised 13 blood donation camps
- » Organised 8 eye camps in 8 villages, examined 2,897 patients, arranged 157 cataract operations and provided free spectacles to 2,377 persons
- » Organised 2 general medical diagnostic camps in 2 villages and examined 467 patients
- » Organised 2 food and nutrition classes for 86 women in collaboration with the Ministry of Women and Child Development, Government of India
- » Organised mega medical camp for around 2,200 tribal persons in collaboration with 13 other NGOs



Relief

- » Contributed towards relief work during the floods in Jammu and Kashmir
- » Provided fertilisers at subsidised rates to 70 farmers
- » Provided financial assistance for medical treatment to 6 poor patients
- » Provided meals to 1 school hostel
- » Provided 1,70,197 kL of free drinking water to 2 villages



Conservation

- » Contributed towards construction of gas based environment friendly cremation facility benefitting 14 villages
- » Contributed towards establishment of environment friendly biogas operated kitchen at Brahma Kumaris
- » Converted dry leaves and other waste to vermicompost
- » Initiated evaluation of a project to convert plastic waste to fuel
- » Planted 70,000 trees



Infrastructure

- » Constructed 26 amenity blocks in surrounding villages to promote rural health and hygiene
- » Constructed and repaired 9 civic amenities in 7 villages
- » Organised renovation of dining hall of a differently abled children home
- » Undertook 1 project for providing drinking water facility in 1 school
- » Undertook 1 project for providing amenity blocks in 1 school



Board of Directors



Dr S S Baijal



Mr H S Shah



Mr B N Mohanan



Mr T R Gopi Kannan



Mr R A Shah



Mr B S Mehta



Mr S M Datta



Mr M M Chitale



Mr B R Arora



Mr S S Lalbhai



Mr S A Lalbhai



Mr V S Rangan



Ms S A Panse

Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Ltd together with the audited statement of accounts for the year ended March 31, 2015.

1. Financial Results

(₹ cr)

	2014-15	2013-14
Sales	2,510	2,307
Revenue from operations	2,556	2,365
Other income	15	40
Total revenue	2,571	2,405
Profit before tax	312	297
Provision for tax	95	84
Profit for the year	217	213
Profit available for appropriation	217	213
Balance brought forward	664	498
Disposable surplus	881	711
Appropriations		
General reserve	-	21
Proposed dividend	25	22
Dividend distribution tax	5	4
Balance carried forward	851	664

2. Performance

Sales increased by 9% from ₹ 2,307 cr to ₹ 2,510 cr aided by both higher volumes (5%) and prices (4%). Sales in India increased by 7% from ₹ 1,199 cr to ₹ 1,283 cr. Sales outside India increased by 11% from ₹ 1,108 cr to ₹ 1,227 cr. PBT in previous year included ₹ 20 cr of one-time dividend received; including such one-time income, the Earning per share increased from ₹ 71.74 to ₹ 73.30. While the operating profit before working capital changes increased by 6% from ₹ 360 cr to ₹ 383 cr, the net cash flow from operating activities increased by 125% from ₹ 141 cr to ₹ 317 cr, mainly on account of the reduction in working capital and other current assets.

Sales of Life Science Chemicals (LSC) Segment decreased by 8% from ₹ 738 cr to ₹ 676 cr, mainly because of lower sales in Crop Protection Business; its EBIT decreased by 21% from ₹ 150 cr to ₹ 119 cr. Sales of Performance and Other Chemicals (POC) Segment increased by 17% from ₹ 1,569 cr to ₹ 1,834 cr, supported by growth in Aromatics, Colors and Polymers Businesses; its EBIT increased by 40% from ₹ 173 cr to ₹ 242 cr. More details are given in the Management Discussion and Analysis (MDA) Report.

The Company reduced its borrowings (including current maturities on long-term borrowings) by 20% from ₹ 351 cr to ₹ 281 cr despite the growth in sales and payments towards capital expenditure of ₹ 192 cr.

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

The Company completed 4 projects with an investment of ₹ 33 cr which are expected to generate sales of ₹ 143 cr at full capacity utilisation.

3. Dividend

The Board recommends payment of dividend of ₹ 8.50 per share on 2,96,61,733 Equity shares of ₹ 10 each fully paid up. The dividend will entail an outflow of ₹ 30.34 cr (including dividend distribution tax) on the paid-up Equity share capital of ₹ 29.66 cr.

4. 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 26.

5. Insurance

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

6. 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 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.

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 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 a Risk Management Oversight Structure in which each Business 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.

7. 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 and 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, 2015, and the Board believes that the controls are adequate.

8. Fixed deposits

During 2014-15, the Company did not accept any fixed deposits.

9. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security are given in the Notes to the Accounts.

10. Subsidiary, associate and joint venture companies

10.1 Performance and financial position of such companies are given at page number 28.

10.2 Atul Middle East FZ-LLC was incorporated in the United Arab Emirates.

11. Related Party Transactions

Particulars of contracts or arrangements with related parties are given in the Notes to the Accounts.

12. Corporate Social Responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 30.

13. Extract of the Annual Return

This is given at page number 32.

14. Auditors

Dalal & Shah Chartered Accountants LLP, the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting (AGM). They have given their consent to continue to act as the

Auditors for 2015-16, if reappointed. 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.

The Shareholders appointed R Nanabhoy & Co as the Cost Auditors for 2014-15 on July 25, 2014.

The Board appointed Mr A C Doshi, Practising Company Secretary, as the Secretarial Auditor for 2014-15 on May 02, 2014, and his 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 judgments 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, 2015 were prepared on a going concern basis.
- 15.5 Adequate internal financial controls to be followed by the Company were laid down and the same 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 Subject to the approval of the Members in the AGM:

- i) Mr T R Gopi Kannan was appointed as a Whole-time Director of the Company effective October 17, 2014
- ii) Mr M M Chitale was appointed as an Independent Director effective October 17, 2014
- iii) Ms S A Panse was appointed as an Independent Director effective March 27, 2015
- iv) Mr B R Arora was appointed as an Independent Director effective April 01, 2015

16.1.2 According to Article 134 of the Articles of Association of the Company, Mr R A Shah and Mr B N Mohanan retire by rotation and being eligible, offer themselves for reappointment at the forthcoming AGM scheduled on August 04, 2015.

16.1.3 During 2014-15, Mr S R Nammalvar ceased to be an Alternate Director effective July 22, 2014 and Mr G S Patel resigned effective January 01, 2015. The Board placed on record appreciation of their services.

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 ₹ 20,000 for attending a meeting of the Board or any of its Committees
- 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 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 24.

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, CSR, Investment, Nomination and Remuneration and Stakeholders Relationship
- ii) The Independent Directors

The templates for the above purpose were circulated in advance for feedback of the Directors. In addition, the Chairman also held discussions with the Directors individually

16.4 Familiarisation Program for the Independent Directors

The Company has a Familiarisation Program 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 program are also available at <http://www.atul.co.in/investors/pdf/Familiarisation%20programme.pdf>.

17. Key Managerial Personnel and other employees

17.1 Appointments and cessations of Key Managerial Personnel

Mr T R Gopi Kannan ceased to be the Company Secretary effective October 17, 2014. Mr Gopi Kannan continues to be the Chief Financial Officer of the Company. Mr L P Patni was appointed as the Company Secretary effective October 17, 2014.

17.2 Remuneration

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

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) Company performance
- ii) Business performance
- iii) Individual performance
- iv) Grade

18. Analysis of remuneration

A table containing information in accordance with the provisions of Sections 134(3)(q) and 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is placed at page number 45.

The information required pursuant to Sections 134(3)(q) and 197(12) of the Act read with Rule 5(2) 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 two reporting segments, namely, LSC and POC, is given at page number 47.

20. Corporate Governance

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 Statutory Auditors regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreements is given at page number 54. Details about the number of meetings of the Board held during 2014-15 are given at page number 57. The composition of the Audit Committee is given at page number 60. 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 behavior, actual or suspected fraud and violation of the Code of Conduct of the Company and is displayed on the website (of the Company) at http://www.atul.co.in/investors/pdf/Whistle_blowing_Policy.pdf.

21. Acknowledgements

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

For and on behalf of
the Board of Directors

Mumbai
April 30, 2015

(Sunil Siddharth Lalbhai)
Chairman and Managing Director

Table

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Transparency, Leadership (business and people), Governance and Communication
Non-independent Director (Non-executive)	Independent Directors	Preparedness, Participation, Value addition, Governance and Communication
Independent Director	All other Board Members	Preparedness, Participation, Value addition, Governance and Communication
Chairman	Independent Directors	Meeting dynamics, Leadership (business and people), Governance and Communication
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

Annexure to the Directors' Report

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

1.1 Conservation of energy

1.1.1 Measures taken

- i) Assembly of 6 membrane cells with zero gap cathode in caustic plant
- ii) Replacement of converter of sulphuric acid plant by single tower design to reduce pressure drop
- iii) Conversion of double effect evaporator to triple effect evaporator

1.1.2 Additional investments being made and proposals being implemented

- i) Replacement of caustic plant from mercury technology to membrane technology
- ii) Recovery of heat from oleum cooling in sulphuric acid plant
- iii) Installation of 2 MW wind turbine

1.1.3 Impact of 1.1.1 and 1.1.2 on conservation of energy and its impact on the finished products

Consumption of energy has been contained significantly thereby reducing cost of goods sold and increasing competitive advantage.

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 75 existing products, recovery of products from pollutants and process development of new products and formulations. The R&D departments also helped in trouble-shooting in manufacturing departments.

- ii) Benefits derived from R&D:

The Company was able to increase yields, decrease consumption of other raw materials and solvents, recover products from pollutants and introduce new products and formulations.

- iii) Future plan:

The Company is investing further in people and equipments so as to strengthen its R&D and thereby enhance its capability to face the future.

- iv) R&D expenditure:

(₹ cr)

Capital	Recurring	Total	Total R&D expenditure as a percentage of total sales
1.59	17.94	19.53	0.78

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 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, import substitution:

The above efforts have resulted in quality improvement, enhanced yields, high throughput, and reduction in manpower.

- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) the following information may be furnished:

The company did not import any technology.

1.3 Foreign exchange earning and outgo

1.3.1 Export sales: activities, development initiatives and future plan

The Company sells its products in 68 countries, directly and through its subsidiary companies in the USA, the UK, China and Brazil. Sales outside India * increased by 11% from ₹ 1,045 cr to ₹ 1,163 cr. It has established Atul Middle East FZ-LLC to grow its sales.

* Free On Board (FOB) value

1.3.2 Total foreign exchange used and earned

	(₹ cr)	
Particulars	2014-15	2013-14
Used for		
Import of raw materials, books and periodicals, payment of dividend, travel expenses, etc	411.38	447.41
Loan repayment	64.35	111.44
Earned from exports		
FOB value	1,163.41	1,045.26

2. Subsidiary, associate and joint venture companies

2.1 Operational companies

(₹ cr)

No.	Name	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% shareholding	Reporting currency
Subsidiary companies													
1	Atul Bioscience Ltd	10.39	5.11	46.63	31.13	0.01	55.07	5.98	1.90	4.08	2.16	100%	INR
2	Atul China Ltd	3.47	(0.93)	13.89	11.35	–	89.08	0.85	0.04	0.81	–	100%	CNY
3	Atul Europe Ltd	40.12	4.00	44.12	–	8.55	152.34	1.42	–	1.42	–	100%	GBP
4	Atul Finserv Ltd	7.85	2.10	10.10	0.15	3.69	0.64	(0.43)	–	(0.43)	–	100%	INR
5	Atul Infotech Pvt Ltd	0.05	3.37	5.99	2.57	0.05	2.31	0.09	0.02	0.07	–	100%	INR
6	Atul Rajasthan Date Palms Ltd	8.11	12.38	22.30	1.81	–	–	(0.68)	0.20	(0.88)	–	74%	INR
7	Atul USA Inc	12.52	3.18	43.86	28.16	–	219.07	1.21	0.42	0.79	–	100%	USD
8	DPD Ltd	2.31	10.97	13.28	–	–	14.67	2.91	0.67	2.24	–	98%	GBP
Joint venture company													
1	Rudolf Atul Chemicals Ltd	5.84	14.10	28.92	8.98	–	44.07	8.16	2.64	5.52	1.40	50%	INR
Associate companies													
1	Amal Ltd	17.03	(34.41)	8.97	26.35	0.02	18.82	(0.58)	–	(0.58)	–	36.75%	INR
2	Atul Crop Care Ltd	0.05	0.29	0.79	0.45	–	5.94	0.22	0.07	0.15	–	50%	INR
3	Lapox Polymers Ltd	0.05	0.39	1.32	0.88	–	4.44	0.15	0.05	0.10	–	20%	INR

2.2 Non-operational companies

(₹ cr)

No.	Name	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% shareholding	Reporting currency
Subsidiary companies													
01	Aasthan Dates Ltd	1.95	(0.07)	2.14	0.26	–	–	(0.02)	–	(0.02)	–	100%	INR
02	Atul Biospace Ltd	3.89	0.24	4.61	0.48	0.21	4.77	0.28	0.11	0.17	–	96.09%	INR
03	Atul Brasil Quimicos Ltda	1.36	(0.21)	1.17	0.02	–	–	0.09	–	0.09	–	100%	BRL
04	Atul Deutschland GmbH	0.68	(0.17)	0.52	0.01	–	–	(0.04)	–	(0.04)	–	100%	Euro
05	Biyaban Agri Ltd	1.09	(0.09)	1.14	0.14	–	–	(0.06)	–	(0.06)	–	100%	INR
06	Raja Dates Ltd	3.30	(0.10)	3.57	0.37	–	–	(0.04)	–	(0.04)	–	100%	INR
Associate companies													
01	Anchor Adhesives Pvt Ltd	0.59	(0.20)	0.44	–	–	0.01	(0.05)	–	(0.05)	–	49.99%	INR
02	Atul (Retail) Brands Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	20%	INR
03	Atul Ayurveda Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
04	Atul Clean Energy Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	20%	INR
05	Atul Elkey Polymers Ltd	0.05	0.02	0.32	0.29	–	0.25	(0.02)	–	(0.02)	–	50%	INR
06	Atul Entertainment Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
07	Atul Hospitality Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
08	Atul Medical Care Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
09	Atul Seeds Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
10	Jayati Infrastructure Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
11	Osia Dairy Ltd	0.05	–	0.05	–	0.04	–	–	–	–	–	50%	INR
12	Osia Infrastructure Ltd	0.05	–	0.05	–	0.05	–	–	–	–	–	48%	INR

AED: United Arab Emirates 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, 2015 are 1 AED = ₹ 17.44, 1 BRL = ₹ 19.26, 1 CNY = ₹ 10.23, 1 Euro = ₹ 67.51, 1 GBP = ₹ 92.46, 1 USD = ₹ 62.59

Below two companies are under liquidation:

- Subsidiary company: Gujarat Synthwood Ltd
- Associate company: AtRo Ltd

3. Corporate Social Responsibility

3.1 Policy, programs and scope

3.1.1 Policy

The primary focus of Atul is to help, uplift, alleviate the poverty of and enhance the standard of living of the poor and the downtrodden including adivasis, tribal people, rural poor, families below poverty line and members of scheduled castes and scheduled tribes particularly living in or around the localities | districts where it operates. While Atul may implement or participate in various kinds of programs and projects, their beneficiaries will invariably be the foregoing. Atul and the companies under its umbrella will volunteer their resources to the extent they can reasonably afford to Atul Foundation so that, in turn, the Trust is able to contribute to the quality of life of people.

3.1.2 Programs and scope

Atul Foundation 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) Establish and | or support schools
 - b) Establish and | or support colleges
 - c) Establish and | or support vocational institutes
 - d) Encourage sports
 - e) Promote integrated development of tribal areas
- ii) Health and Relief
 - a) Enhance rural hygiene and sanitation
 - b) Establish mobile medical care facilities
 - c) Organise medical camps
 - d) Establish medi-care centres
 - e) Assist during natural calamities
- iii) Conservation and Infrastructure
 - a) Protect environment
 - b) Develop and | or maintain rural utilities
 - c) Develop and | or maintain rural amenities
 - d) Restore sites of historical importance
 - e) Promote use of renewable resources

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

http://www.atul.co.in/sustainability/pdf/CSR_Note_%20June_3_Amended_DA.pdf

3.2 Committee

- » H S Shah (Chairman)
- » S S Lalbhai
- » B N Mohanan

3.3 Expenditure: determination and actual spent

		(₹ cr)
Particulars		
Average net profit of the Company of the last three financial years		197
Prescribed CSR expenditure, at 2% of above		3.95
Total amount spent for the financial year		3.95
Amount unspent by the Company		Nil

3.4 Manner in which spent

(₹ cr)

No.	Program	Project Activity	Location Village, District (State)	Outlay		Cumulative expenditure upto reporting period	Implementing agency
				Budget	Spent		
1	Education	Enhancement of education practices in Kalyani Shala	Atul, Valsad (Gujarat)	0.50	0.50	0.50	Atul Kelavani Mandal
2		Promotion of education in Ashramshalas	Balda, Valsad (Gujarat)	0.03	0.03	0.03	Shree Vallabh Seva Kendra
3	Empowerment	Skill development (Atul Institute of Vocational Excellence)	Dharampur, Valsad, (Gujarat)	0.21	0.21	0.21	ARDF
4		Promoting sports	Valsad (Gujarat) Mumbai (Maharashtra)	0.01	0.01	0.01	ARDF
5	Health	Medical services through Atul Medical Diagnostic Centre	Atul, Valsad (Gujarat)	2.29	2.29	2.29	ARDF
6		Hygiene improvement through sanitation	Six villages ¹ , Valsad (Gujarat)	0.10	0.10	0.10	ARDF
7	Education Empowerment Health Infrastructure	Development of rural areas	Twenty three villages ² , Valsad, (Gujarat)	0.64	0.64	0.64	ARDF
8	Infrastructure	Cremation facilities	Atul, Valsad (Gujarat)	0.05	0.05	0.05	ARDF
9	Conservation	Nisarguna Biogas Plant	Mount Abu (Rajasthan)	0.03	0.03	0.03	Brahma Kumaris Educational Society
Total direct expenditure				3.86	3.86	3.86	
Administrative overheads (OH)				0.09	0.09	0.09	
Total (direct expenditure + OH)				3.95	3.95	3.95	

ARDF: Atul Rural Development Fund

¹ Six villages covered under Sanitation Project: Atul, Attaar, Bhagod, Haria, Magod, Magod Dungri

² Twenty three villages covered under Rural Development Project: Aamba, Abrama Attar, Atgam, Bhagod, Bilpudi, Binwada, Chanwai, Dungri, Hanmanmal, Haria, Kanurbarda, Magod, Mama, Bhacha, Mandawa, Mograwadi, Mola, Moti Kosbadi, Pandav Khadak, Parnera, Parnera Pardi, Parvasha, Umarsadi and Virval

3.5 Implementing agencies

3.5.1 Atul Rural Development Fund

Established in 1978, ARDF plans and implements programs for upliftment of the marginalised section of the communities.

3.5.2 Atul Kelavani Mandal

Established in 1955, Atul Kelavani Mandal is the Trust that manages Kalyani Shala.

3.5.3 Shree Vallabh Seva Kendra

Established in 1978, essential focus of Shree Vallabh Seva Kendra has been to establish academic and technical education institutions across the country and also improve tribal education.

3.5.4 Brahma Kumaris Educational Society

Established in 1980, Brahma Kumaris Educational Society has been promoting education and undertaking social work.

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 in Form number MGT – 9

Form number MGT – 9

Extract of the Annual Return as on March 31, 2015

{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 380014, Gujarat, India, Telephone: (+91 79) 2646 1294 | 2646 3706
- » Whether listed company: Yes, listed on the Bombay Stock Exchange and the National Stock Exchange
- » Name, address and contact details of Registrar and Transfer Agent: Sharepro Services (India) Pvt Ltd, 416-420, Devnandan Mall, Ahmedabad 380006, Gujarat, India, Telephone: (+91 79) 2658 2381 | 2658 2382

4.2 Principal business activities of the Company

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

No.	Name and description of main products services	National Industrial Classification code of the product service	% to total revenue of the Company
1	Basic chemicals	201	44%
2	Other chemical products	202	56%

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	Aasthan Dates Ltd Jodhpur 342003, Rajasthan	U01122RJ2010PLC030642	Subsidiary	100%	2(87)(ii)
02	Atul Bioscience Ltd Atul 396020, Gujarat	U24230GJ1997PLC032369	Subsidiary	100%	2(87)(ii)
03	Atul Biospace Ltd Atul 396020, Gujarat	U01500GJ2005PLC045244	Subsidiary	95%	2(87)(ii)
04	Atul Brasil Quimicos Ltda CEP 01046-010, São Paulo, Brasil		Subsidiary	100%	2(87)(ii)
05	Atul China Ltd Shanghai 200 233, China		Subsidiary	100%	2(87)(ii)
06	Atul Deutschland GmbH Wiesbaden, Germany		Subsidiary	100%	2(87)(ii)
07	Atul Europe Ltd Wilmslow SK9 2TB, UK		Subsidiary	100%	2(87)(ii)
08	Atul Finserv Ltd Mumbai 400028, Maharashtra	U51900MH1947PLC005453	Subsidiary	100%	2(87)(ii)
09	Atul Infotech Pvt Ltd Atul 396020, Gujarat	U72200GJ2000PTC038460	Subsidiary	100%	2(87)(ii)
10	Atul Rajasthan Date Palms Ltd Jodhpur 342009, Rajasthan	U01122RJ2009PLC028415	Subsidiary	74%	2(87)(ii)
11	Atul USA Inc North Carolina 28226, USA		Subsidiary	100%	2(87)(ii)
12	Biyaban Agri Ltd Jodhpur 342008, Rajasthan	U01122RJ2010PLC030636	Subsidiary	100%	2(87)(ii)
13	DPD Ltd Somerset BA6 8QG, UK		Subsidiary	98%	2(87)(ii)

No.	Name and address of the Company	Corporate Identification Number	Holding subsidiary associate	% of shares held	Applicable Section
14	Raja Dates Ltd Jodhpur 342008, Rajasthan	U01122RJ2010PLC030640	Subsidiary	100%	2(87)(ii)
15	Rudolf Atul Chemicals Ltd Atul 396020, Gujarat	U24110GJ2005PLC045564	Associate	50%	2(6)
16	Amal Ltd Mumbai 400028, Maharashtra	L24100MH1974PLC017594	Associate	36.75%	2(6)
17	Anchor Adhesives Pvt Ltd Mumbai 400028, Maharashtra	U24100MH1992PTC067870	Associate	49.99%	2(6)
18	Atul Crop Care Ltd Atul 396020, Gujarat	U01403GJ2010PLC061909	Associate	50%	2(6)
19	Lapox Polymers Ltd Atul 396020, Gujarat	U51434GJ2009PLC056053	Associate	20%	2(6)
20	Atul Elkay Polymers Ltd Atul 396020, Gujarat	U24100GJ2011PLC065979	Associate	50%	2(6)
21	Atul (Retail) Brands Ltd Atul 396020, Gujarat	U24233GJ2010PLC059517	Associate	20%	2(6)
22	Atul Clean Energy Ltd Atul 396020, Gujarat	U40106GJ2010PLC059498	Associate	20%	2(6)
23	Atul Ayurveda Ltd Atul 396020, Gujarat	U24233GJ2010PLC062028	Associate	50%	2(6)
24	Atul Hospitality Ltd Atul 396020, Gujarat	U55101GJ2010PLC062000	Associate	50%	2(6)
25	Atul Entertainment Ltd Atul 396020, Gujarat	U92190GJ2010PLC061999	Associate	50%	2(6)
26	Osia Dairy Ltd Atul 396020, Gujarat	U15200GJ2010PLC061906	Associate	50%	2(6)
27	Jayati Infrastructure Ltd Atul 396020, Gujarat	U45200GJ2010PLC062029	Associate	50%	2(6)
28	Atul Medical Care Ltd Atul 396020, Gujarat	U85110GJ2010PLC062180	Associate	50%	2(6)
29	Atul Seeds Ltd Atul 396020, Gujarat	U01122GJ2010PLC062769	Associate	50%	2(6)
30	Osia Infrastructure Ltd Atul 396020, Gujarat	U45200GJ2011PLC064854	Associate	48%	2(6)

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

Category-wise shareholding

Category code	Category of the Shareholders	Number of shares held at the beginning of the year (as at April 01, 2014)				Number of shares held at the end of the year (as at March 31, 2015)				% 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										
1	Indian									
a)	Individuals Hindu Undivided Family	–	8,54,316	8,54,316	2.880	–	8,54,316	8,54,316	2.880	–
b)	Central Government State Government(s)	–	–	–	–	–	–	–	–	–
c)	Bodies corporate	–	1,41,59,294	1,41,59,294	47.736	–	1,41,89,063	1,41,89,063	47.836	0.210
d)	Financial institutions Banks	–	–	–	–	–	–	–	–	–
e)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (A)(1)	–	1,50,13,610	1,50,13,610	50.616	–	1,50,43,379	1,50,43,379	50.716	0.198
2	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)										
		–	1,50,13,610	1,50,13,610	50.616	–	1,50,43,379	1,50,43,379	50.716	0.198
B. Public shareholding										
1	Institutions	–				–				
a)	Mutual funds UTI Mutual fund	450	12,39,888	12,40,338	4.182	450	32,30,580	32,31,030	10.891	160.496
b)	Financial institutions Banks	17,330	46,072	63,402	0.214	16,381	26,448	42,829	0.144	(32.449)
c)	Central Government State Government(s)	336	–	336	0.001	336	–	336	0.001	–
d)	Venture capital funds	–	–	–	–	–	–	–	–	–
e)	Insurance companies	–	5,48,767	5,48,767	1.850	–	4,92,060	4,92,060	1.659	(10.334)
f)	Foreign institutional investors	900	4,28,545	4,29,445	1.448	900	19,85,718	19,86,618	6.695	362.601
g)	Foreign venture capital investors	–	–	–	–	–	–	–	–	–
h)	Trusts	–	609	609	0.002	–	609	609	0.002	–
	Sub total (B)(1)	19,016	22,63,881	22,82,897	7.696	18,067	57,35,415	57,53,482	19.392	152.025

Category code	Category of the Shareholders	Number of shares held at the beginning of the year (as at April 01, 2014)				Number of shares held at the end of the year (as at March 31, 2015)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
2	Non-institutions									
a)	Bodies corporate									
i)	Indian	34,015	34,15,618	34,49,633	11.630	28,303	12,60,570	12,88,873	4,345	(62.637)
ii)	Overseas	-	-	-	-	-	14,862	14,862	0,050	100.000
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 Lac	10,13,917	41,46,009	51,59,926	17.396	8,99,290	37,64,821	46,64,111	15,729	(9.609)
ii)	Shareholders holding nominal share capital in excess of ₹ 1 Lac	10,737	34,53,372	34,64,109	11.679	10,737	27,25,925	27,36,662	9,226	(21.000)
c)	Non-residents Indians (NRI)									
i)	NRI repatriable	4,825	86,448	91,273	0.308	4,008	78,760	82,768	0,279	(9.318)
ii)	NRI non-repatriable	-	57,947	57,947	0.195	-	46,550	46,550	0,157	(19.668)
iii)	Foreign bodies	-	-	-	-	-	-	-	-	-
iv)	Foreign nationals	-	100	100	-	-	-	-	-	(100.000)
v)	Any other	-	1,42,238	1,42,238	0.480	-	31,046	31,046	0,105	(28.308)
	Sub total (B)(2)	10,63,494	1,13,01,732	1,23,65,226	41.687	9,42,338	79,22,534	88,64,872	29,891	(28.308)
	Total public shareholding (B) = (B)(1) + (B)(2)	10,82,510	1,35,65,613	1,46,48,123	49.384	9,60,405	1,36,57,949	1,46,18,354	49,284	(0.203)
	Total (A) + (B)	10,82,510	2,85,79,223	2,96,61,733	100	9,60,405	2,87,01,328	2,96,61,733	100	-
C.	Shares held by custodians and against which depository receipts have been issued									
1	Promoter and promoter group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	Sub total (C)	-	-	-	-	-	-	-	-	-
	Grand total (A)+(B)+(C)	10,82,510	2,85,79,223	2,96,61,733	100	9,60,405	2,87,01,328	2,96,61,733	100	-

