



Atul Ltd

Atul 396 020, Gujarat, India
legal@atul.co.in | www.atul.co.in
(+91 2632) 230000

July 05, 2023

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
Through: BSE Listing portal
Scrip code: 500027

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

Dear Sir,

Sub: Annual report for the financial year ended March 31, 2023

Pursuant to the Regulation 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit annual report for the financial year 2022-23 including notice of the 46th Annual General Meeting of the Company for the record of the stock exchanges.

The annual report is also available on the website of the Company at:

<https://www.atul.co.in/investors/annual-reports>

Kindly acknowledge the receipt of the above.

Thank you,

Yours faithfully,

For Atul Limited

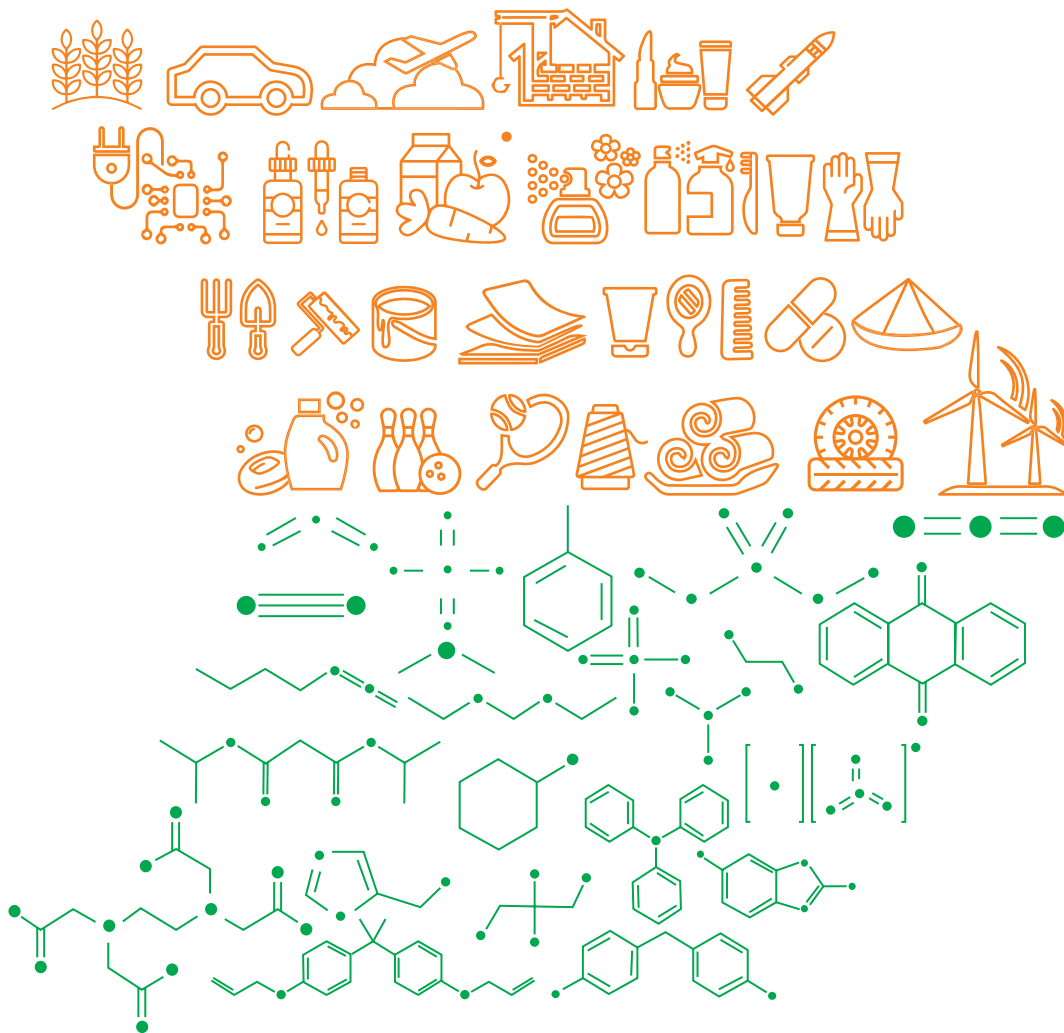
Lalit Patni
Company Secretary and
Chief Compliance Officer

Encl: as above

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



Lalbhai Group



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Atul Ltd (Atul) was founded by Kasturbhai Lalbhai, an institution builder par excellence, on September 05, 1947, within a month of the independence of India. Atul celebrated its 75 years of incorporation this year, coinciding with the 75 years of independence of the country.

The cover page depicts products belonging to diverse industries served by Atul and chemicals used to manufacture them in an arrow formation symbolizing its renewed endeavour to move forward - by connecting externally and internally, growing the businesses and imagining the future in an ever-evolving environment.

The secret of change is to focus all of our energy not on fighting the old, but on building the new.
- Socrates of Athens

46th Annual General Meeting

 Friday, July 28, 2023

 10:30 am

 The meeting will be held through video conferencing

Forward looking statements

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

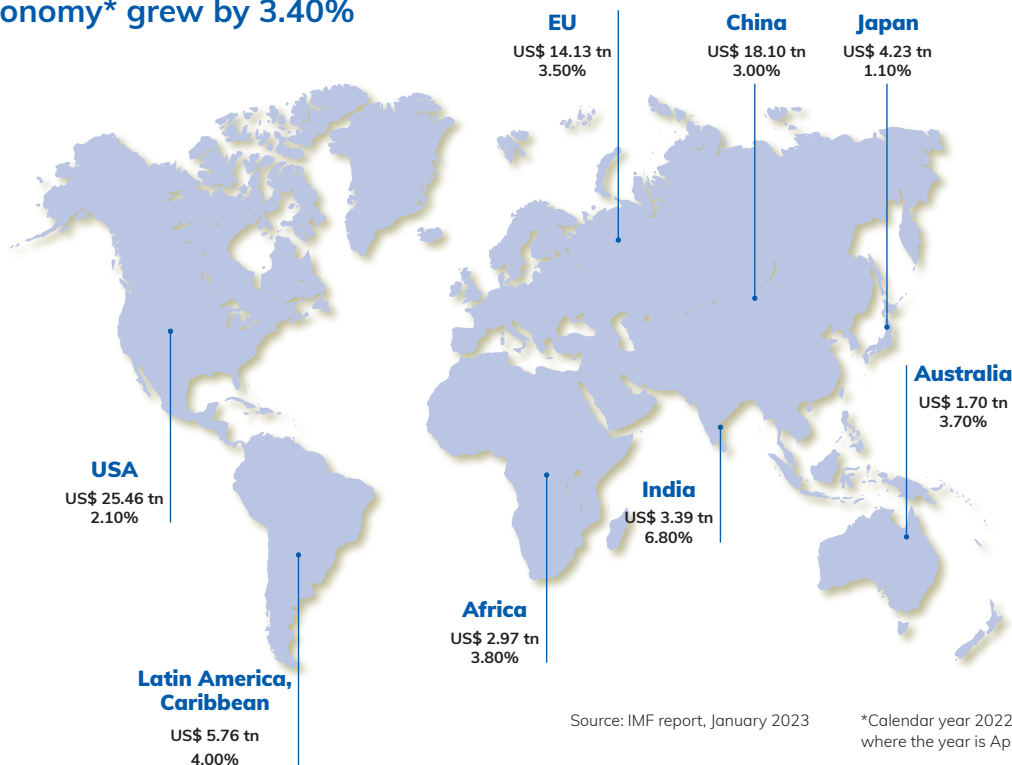
The members may send in their comments or suggestions for improvement of the annual report by e-mail to shareholders@atul.co.in



To download or read this report online, please visit
www.atul.co.in

Revisiting 2022-23

World economy* grew by 3.40%



Crude oil, steel prices and forex rates remained unpredictable and varied between

US\$ 71.03 and US\$ 129.20 per barrel

₹ 57 and ₹ 86 per kg

₹ 83.20 and ₹ 76.09 per US\$

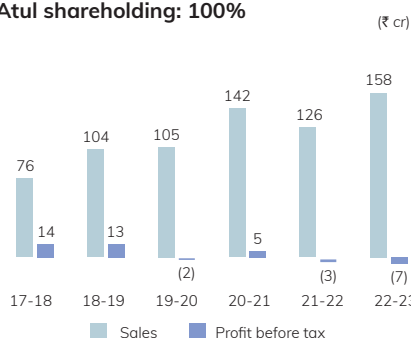
Atul sustained external challenges

- Incurred the highest capital expenditure of around ₹ 900 cr (including Group entities)
- Achieved the highest annual sales, crossed the ₹ 5,000 cr mark
- Took 40 initiatives under six programs of national importance via Atul Foundation



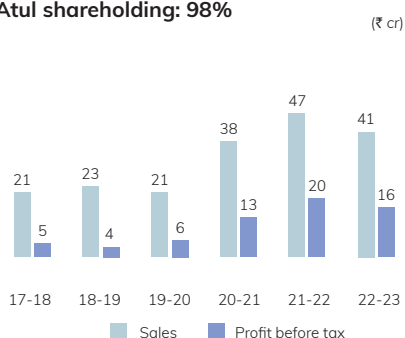
Atul Bioscience Ltd

Atul shareholding: 100%



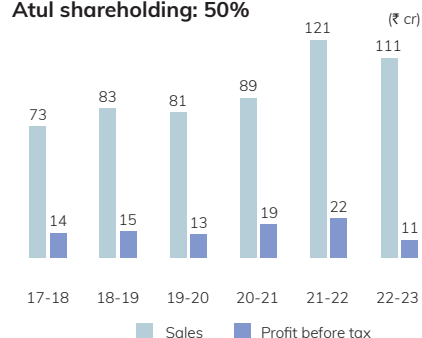
DPD Ltd

Atul shareholding: 98%



Rudolf Atul Chemicals Ltd

Atul shareholding: 50%





Corporate identity



The heritage of the past is the seed that brings forth the harvest of the future.
– Wendell Phillips

Dilwara temples

Dilwara temples in Rajasthan, India are known for their meticulous and unparalleled marble stone-carved structures. The temple complex hosts five distinct temples, each representing the values of the Indian spiritual heritage. Built between the 11th and 13th centuries by the

Chalukya dynasty, the temples look simple from the outside, but are a treasure of intricate carvings and architectural excellence from the inside. Kasturbhai Lalbhai, Founder of Atul, had spearheaded the renovation of Dilwara and other Jain temples as the Chairman of the Anandji

Kalyanji Trust. Following the footsteps of its exemplary Founder, team Atul values attention to detail, excellence and collaboration in its journey of sustained growth in harmony with nature and the community.

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

Distinguished past

- Founded on September 05, 1947, by Kasturbhai Lalbhai, a legendary Indian, to create wealth in rural India, generate employment on a large-scale and make India self-reliant

... ..

- First private sector company of independent India to be inaugurated by the first Prime Minister of the country, Pandit Jawaharlal Nehru, on March 17, 1952
- A company that has manufactured many products for the first time in India

Determined present

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

Dynamic future

- Seeking growth through existing, downstream, related, value added and diversified product portfolio
 - Leveraging depth in science and technology and having integrated manufacturing
 - Developing and growing a retail product portfolio to participate in the full value chain
- > Equity share capital of ₹ 30 cr, reserves of ₹ 4,560 cr
- > Paid uninterrupted dividend* since commencement of operations in 1952; declared a special interim dividend of 75% during 2022-23 and recommended 250% final dividend for 2022-23, total 325%.
- > Market capitalisation increased from ₹ 57 cr as at March 31, 1999, to ₹ 20,539 cr as at March 31, 2023

*except one year



Steadfast in Purpose

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

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

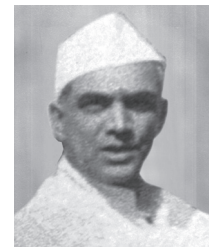


Kasturbhai Lalbhai
(1894 – 1980)

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

Balwantrai Mazumdar
(1902 – 1981)

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



Siddharth Lalbhai
(1923 – 1998)

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

Sustained by Values

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



INTEGRITY

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



UNDERSTANDING

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



UNITY

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



RESPONSIBILITY

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



EXCELLENCE

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



Business model

A business model is not a mere representation of the operations of an organisation, but is one that is endeavouring to create, deliver and capture value. Ultimately, it is tested against time and adversity. When an organisation and its approach sustain through volatile and uncertain business cycles and still create, deliver and capture value for the stakeholders, then they can well be called a model business.

What we depend on

Relationships



Team members

Our ~3,000 team members apply their knowledge and skill and invest their time in an agile way.

Suppliers

Our ~3,800 suppliers help us to source materials and obtain services uninterruptedly.

Customers

Our ~2,000 distributors and ~38,000 retailers help us to reach our products and brands across India and outside.

Governments

Our operations are facilitated further by the policies of the state and central governments.

Resources



Input materials

We use, amongst others, thousands of tons of derivatives of crude oil, salt and coal.

Financial resources

We predominantly use capital from our shareholders and internal accruals which enable us to secure sustainable growth.

Intangible assets

We leverage our strengths in research, technology, sourcing, manufacturing, logistics, brands and customer service which provide us competitive edge.

Tangible assets

We have integrated manufacturing facilities spread over ~1,500 acres, with eight sites and 18 offices in India and outside.

What we do

1. Consumer insights

We work closely with consumers and customers to develop insights into their needs.



2. Innovation

We develop our products and brands through innovation and consistent improvements based on insights and critical thinking.



3. Sourcing and manufacturing

We source materials and services so as to manufacture ~1,300 products (including formulations) and 140 brands using several unit processes and unit operations.



Our business model puts the customer at the centre of the business and decision-making and provides a foundation for future growth. We strive for innovation and excellence in select chemistries to delight our customers with our consistently superior quality, competent prices and valuable technical services. We aim to create lasting value and deliver benefits to our customers and the economies and communities we operate in.



4. Logistics

We deliver our products and brands through a network of warehouses and distribution channels in India and outside.



5. Marketing

We manage our portfolio of products and brands through product management, market development and marketing services.



6. Sales

We make our products available to our customers directly and through distributors and retailers.

Value we create for

Consumers



We aim to provide superior quality products and brands to our consumers to meet their expectations.

Customers



We supply our products to customers consisting of users and channel partners (distributors and retailers) to grow their businesses (and ours).

Suppliers



We partner with suppliers for our requirement of materials and services which in turn grow their business with that of ours.

Team members



We aim to create a happy work environment, reward the team members fairly and provide them with opportunities to learn and grow.

Governments



We contribute to the government exchequers, in India and outside, through our business operations.

Society



We serve in particular the communities we operate in and in general the society to make a difference in the lives of people.

Planet



We aim to make the planet better by consistently improving our operations, amongst others, to bring down gaseous emissions, liquid effluents and solid wastes.

Shareholders



We strive to deliver responsible, profitable and consistent growth for our shareholders.

Serving diverse industries

touching lives in many ways ...



Agriculture



Automobile



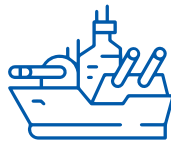
Composites



Construction



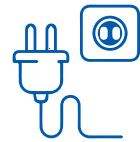
Cosmetic



Defence



Dyestuff



Electrical and Electronics



Flavour



Food



Fragrance



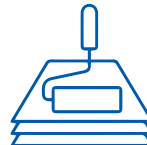
Glass



Home Care



Horticulture



Paint and Coatings



Paper



Personal Care



Pharmaceuticals



Rubber



Soap and Detergent



Sport and Leisure



Textile



Tyre



Wind Energy

Footprint

- Production facilities in India (Ankleshwar, Atul, Panoli and Tarapur)
- Subsidiary companies with production facilities in India (Ambernath and Atul) and the UK (Bristol)
- Joint venture entities with production facilities in India (Atul and Jodhpur)
- Wholly-owned subsidiary companies in Brazil (São Paulo), China (Shanghai), Ireland (Dublin), the UAE (Dubai), the UK (Wilmslow) and the USA (Charlotte)
- Building distribution network of retail sales across India
- Operates through a network of 38,000 retail outlets in India
- Has started selling its retail products in neighbouring countries

**manufactures
900 products and
400 formulations**

**serves 4,000 customers
in 83 countries**

owns 140 brands



Operational highlights

Knowledge gained through literature remains unclear and common. It becomes clear and unique only with actions. Our endeavour is to continuously improve in all that we undertake. Given below are a few initiatives we took during 2022-23.

The biggest room in the world is the room for improvement.

- Helmut Schmidt

People

- Executed structured role rotations and the filling up of middle and senior level positions internally
- Implemented online recruitment process
- Introduced flexible work timings



Systems

- Implemented advanced network infrastructure to empower next-generation technologies
- Introduced a contractor job evaluation portal
- Migrated four group entities to the core ERP application of Atul as part of the Single Global Instance project

Safety

- Conducted 126 HAZOP studies and 195 risk assessments
- Implemented addressable fire detection and alarm system at Atul site.
- Upgraded the existing firefighting systems at Atul and Ankleshwar sites with the introduction of a new fire tender and firefighting equipment



Health

- Built a new health centre with state-of-the-art facilities to serve team members, their families and the local community
- Carried out 18,177 health check-ups and conducted seven COVID-19 vaccination camps for employees and their family members
- Constructed a new occupational health centre for providing quality medical care to employees

Environment

- Built additional storage capacity for wastewater at Ankleshwar site to ensure uninterrupted production and sustain zero liquid discharge
- Developed value-added by-products from waste streams at Atul site
- Conducted life cycle impact assessment for four products and product carbon footprint calculation for six products



Technology and Manufacturing

- Decreased consumption of a key raw material in five products
- Implemented 102 process improvement initiatives
- Introduced a cost-efficient cooling system in a key product

Research and Development

- Decreased consumption of raw materials in five products and solvents
- Developed 43 new products, of which 18 were commercialised
- Improved the yield of 29 products



Sales and Marketing

- Added 382 new B2B customers
- Introduced 164 new retail customers
- Commenced sales in seven new geographies

Growth

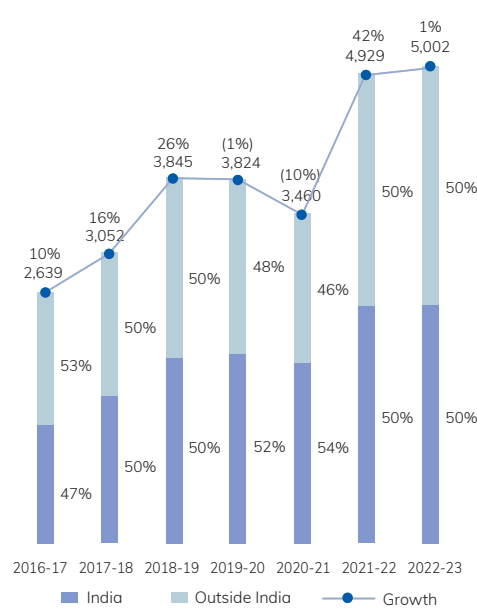
- Debottlenecked 16 products
- Executed two expansion projects
- Received grant of patents for two products



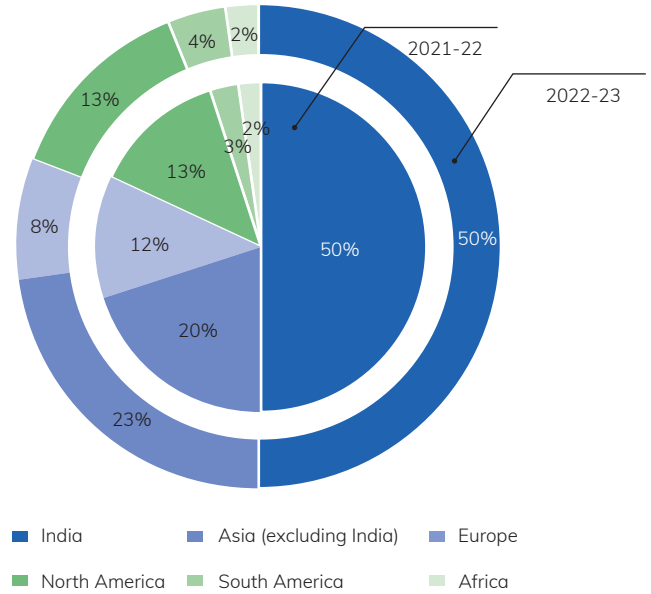
Financial charts

Sales

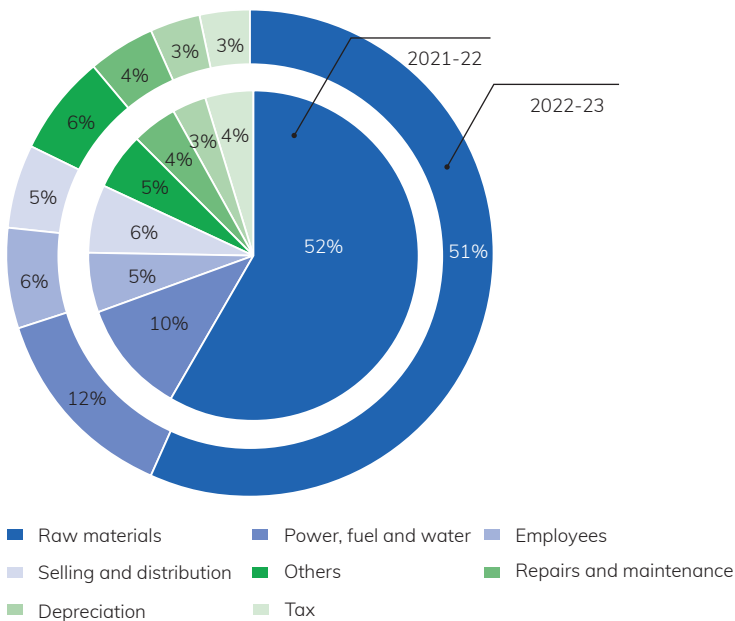
(₹ cr) 6-year CAGR: 11%



Sales by geography

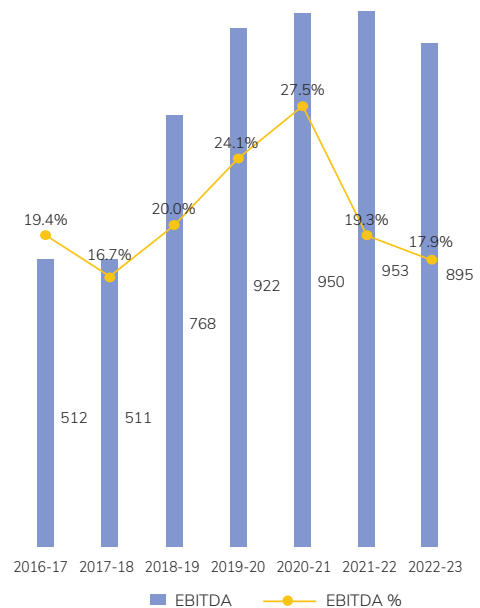


Expenses as % of revenue



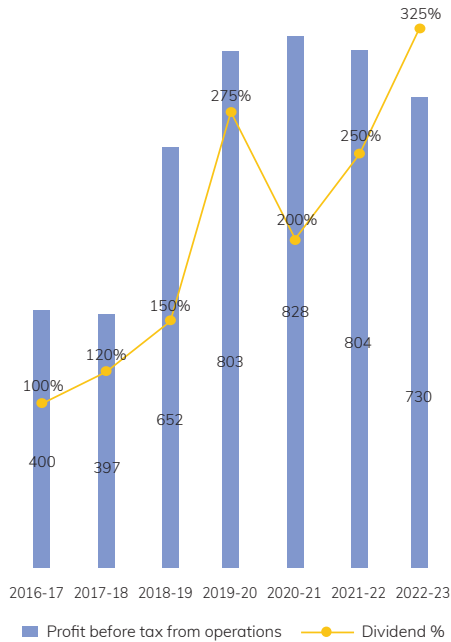
Earnings before interest, taxes, depreciation and amortisation

(₹ cr) 6-year CAGR: 10%



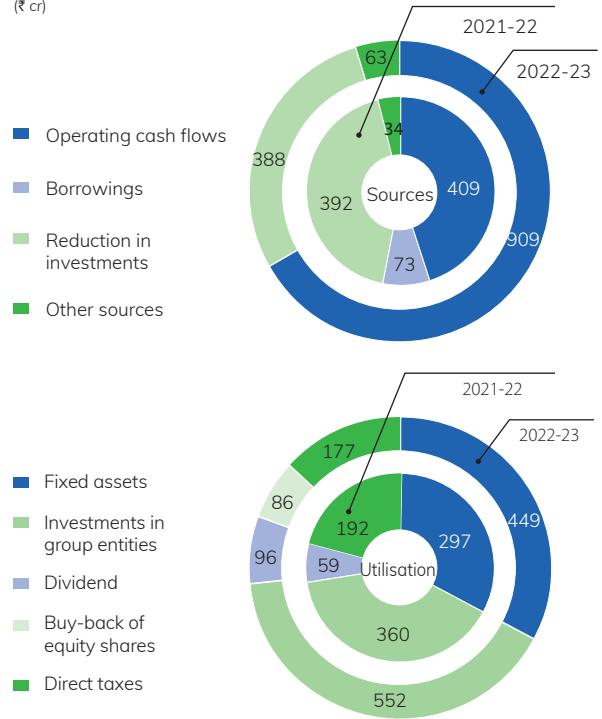
Profit before tax from operations and dividend

(₹ cr) 6-year CAGR: 11%



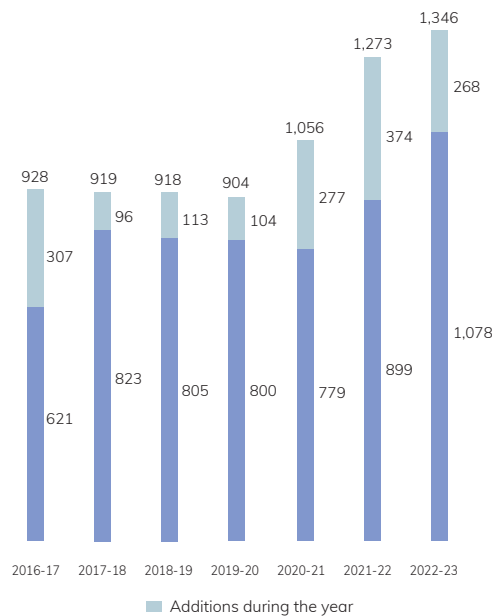
Sources and utilisation of cash

(₹ cr)



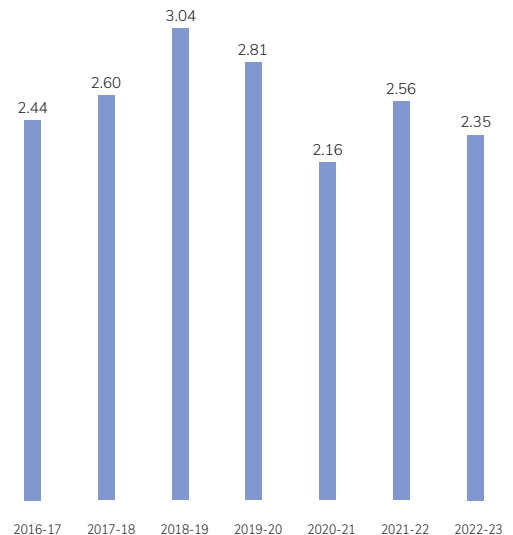
Property, plant and equipment*

(₹ cr)



*as at March 31

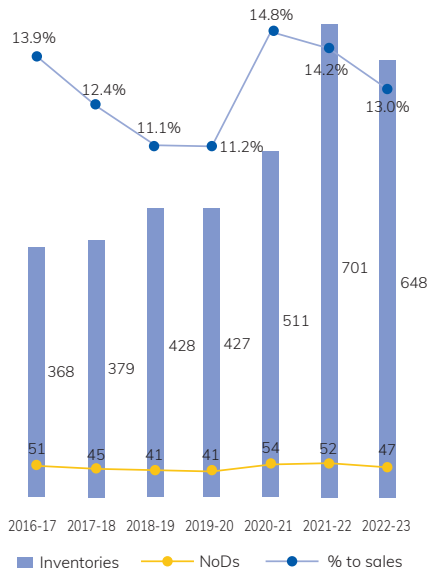
Asset turnover ratio*



*Excluding capital work-in-progress

Inventories*

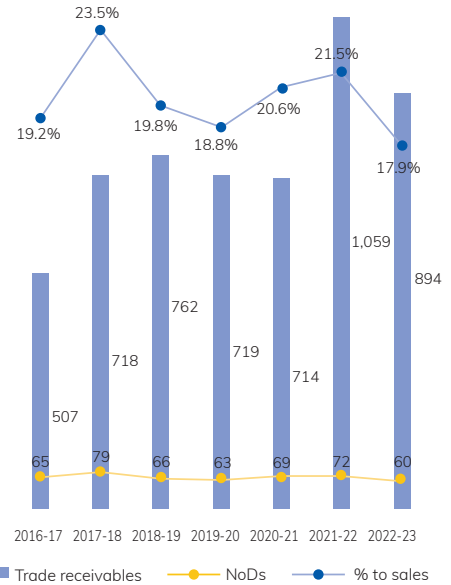
(₹ cr)



*as at March 31

Trade receivables*

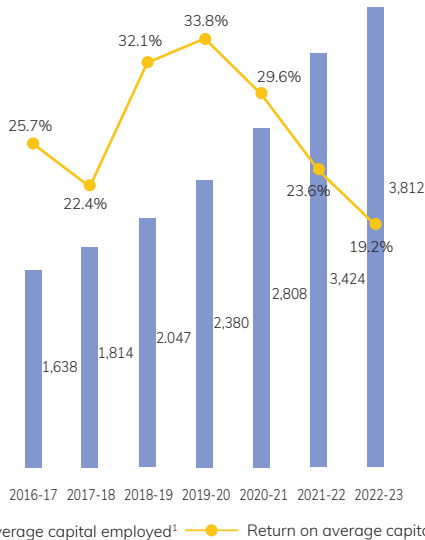
(₹ cr)



*as at March 31

Return on average capital employed

(₹ cr)



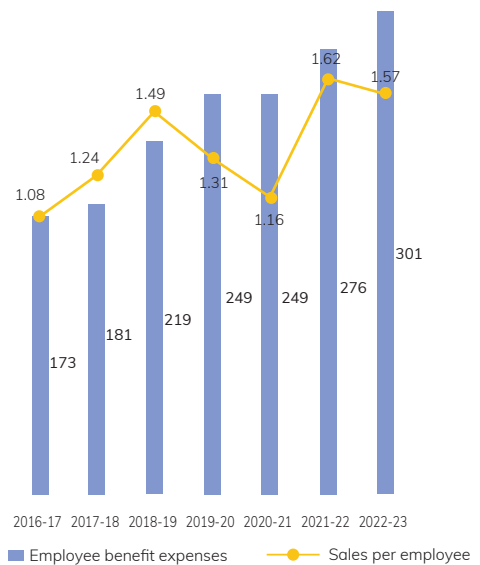
■ Average capital employed¹ ● Return on average capital employed %^{1,2}

¹excluding capital work-in-progress | revaluation reserve

²excluding exceptional | non-recurring items

Employee benefit expenses and sales per employee

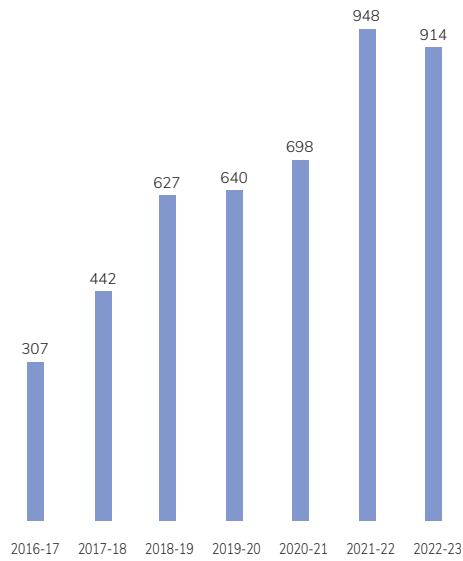
(₹ cr)



■ Employee benefit expenses ● Sales per employee

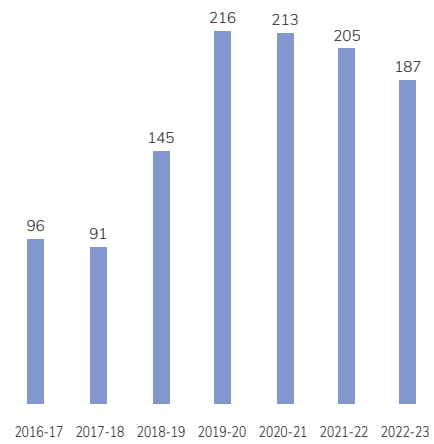
Payment to the exchequer

(₹ cr)



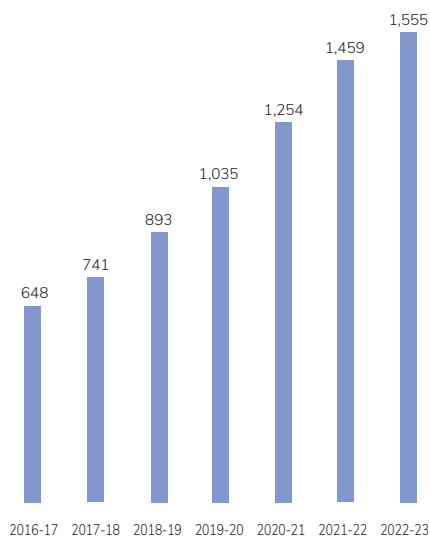
Earnings per share

(₹ per share) 6-year CAGR: 12%



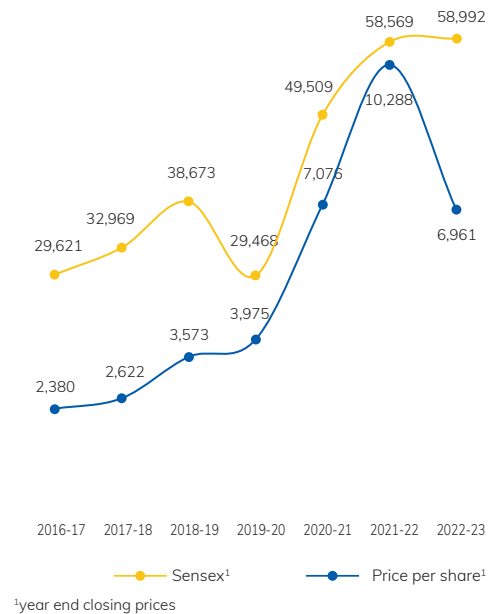
Book value per share

(₹ per share) 6-year CAGR: 16%



BSE Sensex and share price

(₹ per share) 6-year CAGR:
BSE sensex 12%
Share price 20%



¹year end closing prices

Serving the society

The Founder of our Company, Kasturbhai Lalbhai, believed that businesses must have a broader purpose, beyond just generating profits and promoted this philosophy in every business enterprise he built. The Company has inherited this legacy and has continued to build on it in its own small way by implementing various initiatives to serve society since its inception.

The purpose of life is to have it make some difference that you have lived and lived well.

- Ralph Waldo Emerson

Education

- Distributed educational kits to 4,323 students of 31 schools
- Imparted quality primary education to 8,410 children through 103 trained Atul Adhyapikas
- Issued scholarships to 34 needy meritorious students
- Supported 3,646 students through the enhancement of educational practices in four schools
- Supported setting-up a library and a science laboratory in two schools benefitting 382 students



Empowerment

- Empowered 25 tribal families by providing cows
- Formed 65 self-help groups to empower 723 women; linked 866 women with government schemes
- Provided soft skills training to 383 students and 65 trainers | teachers of five ITIs
- Supported 57 students by setting-up a computer lab with 30 computers in an ITI
- Trained 1,794 youth in 15 vocational courses

Health

- Conducted 34 anaemia screening camps benefitting 3,755 adolescent girls and women
- Conducted 45 eye camps benefitting 16,293 patients; 13,140 patients were provided with spectacles
- Organised 41 blood donation camps; 3,778 units of blood were collected
- Supported the Fit@50+ Women's Trans Himalayan expedition cause to promote health and wellness among women above the age of 50
- Trained 75 frontline workers on the first 1000 nutrition days of a child





Relief

- Distributed food and blankets to the flood-affected families of Valsad
- Established a *bal vikas kendra* for 50 children of brick kiln workers
- Provided blood units to 84 poor and abandoned patients
- Provided community-based rehabilitation counselling and intensive care to 72 children
- Supported education of 136 children and their mothers in their upbringing

Infrastructure

- Built a post office and a police station benefitting 10 villages
- Constructed three school toilets benefitting 1,286 students
- Developed three playgrounds benefitting 281 students
- Renovated six schools benefitting 571 students
- Renovated 16 *anganwadis* benefitting 1,100 children



Conservation

- Commissioned five sewage treatment plants of 187 KLD in three educational institutes
- Created 116 structures for conservation of soil and water in a village
- Installed five solar pumps consuming 29,700 kWh of green energy for *agariya* farmers
- Installed solar power plants generating 65,100 kWh energy annually in four educational institutions
- Planted 11,000 trees of 62 species to develop a Miyawaki forest

- Planted 40,000 trees to preserve biodiversity
- Prevented 15,918 kg of plastic from being added to landfills through cleanliness drives
- Provided 16 solar pumps benefitting 63 farmers
- Started waste management project in eight villages
- Supported 200 families to install home-based biogas plants





Letter to the Shareholders

Dear Shareholders,

In a year of historic uncertainties, our Company completed **75 years** on September 5, 2022. This is therefore one more occasion for team Atul, of which I have the privilege to be a part, to look back – on what has helped our Company to survive the test of time, in particular the cherished legacy of Values: integrity, perseverance and unity and attributes: learning agility, continuous improvement and bias for action, lived by Kasturbhai Lalbhai, the Founder of our Company – and look forward, based on such a legacy, to prepare it for the times ahead. Thus, despite 2022-23 being one of the harder years, with uncertainties still continuing and some of our own operating problems, team Atul is ready to face the future.

World economy rapidly worsened in the second half of 2022 as it was hit by a series of severe and mutually reinforcing shocks (such as war in Ukraine, pandemic, inflation and climate). World GDP, sized at US\$ 100 tn, thus grew at 3.4% in 2022 against 5.9% in 2021; world GDP growth forecast is 2.8% in 2023 – advanced economies are expected to see a pronounced growth slow down. IMF considers multilateral cooperation as essential to make progress to create a more resilient world economy. India is opening up further to fuel its economic growth, and India Inc is front leading the turnaround by embracing better operational efficiency and financial prudence – this endeavour is also true for our Company.

Sized at US\$ 5.3 tn and US\$ 1.48 tn, **world chemical industry** and **world pharmaceutical industry** grew slower at 5.5% and 4.2% respectively. Sized at US\$ 191 bn and US\$ 50 bn, Indian chemical industry and Indian pharmaceutical industry grew slower at 9% and 19% respectively. The above numbers show the opportunity to participate and innovate that lies ahead for both India and our Company. Chemistry has influenced our life so much we do not even realise that we come across chemicals every moment. With depth in science and technology, our Company is well placed to further expand its portfolio of products and formulations and thus in its own small way contribute to the development of India.

Since its inception on September 5, 1947, our Company has nurtured the concept of **sustainability** and is strengthening it further. Team Atul worked with a leading consultant and learnt more about how to express its existing initiatives and outcomes to substantiate its commitment to sustainability; the team is also taking new initiatives. ESG which can be viewed as a subset of sustainability (with four pillars – environmental, social, human and economic) is a set of criteria used to evaluate performance related to environment, social and governance. Our endeavour is to better both ESG and economic (financial) performance of our Company – I trust you will value this combined approach to competitiveness.

Our endeavour fell short - standalone PBT from operations of our Company declined in **2022-23** to ₹ 730 cr (PY ₹ 804 cr). This adversely impacted EBITDA and RoCE at 18% and 19% respectively (earlier best EBITDA 26%¹ and RoCE 28%¹ in 2020-21 and 2019-20 respectively). The key reasons for the decline in performance were i) lower sales in international markets ii) pressure on selling prices and iii) fire in a plant. Standalone sales at ₹ 5,002 cr grew by ~ 1.5% whereas sales volume de-grew by ~ 1% as compared to 2021-22. The Board of Directors declared an interim dividend of 75% (to commemorate completion of 75 years of incorporation) and recommended 250% final dividend; the pay-out will be 17%.

Our Company has been building two **B to C businesses** – Crop Protection (current sales ~ ₹ 200 cr) and Polymers (current sales ~ ₹ 250 cr). The businesses serve mainly agriculture, automobile, construction, foam and furnishing, footwear and handicraft industries whose potential is limitless, restrained only by our limitations – team Atul is slowly, but steadily strengthening itself in the marketplace (e.g. identifying and narrowing the gaps in the portfolio) and at the workplace (e.g. institutionalising processes). These are still early days for these businesses, and we are confident to grow them into significant businesses. Some of the products and formulations have also been accepted in markets beyond India.

Combined sales of subsidiary, joint venture and associate entities – which will not tally with the consolidated sales (as per iGAAP) – namely, Atul Bioscience (100%), Osia Infrastructure (100%), DPD (98%), Atul Rajasthan Date Palms (74%), Rudolf Atul Chemicals (50%), Anaven (50%) and Amal² (49.85%) were higher at ₹ 578 cr (from ₹ 518 cr). Combined PBT of these entities however declined to ₹ 10 cr (from ₹ 47 cr) because of i) lower sales in Atul Bioscience, ii) delayed stabilisation of Atul Rajasthan Date Palms, iii) pressure on selling price in Anaven, iv) start-up problems in Amal Speciality Chemicals (a 100% subsidiary of Amal) and v) higher interest and depreciation in general - these problems are being resolved.

In 2022-23, our Company completed **investment** of ₹ 268 cr and Amal completed investment of ₹ 78 cr. Investment under implementation in our Company (four key projects) and its subsidiary entities, Atul Products (one key project) and DPD (one key project) is ₹ 1,350 cr and will be completed between now and fourth quarter of 2024-25. These projects at full capacity utilisation at prevailing prices (raw materials and finished products) can add sales of ₹ 1,150 cr in our Company and ₹ 380 cr in its subsidiary entities per annum. Furthermore, unrealised sales from completed projects in our Company and its subsidiary, JV and associate entities at full capacity can add ₹ 800 cr and ₹ 40 cr respectively per annum.



Process engineering laboratory, Atul site

True self-leadership is about self-examination by looking inwards, identifying mistakes and their reasons and correcting them as against examination of the faults outside. The real endeavour is to turn the attention inwards; this nurtures the human spirit. This concept is of course true for people, but it is equally rational if seen from the lens of science and technology. Process engineering laboratory – established to revalidate and improve manufacturing processes – is one such endeavour. We are working to institutionalise this concept personally and professionally.

Our **immediate tasks** are to i) realise envisaged sales (even when demand is lacklustre), ii) streamline the completed projects wherein we have encountered difficulties, iii) commission projects underway and iv) trim excess working capital tied up – team Atul is already seized of these tasks. Our six **enduring mandates** remain just as important: i) drive process efficiency in manufacturing and every other function, ii) pervade technology in every function – it is a deflationary force in an inflationary economy, iii) become world-class in people productivity, iv) remain lean in fixed cost, v) conserve cash while evolving the future (that is, measure performance by free cash flow) and vi) engage with customers on ideas with large potential.

Atul Foundation undertook 40 projects under its six programs, namely conservation, education, empowerment, health, infrastructure and relief, all in sync with the national priorities, for **servng society**. The Foundation manages 15 institutions of which seven are public private partnerships; it is having 16 major ongoing projects. Atul Healthcare is a new institution and Community Based Rehabilitation and Water Recycling System are two new projects. The Foundation touched the lives of ~ 1,25,000 people (in seven states of India). The amount spent by the Foundation was ₹ 16 cr whereas the total spent was ₹ 40 cr. For more reading on the activities of the Foundation, please visit www.atulfoundation.org

Despite the fact that our Company has come a long way in the key **people** processes (in particular, recruitment, learning and development, performance management and people planning), we see a need to further articulate and institutionalise them – this will enhance individual and collective performance and help us achieve the immediate tasks and enduring mandates mentioned in the paragraph nine above. We are therefore articulating the processes with internal functional and cross-functional teams and external HR consulting firms and institutionalising them along with team members across our Company particularly those with people responsibility.

I value the members of team Atul - they have demonstrated commitment and dedication amidst unnerving uncertainties. I **thank** the consumers and customers – they set a higher bar and thus push us to stretch and also give us an opportunity to serve. I recognise the support of the supply chain partners. Bansji Mehta retired from the Board after distinguished affiliation of 31 years and Rajendra Shah will retire at the coming AGM after esteemed association of 41 years – I am indebted to them for their guidance, constructive approach and availability all the time. I am grateful to you, my every fellow shareholder, for your confidence, trust and understanding – these mean more than anything else.

Even though **2023-24** is still in a slowdown mode, I am sure that our Company will emerge from these testing times in a stronger position than when it entered them. We consistently assess and discern between the 'trend of the minute' and those 'shifts that are truly permanent'. Even if there is a lag for the demand to pick up, team Atul is using these times to broaden and deepen customer base and build new capabilities at the workplace. As we embrace responsibility and grasp opportunities embedded even in uncertain times, there is no limit to what we can achieve for our Company and in a small way for India. I therefore say that the best days for our Company are yet to come.

Sincerely,

Sunil Siddharth Lalbhai
Chairman and Managing Director

¹excluding one-time dividend income

²along with Amal Speciality Chemicals Ltd, 100% subsidiary of Amal

Board of Directors

Board Committees

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Investment Committee

4. Nomination and Remuneration Committee
5. Risk Management Committee
6. Stakeholders Relationship Committee

- Chairperson
- Member



Rajendra Shah

Mr Rajendra Shah is a Director of the Company since May 1983. He is a Senior Partner of Crawford Bayley & Co, a firm of Solicitors and Advocates.

Mr Shah holds a degree in Law from the University of Mumbai and has passed the Solicitor examination from the Honourable High Court of Bombay.

3 4

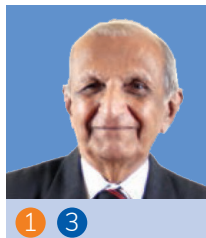
Sunil Lalbhai

Mr Sunil Lalbhai is a Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007.

Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.



2 3 5 6



Banshi Mehta

Mr Banshi Mehta is a Director of the Company since April 1992. He is the Chief Mentor at Banshi S Mehta & Co since 2009.

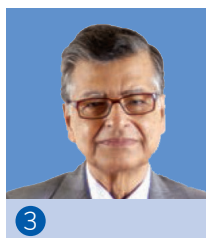
Mr Mehta holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the ICAI.

1 3

Samveg Lalbhai

Mr Samveg Lalbhai is a Director of the Company since January 2000 and a Managing Director of the Company since December 2000.

Mr Lalbhai holds a graduate degree in Commerce from Gujarat University.



Susim Datta

Mr Susim Datta is a Director of the Company since October 2002. He was the Chairman of Hindustan Unilever Ltd in India and Nepal from 1990 to 1996.

Mr Datta holds a postgraduate degree in Science and Technology from the University of Calcutta and is a Chartered Engineer.

3

Bharathy Mohanan

Mr Bharathy Mohanan joined the Company in August 1992 and is a Whole-time Director since January 2009. He is currently President, Utilities and Services and the Occupier of the Company.

Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut.



2 5



Srinivas Rangan

Mr Srinivasa Rangan is a Director of the Company since July 2010. He is an Executive Director of Housing Development Finance Corporation Ltd.

Mr Rangan holds a graduate degree in Commerce from the University of Delhi and is an Associate Member of the ICAI and the ICAI.

1

Mukund Chitale

Mr Mukund Chitale is a Director of the Company since October 2014. He is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co.

Mr Chitale holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the ICAI.



1 4



Gopi Kannan Thirukonda

Mr Gopi Kannan Thirukonda joined the Company in October 1993 and is a Whole-time Director since October 2014. He is currently the Chief Financial Officer.

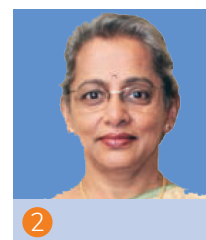
Mr Gopi Kannan holds a graduate degree in Science from the University of Madras and a postgraduate diploma in management from IIMA. He is a Fellow Member of the ICAI, the ICAI and the ICSI.

5 6

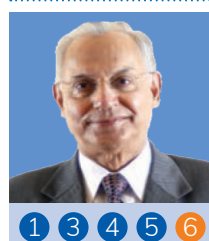
Shubhalakshmi Panse

Ms Shubhalakshmi Panse is a Director of the Board since March 2015. She was the Chairperson and Managing Director of Allahabad Bank Ltd.

Ms Panse holds a postgraduate degree in Science from Pune University and a postgraduate degree in Business Administration from Drexel University.



2



Baldev Arora

Mr Baldev Arora is a Director of the Board since April 2015. He was the Chairman of Cyanamid Agro Ltd and Chairman and Managing Director of Wyeth Lederle Ltd.