4.4.2 Shareholding of the promoters

No.	Name of the Shareholder	Shareholding as at April 01, 2014			Shareholding as at March 31, 2015			% 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	67,25,501	22.674	–	67,43,345	22.734	–	0.265
02	Aura Securities Pvt Ltd	16,14,045	5.442	–	16,14,045	5.442	49.565	–
03	Aeon Investments Pvt Ltd	10,39,383	3.504	–	10,39,383	3.504	–	–
04	Aeon Investments Pvt Ltd	7,25,000	2.444	–	7,25,000	2.444	–	–
05	Arvind Ltd	7,73,641	2.608	–	6,48,641	2.187	–	(16.157)
06	Aayojan Resources Pvt Ltd	5,90,513	1.991	–	5,93,000	1.999	–	0.421
07	Shalva Investments Pvt Ltd	5,00,000	1.686	–	5,00,000	1.686	–	–
08	Akshita Holdings Pvt Ltd	4,52,186	1.524	–	4,54,784	1.533	–	0.575
09	Adhinami Investments Pvt Ltd	4,44,200	1.498	–	4,44,755	1.499	–	0.125
10	Arvind Brands Ltd	4,30,000	1.450	–	4,30,000	1.450	100	–
11	Adhigam Investments Pvt Ltd	4,29,500	1.448	–	4,29,720	1.449	–	0.051
12	Anusandhan Investments Ltd	–	–	–	2,29,565	0.774	–	100
13	Samveg Arvind Lalbhai	2,02,377	0.682	–	2,02,377	0.682	–	–
14	Ashini Investments Pvt Ltd	2,00,000	0.674	–	2,00,000	0.674	–	–
15	Asman Investments Ltd	–	–	–	1,25,000	0.421	–	100
16	Hansa Niranjan Lalbhai	91,375	0.308	–	91,375	0.308	–	–
17	Saumya Samveg Lalbhai	82,695	0.279	–	82,695	0.279	–	–
18	Samveg Arvind	62,450	0.211	–	62,450	0.211	–	–
19	Swati S Lalbhai	59,593	0.201	–	59,593	0.201	–	–
20	Arvind Narottam Sheth	52,493	0.177	–	52,493	0.177	–	–
21	Taral S Lalbhai	50,022	0.169	–	50,022	0.169	–	–
22	Anamika Samveg Lalbhai	47,199	0.159	–	47,199	0.159	–	–
23	Sunil Siddharth Lalbhai	43,193	0.146	–	43,193	0.146	–	–
24	Sunil Siddharth	31,544	0.106	–	31,544	0.106	–	–
25	Sanjay Shrenik Lalbhai	–	–	–	31,210	0.105	–	100
26	Vimla S Lalbhai	28,318	0.095	–	28,318	0.095	–	–
27	Vimla S Lalbhai	21,661	0.073	–	21,661	0.073	–	–
28	Astha Lalbhai	16,800	0.057	–	16,800	0.057	–	–
29	Anshuman Holdings Pvt Ltd	11,825	0.040	–	11,825	0.040	–	–
30	Sanjay Shrenik Lalbhai	–	–	–	8,641	0.029	–	100
31	Hansa Niranjan	5,437	0.018	–	5,437	0.018	–	–
32	Vimla Siddharth	4,612	0.016	–	4,612	0.016	–	–
33	Nishtha Sunil Lalbhai	4,000	0.013	–	4,000	0.013	–	–
34	Samveg Arvind Lalbhai	3,653	0.012	–	3,653	0.012	–	–
35	Sanjay Shrenik Lalbhai	–	–	–	2,000	0.007	–	100
36	Sanjay Shrenik Lalbhai	–	–	–	1,349	0.005	–	100
37	Rajiv Chinu Lalbhai	–	–	–	1,169	0.004	–	100
38	Hansa Niranjan	562	0.002	–	562	0.002	–	–
39	Sanjay Shrenik Lalbhai	500	0.002	–	500	0.002	–	–
40	Sheth Narottam Lalbhai	495	0.002	–	495	0.002	–	–

No.	Name of the Shareholder	Shareholding as at April 01, 2014			Shareholding as at March 31, 2015			% 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	
41	Sanjay Shrenik Lalbhai	–	–	–	412	0.001	–	100
42	Sanjay Shrenik Lalbhai	100	–	–	100	–	–	–
43	Lalbhai Shrenik Kasturbhai	100	–	–	100	–	–	–
44	Jayshree Sanjay Lalbhai	100	–	–	100	–	–	–
45	Punit Sanjay	100	–	–	100	–	–	–
46	Kulin Sanjay	100	–	–	100	–	–	–
47	Rajiv Chinu Lalbhai	–	–	–	56	–	–	100
48	Agrimore Ltd	2,23,500	0.753	–	–	–	–	(100)
49	Shrenik Kasturbhai Lalbhai	31,210	0.105	–	–	–	–	(100)
50	Shrenik Kasturbhai Lalbhai	8,641	0.029	–	–	–	–	(100)
51	Shrenik Kasturbhai Lalbhai	2,000	0.007	–	–	–	–	(100)
52	Shrenik Kasturbhai Lalbhai	1,349	0.005	–	–	–	–	(100)
53	Shrenik Kasturbhai Lalbhai	1,169	0.004	–	–	–	–	(100)
54	Shrenik Kasturbhai Lalbhai	412	0.001	–	–	–	–	(100)
55	Shrenik Kasturbhai Lalbhai	56	–	–	–	–	–	–
Total		1,50,13,610	50.616	–	1,50,43,379	50.716	149.565	0.198

4.4.3 Change in the promoters' shareholding

No.	Particulars	Reason of change	Shareholding as at April 01, 2014		Cumulative shareholding during 2014-15	
			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		8,54,316	2.880	8,54,316	2.880
	Increase Decrease during the year					
	At the end of the year	No change	8,54,316	2.880	8,54,316	2.880
B.	Companies					
	At the beginning of the year		1,41,59,294	47.736	1,41,59,294	47.736
	Increase Decrease during the year					
1	June 2014	Purchase	2,646	0.009	1,41,61,940	47.745
2	July 2014	Purchase	5,906	0.020	1,41,67,846	47.765
3	October 2014	Purchase	3,373	0.011	1,41,71,219	47.776
4	December 2014	Purchase	6,000	0.020	1,41,77,219	47.796
5	March 2015	Purchase	11,844	0.040	1,41,89,063	47.836
	At the end of the year	Purchase	1,41,89,063	47.836	1,41,89,063	47.836

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

No.	Name of the Shareholder	Reason of change	Shareholding as at April 01, 2014		Cumulative shareholding during 2014-15	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01	Finquest Financial Solutions Pvt Ltd					
	At the beginning of the year		8,28,218	2.792	8,28,218	2.792
	Increase Decrease during the year					
1	May 2014	Sale	(1,50,000)	(0.506)	6,78,218	2.287
2	June 2014	Sale	(2,50,200)	(0.844)	4,28,018	1.443
3	July 2014	Sale	(1,91,000)	(0.644)	2,37,018	0.799
4	August 2014	Sale	(1,82,218)	(0.614)	54,800	0.185
5	September 2014	Sale	(53,000)	(0.179)	1,800	0.006
6	October 2014	Purchase	40,000	0.135	41,800	0.141
7	February 2015	Purchase	30,000	0.101	71,800	0.242
	At the end of the year		71,800	0.242	71,800	0.242
02	The New India Assurance Company Ltd					
	At the beginning of the year		5,48,347	1.849	5,48,347	1.849
	Increase Decrease during the year					
1	May 2014	Sale	(41,013)	(0.138)	5,07,334	1.710
2	June 2014	Sale	(8,987)	(0.030)	4,98,347	1.680
3	January 2015	Sale	(6,707)	(0.023)	4,91,640	1.657
	At the end of the year		4,91,640	1.657	4,91,640	1.657
03	Reliance Capital Trustee Co Ltd - Reliance Long-term Equity Fund					
	At the beginning of the year		4,70,232	1.585	4,70,232	1.585
	Increase Decrease during the year					
1	May 2014	Purchase	50,215	0.169	5,20,447	1.755
2	June 2014	Sale	(35,000)	(0.118)	4,85,447	1.637
3	November 2014	Sale	(30,000)	(0.101)	4,55,447	1.535
4	March 2015	Purchase	3,728	0.013	4,59,175	1.548
	At the end of the year		4,59,175	1.548	4,59,175	1.548
04	Reliance Capital Trustee Co Ltd - A/c Reliance Small Cap Fund					
	At the beginning of the year		4,31,822	1.456	4,31,822	1.456
	Increase Decrease during the year					
1	June 2014	Sale	(35,510)	(0.120)	3,96,312	1.336
2	November 2014	Sale	(15,000)	(0.051)	3,81,312	1.286
	At the end of the year		3,81,312	1.286	3,81,312	1.286
05	B J Patel					
	At the beginning of the year		3,92,400	1.323	3,92,400	1.323
	Increase Decrease during the year					
1	June 2014	Purchase	20,000	0.067	4,12,400	1.390
2	July 2014	Sale	(2,94,000)	(0.991)	1,18,400	0.399
3	August 2014	Sale	(76,382)	(0.258)	42,018	0.142
4	September 2014	Sale	(42,018)	(0.142)	—	—
	At the end of the year		—	—	—	—

No.	Name of the Shareholder	Reason of change	Shareholding as at April 01, 2014		Cumulative shareholding during 2014-15	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
06	S J Shah					
	At the beginning of the year		3,42,894	1.156	3,42,894	1.156
	Increase Decrease during the year					
	1 April 2014	Sale	(944)	(0.003)	3,41,950	1.153
	2 May 2014	Sale	(2,72,811)	(0.920)	69,139	0.233
	3 June 2014	Sale	(9,630)	(0.032)	59,509	0.201
	4 July 2014	Sale	(25,350)	(0.085)	34,159	0.115
	5 August 2014	Sale	(3,550)	(0.012)	30,609	0.103
	6 September 2014	Sale	(2,505)	(0.008)	28,104	0.095
	7 January 2015	Sale	(500)	(0.002)	27,604	0.093
	At the end of the year		27,604	0.093	27,604	0.093
07	Orange Mauritius Investments Ltd					
	At the beginning of the year		3,03,000	1.022	3,03,000	1.022
	Increase Decrease during the year					
	1 June 2014	Sale	(15,000)	(0.051)	2,88,000	0.971
	2 July 2014	Sale	(50,000)	(0.169)	2,38,000	0.802
	3 August 2014	Sale	(1,05,000)	(0.354)	1,33,000	0.448
	4 September 2014	Sale	(30,000)	(0.101)	1,03,000	0.347
	5 October 2014	Sale	(10,000)	(0.034)	93,000	0.314
	6 November 2014	Sale	(75,000)	(0.253)	18,000	0.061
	7 December 2014	Sale	(10,000)	(0.034)	8,000	0.027
	8 January 2015	Sale	(8,000)	(0.027)	—	—
	At the end of the year		—	—	—	—
08	Ajax Investments Ltd					
	At the beginning of the year		3,00,000	1.011	3,00,000	1.011
	Increase Decrease during the year					
	1 July 2014	Sale	(20,000)	(0.067)	2,80,000	0.944
	2 August 2014	Sale	(5,000)	(0.017)	2,75,000	0.927
	3 September 2014	Sale	(75,000)	(0.253)	2,00,000	0.674
	4 March 2015	Sale	(29,000)	(0.098)	1,71,000	0.577
	At the end of the year		1,71,000	0.577	1,71,000	0.577
09	Nirmal Bang Financial Services Pvt Ltd					
	At the beginning of the year		2,50,500	0.845	2,50,500	0.845
	Increase Decrease during the year					
	1 May 2014	Sale	(500)	(0.002)	2,50,000	0.843
	2 June 2014	Sale	(50,000)	(0.169)	2,00,000	0.674
	3 July 2014	Sale	(50,000)	(0.169)	1,50,000	0.506
	4 August 2014	Purchase	35,000	0.118	1,85,000	0.624
	5 September 2014	Sale	(1,85,000)	(0.624)	—	—
	At the end of the year		—	—	—	—
10	Vibgyor Investors and Developers Pvt Ltd					
	At the beginning of the year		2,50,000	0.843	2,50,000	0.843
	Increase Decrease during the year					
	1 December 2014	Sale	(2,50,000)	(0.843)	—	—
	At the end of the year		—	—	—	—

4.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Name of the Director the Key Managerial Personnel	Reason of change	Shareholding as at April 01, 2014		Cumulative shareholding during 2014-15	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01	S S Lalbhai	No change	43,193	0.146	43,193	0.146
02	S A Lalbhai	No change	2,02,377	0.682	2,02,377	0.682
03	S M Datta	No change	10,000	0.034	10,000	0.034
04	S S Baijal	No change	6,000	0.020	6,000	0.020
05	B N Mohanan	No change	5,800	0.020	5,800	0.020
06	V S Rangan	No change	2,000	0.007	2,000	0.007
07	R A Shah	No change	1,960	0.007	1,960	0.007
08	H S Shah	No change	1,290	0.004	1,290	0.004
09	G S Patel	No change	1,100	0.004	1,100	0.004
10	B S Mehta	No change	162	0.001	162	0.001
11	M M Chitale	No change	—	—	—	—
12	B R Arora	No change	—	—	—	—
13	S A Panse	No change	—	—	—	—
14	T R Gopi Kannan	No change	—	—	—	—
15	L P Patni	No change	—	—	—	—

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	295.52	55.26	—	350.78
ii) Interest due, but not paid	—	—	—	—
iii) Interest accrued, but not due	0.98	0.17	—	1.15
Total i) + ii) + iii)	296.5	55.43	—	351.93
Change in indebtedness during the financial year				
Addition	—	57.25	—	57.25
Reduction	(127.59)	—	—	(127.59)
Net change	(127.59)	57.25	—	(70.34)
Indebtedness at the end of the financial year				
i) Principal amount	168.26	112.67	—	280.93
ii) Interest due, but not paid	—	—	—	—
iii) Interest accrued, but not due	0.65	0.01	—	0.66
Total i) + ii) + iii)	168.91	112.68	—	281.59

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	S A Lalbhai	B N Mohanan	S R Nammalvar ¹	T R Gopi Kannan ²	Total amount
1	Gross salary						
	Salary as per provisions under Section 17(1) of the Income-tax Act, 1961	1,41,09,724	69,47,475	80,45,752	38,78,224	47,03,193	3,76,84,368
	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	36,50,551	5,22,629	5,51,634	8,72,926	21,780	56,19,520
	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—	—	—	—
2	Stock option	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—
4	Commission for 2014-15	3,20,00,000 ³	98,97,150 ⁴	—	—	—	4,18,97,150
5	Others	—	—	—	—	—	—
6	Total A	4,97,60,275	1,73,67,254	85,97,386	47,51,150	47,24,973	8,52,01,038
7	Ceiling as per the Act						32,02,20,900

¹ Effective April 01, 2014 to July 22, 2014 | ² Effective October 17, 2014 to March 31, 2015. He continues to be the CFO | ³ 1% of profit (₹ 3,20,00,000/-) or 60 months basic salary (₹ 4,50,00,000/-) whichever is lower | ⁴ 0.50% of profit (₹ 1,60,00,000/-) or 30 months basic salary (₹ 98,97,150/-) whichever is lower.

4.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	R A Shah	G S Patel	S S Baijal	B S Mehta	H S Shah	S M Datta	V S Rangan	M M Chitale	S A Panse	Total amount
1	Non-executive Independent Directors										
	a) Fee for attending the Board the Committee meetings	—	1,10,000	3,00,000	—	1,70,000	1,00,000	2,40,000	80,000	20,000	10,20,000
	b) Commission	—	7,44,000	12,76,000	—	7,72,000	7,00,000	10,60,000	3,20,000	10,000	48,82,000
	Total 1	—	8,54,000	15,76,000	—	9,42,000	8,00,000	13,00,000	4,00,000	30,000	59,02,000
2	Non-executive Non-independent Directors										
	a) Fee for attending the Board the Committee meetings	1,60,000	—	—	2,60,000	—	—	—	—	—	4,20,000
	b) Commission	6,33,000	—	—	9,03,000	—	—	—	—	—	15,36,000
	Total 2	7,93,000	—	—	11,63,000	—	—	—	—	—	19,56,000
	Total B = (1+2)	7,93,000	8,54,000	15,76,000	11,63,000	9,42,000	8,00,000	13,00,000	4,00,000	30,000	78,58,000
	Total managerial remuneration (A+B)										9,30,59,038
	Overall ceiling as per the Act										35,22,42,990

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			
		CEO	CS	CFO	Total
		S S Lalbhai	L P Patni ¹	T R Gopi Kannan ²	
1	Gross salary				
	Salary as per provisions contained under Section 17(1) of the Income-tax Act, 1961	NA	17,23,751	85,61,477	1,02,85,228
	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	NA	2,41,171	17,820	2,58,991
	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	NA	–	–	–
2	Stock option	NA	–	–	–
3	Sweat Equity	NA	–	–	–
4	Commission	NA	–	–	–
5	Others	NA	–	–	–
	Total	NA	19,64,922	85,79,297	1,05,44,219

NA: Not Applicable

¹ Effective October 17, 2014 to March 31, 2015 | ² Effective April 01, 2014 to October 16, 2014 (CFO and CS)

4.7 Penalties | Punishment | Compounding of offences

There were no penalties | punishment | compounding of offences for the year ending March 31, 2015.

5. Secretarial Audit Report

Form number – 3

Secretarial Audit Report

For the financial year ended on March 31, 2015

{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 380014, Gujarat
India

I 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 me a reasonable basis for evaluating the corporate conducts | statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 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:

I 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, 2015 according to the provisions of:

- The Companies Act, 2013 (Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- 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, 1992
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - 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 laws as applicable specifically to the Company broadly covering product laws, pollution laws, manufacturing laws, safety laws and other general and commercial laws including industrial laws, labour laws and tax laws.

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

I 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 the Bombay Stock Exchange Ltd and the National Stock Exchange Ltd.

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 laws. I have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other laws and regulations applicable to the Company. I have relied on the report of Internal as well as the Statutory Auditors of the Company for compliance system relating to direct tax, indirect tax and other tax laws. However, it has been inferred from the previous year's audited Balance Sheet that there were certain dues relating to taxes and duties which were not deposited due to disputes and the Company had received stay from the respective authorities.

I 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 seven 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 dissenting Members' views are captured and recorded as part of the minutes, wherever required.

I 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.

I 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. referred to above more specifically related to:

- i) Public | Right | Preferential issue of shares | debentures | sweat Equity, etc
- ii) Redemption | Buy-back of securities
- iii) Major decisions taken by the Members in pursuance to Section 180 of the Act
- iv) Foreign technical collaborations

Place: Ahmedabad
Date: April 10, 2015

Name of Practising CS: A. C. Doshi
FCS number: F3544

Atul Ltd

Annexure I – List of documents verified

01. Memorandum and Articles of Association of the Company.
02. Annual Report for the previous financial year ended March 31, 2014.
03. 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.
04. Minutes of General Body meetings held during the period under report.
05. Statutory registers | records under the Companies Act, 2013 and Rules made there under namely:
 - » Register of the Directors and the Key Managerial Personnel
 - » Register of the 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.
06. Agenda papers submitted to all the Directors | Members for the Board meetings and Committee meetings.
07. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and Section 184 of the Companies Act, 2013.
08. Intimations received from the Directors under the Prohibition of Insider Trading and SEBI Takeover Code.
09. 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.
10. Intimations | Documents | Reports | Returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the period under report.
11. Filings made with the Reserve Bank of India under the foreign direct investment guidelines and for overseas direct investments made by the Company.
12. Documents related to payments of dividend made to its Shareholders during the period under report.
13. Communications | Letters issued to and acknowledgements received from the Independent Directors for their appointment
14. Various policies framed by the Company from time to time as required under the Companies Act, 2013 as well as Listing Agreement | SEBI regulations as mentioned hereunder:
 - » Corporate Social Responsibility Policy
 - » Whistle-blowing Policy
 - » Policy framed under The Sexual Harassment of women at the work place (Prevention, Prohibition and Redressal) Act, 2013
 - » Related Party Transactions Policy
 - » Material Subsidiary Companies Policy
 - » Risk Management Policy
 - » Code of Conduct for the Directors | the Key Managerial Personnel
15. 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 *

Particulars	Status																																														
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<table><tr><th colspan="2">Number of times</th></tr><tr><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>3.20</td><td>0.65</td></tr><tr><td>G S Patel *</td><td>3.45</td><td>0.44</td></tr><tr><td>S S Baijal</td><td>6.36</td><td>1.21</td></tr><tr><td>B S Mehta</td><td>4.69</td><td>1.05</td></tr><tr><td>H S Shah</td><td>3.80</td><td>0.69</td></tr><tr><td>S M Datta</td><td>3.23</td><td>0.40</td></tr><tr><td>V S Rangan</td><td>5.25</td><td>0.97</td></tr><tr><td>M M Chitale *</td><td>1.61</td><td>0.32</td></tr><tr><td>S A Panse *</td><td>0.12</td><td>0.08</td></tr><tr><td>S S Lalbhai</td><td>200.84</td><td>77.74</td></tr><tr><td>S A Lalbhai</td><td>70.10</td><td>30.15</td></tr><tr><td>B N Mohanan</td><td>34.70</td><td>30.81</td></tr><tr><td>S R Nammalvar *</td><td>19.18</td><td>17.82</td></tr><tr><td>T R Gopi Kannan *</td><td>19.07</td><td>13.67</td></tr></table>	Number of times		if total remuneration of the Director is considered	if total remuneration of the Director excluding variable pay and commission is considered	R A Shah	3.20	0.65	G S Patel *	3.45	0.44	S S Baijal	6.36	1.21	B S Mehta	4.69	1.05	H S Shah	3.80	0.69	S M Datta	3.23	0.40	V S Rangan	5.25	0.97	M M Chitale *	1.61	0.32	S A Panse *	0.12	0.08	S S Lalbhai	200.84	77.74	S A Lalbhai	70.10	30.15	B N Mohanan	34.70	30.81	S R Nammalvar *	19.18	17.82	T R Gopi Kannan *	19.07	13.67
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	T R Gopi Kannan *	19.07	13.67																																												
part of the year																																															
ii) Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	<table><tr><th>Directors</th><th>%</th></tr><tr><td>R A Shah</td><td>(29.45)</td></tr><tr><td>G S Patel</td><td>(39.30)</td></tr><tr><td>S S Baijal</td><td>(8.69)</td></tr><tr><td>B S Mehta</td><td>(24.19)</td></tr><tr><td>H S Shah</td><td>(1.05)</td></tr><tr><td>S M Datta</td><td>(28.83)</td></tr><tr><td>V S Rangan</td><td>9.24</td></tr><tr><td>M M Chitale</td><td>NA</td></tr><tr><td>S A Panse</td><td>NA</td></tr><tr><td colspan="2">Chairman and Managing Director</td></tr><tr><td>S S Lalbhai</td><td>11.71</td></tr><tr><td colspan="2">Managing Director</td></tr><tr><td>S A Lalbhai</td><td>13.88</td></tr><tr><td colspan="2">Whole-time Director</td></tr><tr><td>B N Mohanan</td><td>(8.11)</td></tr><tr><td>S R Nammalvar</td><td>6.43</td></tr><tr><td colspan="2">Whole-time Director and Chief Financial Officer</td></tr><tr><td>T R Gopi Kannan</td><td>14.28</td></tr><tr><td colspan="2">Company Secretary</td></tr><tr><td>L P Patni</td><td>16.51</td></tr></table>	Directors	%	R A Shah	(29.45)	G S Patel	(39.30)	S S Baijal	(8.69)	B S Mehta	(24.19)	H S Shah	(1.05)	S M Datta	(28.83)	V S Rangan	9.24	M M Chitale	NA	S A Panse	NA	Chairman and Managing Director		S S Lalbhai	11.71	Managing Director		S A Lalbhai	13.88	Whole-time Director		B N Mohanan	(8.11)	S R Nammalvar	6.43	Whole-time Director and Chief Financial Officer		T R Gopi Kannan	14.28	Company Secretary		L P Patni	16.51				
	Directors	%																																													
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Company Secretary																																															
L P Patni	16.51																																														
NA = Not Applicable																																															
iii) Percentage increase in the median remuneration of employees in the financial year	9.32%																																														
iv) Number of permanent employees on the rolls of Company	2,481																																														
v) Explanation on the relationship between average increase in remuneration and Company performance	<p>During 2014-15, sales increased by 9% from ₹ 2,307 cr to ₹ 2,510 cr, PBT increased from ₹ 297 cr to ₹ 312 cr. PBT from operations increased by 12.6% from ₹ 277 cr (excluding one-time dividend received of ₹ 20 cr) to ₹ 312 cr and PAT by 1.9% from ₹ 213 cr to ₹ 217 cr.</p> <p>Average increase in aggregate remuneration was 10%.</p> <p>Apart from the Company performance, other factors like inflation and market factors contributed to the increase in remuneration.</p>																																														

Particulars	Status																																																				
vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	<div>(₹ cr)</div> <table><tr><th></th><th>2013-14</th><th>2014-15</th><th>% increase decrease</th></tr><tr><td>Sales</td><td>2,307.00</td><td>2,510.00</td><td>9.00</td></tr><tr><td>PBT</td><td>297.00</td><td>312.00</td><td>5.00</td></tr><tr><td>Remuneration</td><td>8.09</td><td>9.57</td><td>10.00</td></tr></table>		2013-14	2014-15	% increase decrease	Sales	2,307.00	2,510.00	9.00	PBT	297.00	312.00	5.00	Remuneration	8.09	9.57	10.00																																				
	2013-14	2014-15	% increase decrease																																																		
Sales	2,307.00	2,510.00	9.00																																																		
PBT	297.00	312.00	5.00																																																		
Remuneration	8.09	9.57	10.00																																																		
vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	<p>During 2014-15, market capitalisation increased from ₹ 1,286 cr to ₹ 3,345 cr.</p> <p>Price earnings ratio increased from 6.04 to 15.38.</p> <p>As compared to last public offer price of ₹ 45 in 1994, the market price was ₹ 1,128 as on March 31, 2015.</p>																																																				
viii) 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	<p>Average increase for Key Managerial Personnel and for other employees was about 10%.</p> <p>There is no exceptional increase in remuneration of Key Managerial Personnel.</p>																																																				
ix) Comparison of the remuneration of each Key Managerial Personnel against the performance of the Company	<p>During 2014-15, sales grew by 9%, PBT by 5% and the remuneration of KMPs increased by 10%.</p> <div>(₹ cr)</div> <table><tr><th></th><th colspan="3">Remuneration</th></tr><tr><th></th><th>2013-14</th><th>2014-15</th><th>% increase decrease</th></tr><tr><td>Chairman and Managing Director</td><td></td><td></td><td></td></tr><tr><td>S S Lalbhai</td><td>4.45</td><td>4.98</td><td>12.00</td></tr><tr><td>Managing Director</td><td></td><td></td><td></td></tr><tr><td>S A Lalbhai</td><td>1.52</td><td>1.74</td><td>14.00</td></tr><tr><td>Whole-time Director</td><td></td><td></td><td></td></tr><tr><td>B N Mohanan</td><td>0.94</td><td>0.86</td><td>(8.00)</td></tr><tr><td>S R Nammalvar</td><td>0.01</td><td>0.48</td><td>Part of the year</td></tr><tr><td>Whole-time Director and Chief Financial Officer</td><td></td><td></td><td></td></tr><tr><td>T R Gopi Kannan</td><td>1.16</td><td>1.33</td><td>14.00</td></tr><tr><td>Company Secretary</td><td></td><td></td><td></td></tr><tr><td>L P Patni</td><td>–</td><td>0.20</td><td>NA</td></tr></table> <p>NA = Not Applicable</p>		Remuneration				2013-14	2014-15	% increase decrease	Chairman and Managing Director				S S Lalbhai	4.45	4.98	12.00	Managing Director				S A Lalbhai	1.52	1.74	14.00	Whole-time Director				B N Mohanan	0.94	0.86	(8.00)	S R Nammalvar	0.01	0.48	Part of the year	Whole-time Director and Chief Financial Officer				T R Gopi Kannan	1.16	1.33	14.00	Company Secretary				L P Patni	–	0.20	NA
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Company Secretary																																																					
L P Patni	–	0.20	NA																																																		
x) Key parameters for any variable component of remuneration availed by the Directors	Linked with the Company performance. Mainly, profit growth																																																				
xi) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	There are no such employees																																																				
xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company																																																				

* 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, 2015.

Management Discussion and Analysis

The businesses of Atul Ltd are classified into two reporting segments, namely, Life Science Chemicals and Performance and Other Chemicals.

Life Science Chemicals Segment

	2014-15	2013-14	% Change
Sales (₹ cr)	676	738	(9)%
Share in total sales (%)	27	32	(5)%

Life Science Chemicals Segment consists mainly products of Crop Protection and Pharmaceuticals and Intermediates Businesses:

Crop Protection

Product Groups: Fungicides, Herbicides, Others

The products falling under these product groups are used by customers belonging to Crop Protection Chemicals and Agriculture industries. The product groups comprise about 15 products and 48 formulations. 2,4-D, Indoxacarb and Nicosulfuron are some of the key products.

During 2014-15, sales decreased by 21% from ₹ 433 cr to ₹ 342 cr. Sales in India decreased by 2% from ₹ 197 cr to ₹ 194 cr; bulk sales in India decreased by 22% from ₹ 94 cr to ₹ 73 cr whereas brand sales which are currently only in India increased by 17% from ₹ 103 cr to ₹ 121 cr. Sales outside India decreased by 37% from ₹ 236 cr to ₹ 148 cr and formed 43% of the total. Decline on account of volume was 20%. Sales decreased mainly because of lack of demand for one of the key herbicides. Sales from new products and formulations were ₹ 4 cr. The Company completed 3 projects and undertook 1 project for implementation.

The size of world Crop Protection Chemical industry is estimated at US\$ 56 b and is growing at about 3.5%. There are about 60 major companies which dominate the world marketplace. The size of world Agriculture industry is estimated at US\$ 3.02 t and is growing at about 1.50%.



The main user industries, namely Crop Protection Chemicals and Agriculture, 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

Product Groups: Active Pharmaceutical Ingredients, API Intermediates, 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 50 products. Cbz-L-Valine, 1-Chloroethyl isopropyl carbonate and (S)-1-(2-chloroacetyl) pyrrolidine-2-carbonitrile are some of the key products.

During 2014-15, sales increased by 9% from ₹ 306 cr to ₹ 334 cr. Sales in India increased by 8% from ₹ 172 cr to ₹ 186 cr. Sales outside India increased by 10% from ₹ 134 cr to ₹ 148 cr and formed 44% of the total. Growth on account of volume was 9%. The Company received its first USFDA approval for one of its products; it is in the process of expanding its API plant. Atul Bioscience Ltd (ABL), a 100% subsidiary company, focussed on production of advanced API intermediates and increased its sales by 37% from ₹ 35 cr to ₹ 47 cr, primarily because of volume; it undertook 1 project for implementation.



The size of world API industry is estimated at US\$ 120 b and is growing at about 9.4%. There are about 20 major companies which dominate the world marketplace. The size of world Pharmaceutical industry is estimated at US\$ 0.8 t and is growing at about 8%.

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 and iv) introducing new products. It will also form 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.

Segment: Performance and Other Chemicals

	2014-15	2013-14	% Change
Sales (₹ cr)	1,834	1,569	17
Share in total sales (%)	73	68	5

Performance and Other Chemicals Segment consists mainly products of Aromatics, Bulk Chemicals and Intermediates, Colors and Polymers Businesses:

Aromatics

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 29 products. *p*-Cresol, *p*-Anisic Aldehyde and Sodium Sulphate are some of the key products.