Mr Arora holds a graduate degree in Mechanical Engineering from Punjab University.

1 3 4 5 6

Pradeep Banerjee

Mr Pradeep Banerjee is a Director of the Company since May 2022. He was Executive Director on the Board of Hindustan Unilever Ltd, Managing Director of a joint venture entity of HUL in Singapore, and the Chairman of a joint venture entity in Nepal.

Mr Banerjee holds a graduate degree in Chemical Engineering from Indian Institute of Technology, Delhi.





Directors' Report

Dear Members,

The Board of Directors (Board) presents the annual report of Atul Ltd together with the audited Financial Statements for the year ended on March 31, 2023.

01. Financial results

	(₹ cr)	
	2022-23	2021-22
Sales	5,002	4,929
Revenue from operations	5,062	4,993
Other income	199	90
Total revenue	5,261	5,083
Profit before tax	730	804
Tax expenses	(178)	(196)
Profit for the year	552	608
Balance in retained earnings at the beginning of the year	3,664	3,143
Transfer from comprehensive income	5	(28)
Buy-back of equity shares (net of amount adjusted from general reserve)	(18)	-
Dividend	(96)	(59)
Balance in retained earnings at the end of the year	4,107	3,664

02. Performance

Sales during the year remained almost the same as last year, registering 1% increase from ₹ 4,929 cr to ₹ 5,002 cr. This was mainly due to subdued demand in the Performance and Other Chemicals (POC) segment, which was marginally offset by better volumes in the Life Science Chemicals (LSC) segment; the non-availability of one of the plants due to fire had impacted sales of the LSC segment.

Sales in India as well as outside India witnessed no major growth and reported about 1% increase from ₹ 2,479 cr to ₹ 2,505 cr within India and about 2% increase from ₹ 2,450 cr to ₹ 2,497 cr outside India. Profit before tax decreased by 9% from ₹ 804 cr to ₹ 730 cr, mainly due to lower sales volumes on account of muted demand and very thin margins due to the higher raw material and energy prices.

Sales of the LSC segment increased by 19% from ₹ 1,445 cr to ₹ 1,715 cr because of higher sales prices and volumes in the Crop Protection sub-segment; the EBIT increased by about 67% from ₹ 191 cr to ₹ 319 cr. Sales of the POC segment decreased by about 6% from ₹ 3,484 cr to ₹ 3,287 cr, mainly because of lower sales volumes in two sub-segments; the EBIT decreased by about 48% from ₹ 586 cr to ₹ 302 cr. More details are given in the Management Discussion and Analysis.

03. Dividend and buy-back of equity shares

During 2022-23 the Board declared a special interim dividend of ₹ 7.50 per equity share of ₹ 10 each fully paid up to commemorate the 75th anniversary of the incorporation of the Company. The Board also recommended payment of a final dividend of ₹ 25 per equity share of ₹ 10 each fully paid up.

During 2021-22, the Board approved ₹ 70 cr for the buy-back of equity shares through the open market stock exchange route to return surplus funds to the members of the Company and to improve earnings per share by a decrease in the equity base, thereby leading to a long-term increase in value for the members. The Company bought back 73,296 equity shares at an aggregate consideration of ₹ 69.90 cr. The buy-back was closed on May 09, 2022.

04. Energy conservation, technology absorption and foreign exchange earnings and outgo

Information required under Section 134 (3)(m) of the Companies Act, 2013 (the Act) 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 on page number 28.

05. Insurance

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

06. Risk management

Risk management is an integral part of the business practice 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 – Focuses 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 – Focuses on understanding the various impacts of risks and the level of influence on their root causes. This involves identifying various processes, generating the root causes and a clear understanding of risk inter-relationships.
- iii) Risk assessment and prioritisation – Focuses on determining risk priority and risk ownership for critical risks. This involves the assessment of the various impacts taking into consideration risk appetite and the existing mitigation controls.
- iv) Risk mitigation – Focuses 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 – Focuses on providing to the Audit Committee and Board 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) listed above. The Audit Committee | Risk

Management Committee periodically reviews the risk management system and gives its recommendations, if any, to the Board.

The Board reviews and guides the Risk Management Policy.

Implementation

Implementation of the Risk Management Policy is the responsibility of the Management. It ensures the functioning of the risk management system as per the guidance of the Audit Committee | Risk Management Committee. The Company has a risk management oversight structure in which each sub-segment has a Chief Risk and Compliance Officer.

The Management at various levels takes accountability for risk identification, appropriateness of risk analysis, and timeliness as well as the 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 Board.

07. Internal financial controls

The internal financial controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements. These include 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 Directors of the Company,
- iii) provide reasonable assurance regarding the 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, 2023, and the Board believes that the controls are adequate.



08. Fixed deposits

During 2022-23, the Company did not accept any fixed deposits.

09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given on page numbers 146 and 148.

10. Subsidiary, joint venture and associate companies | entities and joint operation

During 2022-23:

- i) Atul Healthcare Ltd, a wholly-owned subsidiary of the Company formed a joint venture entity by acquiring 50% stake of Valsad Institute of Medical Sciences Ltd in accordance with the Shareholders' Agreement.
- ii) Atul Aarogya Ltd, Atul Ayurveda Ltd, Atul Clean Energy Ltd, Atul Consumer Products Ltd, Atul Crop Care Ltd, Atul Entertainment Ltd, Atul Hospitality Ltd, Atul (Retail) Brands Ltd, Atul Seeds Ltd, Jayati Infrastructure Ltd and Osia Dairy Ltd became wholly-owned subsidiary companies of the Company.

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

11. Related party transactions

All the transactions entered into with the related parties were in the ordinary course of business and on an arm's length basis. Details of such transactions are given on page number 160. No transactions were entered into by the Company that required disclosure in Form AOC-2.

12. Corporate social responsibility

The Corporate Social Responsibility (CSR) Policy, the CSR Report and the composition of the CSR Committee are given on page number 32.

13. Annual return

Annual return for 2022-23 is available on the website of the Company at:

www.atul.co.in/investors/annual-general-meetings/

14. Auditors

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (DHS) were reappointed as the Statutory Auditors of the Company at the 45th Annual General Meeting (AGM) held on July 29, 2022, until the conclusion of the 50th AGM.

The Auditor's Report for the financial year ended on March 31, 2023, does not contain any qualification, reservation or adverse remark. The report is

enclosed with the Financial Statements in this annual report.

Cost Auditors

The Company has maintained cost records as required under the Act and the Companies (Cost Records and Audit) Rules, 2014. The members ratified the appointment of R Nanabhoy & Co as the Cost Auditors for 2022-23 on July 29, 2022.

Secretarial Auditors

SPANJ & Associates, Company Secretaries, continue to be the Secretarial Auditors for 2022-23 and their report is given on page number 35.

15. Directors' responsibility statement

- 15.1. In preparation of the annual accounts for the financial year that ended on March 31, 2023, the applicable accounting standards have been followed and there are no material departures.
- 15.2. The accounting policies were selected and applied consistently and judgements and estimates thus made 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 the 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 on March 31, 2023, were prepared on a going concern basis.
- 15.5. Adequate internal financial controls to be followed by the Company were laid down and they were adequate and operating effectively. This is given under para number 07.
- 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

- i) Mr Banshi Mehta, Independent Director is retiring on May 31, 2023. The Company immensely benefited from his knowledge, experience and expertise in the last 31 years.
- ii) According to Article 86 of the Articles of Association of the Company, Mr Rajendra Shah retires by rotation. Although eligible, he desires not to be reappointed in the ensuing AGM. Accordingly, he will cease to hold office as a Non-executive Director of the Company in the ensuing AGM. The Company

immensely benefited from his knowledge, experience and expertise in the last 41 years.

The Board places on record its deep appreciation for their valuable contribution through sustained involvement, critical analysis and valuable guidance.

iii) Subject to the approval of the members in the AGM:

a) Mr Sunil Lalbhai was reappointed by the Board as the Chairman and Managing Director effective July 01, 2024, for a period of five years.

b) Mr Rangaswamy Iyer was appointed as an Independent Director effective May 01, 2023, for a period of five years.

In the opinion of the Board, Mr Iyer possesses knowledge, experience and expertise relevant to the Company.

16.2. Policy on appointment and remuneration is displayed on the website of the Company at www.atul.co.in/investors/policies

The salient features of the Policy are as under:

16.2.1. Appointment

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

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

16.2.2. Remuneration of the Non-executive Directors

- i) Sitting fees: up to ₹ 35,000 for attending a Board, Committee and any other meeting
- ii) Commission: up to 1% of net profit as may be decided by the Board based on the following factors:
 - a) Membership of committee(s)
 - b) Profit
 - c) Attendance
 - d) Category (Independent or Non-executive)

16.2.3. Remuneration of the Executive Directors

This is given under para number 17.2.

16.3. Criteria and method of the annual evaluation

16.3.1. The criteria for evaluation of the performance of

i) the Executive Directors, ii) the Non-executive Director (other than Independent Directors), iii) the Independent Directors, iv) the Chairman, v) the Committees of the Board and vi) the Board as a whole are summarised in the table at the end of the Directors' Report on page number 27.

16.3.2. The Independent Directors have carried out annual:

- i) review of the performance of the Executive Directors
- ii) review of the performance of the Non-executive Director (other than Independent Directors)
- iii) review of the performance of the Chairman and assessment of quality, quantity and timeliness of the flow of information to the Board
- iv) review of the performance of the Board as a whole

16.3.3. The Board has carried out an annual evaluation of the performance of:

- i) its committees, namely, Audit, Corporate Social Responsibility, Investment, Nomination and Remuneration, Risk Management and Stakeholders Relationship
- ii) the Independent Directors

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

16.4. Familiarisation programs for the Independent Directors

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

17. Key managerial personnel and other employees

17.1. Appointments and cessations of the Key Managerial Personnel

There were no appointments | cessations of the Key Managerial Personnel during 2022-23.

17.2. Remuneration

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

17.2.1. Components:

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

17.2.2. Factors for determining and changing fixed pay:

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

17.2.3. Factors for determining and changing variable pay:

- i) Business performance
- ii) Individual performance
- iii) Work level

18. Analysis of remuneration

The information required pursuant to Sections 134 (3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms a 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 particulars of employees, which are available for inspection by the members.

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 covering the performance of the two reporting segments, namely, LSC and POC, is given on page number 39.

20. Corporate Governance Report

20.1. Declaration by the Independent Directors

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

20.2. Report

The Corporate Governance Report along with the certificate from the Practicing Company Secretary regarding the compliance of the conditions of Corporate Governance pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 is given on page number 46. Details about the number of meetings of the Board held during 2022-23 are given on page number 51. The composition of the Audit Committee is given on page number 54.

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

20.3. Whistleblowing Policy

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

No person has been denied access to the Audit Committee.

20.4. Secretarial standards

Secretarial standards as applicable to the Company were followed and complied with during 2022-23.

20.5. Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given on page number 59.

21. Business Responsibility and Sustainability Report

As per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report is given on page number 66.

22. Dividend Distribution Policy

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is displayed on the website of the Company at www.atul.co.in/investors/policies

23. Acknowledgements

The Board expresses its sincere thanks to all the employees, customers, suppliers, lenders, regulatory and government authorities, stock exchanges and investors for their support.

For and on behalf of the Board of Directors

(Sunil Lalbhai)

Chairman and Managing Director

DIN: 00045590

Mumbai
April 28, 2023

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

Notes:

i) Figures less than ₹ 50,000 have been shown as '0.00' at relevant places in the annual report.

ii) DIN stands for Director identification number.

Annexure to the Directors' Report

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1. Energy conservation technology absorption and foreign exchange earnings and outgo

1.1. Energy conservation

1.1.1. Measures taken:

- i) Installation of energy-efficient light fittings
- ii) Installation of vacuum pump for water recycling
- iii) Installation of variable frequency drive on chilled water and cooling water pumps

1.1.2. Additional investments and proposals being implemented:

- i) Recovery of steam condensate from distribution headers and utilising as boiler feed water
- ii) Replacement of international efficiency class 1 and international efficiency class 2 motors with international efficiency class 3 motors
- iii) Replacement of single effect vapour absorption machine (VAM) with double effect VAM

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 developing continuous processes with a smaller plant and a better environmental footprint, developing new products, making value-added products from waste and improving existing processes.

- ii) Benefits derived from R&D:

The Company increased the yield of 29 products, decreased the consumption of raw materials in five products and solvents in three products, recovered one value-added product from waste and developed 43 new products.

- iii) Future plan:

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

- iv) R&D expenditure

(₹ cr)			
Capital	Recurring	Total	Total R&D expenditure as a percentage of total sales
1.99	31.22	33.21	0.66%

1.2.2. Technology absorption, adaptation and innovation

- i) Efforts in brief made towards technology absorption, adaptation and innovation:

The Company upgraded some of its operations by imbibing new technologies.

- ii) Benefits derived as a result of the above efforts:

The above efforts have resulted in decrease in time cycle and increase in throughput.

- iii) Technology imported during the last three years reckoned from the beginning of the financial year:

The Company did not import any technology.

1.3. Foreign exchange earnings and outgo

1.3.1. Export sales: activities, development initiatives and future plans

The Company sold its products in 83 countries, directly and through its subsidiary companies in the USA, the UK, the UAE, China and Brazil. Sales outside India* increased by 3% from ₹ 2,254 cr to ₹ 2,315 cr. It is taking further steps to strengthen its sales and marketing.

*Free On Board (FOB) value

1.3.2. Total foreign exchange earnings and outgo

(₹ cr)		
Particulars	2022-23	2021-22
Earnings		
Exports – FOB value	2,314.82	2,254.15
Dividends	15.58	-
Outgo		
Payment for raw materials, books and periodicals, dividend, etc	917.61	1,005.35

2. Subsidiary, joint venture and associate companies | entities and joint operation

2.1. Operational

No.	Name	Equity share capital	Other equity	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
Subsidiary companies													
01.	Aaranyak Urmi Ltd	0.21	(0.09)	0.36	0.24	-	0.31	0.01	0.00	0.01	-	100%	INR
02.	Atul Bioscience Ltd	29.02	37.40	169.82	103.40	0.01	158.36	(6.73)	(1.52)	(5.21)	-	100%	INR
03.	Atul Biospace Ltd	11.03	6.98	18.66	0.65	10.00	4.12	2.80	0.09	2.71	2.60	100%	INR
04.	Atul Brasil Quimicos Ltda	1.14	1.61	3.16	0.40	-	1.98	1.01	-	1.01	-	100%	BRL
05.	Atul China Ltd	4.05	8.99	43.08	30.04	-	203.00	0.39	0.02	0.37	-	100%	RMB
06.	Atul Consumer Products Ltd	0.05	0.81	2.84	1.98	0.03	15.79	3.40	0.25	3.15	2.37	100%	INR
07.	Atul Crop Care Ltd	0.05	0.79	3.78	2.94	0.00	15.99	2.71	0.28	2.44	1.62	100%	INR
08.	Atul Europe Ltd	33.47	11.28	76.01	31.26	10.30	168.09	2.67	0.54	2.13	-	100%	GBP
09.	Atul Fin Resources Ltd	15.58	5.21	21.02	0.23	5.97	1.18	2.16	0.36	1.80	1.07	100%	INR
10.	Atul Finserv Ltd	46.45	100.45	149.40	2.50	127.89	7.79	6.61	0.20	6.41	6.32	100%	INR
11.	Atul Infotech Pvt Ltd	0.30	20.70	21.75	0.75	0.02	4.44	0.51	0.13	0.38	0.56	100%	INR
12.	Atul Ireland Ltd	0.89	(0.32)	1.27	0.69	-	4.12	(0.08)	-	(0.08)	-	100%	EUR
13.	Atul Middle East FZ-LLC	0.67	5.64	6.52	0.21	-	11.21	2.22	-	2.22	-	100%	AED
14.	Atul Products Ltd	5.00	(1.48)	844.27	840.75	-	-	(0.38)	(0.02)	(0.37)	-	100%	INR
15.	Atul Rajasthan Date Palms Ltd	8.11	(0.80)	21.18	13.87	-	1.03	0.94	(0.10)	1.04	-	73.98%	INR
16.	Atul USA Inc	16.43	38.09	123.28	68.76	-	576.40	13.03	3.34	9.69	-	100%	USD
17.	DPD Ltd	2.54	51.41	69.79	15.84	-	41.25	15.95	2.45	13.50	-	98.00%	GBP
18.	Osia Infrastructure Ltd	3.85	3.31	8.72	1.56	0.00	22.85	3.37	0.76	2.61	0.29	100%	INR
Associate companies													
19.	Amd Ltd	12.36	74.54	95.25	8.35	55.43	38.29	1.37	0.64	0.73	-	49.85%	INR
20.	Amd Speciality Chemicals Ltd	7.72	22.05	101.25	71.48	-	22.82	(16.55)	-	(16.55)	-	49.85%	INR
Joint venture company													
21.	Rudolf Atul Chemicals Ltd	5.84	34.88	61.12	20.41	-	111.18	10.50	2.73	7.77	4.38	50.00%	INR
Joint operation													
22.	Anaven LLP	134.00	(10.66)	259.94	136.60	-	181.87	1.47	-	1.47	-	50.00%	INR

2.2. Non-operational

No.	Name	Equity share capital	Other equity	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Aasthan Dates Ltd	2.10	(0.30)	1.80	0.00	-	0.05	0.05	(0.00)	0.05	-	100%	INR
02.	Anchor Adhesives Pvt Ltd	0.59	(0.06)	0.52	0.00	-	-	0.02	0.01	0.01	-	100%	INR
03.	Atul Aarogya Ltd	0.07	0.05	0.12	0.00	-	-	0.32	0.01	0.31	0.33	100%	INR
04.	Atul Ayurveda Ltd	0.08	0.00	0.11	0.03	0.00	-	1.05	0.00	1.05	1.07	100%	INR
05.	Atul Clean Energy Ltd	0.10	(0.00)	0.10	0.00	0.00	-	0.23	0.00	0.23	0.23	100%	INR
06.	Atul Deutschland GmbH	0.89	(0.61)	0.71	0.43	-	-	(0.05)	-	(0.05)	-	100%	Euro
07.	Atul Entertainment Ltd	0.07	0.03	0.10	0.00	0.00	-	0.02	0.00	0.02	-	100%	INR
08.	Atul Healthcare Ltd	22.77	(0.25)	22.52	0.00	22.50	-	(0.25)	-	(0.25)	-	100%	INR
09.	Atul Hospitality Ltd	0.06	0.03	0.09	0.00	-	-	0.01	0.01	0.00	-	100%	INR
10.	Atul Lifescience Ltd	0.01	(0.00)	0.00	0.00	-	-	(0.00)	-	(0.00)	-	100%	INR
11.	Atul Natural Dyes Ltd	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100%	INR
12.	Atul Natural Foods Ltd	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100%	INR
13.	Atul Nivesh Ltd	2.50	0.90	3.40	0.00	-	-	0.27	0.07	0.20	-	100%	INR
14.	Atul Paints Ltd	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100%	INR
15.	Atul Polymers Products Ltd	0.05	(0.03)	0.15	0.13	-	-	1.24	0.03	1.21	1.24	100%	INR
16.	Atul Renewable Energy Ltd	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100%	INR
17.	Atul (Retail) Brands Ltd	0.10	(0.00)	0.10	0.00	-	-	0.50	0.00	0.49	0.49	100%	INR
18.	Atul Seeds Ltd	0.09	(0.02)	0.10	0.03	-	-	0.96	0.00	0.96	0.99	100%	INR
19.	Biyaban Agri Ltd	1.09	(0.54)	0.56	0.01	-	0.02	0.02	-	0.02	-	100%	INR
20.	Jayati Infrastructure Ltd	0.09	(0.02)	0.10	0.03	-	-	0.96	0.00	0.96	0.99	100%	INR
21.	Osia Dairy Ltd	0.09	(0.02)	0.10	0.03	-	-	0.96	0.00	0.96	0.99	100%	INR
22.	Raja Dates Ltd	4.10	(0.61)	3.57	0.08	-	0.05	(0.08)	(0.01)	(0.07)	-	100%	INR
23.	Sehat Foods Ltd	0.10	0.00	0.10	0.00	-	-	0.00	0.00	0.00	-	100%	INR
	Associate company												
24.	Valsad Institute of Medical Sciences Ltd	27.00	8.28	36.00	0.72	-	-	(0.29)	(0.00)	(0.29)	-	50.00%	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, 2023 are 1 AED = ₹ 22.38, 1 BRL = ₹ 16.19, 1 CNY = ₹ 11.95, 1 Euro = ₹ 89.38, 1 GBP = ₹ 101.75, 1 USD = ₹ 82.17

3. Corporate social responsibility

3.1. A brief outline of CSR Policy, programs and scope of the Company

3.1.1. Policy

Atul will volunteer its resources to the extent it can reasonably afford to contribute towards enhancing the quality of life, thereby the standard of living of people, particularly the marginalised sections of the society. Essentially, the indicative beneficiaries are the needy, who are living below the poverty line in rural or urban areas, particularly where Atul is operating. The endeavour is to uplift them through the chosen programs (mentioned below) so that they can live with dignity and self-respect.

3.1.2. Programs and scope

The Company will take up projects and | or carry out activities under three 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) Enhance education in rural areas
 - b) Establish and | or support educational institutes
 - c) Establish and | or support vocational institutes
 - d) Promote integrated development of rural | tribal areas
 - e) Promote sustainable livelihood opportunities
 - f) Support needy and | or meritorious students
- ii) Health and Relief
 - a) Eradicate hunger and malnutrition
 - b) Establish and | or improve medical care centres
 - c) Promote health, hygiene and sanitation
 - d) Promote sports and fitness
 - e) Support deserving | needy patients
 - f) Support during natural calamities
- iii) Infrastructure and Conservation
 - a) Conserve natural resources
 - b) Develop and | or improve rural amenities
 - c) Develop and | or improve rural utilities
 - d) Protect and | or promote art and culture
 - e) Protect flora and fauna
 - f) Restore sites of historical importance

3.2. Composition of the CSR Committee:

No.	Name of Directors	Designation Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	Shubhalakshmi Panse	Chairperson Independent Director	1	1
2.	Sunil Lalbhai	Member Executive Director	1	1
3.	Bharathy Mohanan	Member Executive Director	1	1

3.3. Details of URL for disclosure of composition of the CSR Committee, CSR Policy and CSR projects on the website of the Company:

www.atul.co.in/investors/investorsstakeholders-information/corporate-social-responsibility/

3.4. Impact assessment:
not applicable

3.5. CSR obligation:

(₹ lakhs)

a)	Average net profit of the Company as per Section 135(5)	79,062.00
b)	2% of average net profit of the Company as per Section 135(5)	1,581.24
c)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	Nil
d)	Amount required to be set-off for the financial year	Nil
e)	Total CSR obligation for the financial year [(b) + c) - d)]	1,581.24

- 3.6. a) Details of amount spent (ongoing projects and other than ongoing projects) for the financial year: ₹ 1,508.74
b) Amount spent on administrative overheads: ₹ 74.20 lakhs
c) Amount spent on impact assessment: nil
d) Total amount spent for the financial year [(a)+b)+c): ₹ 1,582.94 lakhs
e) CSR amount spent or unspent for the financial year:

(₹ lakhs)

Total amount spent for the financial year	Amount unspent				
	Total amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1,582.94	Nil	NA	NA	-	NA

NA: not applicable

- f) Excess amount for set-off, if any:

(₹ lakhs)

No.	Particulars	Amount
(i)	2% of average net profit of the Company as per Section 135(5)	1,581.24
(ii)	Total amount spent for the financial year	1,582.94
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.70*
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

*Being a small amount, no set-off is considered

3.7. Details of the unspent CSR amount for the preceding three financial years:

No.	Preceding financial year	Amount transferred to the Unspent CSR Account under Section 135 (6)	Amount in Unspent CSR Account under Section 135(6)	Amount spent in the financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1.	2021-22	434.76	-	434.76	NA	NA	Nil	-

3.8. Whether any capital assets have been created or acquired through CSR spend in the financial year?

Yes

If yes, enter the number of capital assets created | acquired: one

Details relating to the asset(s) created or acquired through CSR spend in the financial year:

(₹ lakhs)

No.	Short particulars of the property asset(s) including complete address and location of the property	Pincode of the property asset(s)	Date of creation	Amount of CSR amount spend	Details of entity authority beneficiary of the registered owner		
					CSR registration number, if applicable	Name	Registered address
1.	Atul Healthcare Centre, Survey number 216 paiki 1, Behind gram panchayat hall, Atul 396 020, Gujarat, India	396 020	January 04, 2023	900	CSR00007021	Atul Rural Development Fund	ARDF hall, Near Riverside colony 1, Atul 396 020, Gujarat, India

3.9. Reasons if the Company has failed to spend two percent of the average net profit as per Section 135(5):
not applicable

Chairperson CSR Committee	Chairman and Managing Director
Shubhalakshmi Panse DIN: 02599310	Sunil Lalbhai DIN: 00045590

4. Secretarial Audit Report

Form number MR – 3 Secretarial Audit Report

For the financial year ended on March 31, 2023

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To the members of Atul Ltd

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- i. The Companies Act, 2013 (Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - 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, 2021
 - h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018
 - i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

Other sector specific laws as applicable to the Company, including product laws, pollution laws, manufacturing laws and safety laws as per confirmations of compliances placed before the Board of Directors, for our verification carried out on test-check basis and considered as assurance for existence of proper compliance management system.