During 2014-15, sales increased by 27% from ₹ 410 cr to ₹ 522 cr. Sales in India increased by 37% from ₹ 102 cr to ₹ 140 cr. Sales outside India increased by 24% from ₹ 308 cr to ₹ 382 cr and formed 73% of the total. Growth on account of volume was 16%. The Company completed 2 projects and undertook 1 project for implementation.

World market of *p*-Cresol (a key product) is estimated at 57,000 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 the major suppliers of the product. The size of world Fragrance industry is estimated at US\$ 10.5 b and is growing at about 4% and the size of world Personal Care industry is estimated at US\$ 1 b and is growing at about 5%.



The main user industries, namely, Fragrance and Personal Care, are growing well because of improving 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.

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

Bulk Chemicals 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 Cosmetics, Dyestuffs and Tyre industry. The product groups comprise about 26 products. Resorcinol, Resorcinol Formaldehyde Resins and Sulphur Trioxide are some of the key products.

During 2014-15, (external) sales increased by 1% from ₹ 99 cr to ₹ 100 cr. Sales in India decreased by 33% from ₹ 82 cr to ₹ 55 cr. Sales outside India increased by 165% from ₹ 17 cr to ₹ 45 cr and formed 45% of the total. Volumes remained stable. The Company completed 1 project and undertook 1 project for implementation.

The size of world Chlor-alkali industry is estimated at US\$ 46 b and is growing at about 2%. World market for Resorcinol (a key product) is estimated at US\$ 310 m and is growing at about 3%. The size



of world Tyre industry is estimated at US\$ 220 b and is growing at about 6.5%.

The captive consumption of bulk chemicals is expected to grow as the Company expands manufacturing capacities of its various products. Tyre industry is expected to grow further because of increasing population on the one hand and improving standard of living on the other. The Company will participate in this growth by i) widening its market reach, ii) increasing its manufacturing efficiencies, iii) 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, Textile chemicals, Pigments, Paper dyes, Inks, 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 38 products. Green 1, P Red 168 and Sulphur Black are some of the key products.

During 2014-15, sales increased by 21% from ₹ 426 cr to ₹ 515 cr. Sales in India increased by 8% from ₹ 231 cr to ₹ 250 cr. Sales outside India increased by 36% from ₹ 195 cr to ₹ 265 cr and formed 51% of the total. Growth on account of volume was 8%. The Company completed 3 projects and undertook 2 projects for implementation. 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 sales by 39% from ₹ 31 cr to ₹ 43 cr, primarily because of volume.



The size of world Dyestuff industry is estimated at US\$ 6 b and is growing at about 3.5%. China is the largest manufacturer of dyes followed by India. World market for high performance pigments is estimated at US\$ 4.3 b and is growing at about 2.7%.

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 and hardeners, Reactive diluents, Sulphones, Others

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, Sports and Leisure and Wind Energy industries. The product groups comprise about 75 products and 276 formulations. B11, P62 and P101 are some of the key products.

During 2014-15, sales increased by 10% from ₹ 633 cr to ₹ 697 cr. Sales in India increased by 10% from ₹ 415 cr to ₹ 458 cr. Brand sales increased by 12% from ₹ 85 cr to ₹ 95 cr. Sales outside India increased by 10% from ₹ 218 cr to ₹ 239 cr and formed 34% of the total. Growth on account of volume was 10%. Sales from new products were ₹ 17 cr. The Company completed 1 project and undertook 3 projects for implementation.



World market for Epoxy resins and hardeners is estimated at US\$ 6.3 b and is growing at about 2% and Indian market is estimated at US\$ 236 m and is growing at about 5%. There are about 7 major companies which dominate the world marketplace. World market for Sulphones (a hardener) is estimated at US\$ 312 m and is growing at about 4%.

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

Cheaper imports of Epoxy resins and hardeners may keep the contribution margins under pressure. Since the two main raw materials, namely Bisphenol-A and Epichlorohydrin, are imported, fluctuations in foreign exchange may impact margins.

LAPOX[®]

polygrip[®]


StoneTreat[®]

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 (which became ISO 9001:2008 certified in 2014) 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 2014-15, the Company further strengthened the systems of Internal Audit and risk assessment and mitigation and took several Key Initiatives. In specific, it i) conducted 143 process reviews, ii) introduced new Internal Audit practices (which won 2015 IIA Excellence Award in the category Innovation Award), iii) developed | implemented 6 new Standard Operating Procedures (SOPs) and iv) completed 425 SOPs under SOP standardisation project for all functions.

The Company also engaged one of the big Internal Audit firms to evaluate if the internal financial controls and systems are adequately structured to address the normal business operations of the Company.



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.

The process of identification and review of Key Initiatives has become stronger and is continuously upgraded. On an average 6 man days of training was imparted during 2014-15. The training need is identified based on self-assessment, L+1 assessment; 360 degree feedback and Individual Development Plan; in addition, there are certain standard courses which everyone is expected to go through, depending upon his (her) grade.

The number of employees (as on March 31, 2015) decreased by 11 from 2,761 to 2,750. The increase in numbers in Marketing and Research and Development has been more than offset by the reduction in numbers in Manufacturing. The number of employees comprises those working in the Company and also in its non-manufacturing subsidiary and associate companies, but not those working in manufacturing subsidiary, joint venture or associate companies.



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

Corporate Governance



There is a
higher court of
justice and that
is the court of
conscience. It
supersedes all
other courts.

~ Mahatma Gandhi

1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance. Atul is proud to belong to a Group whose Founder lived his life with eternal Values and built the business enterprises on the foundation of good governance. The Company is committed to conducting business the right way which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its Stakeholders.

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

2. Board

2.1 Board business

The normal business of the Board comprises:

2.1.01 Approving

- 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 | the 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

2.1.02 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

2.1.03 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

2.1.04 Recommending

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

2.1.05 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

2.1.06 Setting

- i) a corporate culture and the Values for executives behaviour
- ii) well-defined mandate, composition and working procedures of the Committees

2.1.07 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 five years.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of thirteen Members comprising nine Non-executive Directors (seven Independent and two Non-independent), four Executive Directors (including two promoters). The Independent Directors account for 54% of the strength of the Board, as against minimum requirement of 50% as per the Listing Agreements 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	2	1	—
Whole-time Directors				
03	B N Mohanan	8	—	—
04	S R Nammalvar ³ (Alternate to B N Mohanan)	—	—	—
05	T R Gopi Kannan ⁴	7	3	—
Non-executive Directors				
06	R A Shah	9	5	3
07	G S Patel ⁵	—	1	1
08	S S Baijal	6	1	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
09	B S Mehta	8	6	3
10	H S Shah	2	1	2
11	S M Datta	8	7	2
12	V S Rangan	7	6	-
13	M M Chitale ⁶	9	4	4
14	S A Panse ⁷	9	4	4
15	B R Arora ⁸	—	—	—

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

¹Excludes Directorships in foreign companies and private limited companies

²In compliance with Clause 49, Memberships | Chairmanships of only the Audit Committees and the Stakeholders Relationship Committees of all public limited companies including the Company were considered

³Upto July 22, 2014 | ⁴Effective October 17, 2014 | ⁵Upto December 31, 2014 | ⁶Effective October 17, 2014 |

⁷Effective March 27, 2015 | ⁸Effective April 01, 2015

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2014-15, the Board met six times:

No.	Day	Date	Venue
1	Friday	May 02, 2014	Mumbai
2	Wednesday	July 23, 2014	Mumbai
3	Friday	October 17, 2014	Mumbai
4	Friday	December 05, 2014	Mumbai
5	Friday	January 23, 2015	Mumbai
6	Friday	March 27, 2015	Mumbai

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board meetings		AGM on July 25, 2014
		Total	Attended	
01	S S Lalbhai	6	6	Present
02	R A Shah	6	6	—
03	G S Patel ¹	4	2	—
04	S S Baijal	6	6	Present
05	B S Mehta	6	6	—
06	H S Shah	6	5	Present
07	S A Lalbhai	6	5	Present
08	S M Datta	6	4	Present
09	B N Mohanan	6	5	Present
10	V S Rangan	6	6	Present
11	S R Nammalvar ²	1	1	NA
13	M M Chitale ³	3	3	NA
12	T R Gopi Kannan ⁴	3	3	NA
14	S A Panse ⁵	1	1	NA
15	B R Arora ⁶	—	—	NA

¹Upto December 31, 2014 | ²Upto July 22, 2014 | ³Effective October 17, 2014 | ⁴Effective October 17, 2014 |

⁵Effective March 27, 2015 | ⁶Effective April 01, 2015

2.6 Appointment | Cessation

- » Appointed: (1) Mr M M Chitale was appointed as an Independent Director effective October 17, 2014. (2) Mr T R Gopi Kannan was appointed as a Whole-time Director effective October 17, 2014. (3) Ms S A Panse was appointed as an Independent Director effective March 27, 2015. (4) Mr B R Arora was appointed as an Independent Director effective April 01, 2015.
- » Ceased: Mr S R Nammalvar ceased to be an Alternate Director effective July 22, 2014.
- » Resigned: Mr G S Patel resigned as an Independent Director effective January 01, 2015.

2.7 Remuneration

No.	Name	Remuneration during the year			
		Sitting fees	Salary and perquisites	Commission	Total
		₹	₹	₹	₹
	Chairman and Managing Director				
01	S S Lalbhai	–	1,77,60,275	3,20,00,000	4,97,60,275
	Managing Director				
02	S A Lalbhai	–	74,70,104	98,97,150	1,73,67,254
	Whole-time Directors				
03	B N Mohanan	–	85,97,386	–	85,97,386
04	S R Nammalvar ¹ (Alternate to B N Mohanan)	–	47,51,150	–	47,51,150
05	T R Gopi Kannan ²	–	47,24,973	–	47,24,973
	Non-executive Directors³				
06	R A Shah	1,60,000	–	6,33,000	7,93,000
07	G S Patel ⁴	1,10,000	–	7,44,000	8,54,000
08	S S Baijal	3,00,000	–	12,76,000	15,76,000
09	B S Mehta	2,60,000	–	9,03,000	11,63,000
10	H S Shah	1,70,000	–	7,72,000	9,42,000
11	S M Datta	1,00,000	–	7,00,000	8,00,000
12	V S Rangan	2,40,000	–	10,60,000	13,00,000
13	M M Chitale ⁵	80,000	–	3,20,000	4,00,000
14	S A Panse ⁶	20,000	–	10,000	30,000
15	B R Arora ⁷	–	–	–	–

¹ Upto July 22, 2014 | ² Effective October 17, 2014 | ³ Except Mr B S Mehta and Mr R A Shah, all other Non-executive Directors are Independent | ⁴ Upto December 31, 2014 | ⁵ Effective October 17, 2014 | ⁶ Effective March 27, 2015 | ⁷ Effective April 01, 2015

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

Commission up to 1% of the net profits of the Company to the Non-executive Directors was approved by the Members of the Company at the AGM held on August 26, 2013 for a period of five years, effective from April 1, 2013. 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

3.1.01 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

3.1.02 Composition

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

No.	Name	Designation
1	S S Bajjal	Chairman
2	B S Mehta	Member
3	V S Rangan	Member
4	G S Patel *	Member

*Upto December 31, 2014

3.1.03 Meetings and attendance

During 2014-15, five meetings were held:

No.	Name	Total	Attended
1	S S Bajjal	5	5
2	B S Mehta	5	5
3	V S Rangan	5	5
4	G S Patel	4	2

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

3.2.01 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

3.2.02 Composition

The Committee comprises following Members

No.	Name	Designation
1	H S Shah	Chairman
2	S S Baijal	Member
3	R A Shah ¹	Member
4	G S Patel ²	Member

¹ Effective December 05, 2014 | ² Upto December 31, 2014

3.2.03 Meetings and attendance

During 2014-15, one meeting was held

No.	Name	Total	Attended
1	H S Shah	1	1
2	S S Baijal	1	1
3	R A Shah	—	—
4	G S Patel	1	1

3.3 Stakeholders Relationship Committee

3.3.01 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 shares
 - » Transmission of shares
 - » Transposition of names

3.3.02 Composition

The Committee comprises following Members

No.	Name	Designation
1	H S Shah ¹	Chairman
2	S S Lalbhai	Member
3	G S Patel ²	Chairman

¹ Effective December 05, 2014 and Chairman effective March 27, 2015 | ² Upto December 31, 2014

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

3.3.03 Meetings and attendance

During 2014-15, five meetings were held:

No.	Name	Total	Attended
1	H S Shah ¹	2	2
2	S S Lalbhai	5	5
3	G S Patel ²	3	2

¹ Effective December 05, 2014 and Chairman effective March 27, 2015 | ² Upto December 31, 2014

During 2014-15, 18 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors:

No.	Nature of complaint	Received	Redressed
1	Non-receipt of dividend warrant	17	17
2	Non-receipt of share certificates	1	1
3	Non-receipt of duplicate share certificates	–	–
4	Others	–	–
Total		18	18

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

3.4 Corporate Social Responsibility Committee

3.4.01 Role

- Formulating and recommending the Corporate Social Responsibility (CSR) Policy to the Board
- Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profits in a given year
- Monitoring the CSR Policy from time to time
- Recommending the amount of expenditure to be incurred on the CSR activities which may not be less than 2% of the average net profits of the last three years

3.4.02 Composition

The Committee comprises following Members:

No.	Name	Designation
1	H S Shah	Chairman
2	S S Lalbhai	Member
3	B N Mohanan	Member

3.4.03 Meetings and attendance

During 2014-15, one meeting was held:

No.	Name	Total	Attended
1	H S Shah	1	1
2	S S Lalbhai	1	1
3	B N Mohanan	1	–

The Board notes the minutes of the CSR Committee meetings.

3.5 Investment Committee

3.5.01 Role

- Approving business strategies
- Approving capital expenditure proposals exceeding ₹ 5 cr each
- Recommending to the Board acquisition and disinvestment or divestment proposals
- Recommending to the Board purchase | sale of investments in Equity shares

3.5.02 Composition

The Committee comprises following Members

No.	Name	Designation
1	R A Shah	Chairman
2	S S Baijal	Member
3	B S Mehta	Member
4	S M Datta	Member
5	S S Lalbhai	Member

3.5.03 Meetings and attendance

During 2014-15, two meetings were held:

No.	Name	Total	Attended
1	R A Shah	2	2
2	S S Baijal	2	2
3	B S Mehta	2	2
4	S M Datta	2	0
5	S S Lalbhai	2	2

The Board notes the minutes of the Investment Committee meetings.

4. Subsidiary companies registered in India

As on March 31, 2015, the Company had two wholly-owned non-material Indian unlisted subsidiary companies, namely, Atul Finserv Ltd and Atul Bioscience Ltd, and another Indian unlisted joint venture subsidiary company, namely, Atul Rajasthan Date Palms Ltd. The Company had five other subsidiary companies, namely, Aasthan Dates Ltd, Atul Biospace Ltd, Atul Infotech Pvt Ltd, Biyaban Agri Ltd, Raja Dates Ltd. The Financial Statements were reviewed by the Audit Committee | Board. The minutes of the meetings of all the subsidiary companies are placed before the Board.

5. Company policies

5.1 Compliance

Compliance certificates confirming 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 www.atul.co.in/investors/corporate_governance.html. 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 a 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 2014-15, 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 www.atul.co.in/investors/pdf/Policy%20on%20transactions.pdf.

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 www.atul.co.in/investors/pdf/Policy%20on%20transactions.pdf.

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 2014-15 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 three 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

7.1.01 Location and time, where last three AGMs were held

Year	Location	Date	Time
2011-12	J B Auditorium Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 27, 2012	11.00 a.m.
2012-13	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 26, 2013	11.00 a.m.
2013-14	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 25, 2014	11.00 a.m.

7.1.02 Special Resolutions passed in the previous three AGMs?

Yes

7.1.03 Resolutions passed through postal ballot?

No

7.2 AGM 2015

Details of the 38th AGM is as under

Year	Location	Date	Time
2014-15	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	August 04, 2015	10.30 a.m.

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

7.3 Financial year

April 01 to March 31

7.4 Date of book closure

June 20, 2015 to June 23, 2015

7.5 Date of dividend payment

August 08, 2015

7.6 Listing on the Stock Exchanges

Equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange of India Ltd (NSE). The Company has paid listing fees for 2015-16 to the Stock Exchanges where securities are listed. Pursuant to a circular of the Securities and Exchange Board of India (SEBI), 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 2014-15 are as under:

Month	Share price of the Company at BSE		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2014	544.00	430.00	22,939.31	22,197.51
May 2014	869.25	527.75	25,375.63	22,277.04
June 2014	941.00	819.00	25,725.12	24,270.04
July 2014	1,373.00	886.15	26,300.17	24,892.00
August 2014	1,453.40	1,132.45	26,674.38	25,232.82
September 2014	1,495.00	1,298.05	27,354.99	26,220.49
October 2014	1,489.95	1,190.30	27,894.32	25,910.77
November 2014	1,373.95	1,251.20	28,822.37	27,739.56
December 2014	1,424.00	1,050.80	28,809.64	26,469.42
January 2015	1,514.00	1,220.05	29,844.16	26,776.12
February 2015	1,343.95	1,261.35	29,560.32	28,044.49
March 2015	1,324.00	1,034.35	30,024.74	27,248.45

7.9 Registrar and transfer agent

Sharepro Services (India) Pvt Ltd

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

Telephone: (+91 79) 2658 2381, 2658 2382

7.10 Share transfer system

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

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

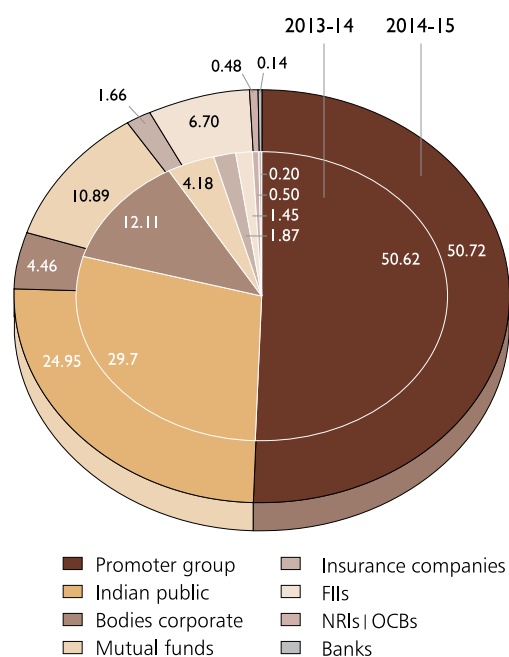
7.11 Distribution of shareholding as on March 31, 2015

7.11.01 Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 – 10	5,537	18.79	29,953	0.10
11 – 50	11,515	39.08	3,18,653	1.07
51 – 100	4,597	15.60	3,77,889	1.27
101 – 500	5,833	19.79	13,88,548	4.68
501 – 1,000	994	3.37	7,37,729	2.49
1,001 – 2,000	434	1.47	6,25,383	2.11
2,001 – 3,000	156	0.53	3,92,040	1.32
3,001 – 4,000	82	0.28	2,96,333	1.00
4,001 – 5,000	58	0.20	2,69,811	0.91
5,001 – 10,000	100	0.34	7,56,288	2.55
10,001 and above	161	0.55	2,44,69,106	82.49
Total	29,467	100.00	2,96,61,733	100.00

7.11.02 Category-wise:

Category	Shares (Numbers)	Shareholding (%)
Promoter group	1,50,43,379	50.72
Indian public	74,01,382	24.95
Bodies corporate	13,19,919	4.46
Mutual funds	32,31,030	10.89
Insurance companies	4,93,094	1.66
Foreign institutional investors	19,86,618	6.70
Non-resident Indians Overseas corporate bodies	1,44,180	0.48
Banks	41,795	0.14
State Government	336	0.00
Total	2,96,61,733	100.00%



7.12 Details of Equity shares in unclaimed suspense account

No.	Particulars	Number of Shareholders	Number of Unclaimed shares
1	Opening balance of Equity shares in unclaimed suspense account as on April 01, 2014	1,106	41,498
2	Unclaimed Equity shares transferred to unclaimed suspense account during 2014-15	Nil	Nil
	Total	1,106	41,498
3	Transferred to Shareholders from unclaimed suspense account	Nil	Nil
4	Balance of Equity shares in unclaimed suspense account as on March 31, 2015 (1+2-3)	1,106	41,498
	Number of Shareholders who approached the Company for transfer of Equity shares from unclaimed suspense account	Nil	Nil

7.13 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2015 as follows: 96.76% in electronic form and 3.24% 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	1,960
02	G S Patel	1,100
03	S S Baijal	6,000
04	B S Mehta	162
05	H S Shah	1,290
06	S M Datta	10,000
07	V S Rangan	2,000
08	M M Chitale	50
09	S A Panse	50
10	B R Arora	100

7.16 Location of plants

- Atul 396020, District Valsad, Gujarat, India
- GIDC, Ankleshwar 393002, District Bharuch, Gujarat, India
- GIDC, Kharod 394115, District Bharuch, Gujarat, India
- MIDC, Tarapur 401506, District Thane, Maharashtra, India

7.17 Address for correspondence

Secretarial and Legal Department, Atul Ltd, Atul 396020, Gujarat, India
E-mail address: sec@atul.co.in

7.18 E-mail address of grievance redressal office:

atul_ahd@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: www.corpfiling.co.in
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 April 30, 2015 and a copy thereof was filed with the Stock Exchanges and displayed on the website of the Company.
Management Discussion and Analysis	Management Discussion and Analysis is a part of the Annual Report.

7.21 Tentative Board meeting dates for consideration of results for 2015-16

No.	Particulars	Dates
1	First quarter results	July 24, 2015
2	Second quarter and half-yearly results	October 30, 2015
3	Third quarter results	January 22, 2016
4	Fourth quarter and annual results	April 29, 2016

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 the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

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. Role of the Company Secretary in overall governance process

All 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.

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

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

The said certificate was placed before the Board at the meeting held on April 30, 2015 in which the accounts for the year ended March 31, 2015 were considered and approved by the Board.

11. Certification by the Statutory Auditors

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

12. Declaration by the Chairman and Managing Director

In accordance with Clause 49 I D of the Listing Agreements with the Stock Exchanges, all the Directors and Senior Management Personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

For Atul Ltd

(S S Lalbhai)

Chairman and Managing Director

Mumbai
April 30, 2015

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Atul Ltd

We have examined the compliance of conditions of Corporate Governance by Atul Ltd, for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

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

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

For Dalal & Shah Chartered Accountants LLP

Firm Registration number 102020W | W-100040

Chartered Accountants

(S Venkatesh)

Partner

Membership Number: 037942

Mumbai
April 30, 2015

Notice

NOTICE is hereby given that the 38th Annual General Meeting of the Members of Atul Ltd will be held on August 04, 2015, Tuesday, at 10.30 a.m. at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, India to transact the following businesses:

Ordinary business:

01. To receive, consider and adopt:
 - a) the audited Standalone Financial Statements of the Company for the year ended March 31, 2015, the Reports of the Directors and the Auditors thereon; and
 - b) the audited Consolidated Financial Statements of the Company for the year ended March 31, 2015, and the Report of the Auditors thereon.
02. To declare dividend.
03. To appoint a Director in place of Mr R A Shah (DIN: 00009851) who retires by rotation under Article 134 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
04. To appoint a Director in place of Mr B N Mohanan (DIN: 00198716) who retires by rotation under Article 134 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
05. To appoint Dalal & Shah Chartered Accountants LLP (FRN: 102020W | W-100040) as the Statutory Auditors from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM of the Company and fix their remuneration.

Special business:

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

"RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions {including any statutory modification(s) or re-enactment thereof}, Mr T R Gopi Kannan (DIN: 00048645) in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to retirement by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 of the Companies Act, 2013 and any other applicable provisions for the time being in force, approval be and is hereby accorded to the appointment of Mr T R Gopi Kannan as a Whole-time Director of the Company, and his receiving of remuneration including minimum remuneration for a period of five years effective October 17, 2014, as per the draft Agreement submitted to this meeting and for identification initialed by the Chairman.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV of the Companies Act, 2013 and any other applicable provisions {including any statutory modification(s) or re-enactment thereof}, Mr M M Chitale (DIN: 00101004), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from October 17, 2014 up to October 16, 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV of the Companies Act, 2013 and any other applicable provisions {including any statutory modification(s) or re-enactment thereof}, Ms S A Panse (DIN: 02599310), in respect of whom the Company has received a Notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from March 27, 2015 up to March 26, 2020."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV of the Companies Act, 2013 and any other applicable provisions {including any statutory modification(s) or re-enactment thereof}, Mr B R Arora (DIN: 00194168), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be

and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term from April 01, 2015 up to March 31, 2020."

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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 {including any statutory modification(s) or re-enactment thereof, for the time being in force}, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be expedient, necessary and proper to give effect to this Resolution."

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2.24 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2016 as approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Inorganic Chemicals, Organic Chemicals and their derivatives, Insecticides and Polymers be and is hereby ratified and confirmed."

05. Unpaid dividend payable to the Members in respect of the 20th dividend onwards, that is, from the year ended March 31, 2008, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividend when due for transfer to the said fund is given below:

Dividend	Accounting year ended	Date of declaration of dividend	Dividend payment	Expected date of transfer of unpaid dividend to IEPF
20 th	March 31, 2008	August 25, 2008	30%	August 24, 2015
21 st	March 31, 2009	August 07, 2009	30%	August 06, 2016
22 nd	March 31, 2010	September 06, 2010	40%	September 05, 2017
23 rd	March 31, 2011	August 04, 2011	45%	August 03, 2018
24 th	March 31, 2012	July 27, 2012	45%	July 26, 2019
25 th	March 31, 2013	July 26, 2013	60%	July 25, 2020
26 th	March 31, 2014	July 25, 2014	75%	July 24, 2021

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

06. The Company appointed Sharepro Services (India) Pvt Ltd as Registrar and transfer agent for physical and dematerialised shares. The Members are requested to take note and deal with the aforesaid agency when necessary.

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 fifty Members and holding in aggregate not more than ten percent of the total share capital of the Company.
02. Copies of the Balance Sheet, the Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the year ending March 31, 2015 are annexed | attached.
03. The Register of Members and the Share Transfer Books of the Company will remain closed from June 20, 2015 to June 23, 2015 (both days inclusive).
04. The dividend if approved will be paid to those Members whose names stand on the Register of Members on June 19, 2015.

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

- i) Instructions regarding bank details which they wish to incorporate in future dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of National Securities Depository Ltd and Central Depository Services (India) Ltd, the Company is obliged to print on the dividend warrants, bank details as furnished by these depositories.
- ii) Instructions already given by the Members for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form.
- iii) Instructions regarding change of address, nomination and power of attorney must be given directly to the DPs.

07. Electronic copy of the Annual Report for 2014-15 is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants; however, print copy is being sent in the permitted mode to such Members who may have so requested and to the Members who have not registered their e-mail addresses.
08. Electronic copy of the Notice, inter alia, indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants for communication purposes unless any Member has requested for a print copy of the same. For the Members who have not registered their e-mail addresses, physical copy of the Notice of the 38th 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 38th Annual General Meeting (AGM) and the Annual Report for 2014-15 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 AGM. Even after registering for e-communication, the Members are entitled to receive such communication in physical form (upon making a request for the same) by post, free of cost.
10. 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 38th 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).

A. 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'.

For the Members who have exercised e-voting with CDSL earlier

- v) The Members already registered with CDSL e-voting through www.evotingindia.com may use their existing password.

For the Members who are voting for the first time in e-voting mode on CDSL

- vi) The Members (holding shares in demat | physical form) using the e-voting facility for the first time may follow the steps given below:
 - » Enter 10 digit alpha-numeric Permanent Account Number (PAN) issued by the Income Tax department. The Members who have not submitted their PAN to the Company | Depository Participant (DP) are requested to use the first two letters of their name and the 8-digit sequence number in the PAN field. For example, Ramesh Kumar with sequence number 34585691 will be entered as RA34585691 in the PAN field. The sequence number is conveyed separately 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
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

- vii) After entering these details appropriately, click on 'Submit'.
- viii) 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.
- ix) The Members holding shares in physical form can use login details only for e-voting on the Resolutions contained in this Notice.

For the Members who have exercised e-voting earlier on CDSL and for first time voters on CDSL

- x) Click on the Electronic Voting Serial Number of Atul Ltd for voting.
 - xi) '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.
 - xii) Click on the 'Resolutions file link' to view the details.
 - xiii) After selecting the Resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.
 - xiv) After voting on a Resolution, the Members will not be allowed to modify their vote.
 - xv) A print of the voting done can be taken by clicking on 'Click here to print' tab on the voting page.
 - xvi) 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.
 - xvii) Note for the Non-individual Member and the Custodian:
 - » Non-individual Member (i.e. 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
 - » A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed to helpdesk.evoting@cdslindia.com
 - » After receiving the login details a Compliance User should 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.
 - » The list of accounts will be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts votes can be cast
 - » 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.
 - xviii) 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 or write an e-mail to helpdesk.evoting@cdslindia.com. The Members may also contact Mr P D Dave, Manager, Sharepro Services (India) Pvt Ltd, Unit: Atul Ltd, 416-420 Devnandan Mall, Opposite Sanyas Ashram, Ahmedabad 380006, Gujarat, India, Telephone: (+91 79) 2658 2381, Email address: Sharepro.ahmedabad@Shareproservices.com or Mr S M Bhavsar, Senior Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India, Telephone: (+91 79) 2646 1294 | 2646 3706, Email address: shareholdershelpdesk@atul.co.in.
- B. The remote e-voting period commences on August 01, 2015 (at 9:00 a.m.) and ends on August 03, 2015 (at 5:00 p.m.). During this period the Members holding shares either in physical form or in demat form, as on the cut-off date of July 28, 2015, 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.
- C. 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 28, 2015.
- D. Mr A C Doshi, Practising Company Secretary (CPN: 2356) 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.
- E. The Scrutiniser will within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.
- F. The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed on the website of the Company www.atul.co.in and on the website of CDSL www.evotingindia.com within two days of passing of the Resolutions at the AGM and communicated to the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd.