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

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

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



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

We further report that the Board of Directors of the Company is duly constituted with proper balance of the Executive Directors and the Non-executive Directors (Independent and Non-independent). The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review, Mr Bharathy Mohanan ((Director identification number: 00198716) was re-appointed as a Whole-time Director of the Company from January 01, 2023 to May 25, 2025 and Mr Pradeep Banerjee (Director identification number: 02985965) was appointed as an Independent Director of the Company for five years from May 01, 2022 to April 30, 2027 in the Annual General Meeting of the Company held on July 29, 2022.

Adequate notice was 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 views of the dissenting members are captured and recorded as part of the minutes, wherever required.

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

We further report that during the audit period, there were no specific events | actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. Except buy-back offer of equity shares of the Company for an amount not exceeding ₹ 70 cr at a price not exceeding ₹ 11,000 per equity share against which the Company had finally bought back 73,296 equity shares from open market through stock exchanges at an average price of ₹ 9,536.31 per equity share {volume weighted average price calculated in terms of the SEBI (Buy-back of Securities) Regulations, 2018} at an aggregate consideration of ₹ 69.90 cr. The buy-back was closed on May 09, 2022.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)

Partner

Membership number: F3544

Certificate of practice number: 2356

UDIN: F003544E000226789

Peer review certificate number: 702 | 2020

Ahmedabad
April 28, 2023

Note: This report is to be read with our letter of even date, which is annexed as Annexure I and forms an integral part of this report.

Annexure – I to the Secretarial Audit Report

To the members of Atul Ltd

Subject: Secretarial Audit Report for the financial year ended on March 31, 2023

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)

Partner

Membership number: F 3544

Certificate of practice number: 2356

UDIN: F003544E000226789

Peer review certificate number: 702 | 2020

Ahmedabad
April 28, 2023

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

Particulars	Status		
		Number of times	
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year		if total remuneration of the Director is considered	if total remuneration of the Director, excluding variable pay and commission, is considered
	Rajendra Shah	3.21	0.78
	Bansi Mehta	4.94	0.96
	Susim Datta	3.68	0.70
	Srinivasa Rangan	2.93	0.61
	Mukund Chitale	4.78	1.05
	Shubhalakshmi Panse	3.35	0.61
	Baldev Arora	6.22	1.49
	Pradeep Banerjee**	2.93	0.44
	Sunil Lalbhai	335.27	144.71
	Samveg Lalbhai	77.76	33.86
	Bharathy Mohanan	40.88	36.06
	Gopi Kannan Thirukonda	54.12	47.17
ii) Percentage increase in remuneration of the Directors, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, if any, in the financial year	Directors		%
	Rajendra Shah		-
	Bansi Mehta		(3.41%)
	Susim Datta		-
	Srinivasa Rangan		(32.66%)
	Mukund Chitale		(8.79%)
	Shubhalakshmi Panse		-
	Baldev Arora		4.17%
	Pradeep Banerjee**		NA
	Chairman and Managing Director		
	Sunil Lalbhai		(1.13%)
	Managing Director		
	Samveg Lalbhai		4.90%
	Whole-time Director		
	Bharathy Mohanan		(10.83%)
Whole-time Director and Chief Financial Officer			
Gopi Kannan Thirukonda		0.66%	
Company Secretary			
Lalit Patni		2.66%	
iii) Percentage increase in the median remuneration of employees in the financial year			2.83%
iv) Number of permanent employees on the rolls of the Company			3,188
v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof. Also provide explanation if there are any exceptional circumstances for increase in the managerial remuneration	Average increase for Key Managerial Personnel and for other employees was about 8%. There is no exceptional increase in remuneration of Key Managerial Personnel.		
vi) 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 on March 31, 2023.

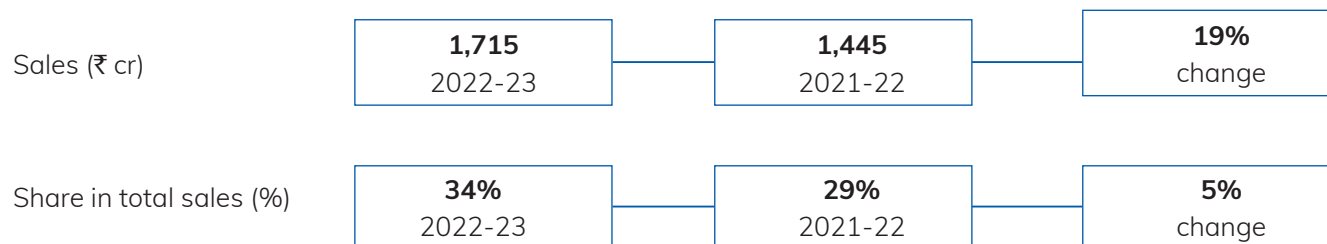
** part of the year

Management Discussion and Analysis

Ratios	2022-23	2021-22	Increase (Decrease)	Remark
Interest coverage ratio	447.50	317.67	41%	Negligible debt and interest cost; the Company is effectively operating at zero debt.
Debt-to-equity ratio	-	0.02	(100%)	
Return on net worth (%)	12.40%	15.15%	(18%)	-

Atul Ltd has identified two reporting segments, namely, Life Science Chemicals and Performance and Other Chemicals.

Life Science Chemicals segment



Life Science Chemicals segment consists of three sub-segments, namely, Crop Protection, Pharmaceuticals and Intermediates and Aromatics - I.

Crop Protection

Product groups: herbicides, insecticides, fungicides, others



The products falling under these product groups are used by customers belonging to the Agriculture and Crop Protection Chemicals industries. The product groups comprise 34 products and 70 formulations. 2,4-D, Indoxacarb, Isoprothiolane and Sulfonylurea herbicides are some of the key products.

During 2022-23, sales increased by 25% from ₹ 924 cr to ₹ 1,151 cr. Sales in India increased by 11% from ₹ 374 cr to ₹ 416 cr; bulk sales in India increased by 10% from ₹ 198 cr to ₹ 218 cr whereas retail sales, which is currently only in India, increased by 12% from ₹ 176 cr to ₹ 197 cr. Sales outside India increased by 34% from ₹ 550 cr to ₹ 735 cr and formed 64% of the total.

Growth on account of volume was 17%. The Company completed two projects and undertook one project for implementation.

The size of the world crop protection market is estimated to have increased from US\$ 65.2 bn in 2021 to

US\$ 69.3 bn in 2022. The main attributing factors for this are strong commodity prices, and high agrochemical prices resulting from disruption in the global supply chain. The world crop protection chemicals market is expected to



grow at a CAGR of 6% from 2023 to 2030, driven majorly by the rising consumption of food across the globe due to the increasing population.

The Company will participate in this growth by - i) improving internal efficiencies and working capital management, ii) promoting retail sales, iii) expanding the product portfolio

and securing more registrations, and iv) evaluating investment opportunities in vertical integration.

Floods or famines may adversely affect the demand. Fluctuations in foreign exchange may impact sales realisations. Given that some of these chemicals can be hazardous, it is essential to take due care in their

manufacture and use. Registration costs are high in certain countries. Also, geopolitical developments leading to supply chain disruptions and high cost of some of the main raw materials can impact the profitability of the business.

Pharmaceuticals and Aromatics – I

Product groups: active pharmaceutical ingredients and its intermediates, others



The products falling under these product groups are used by customers belonging to the Pharmaceutical industry for various therapeutic categories such as antidepressant, antidiabetic, anti-infective, antifungal, antiretroviral and cardiovascular. The product groups comprise 90 products. Acyclovir, Dapsone, Desvenlafaxine, Fluconazole, Valacyclovir and Venlafaxine are some of the active pharmaceutical ingredients (APIs) while carbamoyl, carbonates, chloride derivatives and chloroformates are some of the key intermediates.

During 2022-23, sales increased by 10% from ₹ 510 cr to ₹ 559 cr. Sales in India increased by 3% from ₹ 307 cr to ₹ 315 cr. Sales outside India increased by 20% from ₹ 203 cr to ₹ 244 cr and formed 44% of the total sales. Degrowth on account of volume was 5%. Sales was partially impacted due to fire in one of the plants. The plant is fully insured, and the claim is gradually being realised. The Company completed one project at the Atul site. Sales of Atul Bioscience Ltd (ABL), a 100% subsidiary company, increased by 25% from ₹ 126 cr to ₹ 158 cr. However, due to price pressure and new product regulatory

filings, there was a contraction of operating margins. During 2022-23, one of the sites of ABL completed regulatory inspections from the United States Food and Drug Administration and Health Canada without any critical | major observations.

The size of the world Pharmaceutical industry is estimated at US\$ 1.5 tn during 2022 and is estimated to reach US\$ 1.7 tn by 2025, of which the conventional pharmaceutical segment is estimated to be US\$ 1.1 tn. The size of the world API industry is estimated to be US\$ 195 bn during 2022 and is estimated to reach US\$ 25 bn by 2026. Biologics are estimated to have contributed about 52% of sales of

the top 100 products during 2022, while oncology will remain the largest therapy area with sales growing at about 12.7% CAGR.

The Company along with ABL will participate in this growth by - i) increasing manufacturing efficiencies, ii) debottlenecking and adding capacities, iii) introducing new products and iv) forming long-term strategic alliances with other companies.

The price and demand of some products have seen inconsistency and are likely to vary widely over the short-term. Fluctuations in foreign exchange may impact sales.



Performance and Other Chemicals segment

Sales (₹ cr)	3,287 2022-23	3,484 2021-22	(6%) % change
Share in total sales (%)	66% 2022-23	71% 2021-22	(5%) % change

Performance and Other Chemicals segment consists of four sub-segments, namely, Aromatics-II, Bulk Chemicals and Intermediates, Colors and Polymers.

Aromatics-II

Product groups: intermediates, perfumery, others



The products falling under these product groups are mainly used by customers belonging to Fragrance and Personal Care industries. The product groups comprise about 41 products. *para*-Cresol, *para*-Anisicaldehyde and *para*-Cresidine are some of the key products.

During 2022-23, sales decreased by 3% from ₹ 786 cr to ₹ 766 cr. Sales in India increased by 27% from ₹ 251 cr to ₹ 318 cr. Sales outside India decreased by 16% from ₹ 535 cr to ₹ 448 cr and formed 58% of the total sales. The decrease in sales on account of volume was 17%. The Company completed one project during the year.

The world market for *para*-Cresol (a key product) is estimated at 70,000 MT and is growing at about 2%. Though earlier the product used to be manufactured in the UK and the USA, China and India are now

major suppliers of the product. The size of the world Fragrance industry is estimated at US\$ 16 bn and is growing at about 5%. The size of the world Personal Care industry is estimated at US\$ 490 bn, of which personal care ingredients segment is US\$ 28 bn and is growing at about 5%.

The main user industries, namely, Fragrance and Personal Care are

growing well due to an improved standard of living. The Company will participate in this growth by - i) broadening its market reach, ii) increasing its manufacturing efficiencies, debottlenecking and adding capacities, iii) introducing new products and iv) evaluating inorganic growth opportunities.

Fluctuations in foreign exchange may impact sales realisations.



Bulk Chemicals and Intermediates

Product groups: bulk chemicals, adhesion promoters, others



The products falling under the bulk chemicals product groups are mainly used for internal consumption, while the products in the intermediate product groups are used by customers belonging to the Cosmetic, Dyestuff, Pharmaceutical and Tyre industries. The product groups comprise 23 products. Resorcinol, Resorcinol-formaldehyde resin and 1,3-Cyclohexanedione are some of the key products.

During 2022-23, sales remained stagnant - ₹ 312 cr in 2021-22 and ₹ 315 cr in 2022-23. Sales in India increased from ₹ 183 cr to ₹ 188 cr while sales outside India decreased from ₹ 129 cr to ₹ 127 cr. Sales outside India formed 40% of the total. Growth on account of volume was 2%.

The world market for Resorcinol (a key product) is estimated at US\$ 578 mn

and is growing at about 2.5%. The size of the world Tyre industry is estimated at US\$ 267 bn and is growing at about 8%. The size of the world Chlor-alkali industry is estimated at US\$ 69 bn and is growing at about 4%.

The Tyre industry is projected to grow supported by the resurgence in Asia Pacific. The captive consumption of bulk chemicals is expected to grow as the Company expands the manufacturing capacities of various

products. The Company will participate in this growth by - i) increasing its manufacturing efficiencies, ii) debottlenecking and adding capacities, iii) introducing downstream products and iv) widening its market reach.

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



Colors

Product groups: dyestuffs, pigments, dye-intermediates, textile chemicals, others



The product groups comprise 450 products. The products are used by customers belonging to the Textile, Paint and Coatings and Paper industries. Vat Green 1, Sulphur Black 1 and Pigment Red 168 are some of the key products.

During 2022-23, sales decreased by 22% from ₹ 802 cr to ₹ 624 cr. Sales in India decreased by 18% from ₹ 401 cr to ₹ 330 cr. Sales outside India decreased by 27% from ₹ 401 cr to ₹ 294 cr and formed 47% of the total. The decrease in sales on account of volume was 26%. Fluctuation in cotton prices affected the competitiveness of textile producers engaged in exports.

High inflation in textile importing countries and higher inventory levels across the textile value chain further impacted the demand of textile dyes and chemicals. This in turn affected the selling prices and margins of

dyes and chemicals. Denim producers were particularly affected leading to much lower capacity utilisation, which affected the sales of Sulphur black. Lower demand for exterior paints in Europe and other markets contributed



to a significant loss in sales of high-performance pigments. Rudolf Atul Chemicals Ltd (RACL), a joint venture company formed in 2011-12, provides a complete range of textile chemicals in the Indian market; its sales decreased by 8% from ₹ 121 cr to ₹ 111 cr, primarily because of volume. The size of the world Textile Dyestuff industry is estimated at US\$ 6.6 bn and is expected to grow at about 3% in the coming years. China continues to be the largest manufacturer of dyes followed by India. The world market

for high-performance pigments is estimated at US\$ 5.9 bn (constitutes both organic and inorganic pigments) and is expected to grow at about 4% in the coming years.

The main user industries, namely, Textile, Paper, Paint and Coatings will continue to be influenced by macro-economic and geo-political factors. The Company along with RACL is expected to grow by - i) improving capacity utilisation and managing cash flows ii) introducing new dyes and textile chemicals, iii) developing

newer applications for existing products and iv) broadening the market reach in new geographies.

Fluctuations in foreign exchange, high inflation in export markets, low demand and competition from China may impact sales realisations. Treatment costs are expected to remain high because of stricter regulatory norms and increasing demand for the implementation of green chemistry principles and ESG compliance.

Polymers

Product groups: epoxy resins, curing agents, reactive diluents, sulfones, protective paints, epoxy sealants, tapes and adhesives based on epoxy, synthetic rubber, polyurethane, cyanoacrylate, PVC and PVA



The products falling under these product groups are used by customers belonging to the Adhesives, Aerospace and Defence, Automotive, Composites, Construction, Electrical and Electronics, Food and Beverage packaging, Footwear, Marine, Paint and Coatings, Paper, Sport and Leisure, Transport and Wind Energy industries. The product groups comprise 47 synthetic products and 268 formulations. Liquid epoxy resins, solid epoxy resins, solvent cut resins, cycloaliphatic resins, epoxy phenol novolac, multifunctional resins, aromatic amines and their adducts, 4,4'-Diaminodiphenyl sulfone and 4,4'-Dichlorodiphenyl sulfone are some of the key products.

During 2022-23, sales decreased by 2% from ₹ 1,546 cr to ₹ 1,513 cr. Sales in India decreased by 2% from ₹ 945 cr to ₹ 927 cr; bulk sales in India decreased by 7% from ₹ 751 cr to ₹ 700 cr, whereas retail sales increased by 17% from ₹ 194 cr to ₹ 227 cr. Sales outside India decreased by 3% from ₹ 601 cr to ₹ 586 cr and

formed 39% of the total. Growth on account of volume was 7%.

The world market for epoxy resins and curing agents is estimated at US\$ 12 bn and is growing at about 3%, while the Indian market is estimated at US\$ 380 mn and is growing at about 6%. Seven major companies dominate the world marketplace. The world market for sulfones (curing agents) is estimated at US\$ 393 mn and is growing at about 6%.

The user industries, Construction, Defence, Electrical and Electronics, Paint and Coatings are growing well,

particularly in India. The Company will participate in this growth by – i) improving manufacturing and working capital efficiencies, ii) debottlenecking and adding capacities, iii) introducing new products and iv) widening market reach in new geographies.

Cheaper imports and new entrants in the market will keep the market competitive and may keep margins under pressure. Since the two main raw materials, namely Bisphenol-A and Epichlorohydrin, are imported, fluctuations in foreign exchange may impact margins.



Internal Control Systems



The Company has comprehensive internal control systems commensurate with the nature of its business, its size and the complexity of its operations. They provide reasonable assurance on the effectiveness and efficiency of its operations, reliability of financial reporting and compliance with the applicable laws and regulations.

The internal control systems that deploy an amalgam of modern and traditional processes are routinely tested and upgraded for both design and operational effectiveness by the Management and the same is audited by the Statutory Auditors. Significant audit observations and follow-up actions and recommendations thereon are also reported to the Senior Management and the Audit Committee for their review.

Internal Audit

The Company has an in-house Internal Audit department which includes professionals from finance and engineering disciplines and is also working with reputed audit firms specialising in internal audits. Together, they have the responsibility to identify areas requiring control enhancements, automation and implementation of leading practices for the Company, its subsidiary, joint venture and associate entities and also Atul Foundation and the entities overseen by it.

The annual internal audit plan is reviewed and approved by the Audit Committee to ensure adequate coverage. Progress of the internal audit plans, significant audit observations and the status of agreed actions are reviewed by the Management on a monthly basis and by the Audit Committee on a quarterly basis.

Enterprise Risk Management

The Company believes that risks are inevitable in any business and its approach is to identify, track and mitigate instead of avoiding them. Enterprise risk management (ERM) is an integral part of a business and its framework includes the identification, classification, assessment, prioritisation, mitigation, monitoring and reporting of key risks.

The Company has adopted a bottom-up and top-down approach

to drive ERM. The bottom-up approach includes the identification and regular assessment of risks by respective businesses and cross-functional teams and a plan for mitigating such risks in a structured manner. This is complemented by a top-down approach where the Senior Management ensures comprehensiveness of framework, effectiveness of mitigation measures and assesses long-term and macro risks. Risks are consolidated under major risk themes to create focus areas and prioritise mitigation plans.

The Company has constituted an ERM council comprising Senior Management officials to ensure adoption of a comprehensive framework and effectiveness of mitigation measures. ERM is driven by the Board of Directors through the Risk Management Committee of the Board.



Human Resources



The biggest asset of the Company are its people; it is promoting a culture that empowers its people

to be the best version of themselves essential to foster high engagement and consistent improvement in performance. It is creating a learning organisation and building end-to-end capabilities to be future-ready as its businesses further evolve and expand – it is committed to pervade technology in all its HR processes.

During 2022-23, the Company took four key people related initiatives: i) leveraging learnings through the period of COVID pandemic, it introduced flexi-time at Atul site, made four Saturdays per month off for locations other than its manufacturing sites and further liberalised medical reimbursement via medical insurance for its entire workforce, ii) it concluded a five-year settlement (instead of earlier three-year) with the union at Ambernath site of Atul Bioscience, iii) it commenced adding HR team members in businesses and functions so as to take the decision-making closer to where it is most required, iv) it digitalised recruitment process (that is from recruitment to selection);

digitalisation of recruitment process post-selection is under progress.

One of the key tests for the Company is to develop internal leadership pipeline and ensure that a much smaller number joins from outside in senior positions. This need is being addressed in five ways: i) preparing and executing development plan, ii) interactions with higher management, iii) participating in functional and cross-functional projects, iv) self-learning, v) attending courses (related to functional and people leadership). This will be further supported by an enhanced performance management system and improved promotion process. HR is also working with

internal functional and cross-functional teams to bring further clarity on the roles for better delivery of performance.

Employee relations at all locations remained cordial. The number of team members in the Company increased from 3,449 to 3,528 – the number comprises its own team members and those working for its retail businesses, information technology and finance via four subsidiary entities, namely Atul Crop Care, Atul Consumer Products, Atul Infotech and Atul Finserv. The number excludes team members in associate, joint venture and other subsidiary entities.



Corporate Governance Report

**When the mind is still,
truth gets her chance to be heard in the purity of silence.**

- Sri Aurobindo



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 earning the trust and respect of all its stakeholders.

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

2. Board

2.1. Board business

The normal business of the Board comprises:

2.1.1. Approving:

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

2.1.2. Monitoring:

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

2.1.3. Noting:

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



2.1.4. Recommending:

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

2.1.5. Reviewing:

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

2.1.6. Setting:

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

2.1.7. Others:

- i) Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- ii) Aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the shareholders.
- iii) Applying high ethical standards.
- iv) Assigning a sufficient number of 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 updated.
- vii) Exercising objective and independent judgement on corporate affairs.
- viii) Facilitating the Independent Directors to perform their roles effectively as Board Members and also as the members of Committees.
- ix) Meeting the expectations of operational transparency of the stakeholders while maintaining the 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 of up to five years. The contracts with Whole-time Directors provide a notice period of six months and severance pay as per the provisions of the Companies Act, 2013.

2.3. Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. It consists of 12 members comprising eight Non-executive Directors (including seven Independent) and four Executive Directors (including two promoters) as on March 31, 2023. The Independent Directors account for 58% of the strength of the Board, as against the minimum requirement of 50% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) and 33.33% as per the Companies Act, 2013.

The Independent Directors fulfil the conditions specified in the Regulations and are independent of the Management. The Board has identified certain skills | expertise | competence as required to be possessed by the Board of Directors to ensure the effective functioning of the business(es) and sectors of the Company. The mapping of these skills | expertise | competence among the Directors is as given here:

Skills expertise competence	Name of Directors
Commercial	Sunil Lalbhai, Samveg Lalbhai, Bharathy Mohanan
Domain industry	Baldev Arora, Sunil Lalbhai
Finance	Bansi Mehta, Srinivasa Rangan, Mukund Chitale, Shubhalakshmi Panse, Gopi Kannan Thirukonda
General management	Susim Datta, Shubhalakshmi Panse, Baldev Arora, Sunil Lalbhai
Legal, including laws related to corporate governance	Rajendra Shah, Bansi Mehta, Srinivasa Rangan, Mukund Chitale, Gopi Kannan Thirukonda
Sales and marketing	Susim Datta, Baldev Arora, Pradeep Banerjee, Sunil Lalbhai
Science and technology	Susim Datta, Baldev Arora, Pradeep Banerjee, Bharathy Mohanan

The Non-executive Directors are eminent professionals drawn from the above areas. Relevant details about the Board Members are as under:

No.	Name	Directorship(s) in other company(ies)*	Membership(s) of the Committee(s) of the Board(s)**	Chairmanship(s) of the Committee(s) of the Board(s) ²
Chairman and Managing Director				
01.	Sunil Lalbhai	6	2	3
Managing Director				
02.	Samveg Lalbhai	2	-	-
Whole-time Directors				
03.	Bharathy Mohanan	9	-	-
04.	Gopi Kannan Thirukonda	8	4	-
Non-executive Directors				
05.	Rajendra Shah	1	1	-
06.	Bansi Mehta	1	-	2
07.	Susim Datta	5	1	2
08.	Srinivasa Rangan	6	5	-
09.	Mukund Chitale	4	2	3
10.	Shubhalakshmi Panse	2	2	1
11.	Baldev Arora	-	1	1
12.	Pradeep Banerjee	8	4	2

*Excludes Directorships in foreign companies and private limited companies

**In compliance with Regulation 27 of the Regulations, Memberships | Chairmanships of only the Audit Committees and the Stakeholders Relationship Committees of all public limited companies, including the Company were considered

Mr Sunil Lalbhai and Mr Samveg Lalbhai are promoter Directors.