11. 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.
12. All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the registered office of the Company during normal business hours on all working days up to and including the date of the AGM.
13. The Members may send their comments on or suggestions for improvement of the Annual Report by email to sec@atul.co.in.
14. At the ensuing Annual General Meeting, Mr B N Mohanan retires by rotation and being eligible, offers himself for reappointment.

The information or details required as per Clause 49 of the Listing Agreements pertaining to him are as under:

Name	Mr B N Mohanan
Date of birth	May 26, 1950
Brief résumé	Mr B N Mohanan joined the Company on August 29, 1992 and is a Whole-time Director since January 01, 2009. Mr Mohanan has 43 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 BSc (Engg) degree 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 Middle East FZ-LLC Atul Rajasthan Date Palms Ltd - Managing Director Atul Seeds Ltd Biyaban Agri Ltd - Chairman DPD Ltd - Chairman Raja Dates Ltd - Chairman Private companies: Nil
Membership in committees of other companies	Member of committees: Atul Ltd - Corporate Social Responsibility Committee Atul Rajasthan Date Palms Ltd - Nomination and Remuneration Committee
Number of shares held in the Company	5,400

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

Name	Mr R A Shah
Date of birth	July 07, 1931
Brief résumé	Mr R A Shah was appointed as a Director of the Company on May 26, 1983. Mr Shah is a Senior Partner of Crawford Bayley & Co, a firm of Solicitors and Advocates. Mr Shah holds a graduate degree in Law from University of Mumbai and has passed Solicitor exam from Honourable High Court at Mumbai.

Directorship in other companies	Public companies: Abbott India Ltd BASF India Ltd Colgate Palmolive India Ltd - Vice-Chairman Deepak Fertilizers & Petrochemicals Corporation Ltd Godfrey Philips India Ltd - Chairman Jumbo World Holdings Ltd Lupin Ltd Pfizer Ltd - Chairman Procter & Gamble Hygiene & Healthcare Ltd - Chairman The Bombay Dyeing & Manufacturing Company Ltd Private companies: Precision Valve (India) Pvt Ltd Preval Pumps and Accessories (India) Pvt Ltd ThyssenKrupp Solutions (India) Pvt Ltd
Membership in committees of other companies	Chairman of committees: 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 Healthcare Ltd - Audit Committee Procter & Gamble Hygiene and Healthcare Ltd - Nomination and Remuneration Committee Member of committees: Abbott India Ltd - Audit Committee 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 Lupin Ltd - Nomination and Remuneration Committee Pfizer Ltd - Nomination and Remuneration Committee The Bombay Dyeing & Manufacturing Company Ltd - Audit Committee The Bombay Dyeing & Manufacturing Company Ltd - Nomination and Remuneration Committee
Number of shares held in the Company	1,960

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India
CIN: L99999GJ1975PLC002859
April 30, 2015

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

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 nos 06, 07, 08, 09, 10 and 11 mentioned in the accompanying Notice dated April 30, 2015.

Item number 06

The Board of Directors (Board) appointed Mr T R Gopi Kannan as an Additional Director on October 17, 2014. Subject to the approval of the Shareholders, the Board also appointed Mr Gopi Kannan as a Whole-time Director for five years effective October 17, 2014. He is the Chief Financial Officer of the Company; his brief résumé is given below:

Name	Mr T R Gopi Kannan
Date of birth	March 30, 1959
Brief résumé	Mr Gopi Kannan joined the Company in October 29, 1993. Mr Gopi Kannan has experience of 30 years in various capacities and is currently the Chief Financial Officer. Mr Gopi Kannan is a FCA, FCMA, FCS and holds a PGDM.
Directorship in other companies	Public companies: Amal Ltd AtRo Ltd Atul Bioscience Ltd Atul China Ltd - Chairman Atul Deutschland GmbH - Chairman Atul Elkay Polymers Ltd - Chairman Atul Europe Ltd - Chairman Atul Finserv Ltd - Chairman Atul Rajasthan Date Palms Ltd Atul USA Inc - Chairman DPD Ltd Rudolf Atul Chemicals Ltd Private companies: Nil
Membership in committees of other companies	Chairman of committees: Nil Member of committees: Amal Ltd - Stakeholders Relationship Committee Atul Bioscience Ltd - Audit Committee Rudolf Atul Chemicals Ltd - Audit Committee Rudolf Atul Chemicals Ltd - Corporate Social Responsibility Committee
Number of shares held in the Company	50

The Board, subject to approval of the Members, appointed Mr Gopi Kannan as a Whole-time Director effective October 17, 2014 for a period of five years. The terms of appointment of Mr Gopi Kannan are in accordance with applicable provisions of the Companies Act, 2013.

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

The material terms of the draft Agreement are as under:

01. Mr Gopi Kannan will have responsibilities of overall supervision of Assurance, Finance, Information Technology and Legal functions. In addition, he will also be responsible for any other duties as may be assigned to him by the Chairman and Managing Director and the Board.
02. Period of office of Mr Gopi Kannan is five years effective October 17, 2014.
03. Remuneration payable to Mr Gopi Kannan:
 - a. Basic Salary of ₹ 3,22,139/- per month which may be revised from time to time upto ₹ 8,01,585/- per month.
 - b. Allowances | Benefits of ₹ 3,42,155/- per month which may be revised from time to time upto ₹ 8,51,391/- per month.

- c. Variable pay as per policy of the Company.
 - d. Perquisites
 - i) Housing: the Company will provide residential accommodation with water, electricity, or pay House Rent Allowance as per its policy.
 - ii) Furnishing: the Company will provide furniture and fixtures as per its policy.
 - iii) Medical reimbursement: the Company will reimburse medical expenses incurred as per its policy.
 - iv) Leave travel assistance: the Company will provide leave travel assistance for self and family once in a year as per its policy.
 - v) Personal accident insurance | Medical insurance: the Company will provide personal accident insurance and medical insurance as per its policy.
 - vi) Car: the Company will provide a car at its entire cost as per its policy.
 - vii) Car driver wages | Fuel | Maintenance: the Company will reimburse for car driver wages, fuel and maintenance as per its policy.
 - viii) Communication devices: the Company will provide a landline telephone at his residence and mobile telephone as per its policy.
 - e. Retirals
 - i) The Company will contribute towards Provident Fund and Superannuation Fund as per its policy.
 - ii) The Company will pay Gratuity as per its policy. The period worked under this contract will be in continuum of the service already considered under the policy.
 - iii) The Company will allow encashment of leaves | grant leaves as per its policy.
04. Mr Gopi Kannan 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.
 05. The remuneration referred in Clause 03 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 the applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Gopi Kannan will be paid remuneration within the limit of minimum remuneration specified in Schedule V to the Companies Act, 2013.
 06. Mr Gopi Kannan will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
 07. Mr Gopi Kannan may resign office subject to six months' notice.
 08. Mr Gopi Kannan will be entitled to compensation in accordance with the applicable provisions of the Companies Act, 2013, in the event of termination of office.
 09. In the event of any dispute or difference arising out of this Agreement between the parties, such dispute or difference will be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force will apply to every reference thereof. The venue of the arbitration will be Courts at Valsad only.
 10. Both the parties agree for exclusive jurisdiction of Courts at Valsad only.
The Board considers that his association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Mr Gopi Kannan as a Director and also recommends his appointment as a Whole-time Director for five years, for the approval by the Members.

Memorandum of interest

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

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

Item number 07

The Board of Directors (Board) appointed Mr M M Chitale as an Additional Director on October 17, 2014. Subject to the approval of the Shareholders, the Board also appointed Mr Chitale as an Independent Director for five years effective October 17, 2014; his brief résumé is given below:

Name	Mr M M Chitale
Date of birth	November 16, 1949
Brief résumé	Mr M M Chitale is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co. He has 42 years of experience on advising companies on their business, financial and strategic matters and is acknowledged as an expert in accounting and auditing matters in India. Mr Chitale was the President of the Institute of Chartered Accountants of India and the Chairman of the erstwhile National Advisory Committee on Accounting Standards. He has served on various committees set up by the Central Vigilance Commission, the Government of India, the International Federation of Accountants, the Reserve Bank of India and the Securities Exchange Board of India. Mr Chitale is connected with various reputed social and educational organisations. Mr Chitale is a FCA.
Directorship in other companies	Public companies: ASREC (India) Ltd Essel Propack Ltd Itz Cash Card Ltd Larsen & Toubro Ltd Larsen & Toubro Infotech Ltd L&T General Insurance Company Ltd ONGC Mangalore Petrochemicals Ltd ONGC Petro Additions Ltd Ram Ratna Wires Ltd Private companies: Principal PNB Asset Management Company Pvt Ltd - Chairman
Membership in committees of other companies	Chairman of committees: Essel Propack Ltd - Audit Committee Itz Cash Card Ltd - Audit Committee Larsen & Toubro Ltd - Audit Committee Larsen & Toubro Infotech Ltd - Nomination and Remuneration Committee L&T General Insurance Company Ltd - Audit Committee Member of committees: ASREC (India) Ltd - Audit Committee Essel Propack Ltd - Nomination and Remuneration Committee Itz Cash Card Ltd - Nomination and Remuneration Committee Larsen & Toubro Infotech Ltd - Audit Committee Larsen & Toubro Infotech Ltd - Corporate Social Responsibility Committee ONGC Petro Additions Ltd - Audit Committee Principal PNB Asset Management Company Pvt Ltd - Audit Committee Ram Ratna Wires Ltd - Audit Committee Ram Ratna Wires Ltd - Nomination and Remuneration Committee
Number of shares held in the Company	50

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Chitale being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from October 17, 2014 to October 16, 2019. A Notice has been received from a Member proposing Mr Chitale as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Chitale fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. A copy of the draft letter for appointment of Mr Chitale 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 on or before the date of Annual General Meeting. Mr Chitale does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

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

Except Mr Chitale, 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.

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

Item number 08

The Board of Directors (Board) appointed Ms S A Panse as an Additional Director on March 27, 2015. Subject to the approval of the Shareholders, the Board also appointed Ms Panse as an Independent Director for five years effective March 27, 2015; her brief résumé is given below:

Name	Ms S A Panse
Date of birth	January 28, 1954
Brief résumé	Ms Panse has 38 years of experience in the field of banking and worked in various positions in Banking industry, the last being as the Chairperson and Managing Director of Allahabad Bank Ltd. Ms Panse is the Chairperson of Quality Review Board of Indian Institute of Actuaries and a Member of P J Nayak Committee on Corporate Governance set up by the Reserve Bank of India. Ms Panse holds MSc degree from Pune University, MBA degree from Drexel University and is a certified Associate of Indian Institute of Bankers.
Directorship in other companies	Public companies: Cholamandalam MS General Insurance Company Ltd IL & FS Financial Services Ltd KSK Energy Ventures Ltd L&T Infrastructure Development Projects Ltd The Federal Bank Ltd Private companies: Nil
Membership in committees of other companies	Chairperson of committees: IL & FS Financial Services Ltd - CSR Committee The Federal Bank Ltd - Performance Review Committee Member of committees: Cholamandalam MS General Insurance Company Ltd - Audit Committee IL & FS Financial Services Ltd - Audit Committee IL & FS Financial Services Ltd - Nomination and Remuneration Committee KSK Energy Ventures Ltd - Audit Committee L&T Infrastructure Development Projects Ltd - Audit Committee L&T Infrastructure Development Projects Ltd - Nomination and Remuneration Committee The Federal Bank Ltd - Audit Committee The Federal Bank Ltd - IT and OPS Committee The Federal Bank Ltd - Large Value Frauds Committee
Number of shares held in the Company	50

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms Panse being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from March 27, 2015 to March 26, 2020. A Notice has been received from a Member proposing Ms Panse as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms Panse fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for her appointment as an Independent Director of the Company and she is independent of the Management. Copy of the draft letter for appointment of Ms Panse 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.

Ms Panse does not hold by herself or together with her relatives two percent or more of the total voting power of the Company.

The Board considers that her association will benefit the Company. Accordingly, the Board recommends the Resolution in relation to appointment of Ms Panse as an Independent Director for the approval by the Members.

Except Ms Panse, 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.

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

Item number 09

The Board of Directors (Board) appointed Mr B R Arora as an Additional Director effective April 01, 2015. Subject to the approval of the Shareholders, the Board also appointed Mr Arora as an Independent Director for five years effective April 01, 2015; his brief résumé is given below:

Name	Mr B R Arora
Date of birth	June 03, 1944
Brief résumé	<p>Mr Arora has 44 years of experience with leading multinational companies in India and abroad in Agrochemicals, Biologics, Infant Nutrition and Pharmaceuticals Businesses.</p> <p>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.</p> <p>Mr Arora holds BE (Mechanical) degree 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.</p>
Directorship in other companies	<p>Public companies: Nil</p> <p>Private companies: Nil</p>
Membership in committees of other companies	<p>Member of committee: Nil</p>
Number of shares held in the Company	100

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr Arora being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from April 01, 2015 to March 31, 2020. A Notice has been received from a Member proposing Mr Arora as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Arora fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. A copy of the draft letter for appointment of Mr Arora 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 Arora does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

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

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 09.

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

Item number 10

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956. The Companies Act, 2013 (new Act) has been enacted.

The Ministry of Corporate Affairs (MCA) has notified most of the Sections of the new Act (barring those provisions which require sanction | confirmation of the National Company Law Tribunal ('Tribunal') such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247).

Substantive Sections of the new Act which deal with the general working of companies therefore stand notified. Under the new Act, several rules and regulations have been framed and some of them have been further amended. With the coming into force of the new provisions, several regulations of the existing AoA of the Company require alteration or deletion. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are substantially based on Table 'F' of the Act which sets out the model AoA for a company limited by shares. Salient provisions in the new draft AoA of the Company are (a) Its lien now extends also to bonuses declared from time to time in respect of shares over which lien exists; (b) the nominee (s) of a deceased sole Member are recognised as having title to his | her interest in the shares; (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalised; (d) new provisions relating to appointment of the Chief Executive Officer and the Chief Financial Officer, in addition to the Manager and the Company Secretary; (e) existing AoA have been streamlined and aligned with the new Act; (f) the statutory provisions of the new Act which permit a company to do some acts 'if so authorised by its Articles' or provisions which require a company to do acts in a prescribed manner 'unless the Articles otherwise provide' have been specifically included and (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they will be superfluous – their non-inclusion makes the new AoA concise and clear.

The proposed new draft AoA is uploaded on the website of the Company at http://www.atul.co.in/investors/pdf/Draft_Articles.pdf for perusal by the Shareholders. None of the Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No 10 of the Notice. The Board recommends the Special Resolution set out at Item No 10 of the Notice for approval by the Members.

Item number 11

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment of the Cost 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 Auditor, R. Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Inorganic Chemicals, Organic Chemicals and their derivatives, Insecticides and Polymers at a remuneration of ₹ 2.24 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2016.

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

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

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

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India
CIN: L99999GJ1975PLC002859
April 30, 2015

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

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

Performance trend

(₹ cr)

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Operating results												
Net sales	2,510	2,307	1,964	1,746	1,508	1,168	1,159	998	895	817	682	568
Revenue	2,571	2,405	2,022	1,792	1,553	1,204	1,196	1,033	925	837	710	604
PBIDT	391	362	268	203	194	143	124	97	85	78	68	56
Interest	24	31	32	43	26	26	41	33	28	29	22	22
PBDT ¹	367	331	236	160	168	117	83	64	57	49	46	34
Depreciation	55	54	49	44	39	37	32	29	31	29	27	27
PBT from operations ¹	312	277	187	116	129	80	51	35	26	20	19	7
Exceptional Non-recurring items	–	20 ²	5	6	10	–	(5)	3	–	63	–	–
PBT	312	297	192	122	139	80	46	38	26	83	19	7
Tax	95	84	56	34	43	27	10	3	1	(1)	3	5
Net profit	217	213	136	88	96	53	36	35	25	84	16	2
Dividend (including DDT) ³	30	26	21	16	16	14	10	10	10	10	7	5
Financial position												
Gross block ⁴	1,345	1,285	1,202	1,100	1,002	986	967	936	771	730	685	666
Net block ⁴	578	573	526	474	420	424	443	433	295	273	249	276
Other assets (net)	719	719	585	550	474	355	384	428	374	349	312	310
Capital employed	1,297	1,292	1,111	1,024	894	779	827	861	669	622	561	586
Equity share capital	30	30	30	30	30	30	30	30	30	30	30	30
Reserves and surplus	986	911	726	612	537	454	429	403	270	243	170	256
Shareholders' fund	1,016	941	756	642	567	484	459	433	300	273	200	286
Borrowings	281	351	355	382	327	295	368	428	369	349	361	300
Per Equity share (₹)												
Dividend	8.50	7.50	6.00	4.50	4.50	4.00	3.00	3.00	3.00	3.00	2.00	1.50
Book value	343	317	255	216	191	163	155	146	101	92	67	96
EPS	73.30	71.74	45.69	29.70	30.34	19.15	12.77	12.35	9.98	28.00	6.07	0.67
Key indicators												
PBIDT %	15.58	15.69	13.65	11.63	12.86	12.24	10.70	9.72	9.50	9.55	9.97	9.86
PBDT %	14.62	14.35	12.02	9.16	11.14	10.02	7.16	6.41	6.37	6.00	6.74	5.99
PBT %	12.43	12.01	9.52	6.64	8.55	6.85	4.40	3.51	2.91	2.45	2.79	1.23
Employee cost %	6.14	6.07	6.52	6.70	6.76	8.82	7.85	8.12	8.04	10.40	9.97	13.56
Interest cost %	0.96	1.34	1.63	2.46	1.72	2.23	3.54	3.31	3.13	3.55	3.23	3.87
Debt-Equity ratio	0.28	0.37	0.47	0.60	0.58	0.61	0.80	0.99	1.23	1.28	1.81	1.05
Interest coverage ratio	16.29	11.68	8.38	4.72	7.46	5.50	3.02	2.94	3.04	2.69	3.09	2.55
Asset turnover ratio	1.87	1.80	1.63	1.59	1.50	1.18	1.20	1.07	1.16	1.12	1.00	0.85
RoCE % ^{1,5}	26.76	26.04	21.04	16.93	18.46	13.09	11.19	9.42	8.81	8.41	6.98	4.55
RoNW % ¹	22.18	23.41	18.74	13.56	16.37	11.24	8.95	8.80	8.73	8.56	6.60	0.70
Payment to the exchequer	288	267	212	191	167	99	101	98	99	82	70	56

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 Excluding capital work-in-progress.

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

Financial Statements

Standalone

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Independent Auditors' Report

To the Members of Atul Ltd

Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone Financial Statements of Atul Ltd (Company), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant Accounting Policies and other explanatory information.

Management's responsibility for the Standalone Financial Statements

2. The Company's Board of Directors (Board) is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 (Act) with respect to the preparation of the Standalone Financial Statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by The Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Standalone Financial Statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the Audit Report.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the judgement of the Auditors, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal financial control relevant to the preparation of the Standalone Financial Statements by the Company that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 Financial Statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

8. In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of Section 143 of

the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed

as a Director in terms of Section 164(2) of the Act.

- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2015 on its financial position in its Standalone Financial Statements;
 - ii) The Company has made provision as at March 31, 2015, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, 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 Company during the year ended March 31, 2015.

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh

Mumbai
April 30, 2015

Partner
Membership Number: 037942

Annexure to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the Members of Atul Ltd on the Standalone Financial Statements for the year ended March 31, 2015.

- i) a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- ii) a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- iv) In our opinion, and according to the information and explanations given to us, there is an adequate

Internal Control System commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid Internal Control System.

- v) The Company has not accepted any deposit from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Employees' state insurance, Provident Fund, customs duty, excise duty, sales tax, service tax, income tax, wealth tax, value added tax and other material statutory dues, as applicable, with the appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax, and wealth tax, which have not been deposited on account of any dispute. The particulars of dues of customs duty, excise duty and income tax as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ cr) ¹	Period to which the amount relates	Forum where the dispute is pending ²
Central Excise Act, 1944	Excise and service tax	0.49	1986 to 2014	Commissioner (Appeals)
		7.72	1992 to 2010	Customs, Excise and Service Tax Appellate Tribunal
		3.53	1993-94	High Court
		11.74		
Customs Act, 1962	Customs duty	0.59	1995 to 2009	Commissioner (Appeals)
		1.76	1997-98	Customs, Excise and Service Tax Appellate Tribunal
		2.35		
Income Tax Act, 1961	Income tax	1.13	2006-07	Commissioner of Income Tax (Appeals)
		0.95	2010-11	Income Tax Appellate Tribunal
		2.08		

¹ Net of amounts deposited. | ² Necessary stay received from respective authorities.

- c) The amount required to be transferred to Investor Education and Protection Fund has been transferred within the stipulated time in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii) The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debenture as at the Balance Sheet date.
- x) In our opinion, and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks or financial institutions during the year are not prejudicial to the interest of the Company.
- xi) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh
Partner

Mumbai
April 30, 2015

Membership Number: 037942

Balance Sheet as at March 31, 2015

(₹ cr)

Particulars	Note	As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	2	29.68	29.68
b) Reserves and surplus	3	986.10	911.91
		1,015.78	941.59
2 Non-current liabilities			
a) Long-term borrowings	4	54.08	113.36
b) Deferred tax liabilities (net)	5	44.41	35.39
c) Other long-term liabilities	6	20.13	17.80
d) Long-term provisions	7	15.86	15.16
		134.48	181.71
3 Current liabilities			
a) Short-term borrowings	8	164.14	184.27
b) Trade payables	9	262.63	319.01
c) Other current liabilities	10	142.22	115.93
d) Short-term provisions	11	42.56	33.24
		611.55	652.45
		1,761.81	1,775.75
II ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	12	474.05	519.60
ii) Intangible assets	12	0.21	–
iii) Capital work-in-progress		104.08	52.98
		578.34	572.58
b) Non-current investments	13	148.82	136.47
c) Long-term loans and advances	14	44.82	31.20
d) Other non-current assets	15	54.13	64.31
		826.11	804.56
2 Current assets			
a) Inventories	16	349.65	375.75
b) Trade receivables	17	439.19	447.26
c) Cash and bank balances	18	6.40	8.80
d) Short-term loans and advances	19	107.46	102.54
e) Other current assets	20	33.00	36.84
		935.70	971.19
		1,761.81	1,775.75
Significant Accounting Policies	1		

Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

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

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 30, 2015

Mumbai

April 30, 2015

Statement of Profit and Loss for the year ended March 31, 2015



(₹ cr)

Particulars	Note	2014-15	2013-14
REVENUE			
Revenue from operations (gross)	21	2,718.57	2,516.05
Less: Excise duty		162.92	150.60
Revenue from operations (net)		2,555.65	2,365.45
Other income	22	15.31	39.62
		2,570.96	2,405.07
EXPENSES			
Cost of materials consumed	23	1,333.22	1,324.60
Purchase of stock-in-trade	23	28.22	23.69
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	16.12	(66.47)
Employee benefit expenses	25	153.85	139.79
Finance costs	26	23.64	31.43
Depreciation and amortisation expenses	12	55.28	54.23
Other expenses	27	648.52	600.71
		2,258.85	2,107.98
Profit before tax		312.11	297.09
Tax expense			
Current tax		80.50	76.12
Deferred tax		13.82	8.23
Tax adjustments		0.37	(0.05)
		94.69	84.30
Profit for the year		217.42	212.79
Basic and diluted earning ₹ per Equity share	28.7	73.30	71.74
Significant Accounting Policies	1		

Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

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

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 30, 2015

Mumbai
April 30, 2015

Cash Flow Statement for the year ended March 31, 2015

(₹ cr)

Particulars	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	312.11	297.09
Adjustments for:		
Add:		
Depreciation and amortisation expenses	55.28	54.23
Finance costs	23.64	31.43
Loss on assets sold or discarded	0.78	0.01
Unrealised exchange rate difference (net)	(4.53)	5.54
Bad debts and irrecoverable balances written off	1.75	1.33
Provision for doubtful debts	0.98	0.56
Provision for diminution in value of investments	0.02	0.44
	77.92	93.54
	390.03	390.63
Less:		
Dividend received	2.10	23.43
Interest received	1.06	2.29
Provisions no longer required	1.62	4.52
Provisions for doubtful debt written back	0.68	—
Surplus on sale of fixed assets	1.39	0.39
	6.85	30.63
Operating profit before working capital changes	383.18	360.00
Adjustments for:		
Inventories	26.10	(68.22)
Trade receivables	10.23	(91.86)
Short-term loans and advances	(6.79)	1.29
Other current assets	2.42	(19.14)
Non-current assets	6.23	(24.87)
Long-term loans and advances	2.20	(0.89)
Long-term provisions	0.70	10.13
Trade payables	(54.82)	46.59
Other current liabilities	17.07	5.79
Other long-term liabilities	2.33	2.11
Short-term provisions	(0.16)	(8.02)
	5.51	(147.09)
Cash generated from operations	388.69	212.91
Less:		
Direct taxes (refund) paid	71.73	71.91
Net cash flow from operating activities	A 316.96	141.00

Cash Flow Statement for the year ended March 31, 2015

(continued)

		(₹ cr)
Particulars	2014-15	2013-14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(174.03)	(98.12)
Purchase of intangible assets	(0.29)	(0.26)
Capital advances	(17.24)	1.27
Investments in subsidiary companies	(12.37)	(8.28)
Investments in others companies	—	(0.07)
Repayments (Disbursements) of loans	5.54	(0.36)
Long-term bank deposits	—	0.03
Short-term bank deposits	(0.02)	(0.06)
Sale of fixed assets	0.65	0.28
Interest received	1.07	2.29
Dividend received	2.10	23.43
Net cash used in investing activities	B (194.59)	(79.85)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) Disbursements from long-term borrowings	(49.72)	(28.14)
Add: Exchange rate difference	(2.87)	(4.00)
(Repayments) Disbursements from long-term borrowings (adjusted)	(52.59)	(32.14)
(Repayments) Disbursements from short-term borrowings	(22.39)	23.82
Total (repayments) disbursements from borrowings	(74.98)	(8.32)
Payment of unclaimed dividend	(0.12)	(0.14)
Interest paid	(23.93)	(31.25)
Dividend on Equity shares (including dividend distribution tax)	(25.88)	(20.68)
Net cash used in financing activities	C (124.91)	(60.39)
Net change in cash and cash equivalents	A+B+C (2.54)	0.76
Opening balance - cash and cash equivalents	7.24	6.48
Closing balance - cash and cash equivalents	4.70	7.24

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

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

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

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 30, 2015

Mumbai

April 30, 2015

Notes to the Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1. Convention:

The Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain buildings which are being carried at fair valued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 will continue to apply. Consequently, the Financial Statements have been prepared to comply in all material aspects with the Accounting Standard notified under Section 211(3C) of the Companies Act, 2013, Companies (Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013. The Accounting Policies which have been applied consistently, are set out below.

2. Basis of preparation:

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

3. Use of estimates:

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

4. Fixed assets:

a) Tangible assets:

- i) Fixed assets other than ii) below are carried at cost of acquisition | construction including incidental expenses directly attributable to the acquisition | construction activity, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.
- ii) Assets received free of cost on premature cancellation of a lease agreement are valued at fair value at the time of receipt by credit to Capital reserve less accumulated depreciation and impairment as necessary.
- iii) Spares specific to a machinery are carried at cost and allocated over the useful life of the asset.
- iv) Capital work-in-progress is carried at accumulated cost incurred upto the date of the Financial Statements.
- v) Expenditure incurred on cultivation of plantations upto the date, they become capable of bearing fruit are accumulated under 'Capital work-in-progress' and then capitalised as a fixed asset to be depreciated over their estimated economic life.

b) Intangible assets:

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Depreciation and amortisation expenses:

Depreciation:

- Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets.
- Depreciation is calculated on a pro-rata basis from the date of acquisition | installation till the date the assets are sold or disposed of.
- Machinery spares which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- Leasehold land is amortised on a straight-line basis over the period of lease.
- Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end. {refer Note 12(c)}
- Useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 are applied except following categories where the Management has estimated shorter useful lives for all asset categories:

Asset category	Useful life
Plant and machinery*	7 to 15 years
Vehicles*	6 to 10 years

*For the above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Amortisation

Computer Software cost is amortised over a period of three years using straight-line method.

6. Impairment of assets:

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

7. Finance costs:

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

8. Investments:

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

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

9. Inventories:

- Raw materials, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- Goods-in-transit and in bonded warehouse are stated at the cost to the date of Balance Sheet.

Notes to the Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

- c) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- d) Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

10. Foreign currency transactions:

- a) Initial recognition:
Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.
- b) Conversion:
At the year end, monetary items denominated in foreign currencies remaining unsettled are converted into Indian rupee equivalents at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) Exchange differences:
All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Statement of Profit and Loss. The Company has opted to avail the option provided under paragraph 46A of Accounting Standard-11 'The effects of changes in foreign exchange rates' inserted vide Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently, foreign exchange difference on account of long-term foreign currency borrowings utilised to acquire a depreciable asset, is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.
- d) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts intended to hedge existing exposures is amortised as expenses or income over the life of the contracts. Exchange differences on such contracts are being recognised in the Statement of Profit and Loss for the year. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.
- e) Derivatives:
Where the Company has entered into derivative contracts such as interest rate swaps, currency swaps and currency options, to hedge risk associated with the interest and foreign currency fluctuations relating to firm commitments where these exposures exist at the Balance Sheet date the hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. The revalorisation gain or loss on Mark-to-Market (MTM) is generally recognised in the Statement of Profit and Loss each year. However, on account of option exercised as per (c) above MTM gains and losses on instruments intended to hedge long-term foreign currency borrowings utilised to acquire depreciable assets are recognised to offset foreign exchange fluctuation differences on such long-term foreign currency borrowings.
- f) Changes in fair value of derivative instruments intended to hedge future exposures resulting out of 'highly probable forecast transactions' such as exports, is determined as effective hedges of future cash flows, which are recognised directly under 'Hedging reserve' in Shareholders' funds, and the ineffective portion, if any, is recognised immediately in the Statement of Profit and Loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time, for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Shareholders' funds is retained there until the

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholders' funds is transferred to the Statement of Profit and Loss for the period.