Except for Mr Rajendra Shah, all other Non-executive Directors are Independent.

The details of the Directors with respect to directorships in other listed entities along with their respective categories are as under:

No.	Name	Brief résumé	Name of other listed entities in which the Director is a director and Category
01.	Sunil Lalbhai	<p>Mr Sunil Lalbhai is a Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007.</p> <p>Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.</p>	<p>Amal Ltd Non-executive Director</p> <p>Navin Fluorine International Ltd Independent Director</p> <p>Pfizer Ltd Independent Director</p> <p>The Bombay Dyeing and Manufacturing Company Ltd Independent Director</p>
02.	Samveg Lalbhai	<p>Mr Samveg Lalbhai is a Director of the Company since January 2000 and a Managing Director of the Company since December 2000.</p> <p>Mr Lalbhai holds a graduate degree in Commerce from Gujarat University.</p>	<p>Bengal Tea and Fabrics Ltd Non-executive Director</p> <p>The Anup Engineering Ltd Non-executive Director</p>
03.	Bharathy Mohanan	<p>Mr Bharathy Mohanan joined the Company in August 1992 and is a Whole-time Director since January 2009. He is currently the President, Utilities and Services and the Occupier of the Company.</p> <p>Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut.</p>	-
04.	Gopi Kannan Thirukonda	<p>Mr Gopi Kannan Thirukonda joined the Company in October 1993 and is a Whole-time Director since October 2014. He is currently the Chief Financial Officer of the Company.</p> <p>Mr Gopi Kannan holds a graduate degree in Science from the University of Madras and a postgraduate diploma in management from the Indian Institute of Management Ahmedabad. He is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India.</p>	Amal Ltd Non-executive Director
05.	Rajendra Shah	<p>Mr Rajendra Shah is a Director of the Company since May 1983. He is a Senior Partner of Crawford Bayley & Co, a firm of Solicitors and Advocates.</p> <p>Mr Shah holds a graduate degree in Law from the University of Mumbai and has passed the Solicitor exam from the Honourable High Court of Bombay.</p>	BASF India Ltd Independent Director
06.	Bansi Mehta	<p>Mr Bansi Mehta is a Director of the Company since April 1992. He is the Chief Mentor at Bansi S Mehta & Co since 2009.</p> <p>Mr Mehta holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.</p>	Pidilite Industries Ltd Independent Director
07.	Susim Datta	<p>Mr Susim Datta is a Director of the Company since October 2002. He was the Chairman of Hindustan Unilever Ltd as well as of all Unilever Group companies in India and Nepal from 1990 to 1996.</p> <p>Mr Datta holds a postgraduate degree in Science and Technology from the University of Calcutta and is a Chartered Engineer.</p>	IL&FS Investment Managers Ltd Independent Director

No.	Name	Brief résumé	Name of other listed entities in which the Director is a director and Category
08.	Srinivasa Rangan	<p>Mr Srinivasa Rangan is a Director of the Company since July 2010. He is an Executive Director of Housing Development Finance Corporation Ltd.</p> <p>Mr Rangan holds a graduate degree in Commerce from the University of Delhi and is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Cost and Management Accountants of India.</p>	<p>Computer Age Management Services Ltd Non-executive Director</p> <p>Housing Development Finance Corporation Ltd Executive Director</p>
09.	Mukund Chitale	<p>Mr Mukund Chitale is a Director of the Company since October 2014. He is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co.</p> <p>Mr Chitale holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.</p>	<p>Bhageria Industries Ltd Independent Director</p> <p>Larsen & Toubro Ltd Independent Director</p> <p>Macrotech Developers Ltd Independent Director</p>
10.	Shubhalakshmi Panse	<p>Ms Shubhalakshmi Panse is a Director of the Board since March 2015. She was the Chairperson and Managing Director of Allahabad Bank Ltd.</p> <p>Ms Panse holds a postgraduate degree in Science from Pune University and a postgraduate degree in Business Administration from Drexel University and is a certified Associate of the Indian Institute of Bankers.</p>	<p>Can Fin Homes Ltd Independent Director</p> <p>Sudarshan Chemical Industries Independent Director</p>
11.	Baldev Arora	<p>Mr Baldev Arora is a Director of the Board since April 2015. He was the Chairman of Cyanamid Agro Ltd and the Chairman and Managing Director of Wyeth Lederle Ltd.</p> <p>Mr Arora holds a graduate degree in Mechanical Engineering from the Punjab University.</p>	-
12.	Pradeep Banerjee	<p>Mr Pradeep Banerjee is a Director of the Board since May 2022. He was an Executive Director on the Board of Hindustan Unilever Ltd (HUL), Managing Director of a joint venture entity of HUL in Singapore, and the Chairman of a joint venture entity in Nepal. He is a senior advisor to Boston Consulting Group and also a Designated Partner in Pradeep Banerjee Associates LLP.</p> <p>Mr Banerjee holds a graduate degree in Chemical Engineering from Indian Institute of Technology, Delhi.</p>	<p>Chambal Fertilisers and Chemicals Ltd Independent Director</p> <p>Gabriel India Ltd Independent Director</p> <p>Jubilant Ingrevia Ltd Independent Director</p> <p>Whirlpool of India Ltd Independent Director</p>

2.4. Board meetings

The Board meeting dates were normally determined well in advance. During 2022-23, the Board met five times.

No.	Day	Date	Venue
1.	Tuesday	April 26, 2022	Mumbai
2.	Friday	July 22, 2022	Mumbai
3.	Friday	October 21, 2022	Mumbai
4.	Friday	January 20, 2023	Mumbai
5.	Friday	March 24, 2023	Mumbai

2.5. Attendance at the Board meetings and the AGM

No.	Name	Board meetings		AGM on July 29, 2022
		Total	Attended	
01.	Sunil Lalbhai	5	5	Present
02.	Rajendra Shah	5	5	-
03.	Bansi Mehta	5	4	-
04.	Samveg Lalbhai	5	5	Present
05.	Susim Datta	5	5	Present
06.	Bharathy Mohanan	5	5	Present
07.	Srinivasa Rangan	5	3	-
08.	Mukund Chitale	5	5	Present
09.	Gopi Kannan Thirukonda	5	5	Present
10.	Shubhalakshmi Panse	5	5	Present
11.	Baldev Arora	5	5	Present
12.	Pradeep Banerjee	4	4	Present

2.6. Appointment | Cessation

2.6.1. Appointed:

- i) Mr Pradeep Banerjee was appointed as an Independent Director effective May 01, 2022.
- ii) Mr Bharathy Mohanan was reappointed as a Whole-time Director effective January 01, 2023.

2.6.2. Ceased: nil

2.6.3. Resigned: nil

2.7. Remuneration

No.	Name	Remuneration during the year (₹)			Total
		Sitting fees	Salary and perquisites	Commission	
Chairman and Managing Director					
01.	Sunil Lalbhai	-	5,81,29,606	7,65,44,600	13,46,74,206
Managing Director					
02.	Samveg Lalbhai	-	1,35,99,188	1,76,34,030	3,12,33,218
Whole-time Directors					
03.	Bharathy Mohanan	-	1,64,22,423 ¹	-	1,64,22,423
04.	Gopi Kannan Thirukonda	-	2,17,39,428 ²	-	2,17,39,428
Non-executive Directors					
05.	Rajendra Shah	3,15,000	-	9,75,000	12,90,000
06.	Bansi Mehta	3,85,000	-	16,00,000	19,85,000
07.	Susim Datta	2,80,000	-	12,00,000	14,80,000
08.	Srinivasa Rangan	2,45,000	-	9,33,400	11,78,400
09.	Mukund Chitale	4,20,000	-	15,00,000	19,20,000
10.	Shubhalakshmi Panse	2,45,000	-	11,00,000	13,45,000
11.	Baldev Arora	6,00,000	-	19,00,000	25,00,000
12.	Pradeep Banerjee	1,75,000	-	10,00,000	11,75,000

¹Includes variable pay ₹ 19,37,000

²Includes variable pay ₹ 25,69,000

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

Commission of up to 1% of the net profit of the Company to the Non-executive Directors was approved by the members of the Company at the AGM held on July 27, 2018, for a period of five years, effective April 01, 2018. The Board approves, within the aforesaid limit as per the Remuneration Policy of the Company, the commission payable to each Non-executive Director. The Remuneration policy is disclosed on the website of the Company at www.atul.co.in/investors/policies.

3. Committees of the Board

The Board has constituted the following Committees:

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

3.1. Audit Committee

3.1.1. Role

- i) Approving:
 - appointment of the Chief Financial Officer
 - transactions with related parties and subsequent modifications thereof
- ii) Conducting:
 - pre-audit discussions with the Auditors regarding the 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:
 - code of conduct and related matters
 - scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor
- iv) Reviewing:
 - adequacy of the internal audit function, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
 - compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
 - compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively
 - financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
 - 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
 - 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
 - significant transactions and arrangements entered into by the unlisted subsidiary companies
 - the annual Financial Statements and Auditor's Report with the Management before submission to the Board for approval with particular reference to:
 - > any change 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 the 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
- the Auditors' independence, performance and effectiveness of the audit process
- the Financial Statements, in particular, investments made by unlisted subsidiary companies
- the 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
- the functioning of the whistleblowing mechanism
- utilisation of loans | advances from the holding company to the subsidiary company or investments by the holding company in the subsidiary company exceeding ₹ 100 cr or 10% of the asset size of the subsidiary company, whichever is lower
- 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
- 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 purposes other than those stated and the report submitted by the monitoring agency monitoring the utilisation of proceeds of such issue

v) Others:

- Consider and comment on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc on the Company and the shareholders.
- 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.
- Other functions as mentioned in the terms of reference of the Audit Committee.

3.1.2. Composition

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

No.	Name	Designation
1.	Bansi Mehta	Chairman
2.	Srinivasa Rangan	Member
3.	Baldev Arora	Member
4.	Mukund Chitale	Member

3.1.3. Meetings and attendance

During 2022-23, four meetings were held.

No.	Name	Total	Attended
1.	Bansi Mehta	4	4
2.	Srinivasa Rangan	4	3
3.	Baldev Arora	4	4
4.	Mukund Chitale	4	4

The Statutory Auditors, the Cost Auditors, the Chairman and Managing Director, the Whole-time Director and Chief Financial Officer (CFO), the Company Secretary, and 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. Corporate Social Responsibility Committee

3.2.1. Role

- i) Formulating and recommending the Corporate Social Responsibility (CSR) Policy to the Board.
- ii) Formulating and recommending to the Board the annual action plan, which must include:
 - a) the list of CSR projects or programs that are to be undertaken
 - b) the manner of execution
 - c) the modalities of utilisation of funds and implementation schedules
 - d) monitoring and reporting mechanism
 - e) details of need and impact assessment
- iii) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profit in a given year.
- iv) Monitoring the CSR Policy from time to time.
- v) Recommending the amount of expenditure to be incurred on the CSR activities, which may not be less than 2% of the average net profit of the last three years.

3.2.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	Shubhalakshmi Panse	Chairperson
2.	Sunil Lalbhai	Member
3.	Bharathy Mohanan	Member

3.2.3. Meetings and attendance

During 2022-23, one meeting was held.

No.	Name	Total	Attended
1.	Shubhalakshmi Panse	1	1
2.	Sunil Lalbhai	1	1
3.	Bharathy Mohanan	1	1

The Board notes the minutes of the CSR Committee meetings.

3.3. Investment Committee

3.3.1. Role

- i) Approving capital expenditure proposals exceeding ₹ 5 cr, but not exceeding ₹ 25 cr each.
- ii) Recommending to the Board for approval of capital expenditure proposals exceeding ₹ 25 cr each.
- iii) Recommending to the Board acquisition, disinvestment and divestment proposals.

- iv) Reviewing business strategies.
- v) Reviewing progress of the approved projects.

3.3.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	Rajendra Shah	Chairman
2.	Bansi Mehta	Member
3.	Susim Datta	Member
4.	Sunil Lalbhai	Member
5.	Baldev Arora	Member

3.3.3. Meetings and attendance

During 2022-23, two meetings were held.

No.	Name	Total	Attended
1.	Rajendra Shah	2	2
2.	Bansi Mehta	2	2
3.	Susim Datta	2	2
4.	Sunil Lalbhai	2	2
5.	Baldev Arora	2	2

The Board notes the minutes of the Investment Committee meetings.

3.4. Nomination and Remuneration Committee

3.4.1. Role

- i) Devising a policy on Board diversity.
- ii) Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.
- iii) Formulating criteria for evaluation of the Independent Directors and the Board.
- iv) 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.
- v) 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 an evaluation of the performance of every Director.
- vi) Recommending | Determining remuneration of the Executive Directors | Senior Management Personnel as per the policy.

3.4.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	Mukund Chitale	Chairman
2.	Rajendra Shah	Member
3.	Baldev Arora	Member

3.4.3. Meetings and attendance

During 2022-23, two meetings were held.

No.	Name	Total	Attended
1.	Mukund Chitale	2	2
2.	Rajendra Shah	2	2
3.	Baldev Arora	2	2

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

3.5. Risk Management Committee

3.5.1. Role

- i) Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities.
- ii) Formulate a detailed risk management policy.
- iii) Monitor and review risk management plan (including plan for cyber security).
- iv) Monitor and review the process and progress of:
 - risk identification and definition
 - risk classification
 - risk assessment and prioritisation
 - risk mitigation
 - risk tracking | reporting mechanism
- v) Review periodically and suggest changes in the Risk Management Policy to the Board.

3.5.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	Sunil Lalbhai	Chairman
2.	Bharathy Mohanan	Member
3.	Gopi Kannan Thirukonda	Member
4.	Baldev Arora	Member

3.5.3. Meetings and attendance

During 2022-23, two meetings were held.

No.	Name	Total	Attended
1.	Sunil Lalbhai	2	2
2.	Bharathy Mohanan	2	2
3.	Gopi Kannan Thirukonda	2	2
4.	Baldev Arora	2	2

The Company Secretary and the Chief Assurance Officer are permanent invitees to the meetings. The Board notes the minutes of the Risk Management Committee meetings.

3.6. Stakeholders Relationship Committee

3.6.1. Role

- i) Considering and resolving grievances (including complaints related to the non-receipt of annual reports, non-receipt of declared dividends and transfer of shares) of security holders (including the shareholders, debenture holders and other security holders).
- ii) Resolving the grievances of the security holders related to general meetings, issue of new | duplicate certificates, non-receipt of the annual report, non-receipt of declared dividends and transfer | transmission of shares, etc.
- iii) Reviewing any other related matter, which the Committee may deem fit in the circumstances of the case, including the following:
 - adherence to the service standards with respect to various services being rendered by the Registrar and share transfer agent
 - change of name(s) of the members on share certificates
 - consolidation of share certificates
 - deletion of name(s) from share certificates
 - deletion of name(s) of guardian(s)
 - dematerialisation of shares

- issue of duplicate share certificates
- measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants | annual reports | statutory notices by the shareholder(s) of the Company
- measures taken for the effective exercise of voting rights by the shareholder(s)
- rematerialisation of shares
- replacement of shares
- splitting-up of shares
- transfer of shares
- transmission of shares
- transposition of names

3.6.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	Baldev Arora	Chairman
2.	Sunil Lalbhai	Member
3.	Gopi Kannan Thirukonda	Member

Mr Lalit Patni, Company Secretary, is the Chief Compliance Officer.

3.6.3. Meetings and attendance

During 2022-23, four meetings were held.

No.	Name	Total	Attended
1.	Baldev Arora	4	4
2.	Sunil Lalbhai	4	4
3.	Gopi Kannan Thirukonda	4	4

During 2022-23, 22 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	-	-
2.	Non-receipt of share certificates	-	-
3.	Non-receipt of duplicate share certificates	19	19
4.	Others	3	3
	Total	22	22

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

4. Subsidiary companies registered in India

As on March 31, 2023, the Company had 33 non-material Indian subsidiary companies:

- 10 wholly-owned – Aaranyak Urmi Ltd, Atul Bioscience Ltd, Atul Biospace Ltd, Atul Consumer Products Ltd, Atul Crop Care Ltd, Atul Fin Resources Ltd, Atul Finserv Ltd, Atul Infotech Pvt Ltd, Atul Products Ltd and Osia Infrastructure Ltd
- 22 others – Aasthan Dates Ltd, Anchor Adhesives Pvt Ltd, Atul Aarogya Ltd, Atul Ayurveda Ltd, Atul Clean Energy Ltd, Atul Entertainment Ltd, Atul Healthcare Ltd, Atul Hospitality Ltd, Atul Lifescience Ltd, Atul Natural Dyes Ltd, Atul Natural Foods Ltd, Atul Nivesh Ltd, Atul Paints Ltd, Atul Polymers Products Ltd, Atul Renewable Energy Ltd, Atul (Retail) Brands Ltd, Atul Seeds Ltd, Biyaban Agri Ltd, Jayati Infrastructure Ltd, Osia Dairy Ltd, Raja Dates Ltd and Sehat Foods Ltd
- one joint venture – Atul Rajasthan Date Palms Ltd

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

5. Company policies

5.1. Compliance

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

5.2. Code of conduct

The code of conduct is available on the website of the Company at www.atul.co.in/investors/policies. 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 the prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. The status of complaints during 2022-23 is as under:

Filed during 2022-23	1
Disposed of during 2022-23	1
Pending as at the end of 2022-23	Nil

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/policies.

5.5. 'Material' subsidiary companies

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

5.6. Familiarisation programs

The details of familiarisation programs imparted to Independent Directors are disclosed on the website of the Company at www.atul.co.in/about/directors/.

5.7. Whistleblowing Policy

The Company has formulated a vigil mechanism (Whistleblowing Policy) and is displayed on its website of the Company at www.atul.co.in/investors/policies.

5.8. Commodity price risk or foreign exchange risk and hedging activities

i) Risk management policy on commodities, including through hedging

The Company has in place a Risk Management Policy and mechanism to assess risks, periodically review them and steps are taken to mitigate them. The Company uses certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing products of the Company. Hedging mechanisms for products are not available for the major chemicals purchased by the Company. However, for minimising procurement risk for a short duration, the Company enters into annual purchase contracts for key raw materials linked to input costs | published benchmark prices.

ii) Exposure of the Company to commodity and commodity risks faced throughout the year: not applicable

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

5.9. Credit ratings

CARE Ratings maintained its credit rating at 'AA+' (Double A plus) and stable outlook for long-term bank facilities and 'A1+' (A One plus) for short-term bank facilities.

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 2022-23 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. 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

7.1.1. Location and time where the last three AGMs were held:

Year	Location	Date	Time
2019-20	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 31, 2020	10:30 am
2020-21	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 30, 2021	10:30 am
2021-22	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 29, 2022	10:30 am

7.1.2. Special resolutions passed in the previous three AGMs: yes

7.1.3. Resolutions passed through postal ballot: nil

7.2. Annual General Meeting 2023

Details of the 46th AGM are as under:

Year	Location	Date	Time
2022-23	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 28, 2023	10:30 am

As required under Regulation 36(3) of the Regulations, particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

7.3. Financial year

April 01 to March 31

7.4. Date of book closure

July 15, 2023 to July 21, 2023

7.5. Date of dividend payment

August 02, 2023

7.6. Listing on the stock exchanges

Equity shares of the Company are listed on the BSE Ltd (BSE) and the National Stock Exchange of India Ltd (NSE). The Company has paid listing fees for 2022-23 to the stock exchanges where securities are listed. Pursuant to a circular of the Securities and Exchange Board of India, custody charges were also paid to the depositories, namely National Securities Depository Ltd and Central Depository Services (India) Ltd. The International Securities Identification Number of the equity shares of the Company is INE100A01010. The corporate identity number is L99999GJ1975PLC002859.

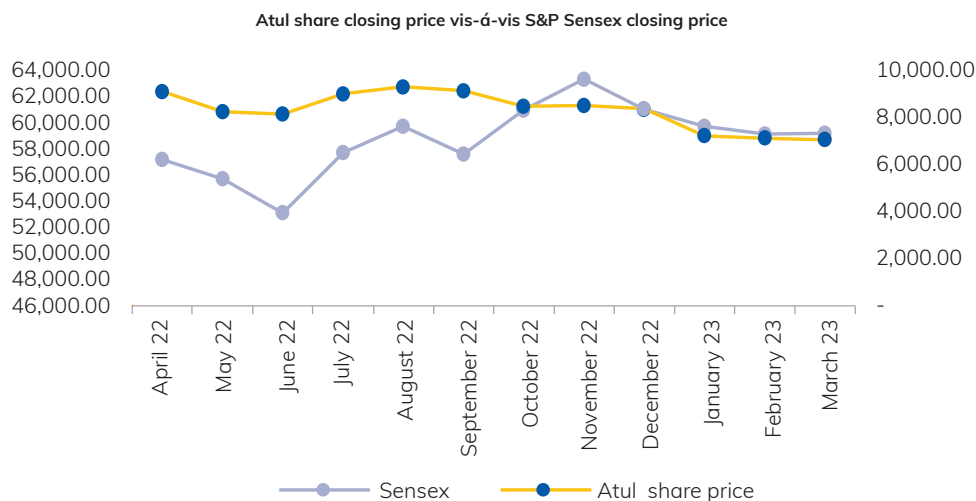
7.7. Stock code

BSE: 500027 and NSE: ATUL

7.8. Share price data and comparison with the BSE Sensex

The monthly high and low share prices of the Company in comparison with the BSE Sensex during 2022-23 are as under:

Month	Share price of the Company on BSE		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹
April 2022	10,295.20	8,693.05	60,845.10	56,009.07
May 2022	8,924.00	7,757.00	57,184.21	52,632.48
June 2022	8,244.75	7,766.20	56,432.65	50,921.22
July 2022	8,942.90	7,800.00	57,619.27	52,094.25
August 2022	9,520.00	8,850.05	60,411.20	57,367.47
September 2022	9,805.00	8,684.70	60,676.12	56,147.23
October 2022	9,148.30	8,107.30	60,786.70	56,683.40
November 2022	8,591.50	7,930.00	63,303.01	60,425.47
December 2022	8,946.60	7,797.20	63,583.07	59,754.10
January 2023	8,332.90	6,868.95	61,343.96	58,699.20
February 2023	7,473.60	6,949.85	61,682.25	58,795.97
March 2023	7,164.25	6,750.00	60,498.48	57,084.91



7.9. Registrar and transfer agent

Link Intime India Pvt Ltd

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

7.10. Share transfer system

Securities lodged for transfer at the office of the Registrar are processed within 15 days from the date of lodgement, if the documents are clear in all respect. All requests for the dematerialisation of securities are processed and the confirmation is given to the depositories within 15 days or the additional time allowed by the SEBI, as the case may be.

Pursuant to Regulation 40(9) of the Regulations, certificates on a yearly basis were issued by the Company Secretary in practice for due compliance with share transfer formalities by the Company. Pursuant to the Securities and Exchange

Board of India (Depositories and Participants) Regulations, 2018, 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, 2023

7.11.1. Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 - 10	38,675	55.46	1,46,386	0.50
11 - 50	18,620	26.70	4,89,550	1.66
51 - 100	5,437	7.80	4,19,160	1.42
101 - 500	5,406	7.75	12,15,440	4.12
501 - 1,000	798	1.14	5,82,710	1.97
1,001 - 2,000	341	0.49	4,88,863	1.66
2,001 - 3,000	118	0.17	2,92,275	0.99
3,001 - 4,000	65	0.09	2,37,017	0.80
4,001 - 5,000	44	0.06	2,02,330	0.69
5,001 - 10,000	80	0.11	5,68,430	1.93
10,001 and above	148	0.21	2,48,71,594	84.27
Total	69,732	100	2,95,13,755	100

7.11.2. Category-wise:

Category	Shares (numbers)	Shareholding (%)
Promoter group	1,32,97,428	45.06
Mutual funds	58,97,791	19.98
Indian public	55,28,802	18.73
Foreign institutional investors	24,08,051	8.16
Insurance companies	15,33,369	5.20
Bodies corporate	6,46,442	2.19
Non-resident Indians other body corporates	1,85,904	0.63
Banks	15,632	0.05
State government	336	0.00
Total	2,95,13,755	100

7.12. Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the members as on March 31, 2023, as follows:

98.90% in an electronic form and 1.10% in the physical form.

7.13. Outstanding American Depository Receipts | Global Depository Receipts | warrants or any convertible instruments, conversion date and their likely impact on equity

The 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.