11. Revenue recognition:

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

- a) Sale of goods and services:
 - i) Domestic sales are accounted for on dispatch from the point of sale, where property in goods are transferred to the buyer.
 - ii) Export sales are accounted on the basis of dates of on board bill of lading and | or air way bill.
 - iii) Service income is recognised, net of service tax, when the related services are rendered.
- b) Other revenue:
 - i) Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.
 - ii) Lease rental income is recognised on accrual basis.
 - iii) Dividend income is accounted for in the year in which the right to receive the same is established.
 - iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

12. Provisions, contingent liabilities and contingent assets:

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

13. Research and Development expenditure:

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

14. Employee benefits:

- a) Defined contribution plan:

Contribution paid | payable by the Company during the period to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labour Welfare Fund are recognised in the Statement of Profit and Loss.
- b) Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss.

Notes to the Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-term leave encashment:

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

Provident Fund:

Provident Fund for certain eligible employees is managed by the Company through the 'Atul Products Ltd – Ankleshwar Division Employees Provident Fund Trust' in line with Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to the 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.

c) Short-term leave encashment:

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

d) Voluntary Retirement Scheme:

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

15. Taxation:

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

16. Government grants:

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

17. Cash and cash equivalents:

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

18. Earning per share:

Earning 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.

Notes to the Financial Statements

(₹ cr)

NOTE 2 SHARE CAPITAL	As at March 31, 2015	As at March 31, 2014
Authorised		
8,00,00,000 (8,00,00,000) Equity shares of ₹ 10 each	80.00	80.00
80,00,000 (80,00,000) Cumulative Redeemable Preference shares of ₹ 100 each	80.00	80.00
	160.00	160.00
Issued		
2,96,91,780 (2,96,91,780) Equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (2,96,61,733) Equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (29,991) Add: Forfeited shares (amount paid-up)	0.02	0.02
	29.68	29.68

a) Rights, preferences and restrictions:

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

i) Equity shares:

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

ii) Preference shares:

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

iii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board 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, 2015		As at March 31, 2014	
		Holding %	Number of shares	Holding %	Number of shares
1	Aagam Holdings Pvt Ltd	22.67%	67,25,501	22.67%	67,25,501
2	Aura Securities Pvt Ltd	5.44%	16,14,045	5.44%	16,14,045
3	Aeon Investments Pvt Ltd	5.95%	17,64,383	3.50%	10,39,383

Notes to the Financial Statements

(₹ cr)

NOTE 3 RESERVES AND SURPLUS	As at March 31, 2015	As at March 31, 2014
a) Capital reserve: Balance as at the beginning of the year Less: Transferred to the General reserve *	4.73 0.21	6.68 1.95
Balance as at the end of the year	4.52	4.73
b) Securities premium account	34.66	34.66
c) Revaluation reserve: Balance as at the beginning of the year Less: Transferred to the Statement of Profit and Loss Less: Reversed in current year {refer Note 12(b)}	102.40 – 102.40	104.46 2.06 –
Balance as at the end of the year	–	102.40
d) Hedging reserve {refer Note 28.9 (c)}: Balance as at the beginning of the year Add: Transferred to the Statement of Profit and Loss Less: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	1.54 (1.54) (0.11)	0.74 (0.74) (1.54)
Balance as at the end of the year	0.11	1.54
e) General reserve: Balance as at the beginning of the year Less: Carrying amount of the assets (where the remaining useful life of assets is Nil) after retaining the residual value (net of deferred tax ₹ 4.80 cr) {refer Note 12(c)} Add: Transferred from Capital reserve * Add: Transferred from the Statement of Profit and Loss	104.65 9.06 0.21 –	81.42 – 1.95 21.28
Balance as at the end of the year	95.80	104.65
f) Surplus in the Statement of Profit and Loss: Balance as at the beginning of the year Add: Profit for the year Amount available for appropriation Less: Appropriations General reserve Proposed dividend on Equity shares for the year {at ₹ 8.50 per share (March 31, 2014 ₹ 7.50 per share)} Dividend distribution tax on proposed dividend	663.93 217.42 881.35 – 25.21 5.13	498.45 212.79 711.24 21.28 22.25 3.78
Balance as at the end of the year	851.01	663.93
	986.10	911.91

* The fair value of the assets received free of cost in the past, was credited to 'Capital reserve'; it represents amount equivalent to the depreciation of the respective assets charged to the Statement of Profit and Loss.

Notes to the Financial Statements

(₹ cr)

NOTE 4 LONG-TERM BORROWINGS	Non-current		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured:				
i) Rupee term loan from a foreign financial institution	20.83	31.25	10.42	10.42
ii) Foreign currency term loans from banks	33.25	59.47	28.68	17.53
iii) Foreign currency term loan from a foreign financial institution	—	22.54	23.47	25.04
Unsecured:				
iv) Rupee term loans from a bank	—	0.10	0.14	0.16
	54.08	113.36	62.71	53.15
Amount disclosed under the head 'Other Current Liabilities' (refer Note 10)			(62.71)	(53.15)
	54.08	113.36	—	—

No.	Type of loan Nature of security	Terms of repayment
i)	Rupee term loan from a foreign financial institution amounting to ₹ 31.25 cr (Previous year: ₹ 41.67 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, present and future.	15 equal half yearly installments beginning from January 14, 2011 along with interest ranging from 6.99% p.a. to 7.46% p.a. (balance installments payable - 6 of ₹ 5.21 cr each).
ii)	<p>a) Foreign currency term loan from a foreign bank amounting to ₹ 9.77 cr (Previous year: ₹ 16.90 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, present and future.</p> <p>b) Foreign currency term loan from a bank amounting to ₹ 52.16 cr (Previous year: ₹ 60.10 cr) is secured by first <i>pari passu</i> charge on the entire movable and immovable fixed assets of the Company, both present and future.</p>	<p>16 equal quarterly installments beginning from July 31, 2012 along with interest @ 3 month LIBOR + 225 bps p.a. (balance installments payable - 5 of ₹ 1.96 cr each).</p> <p>12 equal quarterly installments beginning from December 29, 2014 along with interest @ 3 month LIBOR + 290 bps p.a. (balance installments payable - 10 of ₹ 5.22 cr each).</p>

Notes to the Financial Statements

NOTE 4 LONG-TERM BORROWINGS (continued)

No.	Type of loan Nature of security	Terms of repayment
iii)	Foreign currency loan from a foreign financial institution amounting to ₹ 23.47 cr (Previous year: ₹ 47.58 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, present and future.	Tranche 1:7 half yearly installments beginning from January 15, 2013 along with interest @ 6 month LIBOR + 225 bps p.a. (balance installments payable-1 of ₹ 2.60 cr each). Tranche 2:7 half yearly installments beginning from July 15, 2013 along with interest @ 6 month LIBOR + 225 bps p.a. (balance installments payable - 2 of ₹ 10.43 cr each).
iv)	a) Unsecured rupee term loan from a bank amounting to ₹ 0.03 cr (Previous year: ₹ 0.05 cr).	20 equal quarterly installments beginning from November 30, 2011 along with interest @ Base rate +1.5% p.a. (balance installments payable - 4 for ₹ 0.01 cr each).
	b) Unsecured rupee term loan from a bank amounting to ₹ 0.11 cr (Previous year: ₹ 0.21 cr).	Quarterly installments beginning from December 01, 2012 along with interest @ Base rate +1.5% p.a. (balance installments payable - 3 of ₹ 0.04 cr each).

NOTE 5 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2015	Charge (Credit) during the year			As at March 31, 2014
		Statement of Profit and Loss	General reserve *	Total	
Deferred tax liabilities:					
on account of timing difference in depreciation	53.54	14.49	(4.80)	9.69	43.85
	53.54	14.49	(4.80)	9.69	43.85
Deferred tax assets:					
on account of timing difference in					
a) Provision for leave encashment	7.40	0.18	—	0.18	7.22
b) Provision for doubtful debts	1.50	0.36	—	0.36	1.14
c) Provision for doubtful advances	0.07	0.01	—	0.01	0.06
d) Voluntary Retirement Scheme	0.16	0.12	—	0.12	0.04
	9.13	0.67	—	0.67	8.46
Net deferred tax liabilities (assets)	44.41	13.82	(4.80)	9.02	35.39

* Refer Note 12(c)

NOTE 6 OTHER LONG-TERM LIABILITIES	(₹ cr)	
	As at March 31, 2015	As at March 31, 2014
Security deposits	20.13	17.80
	20.13	17.80

NOTE 7 LONG-TERM PROVISIONS	(₹ cr)	
	As at March 31, 2015	As at March 31, 2014
Provision for leave entitlement	15.86	15.16

Notes to the Financial Statements

	15.86	15.16
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(₹ cr)

NOTE 8 SHORT-TERM BORROWINGS	As at March 31, 2015	As at March 31, 2014
a) Secured *		
Working capital loans repayable on demand from banks	51.61	129.27
b) Unsecured		
Loan from banks including foreign banks	12.52	55.00
c) Commercial papers	100.00	—
d) Deposit from the Directors	0.01	—
	164.14	184.27

* Security details:

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 letter of credits given by the bankers aggregating ₹ 70.66 cr (Previous year: ₹ 103.38 cr)

The maximum amount outstanding of commercial paper during the year was ₹ 100 cr. (Previous year: ₹ 25 cr)

(₹ cr)

NOTE 9 TRADE PAYABLES	As at March 31, 2015	As at March 31, 2014
Trade payables including acceptances	262.63	319.01
	262.63	319.01

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

(₹ cr)

Particulars	As at March 31, 2015	As at March 31, 2014
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.31	1.78
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.34	0.26
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.23	19.32
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0.08	0.26
Further interest remaining due and payable for earlier years	0.26	—

- There were no other conditions existing, which require a disclosure under MSMED Act, 2006.
- Above disclosures have been made based on information available with the Company, for suppliers who are registered as micro, small and medium enterprise under MSMED Act, 2006 as at March 31, 2015.

Notes to the Financial Statements

(₹ cr)

NOTE 10 OTHER CURRENT LIABILITIES	As at March 31, 2015	As at March 31, 2014
a) Current maturities of long-term borrowings (refer Note 4)	62.71	53.15
b) Interest accrued but not due on borrowings	0.66	1.15
c) Unclaimed dividends *	1.27	1.12
d) Unclaimed matured deposits and interest thereon *	0.02	0.05
e) Advances received from customers	8.34	6.47
f) Employee benefits payable	31.63	24.11
g) Creditors for capital goods	8.82	2.66
h) Commission and discount payable	11.17	10.05
i) Statutory dues	14.54	13.57
j) Others	3.06	3.60
	142.22	115.93

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2015.

(₹ cr)

NOTE 11 SHORT-TERM PROVISIONS	As at March 31, 2015	As at March 31, 2014
a) Provision for leave entitlement	5.53	6.08
b) Others:		
Provision for taxation (net of tax paid in advance)	5.18	–
Proposed dividend {refer Note 3 (f)}	25.21	22.25
Dividend distribution tax on proposed dividend	5.13	3.78
Other provisions *	1.51	1.13
	42.56	33.24

(₹ cr)

* Movement of provision for effluent disposal	As at March 31, 2015	As at March 31, 2014
Balance as at the beginning of the year	0.09	–
Less: Utilised	(0.09)	–
Provision made during the year	1.29	0.09
Balance as at the end of the year	1.29	0.09

Notes to the Financial Statements

(₹ Cr)

NOTE 12 FIXED ASSETS									
ASSET BLOCK	GROSS BLOCK (a)			DEPRECIATION AMORTISATION			IMPAIRMENT		NET BLOCK
	As at March 31, 2014	Additions	Other adjustments	Deductions and adjustments	As at March 31, 2015	Depreciation upto March 31, 2014	For the year	Deductions and adjustments (c)	As at March 31, 2015
Tangible assets									
Land - freehold (b) and (e)	16.54	—	(7.29)	—	9.25	—	—	—	9.25
Land - leasehold (b) and (e)	24.60	—	(20.04)	—	4.56	2.25	0.04	1.39	3.66
Buildings (b), (d) and (e)	247.82	18.28	(87.45)	0.87	177.78	71.63	10.04	11.15	107.26
Roads	3.31	0.10	—	—	3.41	1.35	1.27	—	2.62
Plant and equipment (f) and (g)	882.35	103.51	2.14	1.24	986.76	573.40	54.44	1.16	339.05
Railway siding	0.08	—	—	—	0.08	0.08	—	—	—
Office equipment and furniture	29.51	1.58	—	0.01	31.08	20.26	1.57	0.01	9.26
Vehicles	14.58	1.67	—	1.33	14.92	9.19	1.70	0.75	4.78
Total tangible assets	1,218.79	125.14	(112.64)	3.45	1,227.84	678.16	69.06	14.46	753.79
Intangible assets									
Computer software	12.87	0.29	—	—	13.16	12.87	0.08	—	12.95
Total intangible assets	12.87	0.29	—	—	13.16	12.87	0.08	—	12.95
Total as at	1,231.66	125.43	(112.64)	3.45	1,241.00	691.03	69.14	14.46	766.74
March 31, 2015	1,231.66	125.43	(112.64)	3.45	1,241.00	691.03	69.14	14.46	766.74
Total as at	1,158.56	87.19	8.53	22.62	1,231.66	556.81	56.53	22.31	712.06
March 31, 2014									519.60

Notes:

- At cost, except certain building premises which are stated at fair value.
- The Company had, in the year 1985 and 2008 revalued certain land and buildings. The residual value of which as at April 01, 2014 aggregated ₹ 102.40 cr. However, with passage of time, the equitable values of the assets under the heads of land and buildings are overall much higher than their carrying values, vitiating the objective of the original exercise of revaluation. The Company has therefore changed its Accounting Policy and decided to show these fixed assets at historical cost only. Accordingly, the Company has reversed the aforesaid amount of Revaluation reserve, which will result in these assets being stated at their historical cost less accumulated depreciation. The above accounting treatment does not have any impact on the Statement of Profit and Loss for the current and subsequent years.
- Consequent to the enactment of the Companies Act, 2013 (Act) and its applicability for accounting periods commencing on or after April 01, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. Where the remaining useful life of an asset is nil, the carrying amount of the asset after retaining the residual value, as at April 01, 2014 has been adjusted to the General reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is lower by ₹ 2.37 cr for the year ended March 31, 2015.
- Includes premises on ownership basis ₹ 1.10 cr (Previous year: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (Previous year: ₹ 2,000).
- Pursuant to the order passed by Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of Government of Gujarat and paid security deposit ₹ 2 cr (Previous year: ₹ 2 cr).
- Exchange rate difference capitalised during the year ₹ 2.14 cr (Previous year: ₹ 8.53 cr).
- Exchange rate difference which remains unamortised in accordance with the option exercised under Para 46A of Accounting Standard-11 is ₹ 17.18 cr (Previous year: ₹ 16.62 cr).
- Break-up of depreciation for the year

Particulars		(₹ cr)	
		2014-15	2013-14
Depreciation Amortisation expenses for the year		69.14	56.53
Less: Amount withdrawn from Revaluation reserve (refer Note 3)		—	2.06
Less: Transferred to the General reserve		13.86	—
Less: Depreciation in respect of earlier year		—	0.24
Depreciation Amortisation expenses as per the Statement of Profit and Loss		55.28	54.23

Notes to the Financial Statements

(₹ cr)

NOTE 13 NON-CURRENT INVESTMENTS ¹			As at March 31, 2015		As at March 31, 2014
Long-term investments	Face value ²	Number of shares			
A. Trade Investments					
a) Quoted Equity instruments					
In associate company					
Amal Ltd (refer Note 28.13)	10	4,12,453	0.44		0.44
Less: Provision for diminution in value			0.40		0.40
				0.04	0.04
b) Unquoted Equity instruments					
Others					
Bharuch Enviro Infrastructure Ltd	10	70,000	0.07		0.07
Narmada Clean Tech Ltd	10	7,15,272	0.72		0.72
				0.79	0.79
In subsidiary companies - foreign					
Atul Brasil Quimicos Ltda	R\$ 1	7,04,711	2.03		2.03
Atul China Ltd	US\$ 4,10,000	1	1.84		1.84
Less: Provision for diminution in value			0.92		0.92
				0.92	0.92
Atul Deutschland GmbH	€ 100,000	1	0.55		0.55
Less: Provision for diminution in value			0.55		0.55
				-	-
Atul Europe Ltd	£ 1	43,38,911	31.85		31.85
Atul USA Inc	US\$ 1,000	2,000	6.29		6.29
In subsidiary companies - domestic					
Aasthan Dates Ltd	10	18,98,000 (15,14,000)	1.90		1.51
Atul Bioscience Ltd	10	79,90,050	8.01		8.01
Atul Biospace Ltd	10	37,09,600 (34,07,600)	3.71		3.41
Atul Finserv Ltd	100	7,50,000 (-)	7.50		-
	7	5,00,000	5.00		5.00
Atul Infotech Pvt Ltd	10	42,770 (-)	2.75		-
Atul Rajasthan Date Palms Ltd	1,000	30,001	3.00		3.00
Biyaban Agri Ltd	10	10,41,100 (7,37,100)	1.04		0.74
Gujarat Synthwood Ltd	10	4,00,000	0.65		0.65
Less: Provision for diminution in value			0.65		0.65
				-	-
Raja Dates Ltd	10	32,45,500 (26,25,500)	3.24		2.62
				77.24	65.38
In joint venture company					
Rudolf Atul Chemicals Ltd	10	29,18,750		6.13	6.13
Long-term investments					
In associate companies					
Anchor Adhesives Pvt Ltd	10	2,93,077	1.47		1.47
AtRo Ltd	10	50,004	0.05		0.05
Less: Provision for diminution in value			0.02		-
				0.03	0.05
				1.50	1.52

Notes to the Financial Statements

(₹ cr)

NOTE 13 NON-CURRENT INVESTMENTS ¹ (continued)			As at March 31, 2015		As at March 31, 2014	
Long-term investments	Face value ²	Number of shares				
c) Investments in Preference shares						
In subsidiary companies						
Atul Bioscience Ltd (6% Cumulative Redeemable Preference shares)	100	2,00,000	2.00			2.00
Atul Bioscience Ltd (10% Cumulative Redeemable Preference shares)	100	40,400	0.40			0.40
				2.40		2.40
In associate company						
Amal Ltd (0% Redeemable Preference shares) (refer Note 28.13)	10	1,00,00,000		10.00		10.00
B. Other than trade investments						
a) Quoted Equity instruments						
In others						
Arvind Ltd	10	41,27,471	46.64			46.64
BASF India Ltd	10	2,61,396	0.84			0.84
ICICI Bank Ltd	10	19,823	0.14			0.14
Jain Irrigation Systems Ltd	2	4,200	0.02			0.02
Nagarjuna Oil Refinery Ltd	1	31,500	—			—
Novartis India Ltd	5	3,84,660	1.02			1.02
Pfizer Ltd ³	10	9,58,927	1.50			—
Wyeth Ltd (upto December 11, 2014)	10	(13,69,895)	—			1.50
				50.16		50.16
b) Unquoted equity instruments						
In others						
Nagarjuna Fertilizers and Chemicals Ltd	1	34,650		0.04		0.04
c) Investments in Government or Trust securities						
6 Years National Savings Certificates (deposited with the Government departments)	88,000			0.01		0.01
				148.31		136.47
C. Share application money						
(Atul Middle East FZ-LLC – subsidiary company)				0.51		—
				148.82		136.47

Particulars	Book value as at March 31,		Market value as at March 31,	
	2015	2014	2015	2014
Quoted	50.20	50.20	376.99	236.15
Unquoted	98.11	86.27		
	148.31	136.47		
Aggregate provision for diminution	2.54	2.52		

¹ Valued at cost unless otherwise stated | ² In ₹ and fully paid unless otherwise stated | ³ Received upon merger of Wyeth Ltd

Notes to the Financial Statements

(₹ cr)

NOTE 14 LONG-TERM LOANS AND ADVANCES	As at March 31, 2015	As at March 31, 2014
a) Loans and advances to related parties: (refer Note 28.10 and 28.13)		
i) Secured, considered good	11.29	11.29
ii) Unsecured, considered good	7.89	9.32
b) Others:		
i) Capital advances	22.88	5.64
ii) Security deposits	2.76	4.95
	44.82	31.20

(₹ cr)

NOTE 15 OTHER NON-CURRENT ASSETS	As at March 31, 2015	As at March 31, 2014
a) Balance with bank in fixed deposits, with maturity beyond 12 months	0.02	0.02
b) Balance with the Government departments:		
Tax paid under protest	16.80	20.52
Tax paid in advance, net of provisions	—	3.95
VAT receivable	29.84	30.13
Security deposit {refer Note 12 (e)}	2.00	2.00
c) Mark-to-Market gains on derivatives	5.47	7.69
	54.13	64.31

(₹ cr)

NOTE 16 INVENTORIES *	As at March 31, 2015	As at March 31, 2014
a) Raw materials and packing materials	79.22	87.52
Add: Goods-in-transit	22.00	24.58
	101.22	112.10
b) Work-in-progress	107.13	102.70
c) Finished goods	109.05	131.95
d) Stock-in-trade	4.38	3.01
e) Stores, spares and fuel	20.74	21.83
Add: Goods-in-transit	7.13	4.16
	27.87	25.99
	349.65	375.75

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

(₹ cr)

DETAILS OF INVENTORY	As at March 31, 2015	As at March 31, 2014
a) Raw materials		
Life Science Chemicals	19.32	30.49
Performance and Other Chemicals	81.90	81.61
	101.22	112.10
b) Work-in-progress		
Life Science Chemicals	16.45	18.06
Performance and Other Chemicals	90.68	84.64
	107.13	102.70
c) Finished goods		
Life Science Chemicals	48.54	55.19
Performance and Other Chemicals	60.51	76.76
	109.05	131.95
d) Stock-in-trade		
Life Science Chemicals	3.42	2.32
Performance and Other Chemicals	0.96	0.69
	4.38	3.01

Notes to the Financial Statements

(₹ cr)

NOTE 17 TRADE RECEIVABLES	As at March 31, 2015	As at March 31, 2014
a) Trade receivables outstanding for more than six months from the date they became due for payment:		
i) Unsecured, considered good from		
Related parties	1.44	2.06
Others	1.66	4.01
ii) Doubtful	2.73	2.27
Less: Provision for doubtful debts	2.73	2.27
	—	—
	3.10	6.07
b) Others:		
i) Unsecured, considered good from		
Related parties	93.23	85.03
Others	342.86	356.16
	436.09	441.19
	439.19	447.26

(₹ cr)

NOTE 18 CASH AND BANK BALANCES	As at March 31, 2015	As at March 31, 2014
a) Cash and cash equivalents:		
i) Balances with banks		
In current accounts	4.62	7.11
ii) Cash on hand	0.08	0.13
	4.70	7.24
b) Other bank balances:		
Earmarked balances with banks		
i) Unclaimed dividend interest on public deposit	1.29	1.17
ii) Short-term bank deposits (including margin money deposits)	0.41	0.39
	1.70	1.56
	6.40	8.80

(₹ cr)

NOTE 19 SHORT-TERM LOANS AND ADVANCES	As at March 31, 2015	As at March 31, 2014
Loans and advances, unsecured, considered good to:		
a) Related parties	4.13	5.98
b) Others:		
i) Advances recoverable in cash or kind	85.69	79.72
ii) Balances with statutory authorities	16.81	16.18
iii) Sundry deposits	0.83	0.66
	107.46	102.54

Notes to the Financial Statements

(₹ cr)

NOTE 20 OTHER CURRENT ASSETS	As at March 31, 2015	As at March 31, 2014
a) Export incentive receivable	29.66	34.29
b) Mark-to-Market gains on derivatives	3.34	2.55
c) Sundry receivable		
Doubtful	0.19	0.19
Less: Provision for doubtful receivable	0.19	0.19
	—	—
	33.00	36.84

(₹ cr)

NOTE 21 REVENUE FROM OPERATIONS	2014-15	2013-14
Sale of products	2,673.34	2,457.12
Sale of services	0.90	0.89
Other operating revenue:		
Export incentives	34.38	47.62
Scrap sales	5.36	4.94
Processing charges	4.59	5.48
	2,718.57	2,516.05
Less: Excise duty	162.92	150.60
	2,555.65	2,365.45

(₹ cr)

DETAILS OF REVENUE	2014-15	2013-14
Sale of products		
Life Science Chemicals	725.32	785.84
Performance and Other Chemicals	1,948.02	1,671.28
	2,673.34	2,457.12

(₹ cr)

NOTE 22 OTHER INCOME	2014-15	2013-14
Dividend on long-term investments *	1.96	23.41
Dividend on short-term investments	0.14	0.02
Interest from inter company deposits	0.34	0.38
Interest from others	0.72	1.91
Provisions no longer required	1.62	4.52
Provisions for doubtful debts written back	0.68	—
Surplus on sale of fixed assets	1.39	0.39
Exchange rate difference gain (net)	1.84	3.77
Miscellaneous income	6.62	5.22
	15.31	39.62

* Previous year includes a one-time special dividend of ₹ 19.86 cr received from a company..

Notes to the Financial Statements

NOTE 23 DETAILS OF MATERIALS CONSUMED AND GOODS TRADED IN

a) Cost of materials consumed:

(₹ cr)

Category	2014-15	2013-14
Organic chemicals	863.31	910.98
Inorganic chemicals and others	396.34	364.26
Packing materials	73.57	49.36
	1,333.22	1,324.60

b) Imported and indigenous raw materials and packing materials consumption:

(₹ cr)

Category	2014-15		2013-14	
	₹ cr	%	₹ cr	%
Imported	369.73	28%	384.57	29%
Indigenous	963.49	72%	940.03	71%
	1,333.22	100%	1,324.60	100%

c) Purchases of stock-in-trade:

(₹ cr)

Category	2014-15	2013-14
Organic chemicals	23.23	19.18
Inorganic chemicals and others	4.99	4.51
	28.22	23.69

(₹ cr)

NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	2014-15	2013-14
Stocks at close		
Finished goods	109.05	131.95
Work-in-progress	107.13	102.70
Stock-in-trade	4.38	3.01
	220.56	237.66
Less: Stocks at commencement		
Finished goods	131.95	92.49
Work-in-progress	102.70	73.66
Stock-in-trade	3.01	2.75
	237.66	168.90
	17.10	(68.76)
Excise duty variation on opening closing stocks	(0.98)	2.29
(Increase) Decrease in inventories	16.12	(66.47)

(₹ cr)

NOTE 25 EMPLOYEE BENEFIT EXPENSES

	2014-15	2013-14
Salaries, wages and bonus	137.66	125.19
Contribution to Provident and other funds	11.23	9.67
Staff welfare	4.96	4.93
	153.85	139.79

Notes to the Financial Statements

(₹ cr)

NOTE 26 FINANCE COSTS	2014-15	2013-14
Interest on borrowings	20.98	26.81
Interest on income tax	–	0.60
Interest on others	1.92	2.40
Other borrowings cost	0.74	0.60
Applicable exchange difference to the extent considered as an adjustment to borrowing cost	–	1.02
	23.64	31.43

(₹ cr)

NOTE 27 OTHER EXPENSES	2014-15	2013-14
Consumption of stores and spares	39.23	32.69
Power, fuel and water	294.42	277.99
Conversion and plant operation charges	34.97	33.39
Building repairs	17.15	15.04
Plant and equipment repairs	57.70	61.77
Sundry repairs	6.85	6.84
Rent	1.88	1.40
Rates and taxes	1.42	1.72
Insurance	5.06	5.18
Freight, cartage and octroi	70.62	62.27
Discount and commission	20.57	22.19
Travelling and conveyance	13.38	12.00
Payments to the Statutory Auditors		
a) Audit fees	0.33	0.33
b) Other matters	0.11	0.15
c) Out of pocket expenses	0.01	0.01
Payments to the Cost Auditors		
a) Audit fees	0.02	0.03
b) Out of pocket expenses (Current year: Nil and Previous year: ₹ 19,360)	–	
Directors' fees and travelling	0.22	0.23
Directors' commission (other than the Executive Directors)	0.64	0.74
Bad debts and irrecoverable balances written off	1.75	1.33
Provision for doubtful debts	0.98	0.56
Provision for diminution in value of investment	0.02	0.44
Loss on assets sold, discarded or demolished	0.78	0.01
Contribution to Corporate Social Responsibility initiatives	3.95	–
Miscellaneous expenses	76.46	64.40
	648.52	600.71

Consumption of stores and spares:

Category	2014-15		2013-14	
	₹ cr	%	₹ cr	%
Imported	13.01	33%	6.85	21%
Indigenous	26.22	67%	25.84	79%
	39.23	100%	32.69	100%

Notes to the Financial Statements

(₹ cr)		
NOTE 28.1 CONTINGENT LIABILITIES	As at March 31, 2015	As at March 31, 2014
i) Claims against the Company not acknowledged as debts in respects of:		
a) Excise	7.25	7.21
b) Income tax	8.33	28.10
c) Sales tax	0.67	0.67
d) Customs	0.18	2.78
e) Water charges	79.84	77.03
f) Customer claims	32.35	–
g) Others	14.93	14.64
Note: Future cash outflows in respect of (a) to (g) above are determinable on receipt of judgements decisions pending with various forums authorities.		
ii) Guarantees given by the Company:		
Corporate guarantee to a bank on behalf of a subsidiary company for facilities availed by it	9.25	9.98

(₹ cr)		
NOTE 28.2 COMMITMENTS	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	121.86	23.57

NOTE 28.3 RESEARCH AND DEVELOPMENT
Details of expenditure incurred on in-house Research and Development facilities approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India under Section 35 (2AB) of Income tax Act, 1961.