7.14. Equity shares held by the Non-executive Directors

No.	Name	Shares
1.	Rajendra Shah	14,960
2.	Bansi Mehta	162
3.	Susim Datta	11,000
4.	Srinivasa Rangan	5,000
5.	Mukund Chitale	50
6.	Shubhalakshmi Panse	50
7.	Baldev Arora	100
8.	Pradeep Banerjee	15

7.15. Location of plants

- i) Atul 396 020, Gujarat, India
- ii) GIDC, Ankleshwar 393 002, Gujarat, India
- iii) GIDC, Kharod 394 115, Gujarat, India
- iv) MIDC, Tarapur 401 506, Maharashtra, India

7.16. Address for correspondence

Secretarial and Legal department, Atul Ltd, Atul 396 020, Gujarat, India
E-mail address: sec@atul.co.in

7.17. E-mail address of grievance redressal office

shareholders@atul.co.in

7.18. 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 downloaded from www.atul.co.in/investors/contact

7.19. Communication

Report presentation sent to each household of the members	Quarterly, half-yearly and annual investors' presentations were sent to the members through e-mail.
Results	Quarterly, half-yearly and annual 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.
Websites where displayed	On the website of the Company: www.atul.co.in On the website of the stock exchanges: 1. www.bseindia.com 2. www.nseindia.com
Presentations made to institutional investors or analysts	Presentation was made to analysts on April 27, 2022, a copy thereof was displayed on the website of the Company and circulated to the members through e-mail.
Management Discussion and Analysis	Management Discussion and Analysis is a part of the annual report.
Official news releases	Official news releases as and when issued are placed on the website of the Company.

7.20. Tentative Board meeting dates for consideration of results for 2023-24

No.	Particulars	Dates
1.	First quarter results	July 21, 2023
2.	Second-quarter and half-yearly results	October 20, 2023
3.	Third quarter results	January 19, 2024
4.	Fourth quarter and annual results	April 26, 2024



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

8.1. Compliance with the mandatory requirements

The Company complied with the mandatory requirements of Corporate Governance as specified in Regulations 17 to 27 and Clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Regulations.

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. Payment to Statutory Auditors

During 2022-23, ₹ 0.96 cr was paid by the Company and its subsidiary companies to the Statutory Auditors | entities in network firm | network entity of which the Statutory Auditors are a member.

10. Evaluation by the Independent Directors

The Independent Directors at their meeting held on March 24, 2023, carried out an annual evaluation in accordance with Regulation 25(4) of the Regulations.

11. Role of the Company Secretary in the overall governance process

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

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

Mr Sunil Lalbhai, Chairman and Managing Director and Mr Gopi Kannan Thirukonda, Whole-time Director and CFO, issued a certificate to the Board as prescribed under Regulation 17(8) of the Regulations.

The said certificate was placed before the Board at the meeting held on April 28, 2023, in which the accounts for the year ended on March 31, 2023, were considered and approved by the Board.

13. Certification by the Practicing Company Secretary

Certificate from RPAP & Co, Practicing Company Secretary, regarding the compliance of conditions of Corporate Governance as stipulated in Schedule V of the Regulations, and non-disqualification | non-debarment of the Directors of the Company, forms a part of the annual report.

14. Declaration by the Chairman and Managing Director

In accordance with Schedule V of the Regulations 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.

Mumbai
April 28, 2023

For Atul Ltd
(Sunil Lalbhai)
Chairman and Managing Director
DIN: 00045590

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 on March 31, 2023, as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and Clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination and verification of records were limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, the Ministry of Corporate Affairs or any other statutory authority.

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

For RPAP & Co
Company Secretaries

(Rajesh Parekh)

Partner

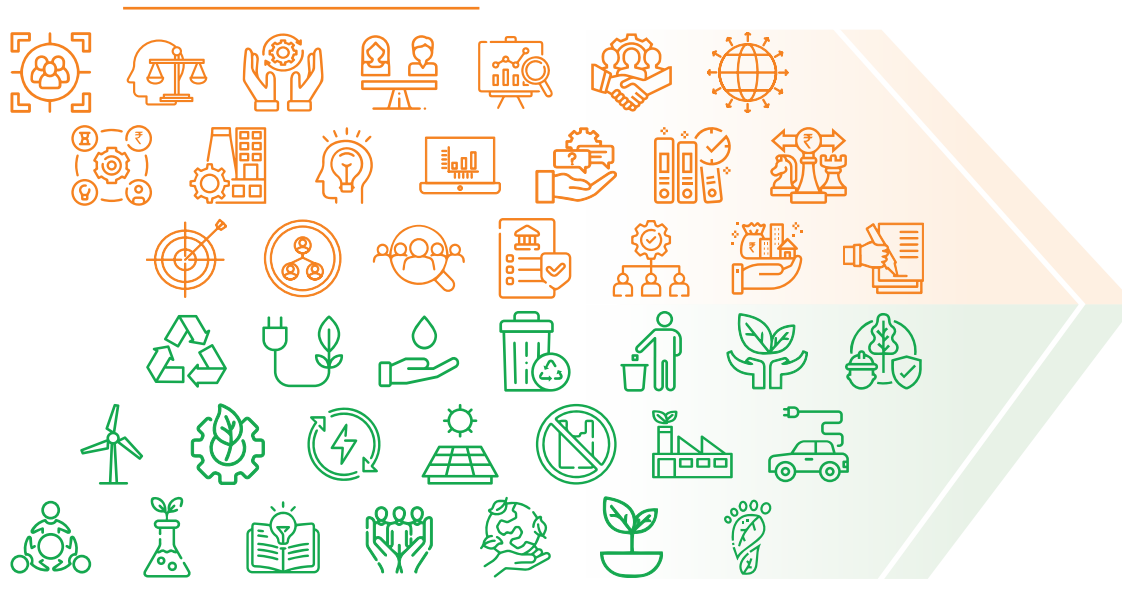
Membership number: A8073

Certificate of practice number: 2939

UDIN: A008073E000214281

Peer review certificate number: 1305 | 2021

Ahmedabad
April 28, 2023



Business Responsibility and Sustainability Report

SECTION A: GENERAL DISCLOSURE

I. BASIC DETAILS

01. Corporate identity number	L99999GJ1975PLC002859
02. Name	Atul Ltd
03. Year of incorporation	1975
04. Registered office address	Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India
05. Corporate office address	Atul 396 020, Gujarat, India
06. E-mail address	sec@atul.co.in
07. Telephone	(+91 2632) 230000
08. Website	www.atul.co.in
09. Financial year	2022-23
10. Stock exchanges	BSE Ltd and National Stock Exchange of India Ltd
11. Paid-up capital	₹ 29,51,37,550
12. Contact person	Mr Bharathy Mohanan (+91 2632) 230000 bn_mohanan@atul.co.in
13. Reporting boundary	Standalone

II. PRODUCTS | SERVICES

14. Business activities

No.	Main activities	Business activities	% of total turnover
1.	Life Science Chemicals	R&D, technology, procurement, manufacturing, sales and marketing	36%
2.	Performance and Other Chemicals	R&D, technology, procurement, manufacturing, sales and marketing	63%
3.	Others	R&D, technology, procurement, manufacturing, sales and marketing	1%

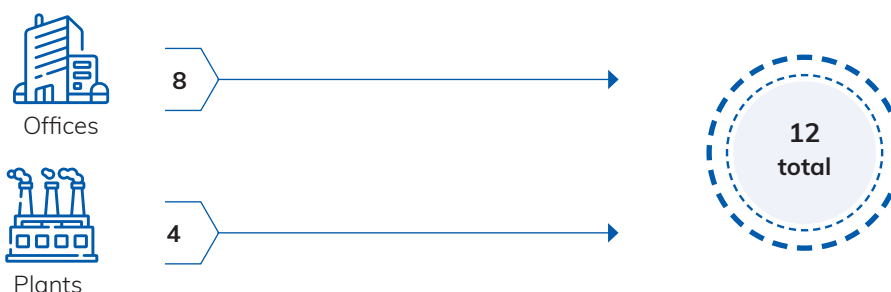
15. Products | services sold

No.	Products Services	NIC* code	% of total turnover
1.	Intermediates	201	31%
2.	Epoxy resins and hardeners	202	30%
3.	Herbicides	202	23%
4.	Textile dyestuffs	202	12%

*National Informatics Centre

III. OPERATIONS

16. Number of locations where offices and plants are situated



17. Markets served

a) Number of locations

Locations	Numbers
National (states)	29
International (countries)	83

b) Contribution of exports as a percentage of total turnover
50%

c) Types of customers
The Company serves ~ 4,000 customers belonging to ~ 30 diverse industries.

IV. EMPLOYEES

18. As at the end of the financial year

No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
a. Employees						
Managers						
1.	Permanent managers (A)	1,737	1,598	92%	139	8%
2.	Other than permanent managers (B)	43	35	81%	8	19%
3.	Total managers (A+B)	1,780	1,633	92%	147	8%
Workers						
4.	Permanent workers (C)	1,447	1,447	100%	-	NA
5.	Other than permanent workers (D)	2,558	2,520	99%	38	1%
6.	Total workers (C+D)	4,005	3,967	99%	38	1%
b. Differently abled employees						
Managers						
1.	Permanent managers (E)	4	4	100%	-	NA
2.	Other than permanent managers (F)	-	-	NA	-	NA
3.	Total differently abled managers (E+F)	4	4	100%	-	NA
Workers						
4.	Permanent workers (G)	-	-	NA	-	NA
5.	Other than permanent workers (H)	-	-	NA	-	NA
6.	Total differently abled workers (G+H)	-	-	NA	-	NA

NA: not applicable

19. Representation of women

	Total (A)	No. and % of females	
		No. (B)	% (B/A)
 Board of Directors	12	1	8%
 Key Managerial Personnel (KMP)	5	-	-

20. Turnover rate for permanent employees (%)

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
MANAGERS	19%	14%	19%	19%	16%	19%	10%	8%	10%
WORKERS	10%	-	10%	10%	-	10%	9%	-	9%

V. HOLDING, SUBSIDIARY AND ASSOCIATE ENTITIES (INCLUDING JOINT VENTURES)

21. Subsidiary, joint venture and associate entities

This information is given on page numbers 30 and 31 in the annexure to the Directors' Report. The entities do not participate in business responsibility initiatives.

VI. CORPORATE SOCIAL RESPONSIBILITY

22. Applicability of CSR as per Section 135 of the Companies Act, 2013



VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints or grievances on any of the nine principles under National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance redressal mechanism and its URL	2022-23			2021-22		
		Complaints received	Complaints pending resolution	Remarks	Complaints received	Complaints pending resolution	Remarks
Communities	A mechanism is in place to interact with community leaders to understand and address their concerns, if any	Nil	Nil	-	6	Nil	-
Shareholders	Under implementation	22	Nil	-	9	Nil	-
Investors (other than shareholders)		Nil	Nil	-	Nil	Nil	-
Employees		Nil	Nil	-	Nil	Nil	-
Customers		Nil	Nil	-	Nil	Nil	-
Value chain partners		Nil	Nil	-	Nil	Nil	-

24. Overview of material responsible business conduct areas

High Medium Low

Material area identified	Criticality	Mitigating actions
Human resources development		<ul style="list-style-type: none"> • Learning and development initiatives • Performance management quality
Circular economy		<ul style="list-style-type: none"> • Recycle of water • Decrease in emissions, effluent and waste • Recycle of plastic waste • Conversion of domestic waste to manure
Energy efficiency		<ul style="list-style-type: none"> • Energy saving through process efficiency and redesign of equipment
Product stewardship		<ul style="list-style-type: none"> • Decrease in consumption of raw materials
Occupational health and safety		<ul style="list-style-type: none"> • Implementation of ISO 45001:2018 (occupational health and safety management system) • Actions on zero harm • Safety assessments and audits

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

NGRBC principles and core elements

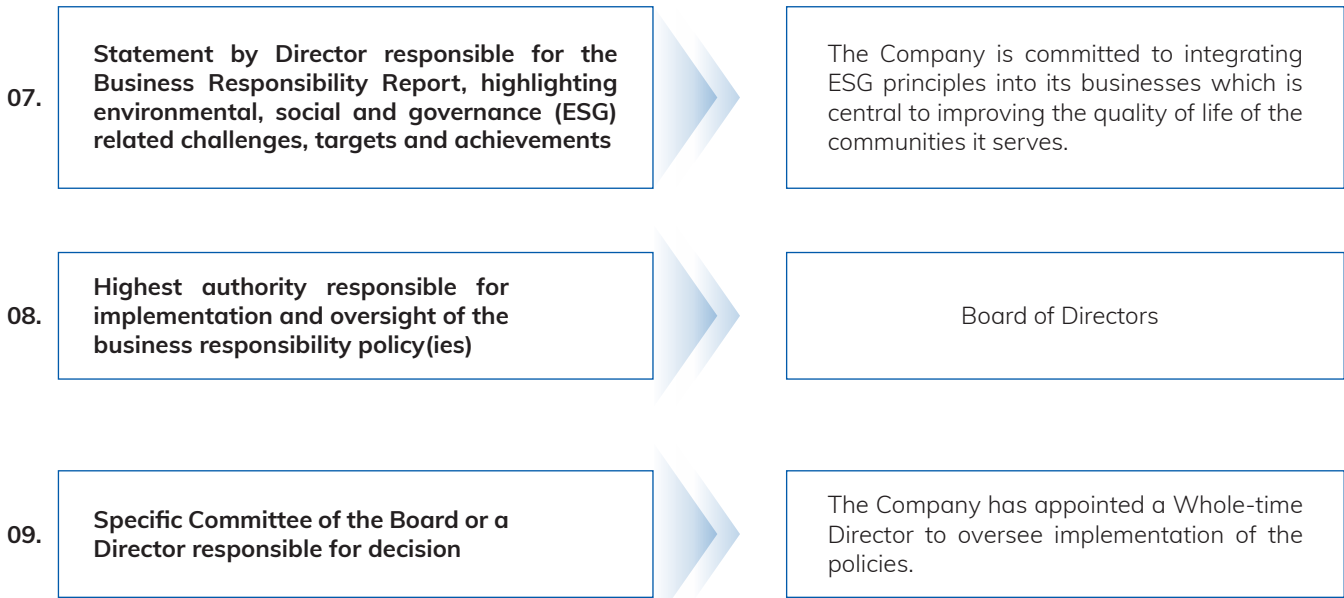
NGRBC released by the Ministry of Corporate Affairs has adopted nine principles related to business responsibility. They are as follows:

- P1** > Businesses will conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.
- P2** > Businesses will provide goods and services in a manner that is sustainable and safe.
- P3** > Businesses will respect and promote the well-being of all employees, including those in their value chains.
- P4** > Businesses will respect the interests of and be responsive to all its stakeholders.
- P5** > Businesses will respect and promote human rights.
- P6** > Businesses will respect and make efforts to protect and restore the environment.
- P7** > Businesses, when engaging in influencing public and regulatory policy, will do so in a manner that is responsible and transparent.
- P8** > Businesses will promote inclusive growth and equitable development.
- P9** > Businesses will engage with and provide value to their consumers in a responsible manner.

✓ Yes ✗ No

Disclosure questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
01.	a) The policy policies cover each principle and its core elements	✓	✓	✓	✓	✓	✓	✓	✓	✓
	b) Policy approved by the Board	✓	✓	✓	✓	✓	✓	✓	✓	✓
	c) URL of the policies	The Company is in the process of publishing these policies on its website.								
02.	The policies are translated into procedures	✓	✓	✓	✓	✓	✓	✓	✓	✓
03.	The enlisted policies extend to the value chain partners	✓	✓	✓	✓	✓	✓	✓	✓	✓
04.	Name of the national and international codes certifications labels standards adopted and mapped against each principle	The Company has developed policies for its significant operations in conformance with the international standards (such as ISO 9000, ISO 14000, OHSAS 18000 ISO 45000), United Nations Global Compact guidelines and principles of International Labour Organisation. The Company is in the process of acquiring the sustainable procurement certification (ISO 20400).								
05.	Specific commitments, goals and targets set with defined timelines, if any	The Company is engaging with subject matter experts and actively pursuing sustainability improvement agenda.								
06.	Performance against the specific commitments, goals and targets along with reasons in case the same are not met	NA								

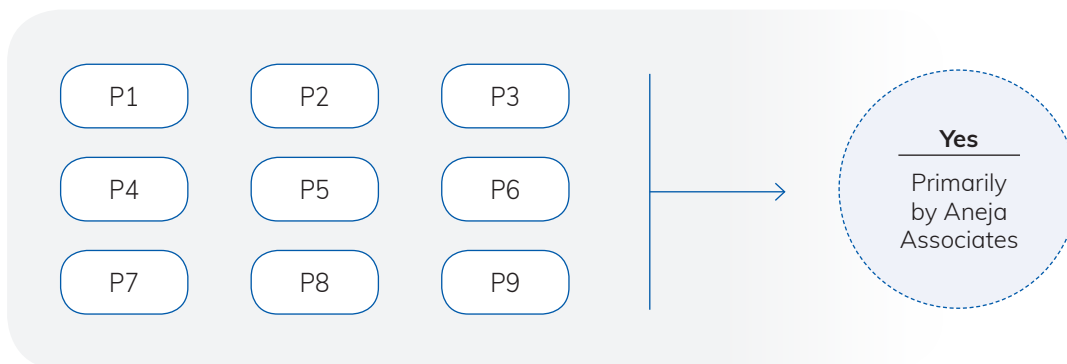
GOVERNANCE, LEADERSHIP AND OVERSIGHT



10. Details of review of national guidelines for responsible business conduct

Subject for review	Review by Director a Committee of the Board any other committee and its frequency								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Quarterly								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliance	Quarterly								

11. Independent assessment | evaluation of the working of its policies by an external agency and name of the agency






SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

Businesses will conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

> Essential indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year

Segment	Number of programs	Topics Principles	% of persons
 BOARD OF DIRECTORS	4	<ul style="list-style-type: none"> Code of conduct Corporate governance Human rights Prevention of sexual harassment (POSH) 	100%
 KMP	5	<ul style="list-style-type: none"> Code of conduct Human rights POSH Whistleblower 	100%
 EMPLOYEES (excluding Executive Directors and KMP)	7	<ul style="list-style-type: none"> Acceptance of gifts and business courtesies Atul Values Code of conduct Equal employment opportunity and anti-discrimination Human rights POSH Whistleblower 	100%

2. Fines | penalties | punishments | awards | compounding fees | settlement amount paid in proceedings (by the Company or by Directors | KMP) with regulators | law enforcement agencies | judicial institutions, in the financial year

a. Monetary

Type	NGRBC principle	Name of the regulatory enforcement agencies judicial institutions	Amount (₹)	Brief of the case	Has an appeal been preferred?
Penalty fine	NA	NA	Nil		NA
Settlement	NA	NA	Nil		NA
Compounding fee	NA	NA	Nil		NA

b. Non-monetary

Type	NGRBC principle	Name of the regulatory enforcement agencies judicial institutions	Brief of the case	Has an appeal been preferred?
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

3. Appeal | revision preferred in cases where monetary or non-monetary action has been appealed

Not applicable.

4. Anti-corruption or bribery policy and URL of the policy

The Company has a dedicated code of conduct covering anti-corruption and anti-bribery aspects. The code of conduct has been published on the Company website: www.atul.co.in/pdf/investors/policies/Code-of-Conduct-18-19.pdf

5. Directors | KMP | employees (other than KMP) against whom disciplinary action was taken by any law enforcement agency for the charges of bribery | corruption

	2022-23	2021-22
Directors	Nil	Nil
KMP	Nil	Nil
Employees (other than KMP)	Nil	Nil

6. Complaints with regard to conflict of interest

	2022-23		2021-22	
	Number	Remarks	Number	Remarks
Conflict of interest of the Directors	Nil	Nil	Nil	Nil
Conflict of interest of KMP	Nil	Nil	Nil	Nil

7. Details of any corrective action taken or underway on issues related to fines | penalties | action taken by regulators | law enforcement agencies | judicial institutions, on cases of corruption and conflicts of interest

Not applicable

Leadership indicators

1. Training and awareness programs conducted for value chain partners on any of the Principles during the financial year

Number of programs	Topics Principles	% of value chain partners
1	<ul style="list-style-type: none"> Business ethics Capacity utilisation Code of conduct Environment management Labour and human rights Occupational health and safety Plant setup and automation Quality management Supplier and contractor sustainability 	46%

2. Processes to avoid | manage conflict of interest involving members of the Board

The Company has a dedicated code of conduct to manage conflict of interest involving members of the Board. The code of conduct is available on the website of the Company: www.atul.co.in/pdf/investors/policies/Code-of-Conduct-18-19.pdf

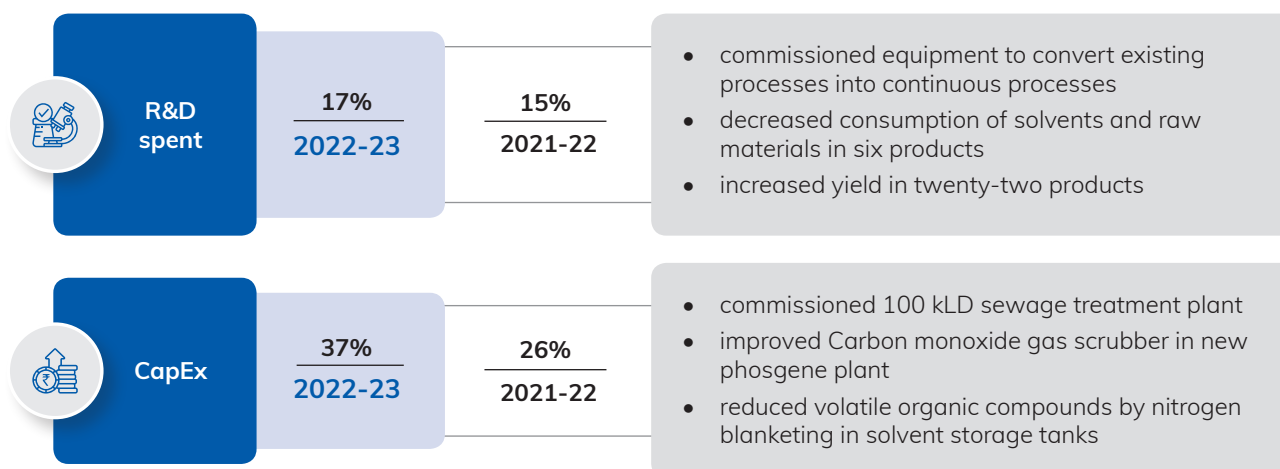
PRINCIPLE 2

Businesses will provide goods and services in a manner that is sustainable and safe.

Essential indicators

1. Percentage of research and development (R&D) spent and capital expenditure (CapEx) in specific technologies to improve environmental and social impacts of products and processes to total R&D spent and CapEx, respectively

Improvements in social and environmental aspects



2. a) Procedures for sustainable sourcing:
 - The Company has procedures in place for sustainable sourcing.
 - The URL to its responsible sourcing policy is: www.atul.co.in/economic-sustainability/responsible-procurement/

b) Percentage of inputs sourced sustainably:
92%
3. Processes to safely reclaim products for reusing, recycling and disposing of at the end of life, for a) plastics (including packaging), b) e-waste, c) hazardous waste and d) other waste
The Company follows the applicable processes laid down by the regulatory authorities.
4. Applicability of extended producer responsibility (EPR) to the activities of the Company and whether the waste collection plan is in line with EPR plan submitted to pollution control boards
EPR is applicable to the activities of the Company and the waste collection plan is in line with the EPR plan submitted to the Central Pollution Control Board.



Leadership indicators

1. Life cycle perspective | assessment (LCA) for products

The Company has conducted a LCA for four products and product carbon foot printing for six products across Businesses.

2. Significant social or environmental concerns and | or risks arising from production or disposal of products identified in LCA or through any other means and their mitigation:

There were no significant social or environmental concerns and | or risks arising from production or disposal of products.

3. Recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

The Company has in-house facilities to recycle its waste and is continuously striving to maximise it. At present, it is recycling 5.50% of its waste.

4. Products and packaging reclaimed at end of life of products and reused, recycled and safely disposed (in metric tons)

	2022-23			2021-22		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastics (including packaging)	Nil	Nil	Nil	Nil	Nil	Nil
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Not applicable

PRINCIPLE 3

Businesses will respect and promote well-being of all employees, including those in their value chains.