(₹ cr)		
Particulars	2014-15	2013-14
Capital expenditure	1.59	6.53
Recurring expenditure	17.94	16.06
	19.53	22.59

(₹ cr)		
NOTE 28.4 CIF VALUE OF IMPORT, EXPENDITURE, REMITTANCES AND EARNINGS IN FOREIGN CURRENCY	2014-15	2013-14
a) CIF value of imports:		
Raw materials	371.05	387.16
Trading finished goods	15.91	28.46
Capital goods	5.83	7.68
b) Expenditure in foreign currency:		
Commission	3.04	4.64
Legal and professional charges	0.03	0.02
Finance costs	4.68	6.32
Other matters	10.84	13.13
c) Other remittances:		
Loan repayments	64.35	111.44
d) Earnings in foreign currency:		
FOB value of exports	1,163.41	1,045.26

Notes to the Financial Statements

NOTE 28.5 (A) RELATED PARTY INFORMATION		
Name of the Related Party and nature of relationship		
No.	Name of the Related Party	Description of relationship
	Party where control exists	
01	Aasthan Dates Ltd	Subsidiary companies
02	Atul Bioscience Ltd	
03	Atul Biospace Ltd	
04	Atul Brasil Quimicos Ltda	
05	Atul China Ltd	
06	Atul Deutschland GmbH	
07	Atul Europe Ltd	
08	Atul Finserv Ltd	
09	Atul Infotech Pvt Ltd *	
10	Atul Middle East FZ-LLC	
11	Atul Rajasthan Date Palms Ltd *	
12	Atul USA Inc	
13	Biyaban Agri Ltd	
14	DPD Ltd *	
15	Raja Dates Ltd	
16	Rudolf Atul Chemicals Ltd	Joint venture company
	Other related parties	
17	Amal Ltd	Associate companies
18	Atul Crop Care Ltd *	
19	Lapox Polymers Ltd *	
20	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
	S R Nammalvar (upto July 22, 2014)	Alternate Director (Whole-time Director)
	T R Gopi Kannan (effective October 17, 2014)	Whole-time Director and CFO
21	Relatives of the Key Management Personnel	
	Saumya S Lalbhai (effective December 01, 2014)	Son of S A Lalbhai
	Nishtha S Lalbhai (effective December 01, 2014)	Daughter of S S Lalbhai
22	Welfare funds	Organisations over which significant influence exercised
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya	

* Investments held through subsidiary companies.

Notes to the Financial Statements

(₹ cr)

NOTE 28.5 (B) TRANSACTIONS WITH SUBSIDIARY COMPANIES		2014-15	2013-14
Sales and income			
1	Sale of goods	429.82	310.44
	Atul Bioscience Ltd	21.82	14.92
	Atul Biospace Ltd	4.15	4.56
	Atul China Ltd	65.59	21.69
	Atul Europe Ltd	156.49	133.32
	Atul USA Inc	181.77	135.95
2	Service charges received	1.01	1.03
	Atul Bioscience Ltd	1.01	0.90
	Atul Biospace Ltd	–	0.13
3	Interest received	0.85	1.33
	Atul Bioscience Ltd	0.51	0.93
	Atul Finserv Ltd	0.34	0.38
	Atul Rajasthan Date Palms Ltd	–	0.02
4	Lease rent received		
	Atul Bioscience Ltd (Current year: ₹ 3,935 and Previous year: ₹ 3,935) *		
Purchases and expenses			
1	Purchase of goods	7.11	8.49
	Atul Bioscience Ltd	0.76	1.78
	Atul Europe Ltd	1.60	–
	Atul Infotech Pvt Ltd	–	0.95
	Atul USA Inc	0.49	0.92
	DPD Ltd	4.26	4.84
2	Service charges	4.53	3.78
	Atul Bioscience Ltd	1.90	1.37
	Atul Finserv Ltd	0.59	0.59
	Atul Infotech Pvt Ltd	2.04	1.82
3	Commission	2.68	2.95
	Atul China Ltd	0.49	0.54
	Atul Europe Ltd	1.97	2.14
	Atul USA Inc	0.22	0.27
4	Discount	0.74	0.43
	Atul USA Inc	0.74	0.43
5	Reimbursements	6.95	12.15
	Atul Bioscience Ltd	0.02	0.01
	Atul Biospace Ltd	–	0.05
	Atul China Ltd	0.27	0.02
	Atul Europe Ltd	1.71	7.95
	Atul Finserv Ltd	0.83	0.66
	Atul Infotech Pvt Ltd	–	0.02
	Atul USA Inc	4.11	3.44
	DPD Ltd	0.01	–

*Under lease agreement valid from October 31, 1979 to November 30, 2059

Notes to the Financial Statements

		(₹ cr)	
NOTE 28.5 (B) TRANSACTIONS WITH SUBSIDIARY COMPANIES		2014-15	2013-14
(continued)			
	Other transactions		
1	Loans given	–	4.92
	Atul Finserv Ltd	–	4.12
	Atul Rajasthan Date Palms Ltd	–	0.80
2	Repayment of loan given	4.12	4.56
	Atul Finserv Ltd	4.12	3.76
	Atul Rajasthan Date Palms Ltd	–	0.80
3	Direct investments made in Equity shares	11.86	8.29
	Aasthan Dates Ltd	0.39	1.51
	Atul Biospace Ltd	0.30	3.41
	Atul Finserv Ltd	7.50	–
	Atul Infotech Pvt Ltd	2.75	–
	Biyaban Agri Ltd	0.30	0.74
	Raja Dates Ltd	0.62	2.63
4	Share application money	0.51	–
	Atul Middle East FZ-LLC	0.51	–
5	Reimbursement received	0.03	0.11
	Atul Bioscience Ltd	0.01	0.11
	Atul Infotech Pvt Ltd	0.02	–
	Outstanding balances as at year end		
1	Loans receivable	4.30	8.42
	Atul Bioscience Ltd	4.30	4.30
	Atul Finserv Ltd	–	4.12
2	Deposit receivable	2.14	2.14
	Atul Infotech Pvt Ltd	2.14	2.14
3	Receivables	91.67	82.49
	Atul Bioscience Ltd	3.30	6.61
	Atul Biospace Ltd	0.03	0.21
	Atul China Ltd	13.31	12.71
	Atul Europe Ltd	27.75	26.71
	Atul Finserv Ltd (Current year: ₹ 500)		0.01
	Atul Infotech Pvt Ltd	0.05	–
	Atul Rajasthan Date Palms Ltd	–	0.02
	Atul USA Inc	47.23	36.22
4	Payables	7.40	7.52
	Atul Bioscience Ltd	0.12	1.00
	Atul Biospace Ltd	–	0.03
	Atul China Ltd	0.34	0.27
	Atul Europe Ltd	1.16	3.77
	Atul Finserv Ltd *	4.23	0.15
	Atul Infotech Pvt Ltd	–	0.57
	Atul Rajasthan Date Palms Ltd (Current year: ₹ 28,597 and Previous year: ₹ 28,597)		
	Atul USA Inc	1.52	1.73
	DPD Ltd	0.03	–

* Includes acceptances for bills discounted by third parties.

Notes to the Financial Statements

(₹ cr)

NOTE 28.5 (C) TRANSACTIONS WITH JOINT VENTURE COMPANY		2014-15	2013-14
Sales and income			
1	Sale of goods	3.29	3.03
2	Service charges received	3.08	2.04
3	Lease rent received	0.20	0.20
Purchases and expenses			
1	Purchase of goods	0.08	0.04
Other transactions			
1	Interest paid of loan	0.33	0.35
2	Inter corporate deposits taken	5.50	4.00
3	Repayment of inter corporate deposits taken	5.50	4.00
4	Reimbursement received	0.79	0.29
5	Repayment of security deposit	0.20	–
Outstanding balances as at year end			
1	Receivables	1.12	0.92
2	Refundable security deposit	2.80	3.00
3	Payables (Current year: ₹ 31,299)		0.01
All above balances are with Rudolf Atul Chemicals Ltd			

(₹ cr)

NOTE 28.5 (D) TRANSACTIONS WITH ASSOCIATE COMPANIES		2014-15	2013-14
Sales and income			
1	Sale of goods		0.01
	Amal Ltd (Current year: ₹ 26,100)		0.01
2	Service charges received	0.21	0.21
	Amal Ltd	0.21	0.21
3	Lease rent received		
	Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000) ¹		
Purchases and expenses			
1	Purchase of goods	15.33	10.97
	Amal Ltd	15.33	10.97
2	Service charges	10.48	5.82
	Amal Ltd	0.10	0.11
	Atul Crop Care Ltd	5.94	2.18
	Lapox Polymers Ltd	4.44	3.53
3	Reimbursements	4.12	2.45
	Atul Crop Care Ltd	2.72	0.99
	Lapox Polymers Ltd	1.40	1.46
Other transactions			
1	Reimbursement received		–
	Atul Crop Care Ltd (Current year: ₹ 18,353)		–
Outstanding balances as at year end			
1	Loan receivable	14.88	14.88
	Amal Ltd ²	14.88	14.88
2	Receivables	5.41	3.11
	Amal Ltd	5.41	3.11
	Atul Crop Care Ltd (Current year: ₹ 3,671)		–
3	Payables	–	0.75
	Lapox Polymers Ltd		0.75

¹ Under lease agreement valid from February 03, 1996 to February 02, 2093 | ² Interest free pursuant to Board for Industrial and Financial Reconstruction Order.

Notes to the Financial Statements

(₹ cr)

NOTE 28.5 (E) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL		2014-15	2013-14
1	Remuneration	8.53	6.92
	S S Lalbhai	4.98	4.45
	S A Lalbhai	1.74	1.52
	B N Mohanan	0.86	0.94
	S R Nammalvar (upto July 22, 2014)	0.48	0.01
	T R Gopi Kannan (effective October 17, 2014)	0.47	–

(₹ cr)

NOTE 28.5 (F) TRANSACTIONS WITH RELATIVES OF KEY MANAGEMENT PERSONNEL		2014-15	2013-14
1	Remuneration	0.04	–
	Saumya S Lalbhai (effective December 01, 2014)	0.03	–
	Nishtha S Lalbhai (effective December 01, 2014)	0.01	–

(₹ cr)

NOTE 28.5 (G) TRANSACTIONS WITH ORGANISATIONS OVER WHICH SIGNIFICANT INFLUENCE EXERCISED		2014-15	2013-14
	Sales and income		
1	Sale of goods	0.11	0.10
	Atul Kelavani Mandal	0.04	0.02
	Atul Rural Development Fund (Current year: ₹ 44,300 and Previous year: ₹ 30,377)		
	Atul Vidyalaya	0.07	0.08
	Purchases and expenses		
2	Reimbursement	0.01	0.02
	Atul Vidyalaya	0.01	0.02
	Other transactions		
1	Corporate Social Responsibility initiatives	3.72	–
	Atul Kelavani Mandal	0.42	–
	Atul Rural Development Fund	3.30	–
2	Contribution to common expenses	–	2.15
	Atul Kelavani Mandal	–	0.02
	Atul Rural Development Fund	–	2.07
	Atul Vidyalaya	–	0.06
3	Donations	–	0.20
	Atul Rural Development Fund	–	0.20
4	Reimbursements	0.04	–
	Atul Kelavani Mandal (Current year: ₹ 37,752 and Previous year: ₹ 38,720)		
	Atul Vidyalaya	0.04	–
	Outstanding balances as at year end		
1	Receivables	0.07	0.05
	Atul Kelavani Mandal	0.06	0.03
	Atul Rural Development Fund (Current year: ₹ 10,824 and Previous year: ₹ 48,682)		
	Atul Vidyalaya	0.01	0.02

Notes to the Financial Statements

NOTE 28.6 SEGMENT INFORMATION

In accordance with Accounting Standard-17 'Segment Reporting', 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 Financial Statements.

NOTE 28.7 EARNING PER SHARE

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

Particulars		2014-15	2013-14
Profit for the year attributable to the Equity Shareholders	₹ cr	217.42	212.79
Basic Weighted average number of Equity shares outstanding during the year	Number	2,96,61,733	2,96,61,733
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	73.30	71.74

NOTE 28.8 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 27.
- The Company has given certain buildings and plant and machinery on operating lease, the details of which are as under:

(₹ cr)

Assets	Gross block		Depreciation fund		Written down value		Depreciation for the year	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	2014-15	2013-14
Buildings	0.16	0.16	0.07	0.06	0.09	0.10	0.01	0.01
Plant and machinery	1.27	1.27	1.21	1.21	0.06	0.06	-	0.07
	1.43	1.43	1.28	1.27	0.15	0.16	0.01	0.08

Notes to the Financial Statements

NOTE 28.9 DERIVATIVES

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

- a) Derivatives outstanding as at Balance Sheet date:

<i>*Fc in cr</i>				
No.	Particulars	Purpose	As at March 31, 2015	As at March 31, 2014
1	Forward contracts to Sell US\$	Hedge of firm commitment and highly probable foreign currency sales	0.07	0.25
2	Forward contracts to Buy US\$	Hedge of firm commitment and highly probable foreign currency purchases	0.20	–
3	Currency options contracts – Range options to Sell US\$	Hedge of firm commitment and highly probable foreign currency sales	2.60	1.15
4	Interest rate swaps US\$	Hedge against exposure to variable interest outflow on foreign currency loans. Swap to pay fixed interest and receive a variable interest based on LIBOR on the notional amount	0.20	0.41
5	Currency swaps US\$	Hedge against fluctuations in changes in exchange rate and interest rate	0.83	1.00

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

<i>*Fc in cr</i>						
Particulars	As at March 31, 2015			As at March 31, 2014		
	US\$	€	Others	US\$	€	Others
Debtors	2.98	0.24	0.01	3.39	0.19	0.95
Creditors	0.61	0.01	–	0.79	0.02	–
Loans Taken	0.73	–	–	1.07	–	–

- c) Financial derivatives hedging transactions:

Pursuant to the announcement issued by The Institute of Chartered Accountants of India dated March 29, 2008 in respect of derivatives, the Company has applied the Hedge Accounting Principles set out in the Accounting Standard-30 'Financial Instruments: Recognition and Measurement'. Accordingly, Derivatives are Marked-to-Market and the gain aggregating ₹ 0.11 cr (Previous year gain ₹ 1.54 cr) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the Hedging reserve account. Actual gain or loss on exercise of these derivatives or any part thereof is recognised in the Statement of Profit and Loss. Hedge accounting will be discontinued if the hedging instrument is sold, terminated or no longer qualifies for hedge accounting.

*Fc = Foreign currency

Notes to the Financial Statements

(₹ cr)

NOTE 28.10 LOANS AND ADVANCES IN THE NATURE OF LOANS					
Particulars	Purpose	Amount outstanding as at		Maximum balance during the year	
		March 31, 2015	March 31, 2014	2014-15	2013-14
i) Subsidiary company: Atul Finserv Ltd Atul Bioscience Ltd	Seed funding support as promoters	—	4.12	4.12	4.12
		4.30	4.30	4.30	4.30
ii) Associate company: Amal Ltd	Pursuant to the Board for Industrial and Financial Reconstruction order	14.88	14.88	14.88	14.88
Corporate guarantee Atul Europe Ltd	Facilitate trade finance	GBP 10,00,000	GBP 10,00,000		

Notes:

- Loans given to employees as per the policy of the Company are not considered.
- The loanee did not hold any shares in the share capital of the Company.

NOTE 28.11 EMPLOYEE BENEFITS

Funded schemes

a) Defined benefit plans:

Expenses recognised for the year ended on March 31, 2015 (included in Note 25)

(₹ cr)

Particulars	2014-15 Gratuity	2013-14 Gratuity
1 Change in present value of obligation:		
a) Present value of obligation at beginning of the year	41.79	41.32
b) Current service cost	2.27	1.92
c) Interest cost	3.88	3.31
d) Actuarial loss (gain)	2.13	(0.40)
e) Benefits paid	(5.63)	(4.35)
f) Present value of obligation at the end of the year	44.44	41.79
2 Change in fair value of plan assets:		
a) Fair value of plan assets at beginning of the year	41.79	41.32
b) Expected return on plan assets	3.63	3.62
c) Actuarial gain	1.90	0.06
d) Contributions	2.75	1.14
e) Benefits paid	(5.63)	(4.35)
f) Fair value of plan assets at end of the year	44.44	41.79
3 Reconciliation of present value of the obligation and the fair value of plan assets and amounts recognised in the Balance Sheet:		
a) Present value of the defined benefit obligation at the end of the year	(44.44)	(41.79)
b) Fair value of plan assets at the end of the year	44.44	41.79
c) Net liability recognised in the Balance Sheet	—	—
4 Gratuity cost recognised during the year:		
a) Current service cost	2.27	1.92
b) Interest cost	3.88	3.31
c) Expected return on plan assets	(3.63)	(3.62)
d) Actuarial loss	0.23	(0.46)
e) Total expense	2.75	1.15

Notes to the Financial Statements

NOTE 28.11 EMPLOYEE BENEFITS (continued)

			(₹ cr)	
Particulars		2014-15 Gratuity	2013-14 Gratuity	
5 Actuarial assumptions:				
a) Discount rate		7.99%	9.29%	
b) Rate of return on plan assets		7.99%	8.70%	
c) Salary escalation rate		7.75%	7.00%	
6 Net asset liability recognised in the Balance Sheet				
Defined benefit obligation		44.44	41.79	
Plan assets		44.44	41.79	
Deficit (Surplus)		–	–	
Experience adjustments in plan liabilities		(1.66)	2.18	
Experience adjustments in plan assets		(1.90)	0.06	

Experience adjustments (₹ cr)					
Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Experience adjustments on:					
1 (Gain) Loss on plan liabilities	(1.66)	0.40	1.35	(0.01)	3.82
2 (Gain) Loss on plan assets	(1.90)	(0.06)	(0.29)	1.80	0.53

The Company expects to contribute ₹ 2.10 cr to Gratuity Fund in the year 2015-16.

b) Defined contribution plan:

Amount of ₹ 8.48 cr (Previous year: ₹ 8.53 cr) is recognised as expense and included in the Note 25 'Contribution to Provident and Other funds'.

c) Provident Fund liability:

In case of certain employees, the Provident Fund contribution is made to a trust administered by the Company. In terms of the guidance note issued by The Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund liability based on the assumptions listed below and determined that there is no shortfall as at March 31, 2015.

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

Particulars	2014-15	2013-14
1 Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
2 Withdrawal rates	5% p.a. for all age groups	5% p.a. for all age groups
3 Rate of discount	7.80%	9.29%
4 Expected rate of interest	7.99%	8.98%
5 Retirement age	60 years	60 years
6 Guaranteed rate of interest	8.75%	8.50%

			(₹ cr)	
Expenses recognised for the year ended on March 31, 2015 (included in Note 25)		As at March 31, 2015	As at March 31, 2014	
1 Defined Benefit Obligation		–	7.44	
2 Fund		–	7.44	
3 Net liability		–	–	
4 Charge to the Statement of Profit and Loss during the year		–	–	

Notes to the Financial Statements

NOTE 28.11 EMPLOYEE BENEFITS (continued)

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

Unfunded Schemes

Particulars	Compensated absences	
	March 31, 2015	March 31, 2014
1 Present value of unfunded obligations	–	21.24
2 Expense recognised in the Statement of Profit and Loss	3.23	3.23
3 Discount rate (per annum)	7.80%	9.29%
4 Salary escalation rate (per annum)	7.00%	7.00%

(₹ cr)

NOTE 28.12 INTEREST IN JOINT VENTURE COMPANY

The Company acquired 50% interest in Rudolf Kiri Chemicals Pvt Ltd, now called 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. The aggregate amount of assets, liabilities, income and expenses related to the share of the Company in RACL as at and for the year ended March 31, 2015 as per the audited Financial Statements are given below:

Balance Sheet as at March 31, 2015

(₹ cr)

Particulars	As at March 31, 2015	As at March 31, 2014
Current liabilities		
Trade payables	3.41	2.44
Other current liabilities	0.43	0.38
Short-term provisions	0.73	0.52
	4.57	3.34
Total (A)	4.57	3.34
Non-current assets		
Tangible assets, net	0.27	0.25
Intangible assets, net	0.01	0.36
Capital work-in-progress	0.11	–
Deferred tax assets (net) (Previous year: ₹ 3,654)	0.08	
Long-term loans and advances	1.41	1.42
	1.88	2.03
Current assets		
Inventories	2.79	2.05
Trade receivables	5.35	3.95
Cash and cash equivalents	3.77	2.51
Short-term loans and advances	0.14	0.12
Other current assets	0.61	0.59
	12.66	9.22
Total (B)	14.54	11.25
Net worth (B-A)	9.97	7.91

Notes to the Financial Statements

NOTE 28.12 INTEREST IN JOINT VENTURE COMPANY (continued)

Statement of Profit and Loss for the year ended March 31, 2015			(₹ cr)
Particulars	2014-15	2013-14	
Revenue			
Revenue from operations	22.03	15.56	
Other income	0.75	0.50	
Total revenue	22.78	16.06	
Expenses			
Cost of materials consumed	12.89	10.20	
Purchase of stock-in-trade	1.60	0.49	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.08	(0.20)	
Employee benefit expenses	—	—	
Finance costs	0.01	0.01	
Depreciation and amortisation expenses	0.40	0.39	
Other expenses	3.74	2.53	
	18.72	13.42	
Profit before tax	4.06	2.64	
Tax expense			
Current tax	1.40	0.94	
Deferred tax	—	(0.06)	
	1.40	0.88	
Net profit (loss)	2.66	1.76	

NOTE 28.13 AMALGAMATION OF AMAL LTD

The Board of Directors (Board) approved the Scheme of Amalgamation of Amal Ltd with the Company (Scheme) on December 05, 2014. The Board has approved a share swap ratio of 1 Equity share of the face value of ₹ 10 each fully paid up of Atul Ltd for every 50 Equity shares of the face value of ₹ 10 each fully paid up of Amal Ltd. In terms of the Scheme, the appointed date is April 01, 2014. The Scheme of Amalgamation has been awaiting approval from Board for Industrial and Financial Reconstruction. Pending all other statutory approvals, no effect to the above Scheme has been given in the Financial Statements. The impact of the Scheme on the Financial Statement is not expected to be material.

NOTE 28.14 REGROUPED | RECAST | RECLASSIFIED

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

NOTE 28.15 ROUNDING OFF

Figures less than ₹ 50,000 have been shown at actuals in brackets.

As per our attached report of even date		For and on behalf of the Board of Directors	
For Dalal & Shah Chartered Accountants LLP			
Firm Registration Number: 102020W W-100040			
S Venkatesh	T R Gopi Kannan	R A Shah	S S Lalbhai
Partner	Whole-time Director and CFO	S S Baijal	Chairman and Managing Director
Membership Number: 037942		B S Mehta	
	L P Patni	H S Shah	
	Company Secretary	S M Datta	
	B N Mohanan	V S Rangan	S A Lalbhai
	Whole-time Director and President - U&S	M M Chitale	Managing Director
Mumbai		S A Panse	Mumbai
April 30, 2015		B R Arora	April 30, 2015
		Directors	

Independent Auditors' Report



To the Members of Atul Ltd

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements (Consolidated Financial Statements) of Atul Ltd (Company) and its subsidiary companies, its jointly controlled entity and associate companies; hereinafter referred to as the 'Group' (refer Note 28.6, 28.7 and 28.8 to the attached Consolidated Financial Statements), which comprise the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended and a summary of significant Accounting Policies and other explanatory information.

Management's responsibility for the Consolidated Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (Act) with respect to the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by The Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3. Our responsibility is to express an opinion on the Consolidated Financial Statements based on our audit.
4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by The Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the judgement of the Auditors, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the preparation and presentation of the Consolidated Financial Statements by the Company that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control of the entity. An audit also

includes evaluating the appropriateness of 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 Consolidated Financial Statements.

6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. We report that the Consolidated Financial Statements have been prepared by the Management of the Company in accordance with the requirements of Accounting Standard-21 – Consolidated Financial Statements, Accounting Standard-23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard-27 – Financial Reporting of Interests in Joint Ventures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by The Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
8. Based on our audit and on consideration of reports of other Auditors on separate Financial Statements and on the other financial information of the components of the Group as referred to in paragraph 9 below, and to the best of our information and according to the explanations given to us, in our opinion, the aforesaid accompanying Consolidated Financial Statements give a true and fair view in conformity with the Accounting Principles generally accepted in India of the state of affairs of the Group as at March 31, 2015, and its Consolidated Profit and its Consolidated Cash Flows for the year ended on that date.

Other matters

9. We did not audit the Financial Statements of (i) thirteen subsidiary companies and one jointly controlled entity included in the Consolidated Financial Statements which constitute total assets of ₹ 219.08 cr and net assets of ₹ 101.38 cr as at March 31, 2015, total revenue of ₹ 508.03 cr, net profit of ₹ 3.88 cr and net cash flows amounting to ₹ 16.38 cr for the year then ended and (ii) sixteen associate companies which constitute net profit of ₹ 0.06 cr for the year then ended. The Financial Statements and other financial information have been audited by other Auditors whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such Financial Statements is based solely on the report of such other Auditors.

Our opinion is not qualified in respect of this matter.

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Mumbai

April 30, 2015

Membership Number: 037942

Consolidated Balance Sheet as at March 31, 2015

(₹ cr)

Particulars	Note	As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	2	29.68	29.68
b) Reserves and surplus	3	1,009.31	918.94
		1,038.99	948.62
2 Minority interest		5.68	5.92
3 Non-current liabilities			
a) Long-term borrowings	4	58.57	119.49
b) Deferred tax liabilities (net)	5	46.09	37.09
c) Other long-term liabilities	6	19.43	18.80
d) Long-term provisions	7	16.04	15.30
		140.13	190.68
4 Current liabilities			
a) Short-term borrowings	8	175.98	192.88
b) Trade payables	9	272.19	325.10
c) Other current liabilities	10	146.54	120.93
d) Short-term provisions	11	43.56	33.66
		638.27	672.57
		1,823.07	1,817.79
II ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	12	513.44	569.92
ii) Intangible assets	12	0.22	0.35
iii) Capital work-in-progress		112.05	59.08
		625.71	629.35
b) Non-current investments	13	63.39	62.82
c) Long-term loans and advances	14	38.51	28.37
d) Other non-current assets	15	54.54	64.64
		782.15	785.18
2 Current assets			
a) Current investment	16	2.66	—
b) Inventories	17	415.27	434.17
c) Trade receivables	18	442.42	437.08
d) Cash and bank balances	19	36.73	21.05
e) Short-term loans and advances	20	110.25	102.88
f) Other current assets	21	33.59	37.43
		1,040.92	1,032.61
		1,823.07	1,817.79
Significant Accounting Policies	1		

Notes form an integral part of the Consolidated Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

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

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 30, 2015

Mumbai
April 30, 2015

Consolidated Statement of Profit and Loss

for the year ended March 31, 2015



(₹ cr)

Particulars	Note	2014-15	2013-14
REVENUE			
Revenue from operations (gross)	22	2,827.47	2,614.30
Less: Excise duty		171.08	156.55
Revenue from operations (net)		2,656.39	2,457.75
Other income	23	10.25	36.27
		2,666.64	2,494.02
EXPENSES			
Cost of materials consumed		1,404.63	1,374.59
Purchase of stock-in-trade		29.82	24.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	10.96	(64.52)
Employee benefit expenses	25	163.29	149.67
Finance costs	26	25.69	33.44
Depreciation and amortisation expenses	12	60.27	58.26
Other expenses	27	646.40	610.10
		2,341.06	2,185.72
Profit before tax		325.58	308.30
Tax expense			
Current tax		85.36	79.01
Deferred tax		13.80	9.81
MAT credit entitlement		—	(0.77)
Tax adjustments		0.21	0.04
		99.37	88.09
Profit after tax		226.21	220.21
Share of profit (loss) in associate companies		0.06	(1.28)
Reversal of share of loss in associate company on sale of investment		14.21	—
Minority interest		(0.17)	(0.26)
Profit for the year		240.65	219.19
Basic and diluted earning ₹ per Equity share	28.5	81.13	73.90
Significant Accounting Policies	1		

Notes form an integral part of the Consolidated Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

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

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 30, 2015

Mumbai

April 30, 2015

Consolidated Cash Flow Statement

for the year ended March 31, 2015

(₹ cr)

Particulars	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	325.58	308.30
Adjustments for:		
Add:		
Depreciation and amortisation expenses	60.27	58.26
Finance costs	25.69	33.44
Loss on assets sold or discarded	0.87	0.01
Unrealised exchange rate difference (net)	(4.53)	5.54
Bad debts and irrecoverable balances written off	1.78	1.75
Provision for doubtful debts	0.98	0.46
Provision for diminution in value of investment	–	0.47
	85.06	99.93
	410.64	408.23
Less:		
Dividend received	2.11	23.43
Interest received	0.48	1.09
Provisions no longer required	1.62	4.53
Provisions for doubtful debt written back	0.68	–
Exchange difference on consolidation	9.91	(2.16)
Surplus on sale of fixed assets	1.39	0.39
Profit on sale of investment in associate	1.58	–
	17.77	27.28
Operating profit before working capital changes	392.87	380.95
Adjustments for:		
Inventories	18.90	(67.69)
Trade receivables	(3.37)	(91.92)
Short-term loans and advances	(5.11)	(1.04)
Current investments	(2.66)	–
Other current assets	2.41	(19.13)
Non-current assets	6.25	(24.86)
Long-term loans and advances	7.16	(0.79)
Long-term provisions	0.74	10.17
Trade payables	(51.18)	36.40
Other current liabilities	16.43	(7.20)
Other non-current liabilities	0.63	18.80
Minority interest	(0.24)	0.08
Short-term provisions	–	(7.86)
	(10.04)	(155.04)
Cash generated from operations	382.83	225.91
Less:		
Direct taxes (refund) paid	76.53	74.20
Net cash flow from operating activities	A 306.30	151.71

Consolidated Cash Flow Statement

for the year ended March 31, 2015 (continued)



(₹ cr)

Particulars	2014-15	2013-14
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(183.28)	(115.27)
Purchase of intangible assets	(0.28)	1.13
Capital advances	(17.30)	1.28
Proceed from central and state subsidy	—	2.57
Acquisition of minority interest	0.17	0.26
Sale (Purchase) of investments in associate companies	15.78	2.68
Sale (Purchase) of investments in other companies	(0.51)	(0.54)
Exchange difference on consolidation	9.91	(2.16)
Long-term bank deposits	—	0.03
Short-term bank deposits	0.25	2.12
Sale of fixed assets	7.45	0.32
Interest received	0.48	1.09
Dividend received	2.11	23.43
Net cash used in investing activities	B (165.22)	(83.06)
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments) Disbursements from long-term borrowings	(51.35)	(34.25)
Add: Exchange rate difference	(2.87)	(4.00)
(Repayments) Disbursements from long-term borrowings (adjusted)	(54.22)	(38.25)
(Repayments) Disbursements from short-term borrowings	(19.16)	31.31
Total (repayments) disbursements from borrowings	(73.38)	(6.94)
Acquisition of subsidiary company	0.21	0.57
Payment of unclaimed dividend	(0.12)	(0.14)
Interest paid	(26.03)	(33.30)
Dividend on Equity shares Preference shares (including dividend distribution tax)	(25.95)	(20.67)
Net cash used in financing activities	C (125.27)	(60.48)
Net change in cash and cash equivalents	A+B+C 15.81	8.17
Opening balance - cash and cash equivalents	18.06	9.89
Closing balance - cash and cash equivalents	33.87	18.06

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

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

T R Gopi Kannan

Whole-time Director and CFO

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M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 30, 2015

Mumbai

April 30, 2015

Notes to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

1. System of accounting:

- 1.1 The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- 1.2 The Consolidated Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money except in case of certain buildings which are being carried at fair value amount.