Essential indicators

01. a) Details of measures for well-being of managers

Category	% of managers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent managers											
Male	1,598	1,598	100%	1,598	100%	-	NA	13	0.81%	-	NA
Female	139	139	100%	139	100%	2	1.5%	-	NA	-	NA
Total	1,737	1,737	100%	1,737	100%	2	0.11%	13	0.75%	-	NA
Other than permanent managers											
Male	35	-	NA	35	100%	-	NA	-	NA	-	NA
Female	8	-	NA	8	100%	-	NA	-	NA	-	NA
Total	43	-	NA	43	100%	-	NA	-	NA	-	NA

b) Measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers											
Male	1,447	1,447	100%	1,447	100%	-	NA	1,447	100%	-	NA
Female	-	-	NA	-	NA	-	NA	-	NA	-	NA
Total	1,447	1,447	100%	1,447	100%	-	NA	1,447	100%	-	NA
Other than permanent workers											
Male	2,520	-	NA	2,520	100%	-	NA	-	NA	-	NA
Female	38	-	NA	38	100%	-	NA	-	NA	-	NA
Total	2,558	-	NA	2,558	100%	-	NA	-	NA	-	NA

02. Retirement benefits for current financial year and previous financial year

No.	Benefits	2022-23			2021-22		
		Managers	Workers	Deducted and deposited with the authority	Managers	Workers	Deducted and deposited with the authority
1.	Provident fund	100%	100%	Yes	100%	100%	Yes
2.	Gratuity	100%	100%	NA	100%	100%	NA
3.	Employee state insurance	0.5%	16%	Yes	1%	12%	Yes
4.	Others (please specify)	NA	NA	NA	NA	NA	NA

03. Accessibility of workplaces

Most of the working locations are accessible to differently abled persons.

04. Equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016

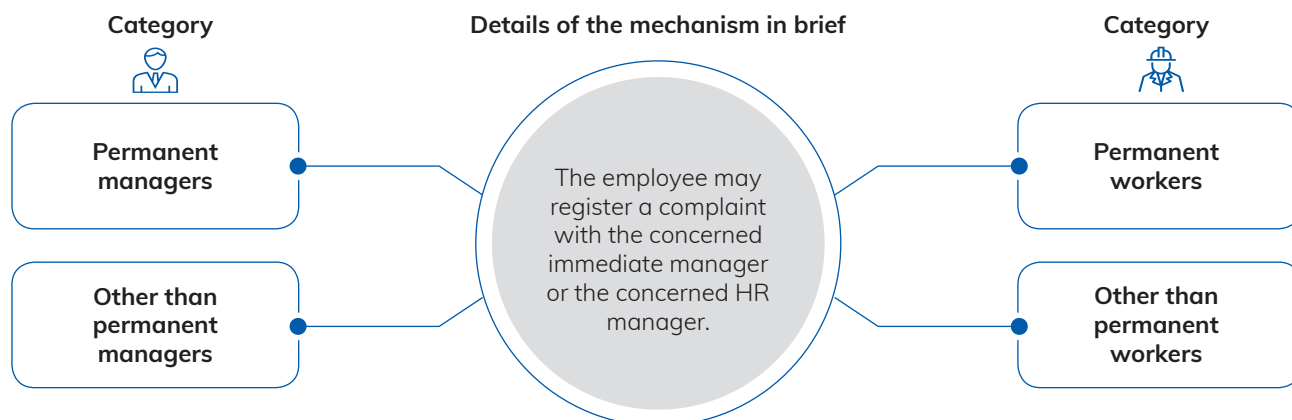
The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company.

05. Return to work and retention rates of permanent employees who took parental leave in the financial year

Return to work rate		
Male	Female	Total
100%	100%	100%

Retention rate		
Male	Female	Total
100%	100%	100%

06. Grievance redressal mechanism for employees



07. Membership of employees in recognised association(s) or union(s)

Category	FY 2022-23			FY 2021-22		
	Total employees (A)	Employees who are part of association(s) or unions (B)	% (B/A)	Total employees (C)	Employees who are part of association(s) or unions (D)	% (D/C)
Permanent employees						
Male	3,049	346	11%	2,906	398	14%
Female	139	-	0%	128	-	0%
Total	3,188	346	11%	3,034	398	13%

08. Training given to employees

Category	2022-23					2021-22				
	Total employees (A)	Skill training imparted (B)	% (B/A)	Health and safety training imparted (C)	% (C/A)	Total employees (D)	Skill training imparted (E)	% (E/D)	Health and safety training imparted (F)	% (F/D)
Permanent employees										
Male	3,049	1,337	44%	409	13%	2,906	1,258	43%	2,204	75%
Female	139	19	14%	32	23%	128	87	68%	128	100%
Total	3,188	1,356	43%	441	14%	3,034	1,345	44%	2,332	77%

09. Performance and career development reviews of employees

Category	2022-23			2021-22		
	Total employees (A)	Employees who had a career review (B)	% (B/A)	Total employees (C)	Employees who had a career review (D)	% (D/C)
Permanent employees						
Male	3,049	1,620	53%	2,906	2,097	72%
Female	139	139	100%	128	118	92%
Total	3,188	1,759	55%	3,034	2,215	73%

10. Health and safety management system

Implementation of occupational health and safety management systems

The Company has implemented ISO 45001:2018 management system standard.

Coverage of such a system

100%

Processes used to identify work-related hazards and assess risks on a routine and non-routine basis

- environment, health and safety management system audit procedure
- hazard and operability study procedure
- hazard identification and risk assessment procedure
- management of change procedure
- permit to work system
- safety observation audit system

Processes for workers to report the work-related hazards and to remove themselves from such risks

The Company has requisite processes.

Access to employees to non-occupational medical and healthcare services

The employees have the requisite access.

11. Safety related incidents

Managers
 Workers

Safety incident number	Category	2022-23	2021-22
Lost time injury frequency rate (per one million-person hours worked)		-	-
		0.05	0.06
Total recordable work-related injuries		10	16
		16	20
Number of fatalities		-	-
		1	-
High consequence work-related injury or ill-health (excluding fatalities)		-	-
		-	-

12. Measures taken to ensure a safe and healthy workplace

The Company has environment, health and safety (EHS) policy. To ensure steady improvement in EHS performance, it is adopting voluntary standards such as ISO 45001.

13. Complaints made by employees

Category	2022-23			2021-22		
	Filed	Pending resolution	Remarks	Filed	Pending resolution	Remarks
Working conditions	-	-	NA	-	-	NA
Health and safety	-	-	NA	-	-	NA

14. Plants and offices assessed (by the Company | statutory authorities | third parties)



15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks | concerns arising from assessments of health and safety practices and working conditions

- conducted training on scaffolding erection and inspection for targeted employees
- developed in-house process safety laboratory to assess process safety risk
- implemented 'life-saving rules' for the mandatory safety requirement
- implemented 'line breaking work permit'

Leadership indicators

1. Extension of life insurance or other compensatory package in the event of death



2. Measures undertaken to ensure that statutory dues are deducted and deposited by the value chain partners

- conducted quarterly audits of all statutory records and compliances maintained by the contractors
- imposed appropriate penalty on the contractor as per the defined standard operating procedure in case of any non-compliance with reference to provident fund remittance, payment of professional tax, employee compensation, etc

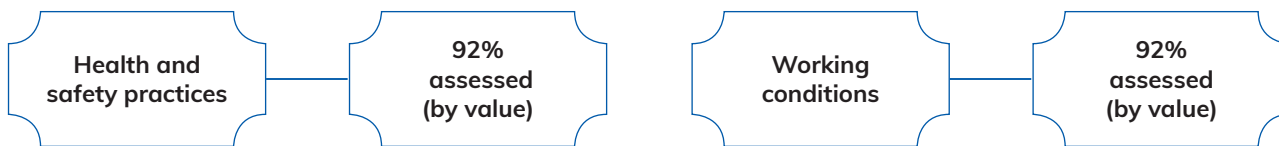
3. Number of managers | workers having suffered high consequence work related injury | ill-health | fatalities (as reported in Q11. of essential indicators, above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

Category	Affected managers workers		Managers workers who whose family members are rehabilitated	
	2022-23	2021-22	2022-23	2021-22
Managers workers	Nil	Nil	Nil	Nil

4. Transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment

The Company does not have any formal transition assistance program. Support is however provided on case-to-case basis.

5. Assessment of value chain partners



6. Corrective actions taken or underway to address significant risks | concerns arising from assessments of health and safety practices and working conditions of value chain partners

For contractors working in Atul premises:

No corrective action plan has been necessitated arising out of the assessment.

PRINCIPLE 4

Businesses will respect the interests of and be responsive to all its stakeholders.

Essential indicators

1. Processes for identifying key stakeholder groups of the Company

Internal and external group of stakeholders have been identified - they comprise employees, customers, suppliers, communities and shareholders.

2. Key stakeholder groups and the frequency of engagement with vulnerable | marginalised groups

Ongoing

Stakeholder group	Vulnerable marginalised group	Channels of communication	Frequency of engagement	Purpose and scope of engagement
 Employees	No	e-mails, goal setting and performance appraisal review, intranet, talks and letters of Senior Management, websites etc		business information and company policies, career progression, performance management, role rotation, training and development, etc
 Customers	No	e-mails, information on packaging, personal meetings, portal, social media, surveys, telephone, website, etc		feedback, launches, products and formulations technical service, etc
 Suppliers	No	e-mails, information on packaging, personal meetings, portal, surveys, telephone, website, social media, etc		feedback, requirement of materials and services, technical service, etc
 Government	No	e-mails, letters, personal meetings, representations, etc		payment to exchequers, policy advocacy, statutory approvals, etc
 Community	No	meetings, projects, visits, etc		education, empowerment, conservation, health, infrastructure, relief, etc
 Shareholders	No	analyst meet, annual general meeting, annual report, stock exchange intimations, newspapers, website, etc		information about business and statutory approvals

> Leadership indicators

1. Processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated

Business | Function heads interact with the aforesaid stakeholders and provide key updates to the Board.

2. Details of instances as to how the inputs received from stakeholders on management of environmental and social topics were incorporated into policies and activities of the Company

Environmental and social topics are reviewed and shortlisted based on the materiality study, and standard operating procedures are updated | introduced.

3. Details of instances of engagement with and actions taken to address the concerns of vulnerable | marginalised stakeholder groups

The concerns of the vulnerable | marginalised stakeholders groups are mainly addressed through six programs, namely, education, empowerment, health, infrastructure, relief and conservation, by Atul Foundation Trust.

PRINCIPLE 5

Businesses will respect and promote human rights.

> Essential indicators

01. Employees who have been trained on human rights issues and policy(ies)

Category	2022-23			2021-22		
	Total (A)	Covered (B)	% (B/A)	Total (C)	Covered (D)	% (D/C)
Employees						
Permanent	3,188	1,537	48%	3,034	967	32%
Other than permanent	2,601	-	0%	3,762	-	0%
Total employees	5,789	1,537	27%	6,796	967	14%

02. Minimum wages paid to employees

Category	2022-23					2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent employees										
Male	3,045	-	NA	3,045	100%	2,906	-	NA	2,906	100%
Female	139	-	NA	139	100%	128	-	NA	128	100%
Other than permanent employees										
Male	2,558	2,558	100%	-	NA	3,726	-	NA	3,726	100%
Female	43	43	100%	-	NA	36	-	NA	36	100%

03. Remuneration | salary | wages

Category	Male		Female	
	Number	Median remuneration salary wages	Number	Median remuneration salary wages
Board of Directors	11	19,85,000	1	13,45,000
KMP (including Executive Directors)	5	2,17,39,428	-	-
Employees other than Board of Directors and KMP	3,044	3,96,601	139	5,82,025

04.

Focal point (individual | committee) responsible for addressing human rights impacts or issues caused or contributed to by the business:

Under progress

05. Internal mechanisms to redress grievances related to human rights issues

The mechanism to redress grievances under human rights is same as for other grievances. An independent investigation is carried out by gathering, validating and analysing relevant information. Appropriate action(s) is(are) taken based on the recommendations.

06. Complaints made by employees

Category	2022-23			2021-22		
	Filed	Pending resolution	Remarks	Filed	Pending resolution	Remarks
Child labour	-	-	NA	-	-	NA
Discrimination at workplace	-	-	NA	-	-	NA
Forced labour involuntary labour	-	-	NA	-	-	NA
Sexual harassment	-	-	NA	-	-	NA
Wages	-	-	NA	-	-	NA
Other human rights related issues	-	-	NA	-	-	NA

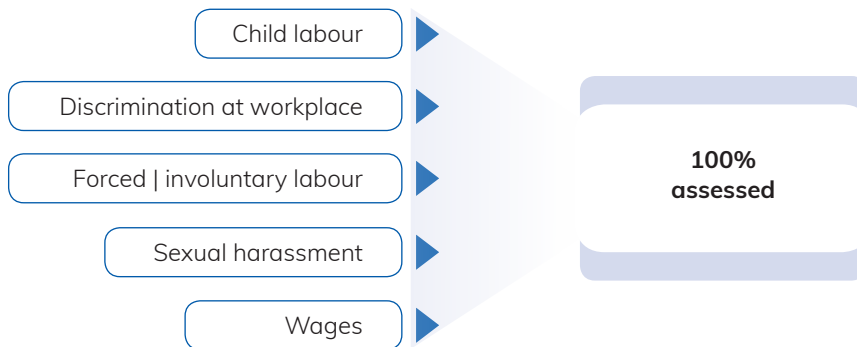
07. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Appropriate measures such as confidentiality, protecting the complainant, etc are mentioned in the respective policies.

08. Inclusion of human rights in business agreements and contracts

Adherence to human rights form a part of the business agreements and contracts.

09. Plants and offices assessed (by the Company | statutory authorities | third parties)



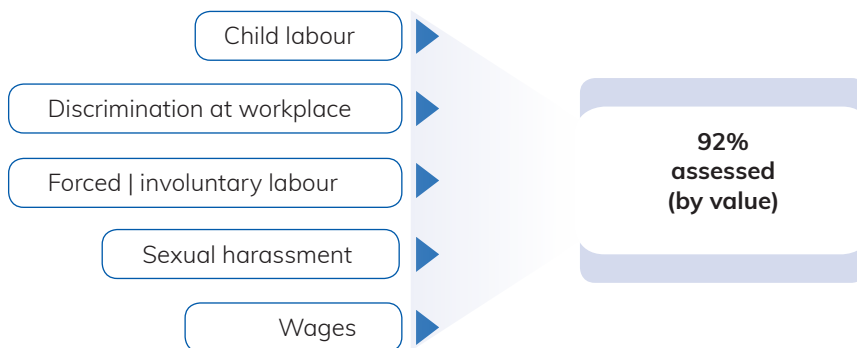
10. Corrective action taken or underway to address significant risks | concerns arising from the assessments mentioned in Q 09. above

There were no significant risks | concerns arising from the human rights assessment.

Leadership indicators

1. **Business processes modified | introduced as a result of addressing human rights grievances | complaints** → The Company has not received any grievance | complaint regarding human rights.
2. **Scope and coverage of human rights due-diligence** → The Company has not conducted human rights due-diligence.
3. **Accessibility of premises | offices to differently abled visitors** → Please refer to Q 03. of Principle 3 above.

4. Assessment of value chain partners (by value):



5. Corrective action taken or underway to address significant risks | concerns arising from the assessments as mentioned in Q 4. above







There were no significant risks | concerns arising from the assessment of value chain partners.

PRINCIPLE 6

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

Essential indicators

01. Total energy consumption (in Gigajoules) and energy intensity

Parameter	2022-23	2021-22
 Total electricity consumption (A)	5,41,227	3,88,971
 Total fuel consumption (B)	84,78,228	94,38,540
 Energy consumption through other sources (C)	1,95,958	1,92,008
 Total energy consumption (A+B+C)	92,15,413	1,00,19,518
 Energy intensity per rupee of turnover (total energy consumption turnover in rupees) Gigajoules per ₹ million	184.23	203.28
 Energy intensity	NA	NA

Independent assessment | evaluation | assurance by an external agency

Escon Tech carried out the evaluation of electricity consumption and Ernst and Young provided methodology for calculation.

02. Sites | facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of Government of India

Power plant and caustic | chlorine plant have been identified as DC under the PAT Scheme. The Company has started disclosing PAT targets from 2020. In the year 2022-23, the Company achieved energy consumption of 0.81 tons of oil equivalent per ton of production against the target of 0.874.

03. Disclosures related to water

Parameter	2022-23	2021-22
Water withdrawal by source (in kL)		
i Surface water	36,24,396	28,31,938
ii Groundwater	2,27,872	1,19,385
iii Third-party water	-	-
iv Seawater desalinated water	-	-
v Others (rainwater storage)	-	-
Total volume of water withdrawal (in kL) (i + ii + iii + iv + v)	38,52,268	29,51,323
Total volume of water consumption (in kL)	38,52,268	29,51,323
Water intensity per rupee of turnover (water consumed/turnover) (kL per ₹ cr of revenue)	770.15	598.77
Water intensity – the relevant metric may be selected by the Company	NA	NA

Independent assessment | evaluation | assurance by an external agency

No assessment | evaluation | assurance has been carried out by an external agency.

04. Coverage and implementation of zero liquid discharge (ZLD)

ZLD is fully implemented in the Ankleshwar and Tarapur manufacturing sites. Projects are under commissioning to make two of the four areas at Atul site ZLD facilities.

05. Air emissions other than greenhouse gas (GHG) emissions

Parameter	Unit	2022-23	2021-22
NOx	T/year	65.78	76.83
SOx	T/year	62.73	65.05
Particulate matter (PM)	T/year	15.10	10.58
Persistent organic pollutants (POPs)	NA	NA	NA
Volatile organic compounds (VOCs)	NA	NA	NA
Hazardous air pollutants (HAPs)	T/year	5.50	4.25
Others – please specify	T/year	-	-

Independent assessment | evaluation | assurance by an external agency

Independent assessment | evaluation | assurance has been carried out by Pollucon Laboratories Pvt Ltd.

06. GHG emissions (Scope 1 and Scope 2 emissions) and their intensity

Parameter	Unit	2022-23	2021-22
Total Scope 1 emissions	tCO ₂ E	7,73,047	8,56,434
Total Scope 2 emissions	tCO ₂ E	1,06,605	83,179
Total Scope 1 and Scope 2 emissions per million ₹ of turnover	tCO ₂ E	17.59	19.06
Total Scope 1 and Scope 2 emission intensity (optional)	tCO ₂ E/₹	NA	NA

Independent assessment | evaluation | assurance by an external agency

Methodology provided by Ernst and Young.

07. Projects related to reducing GHG emissions

decrease in and arrest of air and nitrogen leakages using ultrasonic leak detection

decrease in steam consumption by isolating steam headers

decrease in water consumption by recycling water for the vacuum pump

installation of variable frequency drive for chilled water supply pumps

optimisation of chiller power by automation

optimisation of pump power by impeller trimming

optimisation of steam pressure for ejectors

recovery of steam condensate from the reactor jacket

replacement of compact fluorescent lamps by light emitting diode fittings

08. Waste management

	2022-23	2021-22
Waste generated (in metric tons)		
Plastic waste (A)	510.30	381.00
E-waste (B)	-	920 numbers
Bio-medical waste (C)	0.60	0.67
Construction and demolition waste (D)	-	-
Battery waste (E)	173 numbers	248 numbers
Radioactive waste (F)	-	-
Other hazardous waste (G)	1,22,818.74	64,497.90
Other non-hazardous waste (H)	41,979.41	80,690.84

	2022-23	2021-22
Waste recovered through recycling, re-using or other recovery operations (in metric tons)		
(i) Recycled	1,15,310.67	1,39,655.84
(ii) Reused	-	-
(iii) Other recovery operations	-	-
+ Total	1,15,310.67	1,39,655.84

	2022-23	2021-22
Waste disposed by nature of disposal method (in metric tons)		
(i) Incineration	205.30	0.67
(ii) Landfilling	7,813.67	5,914.00
(iii) Other disposal operations	-	-
+ Total	8,018.97	5,914.67

Independent assessment | evaluation | assurance by an external agency

No assessment | evaluation | assurance has been carried out by an external agency

09. Waste management practices and strategies adopted to reduce usage of hazardous and toxic chemicals in the products and processes and the practices adopted to manage such wastes

The Company has state-of-the-art research and development laboratories which has, amongst others, mandate to decrease | reuse | recycle hazardous and toxic wastes.

Hazardous and toxic wastes management SOP (SOP/INC/11) describes the procedure to collect, store, transport and dispose of hazardous and toxic wastes. Such wastes are dealt with as per the consolidation, consent and authorisation and complying with all requirements of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

10. Operations | offices in | around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc) where environmental approvals | clearances are required

Not applicable

11. Impact assessments of projects undertaken based on applicable laws in the current financial year

Nil

12. Compliance with the applicable environmental laws | regulations | guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder

The Company is compliant with the applicable laws | regulations | guidelines.

Leadership indicators

1. Break-up of the total energy consumed (in Gigajoules) from renewable and non-renewable sources

Parameter	2022-23	2021-22
From renewable sources		
Total electricity consumption (A)	90,777	44,557
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	90,777	44,557
From non-renewable sources		
Total electricity consumption (D)	4,50,450	3,44,414
Total fuel consumption (E)	84,78,228	94,38,540
Energy consumption through other sources (F)	1,95,958	1,92,008
Total energy consumed from non-renewable sources (D+E+F)	91,24,636	99,74,962

Independent assessment | evaluation | assurance by an external agency

Assessment | evaluation | assurance has been carried out by Escon Tech and methodology provided by Ernst and Young.

2. Water discharge

Parameter	2022-23	2021-22
Destination and level of treatment (in kL)		
(i) To surface water		
No treatment	-	-
With treatment – level of treatment	-	-
(ii) To groundwater		
No treatment	-	-
With treatment – level of treatment	-	-
(iii) To seawater	33,25,819	35,40,589
No treatment	-	-
With treatment – level of treatment	33,25,819 advanced treatment	35,40,589 advanced treatment
(iv) Sent to third-parties		
No treatment	-	-
With treatment – level of treatment	-	-
(v) Others		
No treatment	-	-
With treatment – level of treatment	-	-
Total water discharged (in kL)	33,25,819	35,40,589

Independent assessment | evaluation | assurance by an external agency

Independent assessment | evaluation | assurance carried out by Gujarat Pollution Control Board (GPCB), scheduled auditors approved by GPCB and Pollucon Laboratories.

3. Water withdrawal, consumption and discharge in areas of water stress (in kL)

Not applicable

Independent assessment | evaluation | assurance by an external agency

Not applicable

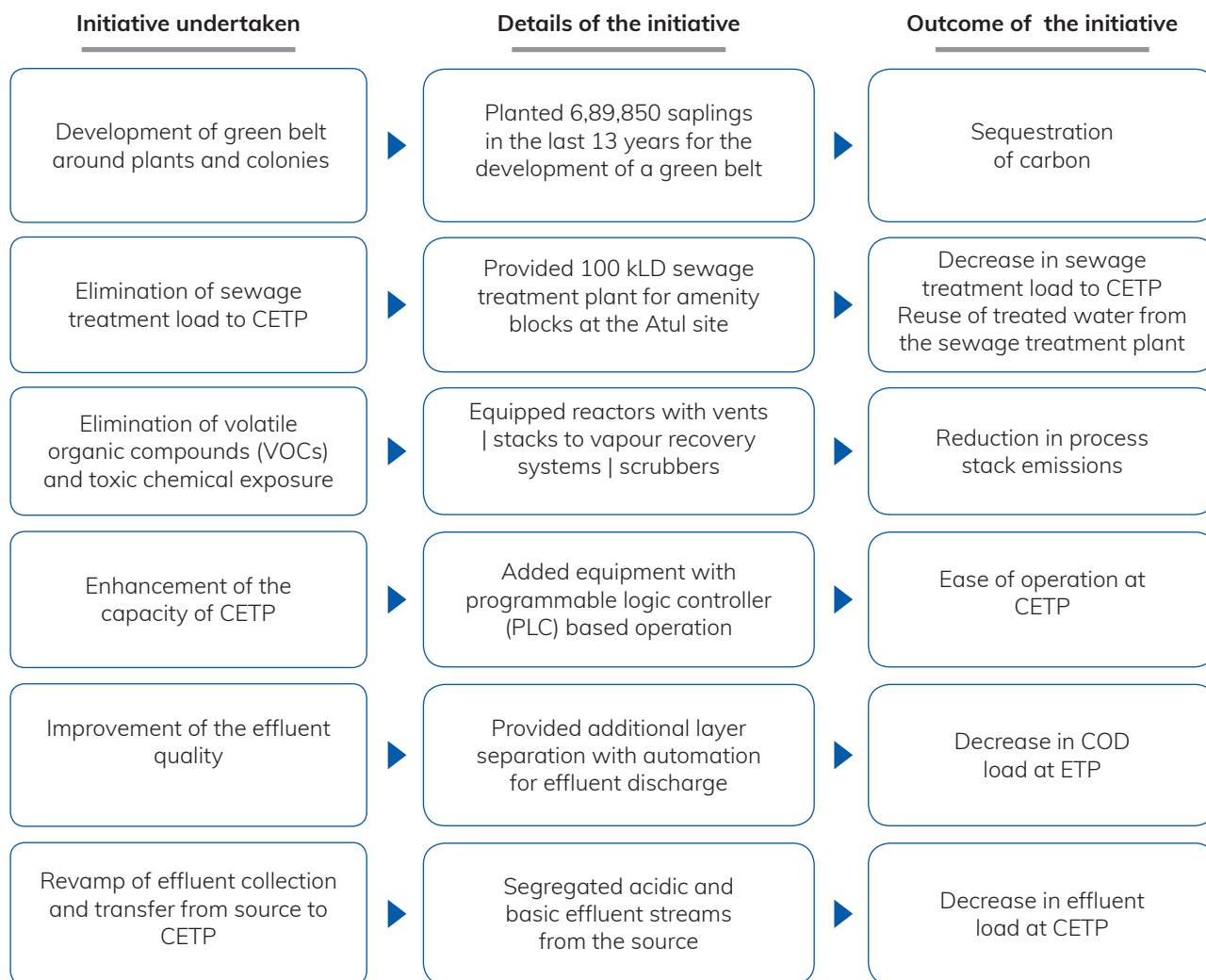
4. Scope 3 emissions and their intensity

The Company has not carried out Scope 3 emissions calculation.