2. Principles of consolidation:

- 2.1 The Consolidated Financial Statements include the Financial Statements of Atul Ltd, the parent Company and all of its subsidiary companies (collectively referred to as 'Group'), in which the Company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the Board of Directors.
 - 2.2 The Consolidated Financial Statements are prepared in accordance with Accounting Standard-21 'Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
 - 2.3 The investments in associate companies are accounted in these Consolidated Financial Statements in accordance with the requirements of Accounting Standard-23 'Accounting for Investments in associate companies in Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). For details refer Note no 28.8
 - 2.4 The investments in joint venture companies are accounted in these Consolidated Financial Statements in accordance with the requirements of Accounting Standard-27 'Financial Reporting of Interest in Joint Venture Company' issued under the Companies (Accounting Standards) Rules 2006 on proportionate consolidation method. Thus the Statement of Profit and Loss, Balance Sheet and Cash Flow Statement of the Group incorporate the share of income, expenses, assets, liabilities and cash flows of the joint venture companies of the Group on a line-by-line basis.
 - 2.5 The Financial Statements of the parent company and its subsidiary companies have been combined on a line by line basis by adding together book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
 - 2.6 The Consolidated Financial Statements are prepared by adopting uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Standalone Financial Statements of the parent Company.
 - 2.7 Financial Statement of integral foreign subsidiary companies translated into Indian rupees pursuant to Accounting Standards-11 (revised 2003) 'The effects of changes in foreign exchange rate' are as follows:
 - 2.7.1 Revenue and expenses are translated into Indian rupees at average exchange rate, which is not as per requirements of Accounting Standard-11, but having no material effect on the results of consolidated accounts.
 - 2.7.2 Monetary items are translated into Indian rupees using the year end rate.
 - 2.7.3 Non-monetary items are translated using exchange rate at the date of transaction.
 - 2.7.4 The net exchange difference resulting from the translation of items in the Financial Statements of the subsidiary companies is recognised as income or expense under the head 'Exchange difference on translation of foreign subsidiary companies.'
3. Significant Accounting Policies and Notes to the Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the companies. Recognising the purpose, the Company has disclosed only such policies and notes from the individual Financial Statements which fairly present the required disclosures.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

4. Other significant Accounting Policies

4.1 Convention:

The Consolidated Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis except for certain buildings which are being carried at fair valued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 will continue to apply. Consequently, the Financial Statements have been prepared to comply in all material aspects with the Accounting Standard notified under Section 211(3C) of the Companies Act, 2013, Companies (Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013. The Accounting Policies which have been applied consistently, are set out below.

4.2 Basis of preparation:

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

4.3 Use of estimates:

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

4.4 Fixed assets:

a) Tangible assets:

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

b) Intangible assets:

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

4.5 Depreciation and amortisation expenses:

Depreciation:

- a) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets.
- b) Depreciation is calculated on a pro-rata basis from the date of acquisition | installation till the date the assets are sold or disposed of.

Notes to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

- c) Machinery spares which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- d) Leasehold land is amortised on a straight-line basis over the period of lease.
- e) Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end. {refer Note 12 (c)}
- f) Useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 are applied except following categories where the Management has estimated shorter useful lives for asset categories:

Asset category	Useful life
Plant and machinery*	7 to 15 years
Vehicles*	6 to 10 years

*For the above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Amortisation

Computer Software cost is amortised over a period of three years using straight-line method.

4.6 Impairment of assets:

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

4.7 Finance costs:

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

4.8 Investments:

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

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

4.9 Inventories:

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Foreign currency transactions:

a) Initial recognition:

Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.

b) Conversion:

At the year end, monetary items denominated in foreign currencies remaining unsettled are converted into Indian rupee equivalents at the year end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Exchange differences:

All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Consolidated Statement of Profit and Loss. The Company has opted to avail the option provided under paragraph 46A of Accounting Standard-11 'The effects of changes in foreign exchange rates' inserted vide Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently, foreign exchange difference on account of long-term foreign currency borrowings utilised to acquire a depreciable asset, is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.

d) Forward exchange contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts intended to hedge existing exposures is amortised as expenses or income over the life of the contracts. Exchange differences on such contracts are being recognised in the Statement of Profit and Loss for the year. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

e) Derivatives:

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

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

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

Notes to the Consolidated Financial Statements

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Revenue recognition:

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

- a) Sale of goods and services:
 - i) Domestic sales are accounted for on dispatch from the point of sale, where property in goods are transferred to the buyer.
 - ii) Export sales are accounted on the basis of dates of on board bill of lading and | or air way bill.
 - iii) Service income is recognised, net of service tax, when the related services are rendered.
- b) Other revenue:
 - i) Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.
 - ii) Lease rental income is recognised on accrual basis.
 - iii) Dividend income is accounted for in the year in which the right to receive the same is established.
 - iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

4.12 Provisions, contingent liabilities and contingent assets:

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

4.13 Research and Development expenditure:

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

4.14 Employee benefits:

- a) Defined contribution plan:

Contribution paid | payable by the Company during the period to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labour Welfare Fund are recognised in the Consolidated Statement of Profit and Loss.
- b) Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss.

Long-term leave encashment:

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

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

Provident Fund:

Provident Fund for certain eligible employees is managed by the Company through the 'Atul Products Ltd – Ankleshwar Division Employees Provident Fund Trust' in line with Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to the 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 Consolidated Statement of Profit and Loss.

c) Short-term leave encashment:

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

d) Voluntary Retirement Scheme:

Compensation payable under the Voluntary Retirement Scheme is being charged to the Consolidated Statement of Profit and Loss in the year of settlement.

4.15 Taxation:

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

4.16 Government grants:

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

4.17 Segment reporting:

The Accounting Policies adopted for segment reporting are in conformity with the Accounting Policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which are primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which related to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocated corporate expenses | income.'

4.18 Cash and cash equivalents:

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

4.19 Earning per share:

Earning 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.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 2 SHARE CAPITAL		As at March 31, 2015	As at March 31, 2014
Authorised			
8,00,00,000 (8,00,00,000)	Equity shares of ₹ 10 each	80.00	80.00
80,00,000 (80,00,000)	Cumulative Redeemable Preference shares of ₹ 100 each	80.00	80.00
		160.00	160.00
Issued			
2,96,91,780 (2,96,91,780)	Equity shares of ₹ 10 each	29.69	29.69
		29.69	29.69
Subscribed			
2,96,61,733 (2,96,61,733)	Equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (29,991)	Add: Forfeited shares (amount paid-up)	0.02	0.02
		29.68	29.68

a) Rights, preferences and restrictions

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

i) Equity shares:

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts and Preference shares. The distribution will be in proportion to the number of Equity shares held by the Shareholders.

Each holder of Equity shares is entitled to one vote per share.

ii) Preference shares:

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

iii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board 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 the Shareholders holding more than 5% of Equity shares:

No.	Name of the Shareholder	As at March 31, 2015		As at March 31, 2014	
		Holding %	Number of shares	Holding %	Number of shares
1	Aagam Holdings Pvt Ltd	22.67%	67,25,501	22.67%	67,25,501
2	Aura Securities Pvt Ltd	5.44%	16,14,045	5.44%	16,14,045
3	Aeon Investments Pvt Ltd	5.95%	17,64,383	3.50%	10,39,383

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 3 RESERVES AND SURPLUS	As at March 31, 2015	As at March 31, 2014
a) Capital reserve:		
Balance as at the beginning of the year	5.30	6.68
Add: Addition on acquisition	–	0.57
Less: Transferred to the General reserve *	0.21	1.95
Balance as at the end of the year	5.09	5.30
b) Securities premium account	36.27	36.27
c) Central and State Subsidy reserve	11.49	8.92
Add: Received during the year	–	2.57
Balance as at the end of the year	11.49	11.49
d) Revaluation reserve:		
Balance as at the beginning of the year	108.97	111.62
Less: Reversed in current year {refer Note 12(b)}	108.97	–
Less: Transferred to the Consolidated Statement of Profit and Loss	–	2.65
Balance as at the end of the year	–	108.97
e) Hedging reserve (refer Note 28.2):		
Balance as at the beginning of the year	1.54	0.74
Add: Transferred to the Consolidated Statement of Profit and Loss	(1.54)	(0.74)
Less: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	(0.11)	(1.54)
Balance as at the end of the year	0.11	1.54
f) General reserve:		
Balance as at the beginning of the year	99.85	76.62
Add: Transferred from Capital reserve *	0.21	1.95
Less: Carrying amount of the assets (where the remaining useful life on assets is Nil) after retaining the residual value (net of deferred tax ₹ 4.80 cr) {refer Note 12(c)}	9.06	–
Add: Transferred from the Consolidated Statement of Profit and Loss	–	21.28
Balance as at the end of the year	91.00	99.85
g) Surplus in the Consolidated Statement of Profit and Loss:		
Balance as at the beginning of the year	655.52	483.71
Add: Profit for the year	240.65	219.19
Amount available for appropriation	896.17	702.90
Less : Appropriations		
General reserve	–	21.28
Proposed dividend on Equity shares for the year {at ₹ 8.50 per share (March 31, 2014 ₹ 7.50 per share)}	25.21	22.25
Dividend distribution tax on proposed dividend	5.61	3.85
Balance as at the end of the year	865.35	655.52
	1,009.31	918.94

* The fair value of the assets received free of cost in the past, was credited to 'Capital reserve'; it represents amount equivalent to the depreciation of the respective assets charged to the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 4 LONG-TERM BORROWINGS	Non-current		Current maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Secured:				
i) Rupee term loans from banks	3.38	5.00	1.57	1.50
ii) Rupee term loans from a foreign financial institution	20.83	31.25	10.42	10.42
iii) Foreign currency term loans from banks	34.36	60.60	28.68	17.59
iv) Foreign currency term loans from a foreign financial institution	–	22.54	23.47	25.04
Unsecured:				
v) Rupee term loans from bank	–	0.10	0.14	0.16
	58.57	119.49	64.28	54.71
Amount disclosed under the head 'Other Current Liabilities' (refer Note 10)			(64.28)	(54.71)
	58.57	119.49	–	–

(₹ cr)

NOTE 5 DEFERRED TAX LIABILITIES (NET)	As at March 31, 2015	Charge (Credit) during the year			As at March 31, 2014
		Statement of Profit and Loss	General reserve *	Total	
Deferred tax liabilities:					
on account of timing difference in depreciation	53.54	14.49	(4.80)	9.69	43.85
	53.54	14.49	(4.80)	9.69	43.85
Deferred tax assets:					
on account of timing difference in					
a) Provision for leave encashment	7.40	0.18	–	0.18	7.22
b) Provision for doubtful debts	1.50	0.36	–	0.36	1.14
c) Provision for doubtful advances	0.07	0.01	–	0.01	0.06
d) Voluntary Retirement Scheme	0.16	0.12	–	0.12	0.04
	9.13	0.67	–	0.67	8.46
Deferred tax liabilities (assets) of subsidiary companies	1.68	(0.02)	–	(0.02)	1.70
Net deferred tax liabilities (assets)	46.09	13.80	(4.80)	9.00	37.09

*See Note 12(c)

(₹ cr)

NOTE 6 OTHER LONG-TERM LIABILITIES	As at March 31, 2015	As at March 31, 2014
Security deposits	18.73	17.80
Deferred liabilities-capital goods	0.70	1.00
	19.43	18.80

Notes to the Consolidated Financial Statements

(₹ cr)		
NOTE 7 LONG-TERM PROVISIONS	As at March 31, 2015	As at March 31, 2014
Provision for leave entitlement	15.98	15.25
Gratuity	0.06	0.05
	16.04	15.30

(₹ cr)		
NOTE 8 SHORT-TERM BORROWINGS	As at March 31, 2015	As at March 31, 2014
a) Secured		
Working capital loans repayable on demand from banks	51.95	132.88
b) Unsecured		
Loans from banks including foreign banks	15.02	55.00
Loan from related parties	9.00	5.00
c) Commercial papers	100.00	–
d) Deposit from the Directors	0.01	–
	175.98	192.88

(₹ cr)		
NOTE 9 TRADE PAYABLES	As at March 31, 2015	As at March 31, 2014
Trade payables including acceptances	272.19	325.10
	272.19	325.10

(₹ cr)		
NOTE 10 OTHER CURRENT LIABILITIES	As at March 31, 2015	As at March 31, 2014
a) Current maturities of long-term borrowings (refer Note 4)	64.28	54.71
b) Interest accrued but not due on borrowings	0.71	1.25
c) Unclaimed dividends	1.27	1.12
d) Unclaimed matured deposits and interest thereon	0.02	0.05
e) Advances received from customers	8.39	6.51
f) Employee benefits payable	31.69	24.25
g) Creditors for capital goods	8.82	3.02
h) Commission and discount payable	11.17	10.05
i) Statutory dues	15.92	14.74
j) Others	4.27	5.23
	146.54	120.93

(₹ cr)		
NOTE 11 SHORT-TERM PROVISIONS	As at March 31, 2015	As at March 31, 2014
a) Provision for leave entitlement	5.60	6.15
b) Other employee benefits	0.35	0.16
c) Others:		
Provision for taxation (net of tax paid in advance)	5.18	–
Proposed dividend {refer Note 3 (g)}	25.21	22.25
Dividend distribution tax on proposed dividend	5.61	3.85
Other provisions	1.61	1.25
	43.56	33.66

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 12 FIXED ASSETS									
ASSET BLOCK	GROSS BLOCK (a)			DEPRECIATION			AMORTISATION		NET BLOCK
	As at March 31, 2014	Additions	Other adjustments	Deductions and adjustments	As at March 31, 2015	Depreciation upto March 31, 2014	For the year	Deductions and adjustments (c)	As at March 31, 2015
Tangible assets									
Land - freehold (b) and (e)	21.41	–	(7.29)	–	14.12	–	–	–	14.12
Land - leasehold (b) and (e)	24.60	–	(20.04)	–	4.56	2.25	0.08	1.39	3.62
Buildings (b), (d) and (e)	264.25	18.37	(87.45)	4.82	190.35	72.66	10.53	11.54	118.70
Roads	3.31	0.10	–	–	3.41	1.35	1.27	–	0.79
Plant and equipment (f) and (g)	919.09	103.68	2.14	6.52	1,018.39	583.21	57.80	3.21	658.83
Railway siding	0.08	–	–	–	0.08	–	–	–	–
Office equipment and furniture	33.50	1.82	–	0.05	35.27	21.29	2.29	0.04	11.73
Vehicles	14.92	1.68	–	1.33	15.27	9.37	1.73	0.75	4.92
Total tangible assets	1,281.16	125.65	(112.64)	12.72	1,281.45	690.21	73.70	16.93	513.44
Intangible assets									
Technical know-how	1.10	–	–	–	1.10	0.76	0.34	–	–
Computer software	12.93	0.30	–	–	13.23	12.92	0.09	–	13.01
Total intangible assets	14.03	0.30	–	–	14.33	13.68	0.43	–	0.22
Total as at									
March 31, 2015	1,295.19	125.95	(112.64)	12.72	1,295.78	703.89	74.13	16.93	513.66
Total as at March 31, 2014	1,192.64	116.81	8.53	22.79	1,295.19	665.21	61.15	22.47	724.92

Notes:

- At cost, except certain building premises and plant and equipment stated at fair value.
- The Company and one of its subsidiary companies had, in the year 1985, 2008 and 2011, revalued certain land and buildings. The residual value of which as at April 01, 2014 aggregated ₹ 108.97 cr. However, with passage of time, the equitable values of the assets under the heads of land and buildings are overall much higher than their carrying values, vitiating the objective of the original exercise of revaluation. The Company has therefore changed its Accounting Policy and decided to show all these fixed assets at historical cost only. Accordingly, the Company has reversed the aforesaid amount of Revaluation reserve, which will result in these assets being stated at their historical cost less accumulated depreciation. The above accounting treatment does not have any impact on the Statement of Profit and Loss for the current and subsequent years.
- Consequent to the enactment of the Companies Act, 2013 (Act) and its applicability for accounting periods commencing on or after April 01, 2014, the Company has re-worked depreciation with reference to the useful lives of fixed assets prescribed by PART 'C' of Schedule II to the Act or the useful lives of assets as estimated by the Company, whichever is lower. Where the remaining useful life of an asset is Nil, the carrying amount of the asset after retaining the residual value, as at April 01, 2014 has been adjusted to the General reserve. In other cases the carrying values have been depreciated over the remaining useful lives of the assets and recognised in the Statement of Profit and Loss. As a result the charge for depreciation is lower by ₹ 2.28 cr for the year ended March 31, 2015.
- Includes premises on ownership basis ₹ 1.10 cr (Previous year: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (Previous year: ₹ 2,000).
- Pursuant to the order passed by Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of Government of Gujarat and paid security deposit ₹ 2 cr (Previous year: ₹ 2 cr)
- Exchange rate difference capitalised during the year ₹ 2.14 cr (Previous year: ₹ 8.53 cr).
- Exchange rate difference which remains unamortised in accordance with the option exercised under Para 46A of Accounting Standard-11 is ₹ 17.18 cr (Previous year: ₹ 16.62 cr).
- Break-up of depreciation for the year

	(₹ cr)	
	2014-15	2013-14
Depreciation Amortisation expenses for the year	74.13	61.15
Less: Amount withdrawn from Revaluation reserve (refer Note 3)	–	2.65
Less: Depreciation in respect of earlier year	13.86	0.24
Depreciation Amortisation expenses as per the Consolidated Statement of Profit and Loss	60.27	58.26

Notes to the Consolidated Financial Statements

	(₹ cr)	
NOTE 13 NON-CURRENT INVESTMENTS ¹	As at March 31, 2015	As at March 31, 2014
Long-term investments		
A. Trade investments		
a) Quoted Equity instruments		
In associate company		
Amal Ltd (refer Note 28.10)	0.64	0.64
Less: Cost of investments adjusted to General reserve as loss in associate company exceed the cost	0.24	0.24
Less: Provision for diminution in value	0.40	0.40
	–	–
b) Unquoted Equity instruments		
Others		
Bharuch Enviro Infrastructure Ltd	0.07	0.07
Narmada Clean Tech Ltd	0.72	0.72
	0.79	0.79
Investments in Equity instruments, unquoted		
In associate companies		
Anchor Adhesives Pvt Ltd	1.48	1.47
Add: Group share of profit (loss) for the year	(0.02)	0.01
	1.46	1.48
AtRo Ltd	0.50	0.50
Less: Cost of investments adjusted to General reserve as loss in associate company exceed the cost	0.50	0.50
	–	–
Agrimore Ltd ₹ 33,000 (Previous year: ₹ 33,000)		
Atul Ayurveda Ltd	0.03	0.03
Atul Clean Energy Pvt Ltd	0.01	0.01
Atul Crop Care Ltd	0.08	0.03
Add: Group share of profit for the year	0.07	0.05
	0.15	0.08
Atul Elkay Polymers Ltd	0.03	0.03
Less: Group share of profit (loss) for the year	0.01	–
	0.02	0.03
Atul Entertainment Ltd	0.03	0.03
Atul Hospitality Ltd	0.02	0.02
Atul Infotech Pvt Ltd ²	–	0.13
Less: Reversal of carrying value on becoming a subsidiary company	–	0.13
	–	–
Atul Medical Care Ltd	0.03	0.03
Atul (Retail) Brands Pvt Ltd	0.01	0.01
Atul Seeds Ltd	0.02	0.02
Jayati Infrastructure Ltd	0.03	0.03
Lapox Polymers Pvt Ltd	0.01	0.01
Add: Group share of profit for the year	0.02	–
	0.03	0.01

Notes to the Consolidated Financial Statements

			(₹ cr)
NOTE 13 NON-CURRENT INVESTMENTS ¹ (continued)		As at March 31, 2015	As at March 31, 2014
M. Dohmen S.A. ³ Cost of acquisition (Previous year: net of Capital reserve of ₹ 45.72 cr) Less: Group share of loss for the year		– –	1.21 1.21
		–	–
Osia Dairy Ltd		0.02	0.02
Osia Infrastructure Ltd		0.02	0.02
		1.88	1.82
B. Other than trade investments			
a) Quoted Equity instruments			
In others			
Arvind Ltd		46.64	46.64
BASF India Ltd		0.84	0.84
ICICI Bank Ltd		0.14	0.14
Jain Irrigation Systems Ltd		0.02	0.02
Nagarjuna Oil Refinery Ltd		–	–
Novartis India Ltd		1.02	1.02
Pfizer Ltd ⁴		1.50	–
Wyeth Ltd (upto December 11, 2014)		–	1.50
		50.16	50.16
b) Unquoted Equity instruments			
In others			
Nagarjuna Fertilizers and Chemicals Ltd		0.04	0.04
c) Investments in Preference shares			
In associate company			
Amal Ltd (0% Redeemable Preference shares) (refer Note 28.10)		10.00	10.00
d) Investments in Government or Trust securities			
6 Years National Savings Certificates (deposited with the Government departments)		0.01	0.01
		62.88	62.82
C. Share application money		0.51	–
		63.39	62.82

				(₹ cr)
Particulars	Book value As at March 31,		Market value As at March 31,	
	2015	2014	2015	2014
Quoted	50.16	50.16	376.99	236.15
Unquoted	12.72	12.66		
	62.88	62.82		
Aggregate provision for diminution	0.40	0.40		

¹ Valued at cost unless otherwise stated | ² Became a subsidiary company during the previous year |

³ Investment in M. Dohmen S.A. has been sold during the current year | ⁴ Received upon merger of Wyeth Ltd

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 14 LONG-TERM LOANS AND ADVANCES	As at March 31, 2015	As at March 31, 2014
a) Loans and advances to related parties: (refer Note 28.10)		
i) Secured, considered good	11.29	11.29
ii) Unsecured, considered good	3.59	5.02
b) Others:		
i) Capital advances	23.01	5.71
ii) Security deposits	0.62	6.35
	38.51	28.37

(₹ cr)

NOTE 15 OTHER NON-CURRENT ASSETS	As at March 31, 2015	As at March 31, 2014
a) Balance with bank in fixed deposits, with maturity beyond 12 months	0.02	0.02
b) Balance with the Government departments:		
Tax paid under protest	16.80	20.52
Tax paid in advance, net of provisions	0.35	4.20
VAT receivable	29.84	30.13
Prepaid expenses	0.05	0.06
Security deposit {refer Note 12 (e)}	2.01	2.02
c) Mark-to-Market gains on derivatives	5.47	7.69
	54.54	64.64

(₹ cr)

NOTE 16 CURRENT INVESTMENTS	As at March 31, 2015	As at March 31, 2014
Investment in Mutual Fund (unquoted) *		
At cost or market value whichever is less		
18,21,827 units (Previous year: Nil) of HDFC Liquid Fund	1.86	—
7,976.75 units (Previous year: Nil) of SBI Premier Liquid Fund	0.80	—
	2.66	—
NAV of current investments	2.66	—

* At cost or market value whichever is less.

(₹ cr)

NOTE 17 INVENTORIES *	As at March 31, 2015	As at March 31, 2014
a) Raw materials and packing materials	85.38	92.05
Add: Goods-in-transit	22.43	24.58
	107.81	116.63
b) Work-in-progress	115.27	106.81
c) Finished goods	159.53	181.39
d) Stock-in-trade	4.46	3.05
e) Stores, spares and fuel	21.07	22.13
Add: Goods-in-transit	7.13	4.16
	28.20	26.29
	415.27	434.17

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

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 18 TRADE RECEIVABLES	As at March 31, 2015	As at March 31, 2014
a) Trade receivables outstanding for more than six months from the date they became due for payment:		
i) Unsecured, considered good from		
Related parties	1.44	2.06
Others	1.69	4.20
ii) Doubtful	2.81	2.36
Less: Provision for doubtful debts	2.81	2.36
	—	—
	3.13	6.26
b) Others:		
i) Unsecured, considered good from		
Related parties	0.68	3.01
Others	438.61	427.81
	439.29	430.82
	442.42	437.08

(₹ cr)

NOTE 19 CASH AND BANK BALANCES	As at March 31, 2015	As at March 31, 2014
a) Cash and cash equivalents:		
i) Balances with banks		
In current accounts	30.10	15.92
Deposit with bank for less than 3 months maturity	3.76	2.00
ii) Cash on hand	0.01	0.14
	33.87	18.06
b) Other bank balances:		
Earmarked balances with banks		
i) Unclaimed dividend interest on public deposit	1.29	1.17
ii) Short-term bank deposits (including margin money deposits)	1.57	1.82
	2.86	2.99
	36.73	21.05

(₹ cr)

NOTE 20 SHORT-TERM LOANS AND ADVANCES	As at March 31, 2015	As at March 31, 2014
Loans and advances, unsecured, considered good to:		
a) Related parties	4.13	2.14
b) Others:		
i) Advances recoverable in cash or kind	86.57	80.84
ii) Balances with statutory authorities	18.48	18.41
iii) Sundry deposits	0.84	0.66
iv) Others	0.23	0.83
	110.25	102.88

(₹ cr)

NOTE 21 OTHER CURRENT ASSETS	As at March 31, 2015	As at March 31, 2014
a) Export incentive receivable	29.66	34.29
b) Asset held for sale	0.59	0.59
c) Mark-to-Market gains on derivatives	3.34	2.55
d) Sundry receivable		
Doubtful	0.19	0.19
Less: Provision for doubtful receivable	0.19	0.19
	—	—
	33.59	37.43

Notes to the Consolidated Financial Statements

	(₹ cr)	
NOTE 22 REVENUE FROM OPERATIONS	2014-15	2013-14
Sale of products	2,782.02	2,554.89
Sale of services	0.21	0.89
Other operating revenue:		
Export incentives	34.38	47.62
Scrap sales	6.01	5.22
Commission	0.26	0.20
Processing charges	4.59	5.48
	2,827.47	2,614.30
Less: Excise duty	171.08	156.55
	2,656.39	2,457.75

	(₹ cr)	
NOTE 23 OTHER INCOME	2014-15	2013-14
Dividend on long-term investments *	1.97	23.41
Dividend on short-term investments	0.14	0.02
Interest from others	0.48	1.09
Provisions no longer required	1.62	4.53
Surplus on sale of fixed assets	1.39	0.39
Exchange rate difference gain (loss) (net)	(0.02)	3.25
Profit on sale of investment	1.58	—
Miscellaneous income	3.09	3.58
	10.25	36.27

* Previous year includes a one-time special dividend of ₹ 19.86 cr received from a Company.

	(₹ cr)	
NOTE 24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	2014-15	2013-14
Stocks at close		
Finished goods	159.53	181.39
Work-in-progress	115.27	106.81
Stock-in-trade	4.46	3.05
	279.26	291.25
Less: Stocks at commencement		
Finished goods	181.39	146.51
Work-in-progress	106.81	74.75
Stock-in-trade	3.05	2.75
	291.25	224.01
	11.99	(67.24)
Excise duty variation on opening closing stocks	(1.03)	2.72
(Increase) Decrease in inventories	10.96	(64.52)

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 25 EMPLOYEE BENEFIT EXPENSES	2014-15	2013-14
Salaries, wages and bonus	146.09	134.10
Contribution to Provident and other funds	11.39	9.78
Staff welfare	5.81	5.79
	163.29	149.67

(₹ cr)

NOTE 26 FINANCE COSTS	2014-15	2013-14
Interest on borrowings	21.67	28.50
Interest on income tax	–	0.60
Interest on others	1.77	2.40
Other borrowings cost	2.25	0.92
Applicable exchange difference to the extent considered as an adjustment to borrowing cost	–	1.02
	25.69	33.44

(₹ cr)

NOTE 27 OTHER EXPENSES	2014-15	2013-14
Consumption of stores and spares	39.78	33.01
Power, fuel and water	298.21	281.44
Conversion and plant operation charges	28.48	32.97
Building repairs	17.37	15.29
Plant and equipment repairs	58.04	62.08
Sundry repairs	6.86	6.87
Rent	2.29	1.87
Rates and taxes	1.54	1.85
Insurance	5.58	5.64
Freight, cartage and octroi	70.81	62.34
Discount and commission	19.22	18.73
Travelling and conveyance	14.16	12.86
Payments to the Statutory Auditors		
a) Audit fees	0.79	0.61
b) Other matters	0.11	0.31
c) Out of pocket expenses	0.02	0.01
Payments to the Cost Auditors		
a) Cost Audit fees	0.02	0.03
b) Out of pocket expenses (Current year: Nil and Previous year: ₹ 19,360)	–	
Directors' fees and travelling	1.45	1.42
Directors' commission (other than the Executive Directors)	0.66	0.76
Goodwill on consolidation written off	–	0.11
Bad debts and irrecoverable balances written off	1.78	1.75
Exchange rate difference on consolidation for the year	(9.91)	2.16
Provision for doubtful debts	0.98	0.46
Provision for diminution in value of investment	–	0.47
Loss on assets sold, discarded or demolished	0.87	0.01
Contribution to Corporate Social Responsibility initiatives	3.95	–
Miscellaneous expenses	83.34	67.05
	646.40	610.10

Notes to the Consolidated Financial Statements

(₹ cr)		
NOTE 28.1 CONTINGENT LIABILITIES	As at March 31, 2015	As at March 31, 2014
i) Claims against the Company not acknowledged as debts in respects of:		
a) Excise	7.25	7.21
b) Income tax	8.33	28.10
c) Sales tax	0.67	0.67
d) Customs	0.18	2.78
e) Water charges	79.84	77.03
f) Customer claims	32.35	–
g) Others	14.93	14.64
Note: Future cash outflows in respect of (a) to (g) above are determinable on receipt of judgements decisions pending with various forums authorities.		
ii) Guarantees given by the Company:		
Corporate guarantee to a bank on behalf of a subsidiary company for facilities availed by it	9.25	10.73

NOTE 28.2 FINANCIAL DERIVATIVES HEDGING TRANSACTIONS:

Pursuant to the announcement issued by The Institute of Chartered Accountants of India dated March 29, 2008 in respect of forward exchange contracts and currency and interest rate swaps, the Company has applied the Hedge Accounting Principles set out in the Accounting Standard-30 'Financial Instruments: Recognition and Measurement'. Accordingly, range forward contracts are Marked-to-Market and the gain aggregating ₹ 0.11 cr (Previous year gain ₹ 1.54 cr) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the Hedging reserve account. Actual gain or loss on exercise of these range forward contracts or any part thereof is recognised in the Consolidated Statement of Profit and Loss. Hedge accounting will be discontinued if the hedging instrument is sold, terminated or no longer qualifies for hedge accounting.

(₹ cr)		
NOTE 28.3 COMMITMENTS	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	121.86	23.57

Notes to the Consolidated Financial Statements

NOTE 28.4 (A) RELATED PARTY INFORMATION		
Name of the Related Party and nature of relationship:		
No.	Name of the Related Party	Description of relationship
	Other related parties	
01	Amal Ltd	Associate companies
02	Atul Crop Care Ltd	
03	Atul Entertainment Ltd	
04	Atul Hospitality Ltd	
05	Atul Medical Care Ltd	
06	Atul Seeds Ltd	
07	Lapox Polymers Ltd	
08	In Atul Bioscience Ltd Aagam Holding Pvt Ltd	Enterprise over which control exercised by the Key Management Personnel
09	Key Management Personnel In Atul Ltd S S Lalbhai S A Lalbhai B N Mohanan S R Nammalvar (upto July 22, 2014) T R Gopi Kannan (effective October 17, 2014) In Atul Bioscience Ltd P Chebiyyam (effective July 11, 2014) In Atul Europe Ltd C J Bent (upto January 07, 2014) E Sharkey In DPD Ltd A L Brackpool	Chairman and Managing Director Managing Director Whole-time Director and President - U&S Alternate Director (Whole-time Director) Whole-time Director and CFO Managing Director Director Director Managing Director
10	Relatives of the Key Management Personnel Saumya S Lalbhai (effective December 01, 2014) Nishtha S Lalbhai (effective December 01, 2014)	Son of S A Lalbhai Daughter of S S Lalbhai
11	Welfare funds Atul Kelavani Mandal Atul Rural Development Fund Atul Vidyalaya	Organisations over which significant influence exercised

Notes to the Consolidated Financial Statements



(₹ cr)

NOTE 28.4 (B) TRANSACTIONS WITH ASSOCIATE COMPANIES		2014-15	2013-14
Sales and income			
1	Sale of goods Amal Ltd (Current year: ₹ 26,100)		0.01 0.01
2	Service charges received Amal Ltd	0.21 0.21	0.21 0.21
3	Lease rent received Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000) ¹		
Purchases and expenses			
1	Purchase of goods Amal Ltd	15.33 15.33	10.97 10.97
2	Service charges Amal Ltd Atul Crop Care Ltd Lapox Polymers Ltd	10.48 0.10 5.94 4.44	5.82 0.11 2.18 3.53
3	Reimbursements Atul Crop Care Ltd Lapox Polymers Ltd	4.12 2.72 1.40	2.45 0.99 1.46
Other transactions			
1	Reimbursement received Atul Crop Care Ltd (Current year: ₹ 18,353)		— —
2	Direct investments made Atul Entertainment Ltd (Current year: ₹ 30,000) Atul Hospitality Ltd (Current year: ₹ 30,000) Atul Medical Care Ltd (Current year: ₹ 30,000) Atul Seeds Ltd	0.01 0.01	— — — — —
Outstanding balances as at year end			
1	Loan receivable Amal Ltd ²	14.88 14.88	14.88 14.88
2	Receivables Amal Ltd Atul Crop Care Ltd (Current year: ₹ 3,671)	5.41 5.41 —	3.11 3.11 —
3	Payables Lapox Polymers Ltd	— —	0.75 0.75

¹ Under lease agreement valid from February 02, 1996 to February 02, 2093 | ² Interest free pursuant to Board for Industrial and Financial Reconstruction Order.

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 28.4 (C) TRANSACTIONS WITH ENTERPRISES OVER WHICH CONTROL EXERCISED BY KEY MANAGEMENT PERSONNEL		2014-15	2013-14
	Other transactions		
1	Loan received	10.00	—
	Aagam Holdings Pvt Ltd	10.00	—
2	Repayment of loan received	1.00	—
	Aagam Holdings Pvt Ltd	1.00	—
3	Interest paid on loan	0.62	—
	Aagam Holdings Pvt Ltd	0.62	—
	Outstanding balances as at year end		
1	Loans payable	9.00	—
	Aagam Holdings Pvt Ltd	9.00	—

(₹ cr)

NOTE 28.4 (D) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL		2014-15	2013-14
1	Remuneration	9.75	8.11
	S S Lalbhai	4.98	4.45
	S A Lalbhai	1.74	1.52
	B N Mohanan	0.86	0.94
	S R Nammalvar (upto July 22, 2014)	0.48	0.01
	T R Gopi Kannan (effective October 17, 2014)	0.47	—
	P Chebiyyam (effective July 11, 2014)	0.21	—
	M G Palekar	—	0.19
	C J Bent	—	0.03
	A L Brackpool	1.01	0.97

(₹ cr)

NOTE 28.4 (E) TRANSACTIONS WITH RELATIVES OF KEY MANAGEMENT PERSONNEL		2014-15	2013-14
1	Remuneration	0.04	—
	Saumya S Lalbhai (effective December 01, 2014)	0.03	—
	Nishtha S Lalbhai (effective December 01, 2014)	0.01	—

Notes to the Consolidated Financial Statements

(₹ cr)

NOTE 28.4 (F) TRANSACTIONS WITH ORGANISATIONS OVER WHICH SIGNIFICANT INFLUENCE EXERCISED		2014-15	2013-14
Sales and income			
1	Sale of goods	0.11	0.10
	Atul Kelavani Mandal	0.04	0.02
	Atul Rural Development Fund (Current year: ₹ 44,300 and Previous year: ₹ 30,377)		
	Atul Vidyalaya	0.07	0.08
Purchases and expenses			
1	Reimbursement	0.01	0.02
	Atul Vidyalaya	0.01	0.02
Other transactions			
1	Corporate Social Responsibility initiatives	3.72	—
	Atul Kelavani Mandal	0.42	—
	Atul Rural Development Fund	3.30	—
2	Contribution to common expenses	—	2.15
	Atul Kelavani Mandal	—	0.02
	Atul Rural Development Fund	—	2.07
	Atul Vidyalaya	—	0.06
3	Donation	—	0.20
	Atul Rural Development Fund	—	0.20
4	Contribution by Atul Bioscience Ltd	—	0.05
	Atul Rural Development Fund	—	0.05
5	Reimbursement received	0.04	—
	Atul Kelavani Mandal (Current year: Nil and Previous year: ₹ 38,720)	—	
	Atul Vidyalaya	0.04	—
Outstanding balances as at year end			
1	Receivables	0.07	0.05
	Atul Kelavani Mandal	0.06	0.03
	Atul Rural Development Fund (Current year: ₹ 10,824 and Previous year: ₹ 48,682)	—	
	Atul Vidyalaya	0.01	0.02

Notes to the Consolidated Financial Statements

NOTE 28.5 SEGMENT INFORMATION

a) Primary segment - business

(₹ cr)

Particulars		Life Science Chemicals		Performance and Other Chemicals		Others		Total	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Segment revenue								
	Gross sales	754.06	810.95	2,197.14	1,869.66	4.77	2.10	2,955.97	2,682.71
	Less: Inter segment revenue	–	–	173.95	127.82	–	–	173.95	127.82
	Net revenue from operations	754.06	810.95	2,023.19	1,741.84	4.77	2.10	2,782.02	2,554.89
2	Segment results								
	Profit before finance cost and tax	123.86	153.57	254.99	184.34	(1.14)	(1.22)	377.71	336.69
	Less: Finance costs							25.69	33.44
	Less: Other unallocable expenditure (net of unallocable income)							26.44	(5.05)
	Profit before tax							325.58	308.30
3	Other information								
	Segment assets	423.21	455.67	1,024.29	928.21	51.14	49.80	1,498.64	1,433.68
	Unallocated common assets							324.43	384.11
	Total assets							1,823.07	1,817.79
	Segment liabilities	89.78	147.48	276.80	280.50	5.46	6.22	372.04	434.20
	Unallocated common liabilities							107.53	61.97
	Total liabilities							479.57	496.17
	Capital expenditure	40.42	30.57	138.37	73.55	1.94	12.35	180.73	116.47
	Unallocated capital expenditure							17.63	1.52
	Total capital expenditure *							198.36	117.99
	Depreciation	17.31	18.16	39.14	37.00	2.08	0.99	58.53	56.15
	Unallocated depreciation							1.74	2.11
	Total depreciation							60.27	58.26
	Significant non-cash expenses	–	–	–	–	–	–	–	–
	Significant unallocated non-cash expenses							–	–
	Total significant non-cash expenses							–	–

b) Secondary segment - geographical

(₹ cr)

Particulars	In India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Segment revenue	1,493.39	1,377.74	1,288.63	1,177.15	2,782.02	2,554.89
Carrying cost of assets by location of assets	1,661.35	1,618.28	161.72	199.51	1,823.07	1,817.79
Additions to assets and intangible assets*	195.41	114.96	2.95	3.03	198.36	117.99

Other disclosures:

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

Name of segment	Comprises
a) Life Science Chemicals	APIs, API intermediates, Fungicides, Herbicides, etc
b) Performance and Other Chemicals	Adhesion promoters, Bulk chemicals, Epoxy resins and hardeners, Intermediates, Perfumery, Textile dyes, etc
c) Others	Mainly agribiotech

- The Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.
- The Company accounts for inter segments sales and transfers at market price.

* Including capital work-in-progress and capital advances

Notes to the Consolidated Financial Statements



NOTE 28.6 EARNING PER SHARE

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

Particulars		2014-15	2013-14
Profit for the year attributable to the Equity Shareholders	₹ cr	240.65	219.19
Basic Weighted average number of Equity shares outstanding during the year	Number	2,96,61,733	2,96,61,733
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	81.13	73.90

NOTE 28.7 COMPANIES CONSIDERED IN THE FINANCIAL STATEMENTS

No.	Name of subsidiary companies	Country of incorporation	Extent of holding
01	Aasthan Dates Ltd	India	100%
02	Atul Biospace Ltd	India	96.09%
03	Atul Bioscience Ltd	India	100%
04	Atul Brasil Qumicos Ltda	Brazil	100%
05	Atul China Ltd	China	100%
06	Atul Deutschland GmbH	Germany	100%
07	Atul Europe Ltd	UK	100%
08	Atul Finserv Ltd	India	100%
09	Atul Infotech Pvt Ltd	India	100%
10	Atul Rajasthan Date Palms Ltd ¹	India	74%
11	Atul USA Inc	USA	100%
12	Biyaban Agri Ltd	India	100%
13	DPD Ltd ¹	UK	98%
14	Gujarat Synthwood Ltd ²	India	50.82%
15	Raja Dates Ltd	India	100%

¹ Investment held through subsidiary companies | ² Company under liquidation and not considered for consolidation

Notes to the Consolidated Financial Statements

NOTE 28.8 DETAILS OF ASSOCIATE COMPANIES CONSIDERED IN CONSOLIDATION:										
No.	Name of associate companies	Country of incorporation	Main industries	Ownership interest and voting power	Original cost of investments	Amount of goodwill (Capital reserve) included in original cost	Accumulated loss (gain) at the year ended March 31, 2015		Carrying amount of investments at the year ended March 31, 2015	
A	B	C	D	E	F	G	2015	2014	2015	2014
01	Amal Ltd	India	Chemical	36.75%	5.15	(19.67)	34.39	33.84	—	—
02	Anchor Adhesives Pvt Ltd	India	Adhesives	49.99%	1.47	1.27	0.20	0.15	1.46	1.48
03	AtRo Ltd ¹	India	Agriculture	50.00%	0.50	—	0.33	0.33	—	—
04	Atul (Retail) Brands Ltd	India	Retail	20.00%	0.01	—	—	—	0.01	0.01
05	Atul Ayurveda Ltd	India	Ayurvedic	50.00%	0.03	—	—	—	0.03	0.03
06	Atul Clean Energy Ltd	India	Energy	20.00%	0.01	—	—	—	0.01	0.01
07	Atul Crop Care Ltd	India	Agriculture	50.00%	0.02	—	(0.29)	(0.13)	0.15	0.08
08	Atul Elkay Polymer Ltd	India	Polymers	50.00%	0.03	—	0.02	0.01	0.02	0.02
09	Atul Entertainment Ltd	India	Entertainment	50.00%	0.03	—	—	—	0.03	0.03
10	Atul Hospitality Ltd	India	Hospitality	50.00%	0.02	—	—	—	0.02	0.02
11	Atul Medical Care Ltd	India	Health Care	50.00%	0.03	—	—	—	0.03	0.03
12	Atul Seeds Ltd	India	Agriculture	50.00%	0.02	—	—	—	0.02	0.02
13	Jayati Infrastructure Ltd	India	Infrastructure	50.00%	0.03	—	—	—	0.03	0.03
14	Lapox Polymer Ltd	India	Polymers	20.00%	0.01	(0.06)	(0.39)	(0.29)	0.03	0.01
15	M. Dohmen S.A. ²	Switzerland	Textiles	50.00%	14.21	(45.72)	—	6.56	—	—
16	Osia Dairy Ltd	India	Dairy	50.00%	0.02	—	—	—	0.02	0.02
17	Osia Infrastructure Ltd	India	Infrastructure	48.00%	0.02	—	—	—	0.02	0.02

¹ Company under liquidation. Figures are based on May 31, 2014.

² Investment in M. Dohmen S.A. has been sold during the year.

Notes to the Consolidated Financial Statements



NOTE 28.9 INTEREST IN JOINT VENTURE COMPANY

The Company acquired 50% Equity shareholding in Rudolf Kiri Chemicals Pvt Ltd, now called 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. The aggregate amount of assets, liabilities, income and expenses related to the share of the Company in RACL as at and for the year ended March 31, 2015 as per the audited Financial Statements are given below:

Balance Sheet as at March 31, 2015

(₹ cr)

Particulars	As at March 31, 2015	As at March 31, 2014
Current liabilities		
Trade payables	3.41	2.44
Other current liabilities	0.43	0.38
Short-term provisions	0.73	0.52
	4.57	3.34
Total (A)	4.57	3.34
Non-current assets		
Tangible assets, net	0.27	0.25
Intangible assets, net	0.01	0.36
Capital work-in-progress	0.11	—
Deferred tax assets (net) (Previous year: ₹ 3,654)	0.08	
Long-term loans and advances	1.41	1.42
	1.88	2.03
Current assets		
Inventories	2.79	2.05
Trade receivables	5.35	3.95
Cash and cash equivalents	3.77	2.51
Short-term loans and advances	0.14	0.12
Other current assets	0.61	0.59
	12.66	9.22
Total (B)	14.54	11.25
Net worth (B-A)	9.97	7.91

Notes to the Consolidated Financial Statements

NOTE 28.9 INTEREST IN JOINT VENTURE COMPANY (continued)

Statement of Profit and Loss for the year ended March 31, 2015

(₹ cr)

Particulars	2014-15	2013-14
Revenue		
Revenue from operations	22.03	15.56
Other income	0.75	0.50
	22.78	16.06
Expenses		
Cost of materials consumed	12.89	10.20
Purchase of stock-in-trade	1.60	0.49
Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.08	(0.20)
Employee benefit expenses	—	—
Finance costs	0.01	0.01
Depreciation and amortisation expenses	0.40	0.39
Other expenses	3.74	2.53
	18.72	13.42
Profit before tax	4.06	2.64
Tax expense		
Current tax	1.40	0.94
Deferred tax	(0.08)	(0.06)
	1.32	0.88
Net profit (loss)	2.74	1.76

NOTE 28.10 AMALGAMATION OF AMAL LTD

The Board of Directors (Board) approved the Scheme of Amalgamation of Amal Ltd with the Company (Scheme) on December 05, 2014. The Board has approved a share swap ratio of 1 Equity share of the face value of ₹ 10 each fully paid up of Atul Ltd for every 50 Equity shares of the face value of ₹ 10 each fully paid up of Amal Ltd. In terms of the Scheme, the appointed date is April 01, 2014. The Scheme of Amalgamation has been awaiting approval from the Board for Industrial and Financial Reconstruction. Pending all other statutory approvals, no effect to the above Scheme has been given in the Financial Statements. The impact of the Scheme of the Financial Statements is not expected to be material.

Notes to the Consolidated Financial Statements

NOTE 28.11 ADDITIONAL INFORMATION ON SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

		Net assets		Share in profit or loss	
No.	Name of the entity	As % of consolidated net assets	₹ cr	% of consolidated profit or loss	₹ cr
Indian subsidiary companies					
01	Aasthan Dates Ltd	0.18%	1.92	-0.01%	(0.02)
02	Atul Bioscience Ltd	1.49%	15.44	1.67%	4.03
03	Atul Biospace Ltd	0.38%	3.97	0.07%	0.17
04	Atul Finserv Ltd	0.96%	9.96	-0.18%	(0.43)
05	Atul Infotech Pvt Ltd	0.33%	3.45	0.04%	0.10
06	Atul Rajasthan Date Palms Ltd	1.46%	15.13	-0.27%	(0.64)
07	Biyaban Agri Ltd	0.10%	1.01	-0.02%	(0.06)
08	Raja Dates Ltd	0.31%	3.24	-0.02%	(0.04)
Foreign subsidiary companies					
01	Atul Brasil Quimicos Ltda	0.11%	1.15	-0.13%	(0.31)
02	Atul China Ltd	0.15%	1.60	0.57%	1.37
03	Atul Deutschland GmbH	0.06%	0.58	-0.03%	(0.08)
04	Atul Europe Ltd	3.53%	36.67	0.80%	1.92
05	Atul USA Inc	0.62%	6.42	-1.20%	(2.88)
06	DPD Ltd	0.78%	8.11	0.91%	2.19
Minority interest in subsidiary companies					₹ cr
01	Atul Biospace Ltd				0.16
02	Atul Europe Ltd				0.19
03	Atul Rajasthan Date Palms Ltd				5.33
					5.68
Associate companies (Investment as per the Equity method)					₹ cr
Indian					
01	Anchor Adhesives Pvt Ltd				1.46
02	Atul Ayurveda Ltd				0.03
03	Atul Clean Energy Ltd				0.01
04	Atul Crop Care Ltd				0.15
05	Atul Elkay Polymers Ltd				0.02
06	Atul Entertainment Ltd				0.03
07	Atul Hospitality Ltd				0.02
08	Atul Medical Care Ltd				0.03
09	Atul (Retail) Brands Ltd				0.01
10	Atul Seeds Ltd				0.02
11	Jayati Infrastructure Ltd				0.03
12	Lapox Polymers Ltd				0.03
13	Osia Dairy Ltd				0.02
14	Osia Infrastructure Ltd				0.02

Notes to the Consolidated Financial Statements

NOTE 28.11 ADDITIONAL INFORMATION ON SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES (continued)

Joint venture company	Net assets		Share in profit or loss	
	As % of consolidated net assets	₹ cr	% of consolidated profit or loss	₹ cr
Proportionate consolidation				
Indian				
Rudolf Atul Chemicals Ltd	1.03%	10.67	1.15%	2.76

NOTE 28.12 REGROUPED | RECAST | RECLASSIFIED

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

NOTE 28.13 ROUNDING OFF

Figures less than ₹ 50,000 have been shown at actuals in bracket.

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

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

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director
Mumbai
April 30, 2015

Mumbai
April 30, 2015

Notes to the Consolidated Financial Statements



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 | associate | joint venture companies

Part 'A': Subsidiary companies

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 the last date of the relevant financial year in case of foreign subsidiary companies	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% shareholding
			Currency	Exchange Rate										(₹ cr)
01	Aasthan Dates Ltd	NA	NA	NA	(0.07)	2.14	0.26	—	—	(0.02)	—	(0.02)	—	100%
02	Atul Bioscience Ltd	NA	NA	NA	5.11	46.63	31.13	0.01	55.07	5.94	1.91	4.03	—	100%
03	Atul Biospace Ltd	NA	NA	NA	0.24	4.61	0.48	0.21	4.77	0.28	0.11	0.17	—	96.09%
04	Atul Brasil Quimicos Ltda	NA	BRL	19.26	(0.21)	1.17	0.02	—	—	0.09	—	0.09	—	100%
05	Atul China Ltd	NA	CNY	10.23	(0.93)	13.90	11.35	—	89.08	0.85	0.04	0.81	—	100%
06	Atul Deutschland GmbH	NA	Euro	67.51	(0.17)	0.51	0.01	—	—	(0.04)	—	(0.04)	—	100%
07	Atul Europe Ltd	NA	GBP	92.46	4.00	44.11	—	8.55	152.34	1.42	—	1.42	—	100%
08	Atul Finserv Ltd	NA	NA	NA	2.10	10.10	0.15	3.69	0.64	(0.43)	—	(0.43)	—	100%
09	Atul Infotech Pvt Ltd	NA	NA	NA	3.37	5.99	2.57	0.05	2.31	0.10	0.02	0.08	—	100%
10	Atul Rajasthan Date Palms Ltd	NA	NA	NA	12.38	22.30	1.81	—	—	(0.68)	0.20	(0.88)	—	74%
11	Atul USA Inc	NA	USD	62.59	3.18	43.86	28.16	—	219.07	1.21	0.42	0.79	—	100%
12	Biyaban Agri Ltd	NA	NA	NA	(0.09)	1.14	0.14	—	—	(0.06)	—	(0.06)	—	100%
13	DPD Ltd	NA	GBP	92.46	10.97	13.28	—	—	14.67	2.91	0.67	2.24	—	98%
14	Raja Dates Ltd	NA	NA	NA	(0.10)	3.56	0.37	—	—	(0.04)	—	(0.04)	—	100%

Note:

Gujarat Synthwood Ltd is under liquidation.

BRL = Brazilian Real | CNY = Chinese Yuan | GBP = Great Britain Pound | USD = United States Dollar

Notes to the Consolidated Financial Statements

Part 'B': Associates and joint venture companies Statement pursuant to Section 129(3) of the Companies Act, 2013 related to associate and joint venture companies

No.	Name of the company	Latest audited Balance Sheet date	Shares of associate companies held by the company on the year end	Description of how there is significant influence	Reason why the associate joint venture company is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Accumulated profit (loss)	Profit (Loss) for the year	(₹ cr)
			No.					Considered in consolidation	Not considered in consolidation
01	Amal Ltd	March 31, 2015	25,81,277	Refer Note (1)	NA	(6.39)	(34.39)	—	(0.55)
02	Anchor Adhesives Pvt Ltd	March 31, 2015	2,93,077		NA	0.19	(0.20)	(0.02)	(0.02)
03	AtRo Ltd*	March 31, 2015	5,00,000		NA	0.33	(0.33)	—	—
04	Atul (Retail) Brands Ltd	March 31, 2015	10,000		NA	0.01	—	—	—
05	Atul Ayurveda Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
06	Atul Clean Energy Ltd	March 31, 2015	10,000		NA	0.01	—	—	—
07	Atul Crop Care Ltd	March 31, 2015	25,000		NA	0.17	0.29	0.07	0.08
08	Atul Elkay Polymer Ltd	March 31, 2015	24,998		NA	0.01	(0.02)	(0.01)	—
09	Atul Entertainment Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
10	Atul Hospitality Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
11	Atul Medical Care Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
12	Atul Seeds Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
13	Jayati Infrastructure Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
14	Lapox Polymer Ltd	March 31, 2015	10,000		NA	0.09	0.39	0.02	0.08
15	Osia Dairy Ltd	March 31, 2015	25,000		NA	0.02	—	—	—
16	Osia Infrastructure Ltd	March 31, 2015	24,000		NA	0.02	—	—	—
17	Rudolf Atul Chemicals Ltd	March 31, 2015	29,18,750		Refer Note (2)	10.67	15.51	2.75	2.75

* Company is under liquidation.

Note:

(1) Holds, directly or indirectly through intermediaries, 20% or more of the voting power of the enterprise.

(2) a) By representation on the Board of Directors, participation in the policy making process.

b) Holds, directly 20% or more of the voting power of the company.



Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India

Attendance slip

38th Annual General Meeting

August 04, 2015, Tuesday

DP ID		Folio Client ID number	
-------	--	-----------------------------	--

Full name of the Shareholder | Proxy attending the meeting

.....
(First name)

(Middle name)

(Surname)

First holder | Joint holder | Proxy

(Strike out whichever is not applicable)

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

.....
(First name)

(Middle name)

(Surname)

Signature of the Shareholder | Proxy





Atul 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 380014, 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

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

as my | our Proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 38th Annual General Meeting of the Company, to be held on August 04, 2015 at 10.30 a.m. at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	Resolutions
01	Adoption of the Financial Statements and Reports thereon and the Consolidated Financial Statements for the year ended on March 31, 2015
02	Declaration of the dividend
03	Reappointment of Mr R A Shah as a Director
04	Reappointment of Mr B N Mohanan as a Director
05	Appointment of Dalal & Shah Chartered Accountants LLP as the Statutory Auditors and fix their remuneration
06	Appointment of Mr T R Gopi Kannan as Director Whole-time Director
07	Appointment of Mr M M Chitale as an Independent Director
08	Appointment of Ms S A Panse as an Independent Director
09	Appointment of Mr B R Arora as an Independent Director
10	Adoption of new Articles of Association of the Company
11	Ratification of remuneration of R Nanabhoy & Co for Cost Audit

Signed this ____ day of _____ 2015

Signature of the Member

Signature of the Proxy holder(s)

Affix
Revenue
Stamp
here

Note:

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

Mr Shrenik Kasturbhai
(December 28, 1925 to June 19, 2014)

a tribute ...



Mr Shrenik Kasturbhai, inaugurating on March 17, 2012, the Inspiring Centre that depicts the life and times of our Founder, Mr Kasturbhai Lalbhai

Mr Shrenik Kasturbhai, after completing BS from Massachusetts Institute of Technology and MBA from Harvard University, worked as a Managing Director of Anil Starch Ltd and oversaw the finances of Lalbhai Group. He supported our Founder in carrying out social work that comprises several cultural, educational and religious institutions and in the fullness of time led them with distinction.

He was actively involved in promoting and later integrating Gujarat Aromatics Ltd – now called Aromatics (AR) Business – with our Company and took keen interest till the very end of his life in the growth of AR Business and Atul. AR Business steadily improved its performance and generated the highest revenue and the highest profit in 2014-15 for our Company; this is our enduring tribute to his faith, encouragement and support.

We have lost our patriarch, yet his body of work is sure to outlive his physical life. He inherited an enriching legacy genetically, imbibed the spirit, lived his life with exacting principles and embellished the legacy of his father by mentoring the generation next in the family, the organisations as well as the wider society. In the years ahead, his life will continue to inspire us.

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

Auditors

Dalal & Shah Chartered Accountants LLP

Cost Auditors

R Nanabhoy & Co

Registered office

Atul House

G I Patel Marg

Ahmedabad 380014, Gujarat

India

Head office

Atul 396020, Gujarat

India

E-mail: sec@atul.co.in

Website: www.atul.co.in

Bankers

Axis Bank

Bank of Baroda

Bank of India

Export Import Bank of India

State Bank of India

Atul Ltd
Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India



Lalbhai Group

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

1	Name of the Company:	Atul Limited
2	Annual financial statements for the year ended	March 31, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by	
	Chairman and Managing Director	<i>S Lalbhai</i> Sunil S Lalbhai Chairman and Managing Director
	CFO	<i>T R Gopi Kannan</i> T R Gopi Kannan Whole-time Director (CFO)
	Auditor of the Company	For Dalal & Shah Chartered Accountants LLP Firm Registration No. 102020W / 1020040 Chartered Accountants <i>S Venkatesh</i> S Venkatesh Partner Membership: 037942
	Audit Committee Chairman	<i>S. S. Baijal</i> Dr S S Baijal