5. With respect to the ecologically sensitive areas reported in Q 10. of essential indicators above, details of significant direct and indirect impact on biodiversity in such areas along with prevention and remediation activities

Not applicable.

6. Specific initiatives or innovative technologies or solutions undertaken to improve resource efficiency or reduce impact due to emissions | effluent discharge | waste generation



7. Business continuity and disaster management plan

The Company has a disaster management plan included in the offsite and onsite emergency plan.

Offsite emergency rehearsals as per the plan are conducted at periodic intervals decided by external authorities at Ankleshwar, Atul and Tarapur sites.

8. Significant adverse impact to the environment, arising from the value chain and their mitigation or adaptation measures

There is no significant adverse impact to the environment arising from the value chain of the Company.

9. Percentage of value chain partners (by value) that were assessed for environmental impact

92%

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, will do so in a manner that is responsible and transparent.

> Essential indicators

1. Affiliations with trade and industry chambers | associations

Membership of | affiliation to 10 trade and industry chambers | associations

No.	Name	Reach
01.	Alkali Manufacturers Association of India	National
02.	Basic Chemicals, Cosmetics and Dyes Export Promotion Council of India	National
03.	Bombay Chamber of Commerce and Industry	National
04.	Federation of Indian Export Organisations	National
05.	Fragrances and Flavours Association of India	National
06.	Indian Chemical Council	National
07.	Indian Resins Manufacturers Association	National
08.	The Federation of Indian Chambers of Commerce and Industry	National
09.	The Indian Pest Control Association	National
10.	The Pesticides Manufacturers and Formulators Association of India	National

2. Corrective action taken or underway on any issue related to anti-competitive conduct, based on adverse orders from regulatory authorities

Not applicable

> Leadership indicators

1. Advocacy of public policy positions

Not applicable.

PRINCIPLE 8

Businesses will promote inclusive growth and equitable development.

> Essential indicators

1. Social Impact Assessments (SIAs) of projects undertaken based on applicable laws

Not applicable

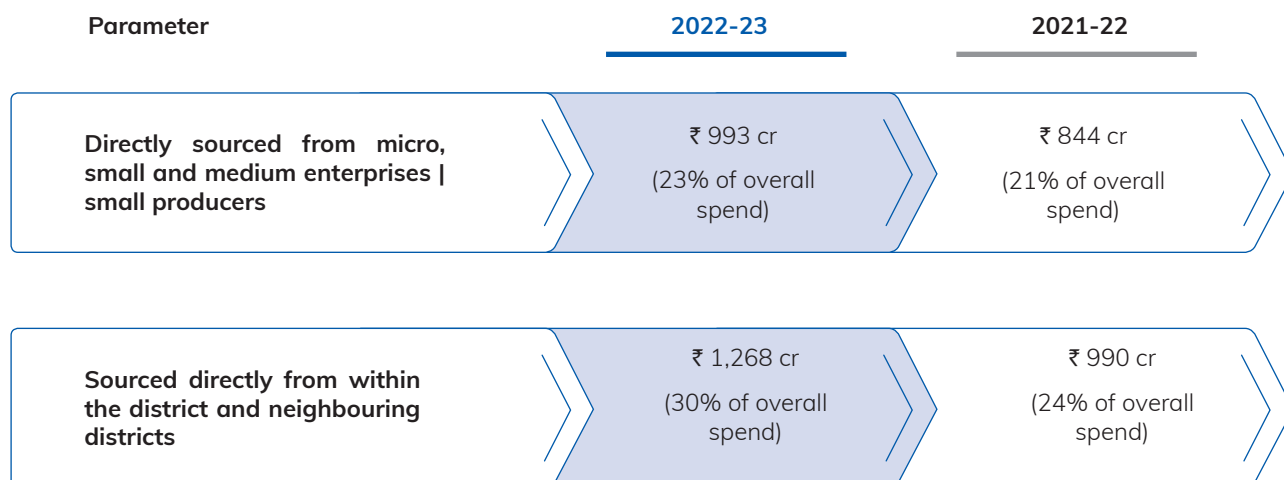
2. Projects for which ongoing rehabilitation and resettlement is being undertaken

Not applicable

3. Mechanisms to receive and redress grievances of the community

The Company has a process to receive and redress concerns received from the community. A site-level committee consisting of members from various departments is formed which receives the concerns and works towards its redressal.

4. Input material (inputs to total inputs by value) sourced from local or small scale suppliers

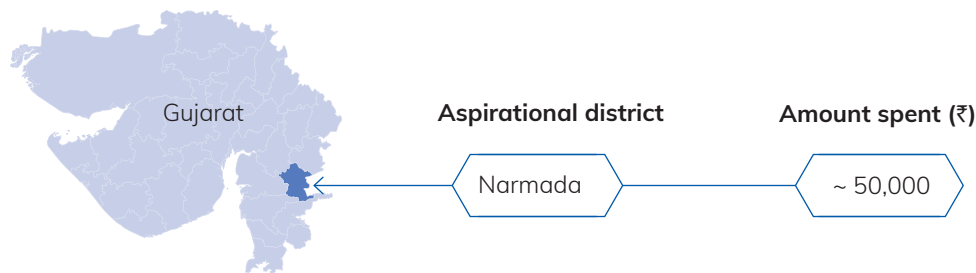


> Leadership indicators

1. Actions taken to mitigate any negative social impacts identified in the SIAs (Q 1. of essential indicators above)

Not applicable

2. CSR projects undertaken in designated aspirational districts as identified by government bodies



3. **Preferential procurement policy to give preference to purchase from suppliers comprising vulnerable | marginalised groups** ▶ Internal guidelines for preferential procurement from marginalised | vulnerable groups are in place. The URL to the policy is: www.atul.co.in/economic-sustainability/responsible-procurement

Vulnerable | marginalised groups from where the Company procures ▶ MSMEs and women-owned enterprises

Percentage of such procurement of the total (by value) ▶ 23% of overall spend

4. **Benefits derived and shared from the intellectual properties owned or acquired based on traditional knowledge**
Not applicable

5. **Corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved**
Not applicable

6. **Beneficiaries of CSR projects**

No.	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
01.	Improvement of teaching methodology for primary school children – Atul Adhyapika	8,410 students	100%
02.	Provision of education kits to children	4,323 students	100%
03.	Enhancement of educational practices in Kalyani Shala	1,729 students	100%
04.	Promotion of learning and life skills among children	400 students	100%

No.	CSR project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
05.	Support to tribal children in Atul Vidyamandir	349 students	100%
06.	Development of a computer laboratory in a school	300 students	100%
07.	Support to develop a school in a tribal area	269 students	100%
08.	Provision of scholarships to needy and meritorious students	34 students	100%
09.	Support to develop a library	30 students	100%
10.	Conservation of manuscripts	80,000 manuscripts	100%
11.	Contribution to publish books on Indian culture ecology philosophy	4 books	100%
12.	Support to Industrial Training Institute	8,116 students	100%
13.	Empowerment of women youth through various vocational training courses	781 students	100%
14.	Empowerment of women through self-help groups	723 women	100%
15.	Skill training to youth as apprentices	95 students	100%
16.	Development of micro-entrepreneurs to provide sustainable livelihood	52 Students	100%
17.	Creation of livelihood opportunities for tribal families by providing cows	25 families	100%
18.	Setting up of health camps in remote villages	19,046 patients	100%
19.	Establishment of Atul Medical Diagnostic Centre	4,616 patients	100%
20.	Promotion of health and well-being of adolescents and women	3,755 adolescent girls and women	100%
21.	Provision of blood units to the needy and deserted patients	84 patents	100%
22.	Support to meet the treatment costs for needy patients	48 patients	100%
23.	Promotion of Fit@50+ Women's Trans Himalayan Expedition	11 women	100%
24.	Support to flood-affected people in Valsad	10,364 individuals	100%
25.	Support to needy special children	186 students	100%
26.	Support to children with special needs	46 students	100%
27.	Construction of walkway and streetlights	Atul and nearby villages	100%
28.	Development of infrastructure in villages	Atul and nearby villages	100%
29.	Construction of toilet blocks in a school	687 students	100%
30.	Renovation of toilets and boundary wall in a school	250 students	100%
31.	Establishment of solid waste management system in eight villages	23,704 individuals	100%
32.	Conservation of energy through solar energy project	4,208 individuals	100%
33.	Development of nature-based wastewater recycling project	3,364 students	100%
34.	Conservation of energy through biogas project	200 families	100%
35.	Conservation of water through various interventions	38 farmers	100%
36.	Conservation of soil and water	1 village	100%
37.	Enhancement of green cover - tree plantation project	52,190 trees	100%
38.	Protection of animals	348 animals	100%

PRINCIPLE 9

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

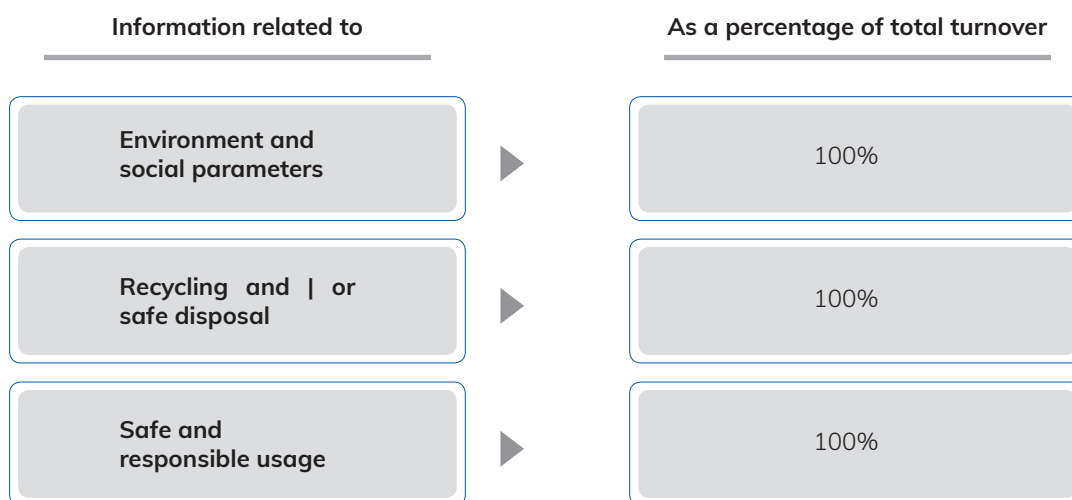
Essential indicators

1. Mechanisms to receive and respond to consumer complaints and feedback

Customer complaint portal is in place. All customer complaints are logged into 'customer complaint module'. Based on the nature of complaints, auto e-mails are triggered for action. The root cause and corrective and preventive actions are conveyed to customers. The complaint is closed after feedback (by phone | e-mail) from the customer.

Complaints are acknowledged within 48 hours and feedback is provided within seven working days.

2. Turnover of products | services as a percentage of turnover from all products | services that carry information



3. Consumer complaints

Category	2022-23		2021-22	
	Received	Pending resolution	Received	Pending resolution
Advertising	-	-	-	-
Cyber security	-	-	-	-
Data privacy	-	-	-	-
Delivery of essential services	1	-	1	-
Restrictive trade practices	-	-	-	-
Unfair trade practices	-	-	-	-
Others	355	36	247	-

4. Product recalls on account of safety issues

	Number	Reason
Forced recalls	-	NA
Voluntary recalls	-	NA

5. Framework | policy on cyber security and risks related to data privacy

The Company has Information Security Policy in place to ensure that the data stored in the end user devices is protected.

6. Corrective action taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty | action taken by regulatory authorities on safety of products | services

There were no issues relating to advertising, delivery of essential services, cyber security and data privacy of customers. There was no re-occurrence of product recall. No penalty was levied or action was taken by any regulatory authority on account of any deficiency relating to safety of products | services in the financial year.



Leadership indicators

1. Channels, platforms and URL where information on products and services can be accessed

www.atul.co.in

2. Steps taken to inform and educate consumers about safe and responsible use of products and (or) services

The Company shares material safety data sheets, technical data sheets and product labels on packaging in accordance with globally harmonised system regulations. For liquid chemicals, transport emergency cards are provided to transporters and training is imparted periodically to them and customers on safe handling. Interactions with farmers are arranged through Krishi Vigyan Kendras, farmer field days training sessions, etc.

3. Mechanisms to inform consumers of any risk of disruption | discontinuation of essential services

The customers are intimated regarding scheduled annual maintenance shutdown a few weeks in advance. For key customers, tentative schedules of annual maintenance shutdown are shared at least three months in advance. In case of any unforeseen disruptions in supply, information is conveyed through e-mail and telephone.

4. Display of product information and customer satisfaction survey

The Company provides information related to Chemical Abstracts Service number, European Community number, synonyms, hazard statement, precautionary statements, etc over and above what local law mandates.

The Company has a practice to carry out customer satisfaction surveys for major products at regular intervals.

5. Data breaches

a. Number of instances of data breaches along with impact: nil

b. Percentage of data breaches involving personally identifiable information of customers: not applicable

Note: Serial numbers are in accordance with Annexure-1 of notification of SEBI on Business Responsibility and Sustainability Report.



Notice

NOTICE is hereby given that the 46th Annual General Meeting of the members of Atul Ltd will be held on Friday, July 28, 2023, at 10:30 am through video conferencing | other audiovisual means to transact the following businesses:

Ordinary business

1. To receive, consider and adopt:
 - i) the audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2023, and the Reports of the Directors and the Auditors thereon and
 - ii) the audited Consolidated Financial Statements of the Company for the financial year ended on March 31, 2023, and the Report of the Auditors thereon.
2. To confirm the special interim dividend of ₹ 7.50 per equity share paid during 2022-23.
3. To declare dividend on equity shares.
4. To consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

“RESOLVED THAT Mr Rajendra Shah (Director identification number: 00009851), who was appointed as a Director of the Company liable to retire by rotation, and who does not seek reappointment upon expiry of his term at this Annual General Meeting, be not reappointed a Director of the Company;

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled.”

Special business

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), approval be and is hereby accorded to the reappointment of Mr Sunil Lalbhai (Director identification number: 00045590) as the Chairman and Managing Director of the Company, and his receiving of remuneration, including minimum remuneration for a period of five years effective July 01, 2024 to June 30, 2029, as per the draft agreement submitted to this meeting initialed by the Chairman for identification.

RESOLVED FURTHER THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions and the draft of the 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.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr Rangaswamy Iyer (Director identification number: 00474407), in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from May 01, 2023 to April 30, 2028.”
7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Article 87(2) of the Articles of Association of the Company and in accordance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), the Non-executive Directors of the Company be paid remuneration by way of commission, over and above the sitting fees, up to 1% of the net profit of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 for each of the five financial years commencing from April 01, 2023 in such proportion and manner as the Board of Directors may from time to time determine.”
8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 3.57 lakhs plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending March 31, 2024, as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, firm registration number: 000010 for conducting cost audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers be and is hereby ratified and confirmed.”

Notes:

01. The 46th Annual General Meeting (AGM) is being held through video conferencing | other audiovisual means (VC) in accordance with the procedure prescribed in circular number 20 | 2020 dated May 05, 2020, read with the circular number 10 | 2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, read with circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, issued by the Securities and Exchange Board of India (the e-AGM circulars). The members can attend the AGM through VC by following instructions given in Note number 17.4 of the Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India. The members are requested to attend the AGM from their respective locations by VC and not to visit the registered office to attend the AGM.
 02. Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing | other audiovisual means, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and | or vote.
 03. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended on March 31, 2023, are annexed | attached.
 04. The Register of Members and Share Transfer Books of the Company will remain closed from July 15, 2023, to July 21, 2023 (both days inclusive).
 05. The dividend, if approved, will be paid to those members whose names stand on the Register of members on July 14, 2023.
- The members holding shares in the electronic form may please note that:
- i) Instructions regarding bank details that they wish to incorporate in future dividend warrants must be submitted to their Depository Participants (DPs). As per the regulation of National Securities Depository Ltd and Central Depository Services (India) Ltd, the Company is obliged to print bank details as furnished by these depositories, on the dividend warrants.
 - ii) Instructions already given by the members for shares held in the physical form will not be automatically applicable to the dividend paid on shares held in the electronic form. Fresh instructions regarding bank details must be given to the DPs.
 - iii) Instructions regarding the change in address, nomination and power of attorney must be given directly to the DPs.
06. The members may note that the Income Tax Act, 1961, as amended mandates that dividends paid or distributed by a company, will be taxable in the hands of the members. The Company will therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable the Company to determine the appropriate TDS rate as applicable, the members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.
 - i) For resident members, TDS will be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during the financial year 2023-24, provided PAN is registered by the members. If PAN is not registered, TDS will be deducted at 20% rate as per Section 206AA of the Income Tax Act, 1961.

However, no tax will be deducted on the dividend payable to resident individuals if the total dividend to be received by them during the financial year 2023-24 does not exceed ₹ 5,000.

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a company or a firm) | Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS will be deducted.
 - ii) For non-resident members, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the applicable rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax will be at 20%

rate (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident members have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the members, if they are more beneficial to them. For this purpose, that is, to avail of the tax treaty benefits, the non-resident members will have to provide the following:

- a) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the members are a resident.
- b) Self-declaration in Form 10F submitted at Income Tax Portal if all the details required in this form are not mentioned in the TRC.
- c) Self-attested copy of the PAN card allotted by the Indian income tax authorities.
- d) Self-declaration, certifying the following points:
 - The members are and will continue to remain tax residents of the countries of their residence during the financial year 2023-24.
 - The members are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on the dividend declared by the Company.

- The members have no reason to believe that their claim for the benefits of the DTAA is impaired in any manner.
- The members are the ultimate beneficial owners of their shareholding in the Company and dividend receivable from the Company.
- The members do not have a taxable presence or permanent establishments in India during the financial year 2023-24.

07. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction | withholding on dividend amounts. Application of the beneficial DTAA rate will depend upon the completeness and satisfactory review of the documents submitted by the non-resident members, by the Company.
08. The Company will arrange to e-mail the soft copies of TDS certificates to the members at their registered e-mail addresses in due course, post payment of the dividend.
09. Unpaid dividend payable to the members in respect of the 28th dividend onwards, that is, from the financial year ended on March 31, 2016, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividends as to when they are due for transfer to the said fund is given below:

Dividend	Financial year ended	Date of declaration of dividend	Rate of dividend	Expected date of transfer of unpaid dividend to IEPF
28 th	March 31, 2016	July 29, 2016	100%	July 28, 2023
29 th	March 31, 2017	July 28, 2017	100%	July 27, 2024
30 th	March 31, 2018	July 27, 2018	120%	July 26, 2025
31 st	March 31, 2019	July 31, 2019	150%	July 30, 2026
32 nd special interim dividend	March 31, 2020	October 25, 2019	125%	October 24, 2026
33 rd interim dividend	March 31, 2020	March 11, 2020	150%	March 10, 2027
34 th	March 31, 2021	July 30, 2021	200%	July 29, 2028
35 th	March 31, 2022	July 29, 2022	250%	July 28, 2029
36 th special interim dividend	March 31, 2023	October 21, 2022	75%	October 20, 2029

No claim will lie from the members once the transfers are made to the said funds. The members who have not encashed their dividend warrants are requested to encash the same before the said transfer, in their own interest.

Protection Fund of the Central Government during the financial year 2022-23. The Company regularly sends letters to the members whose dividend has not been claimed | encashed for seven or more consecutive years. The details of such members are posted on the website of the Company at www.atul.co.in/investors/dividends Please note that the shares transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.

10. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company has transferred the equity shares in respect of which dividend has not been claimed | encashed for seven or more consecutive years to the Investor Education and

11. An electronic copy of the annual report for 2022-23,

including the Notice which includes the process and manner of attending the Annual General Meeting through video conferencing | other audiovisual means, and e-voting is being sent to all the members whose e-mail addresses are registered with the Company | Depository Participants.

12. Printed copies of the annual report (including the Notice) are not being sent to the members in view of the e-AGM circulars.
13. The members who have not registered their e-mail addresses are requested to register them with the Company to receive e-communication from the Company. For registering an e-mail address, the members are requested to follow these steps:
 - i) The members holding shares in the physical mode are requested to provide their names, folio numbers, mobile numbers, e-mail addresses, scanned copies of share certificate(s) (both sides), self-attested PAN and Aadhar cards through e-mail on shareholders@atul.co.in
 - ii) The members holding shares in the dematerialised mode are requested to provide their names, depository participant and client IDs, mobile numbers, e-mail addresses, scanned copies of self-attested client master or consolidated account statements through e-mail on shareholders@atul.co.in
14. The members may note that the Notice of the Annual General Meeting and the annual report for 2022-23
- 17.1 The instructions for remote e-voting for the individual members holding shares in the dematerialised (demat) form are given below:

will also be available on the website of the Company, www.atul.co.in, which can be downloaded. The electronic copies of the documents that are referred to in this Notice but not attached to it will be made available for inspection. For inspection, the members are requested to send a request through e-mail on shareholders@atul.co.in with their depository participant and client IDs or folio numbers.

15. Electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the members on request by sending an e-mail to shareholders@atul.co.in
16. The members desiring any information relating to the accounts or having any questions, are requested to write to the Company at shareholders@atul.co.in at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the responses ready and expeditiously provide them at the AGM, as required.
17. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the e-AGM circulars, the Company is pleased to provide the members with the facility to attend the Annual General Meeting (AGM) through video conferencing | other audiovisual means (VC) and exercise their right to vote at the AGM by electronic means. The business will be transacted through remote e-voting prior to and during the AGM.

Having shareholding with Central Depository Services (India) Ltd (CDSL)	<ol style="list-style-type: none"> i. The members registered on the CDSL Myeasi facility are requested to follow the steps given below: <ol style="list-style-type: none"> a. Log on to web.cdslindia.com/myeasitoken/home/login using the existing user ID and password. b. Go to the e-voting menu. c. Go to the link of the respective e-voting service provider. d. Follow the steps given in Note number 17.2.5 - from step ii) to vii). ii. The members not registered on the CDSL Myeasi facility are requested to follow the steps given below for first-time registration: <ol style="list-style-type: none"> a. Go to the Myeasi website: web.cdslindia.com/myeasitoken/home/login b. Click on 'click here' to register for Easi c. Enter the 16-digit beneficiary ID. d. Enter Permanent Account Number (PAN) in capital letters followed by the first four digits of the date of birth (DoB), in the DDMM format of the first sole holder. e. Tick the checkbox of 'terms and conditions' and click on 'Submit'. f. One-time password (OTP) will be sent to the registered mobile numbers of the members. g. Enter the OTP in the OTP box and click on 'Submit'. h. The registration form will appear, fill the form to create a username, password and an answer to the secret question and click on 'Continue' i. The message 'Successfully registered' will appear.
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	<ul style="list-style-type: none"> j. A list of other demat account(s) available for grouping will appear. k. Select the other demat accounts to club in the single login of Myeasi. l. Click on 'Continue'. m. The message 'Registration completed' will appear. n. Log on to web.cdslindia.com/myeasitoken/home/login using user ID and password. o. Go to the e-voting menu. p. Go to the link of the respective e-voting service provider. q. Follow the steps given in Note number 17.2.5 - from step ii) to vii).
<p>Having shareholding with National Securities Depository Ltd (NSDL)</p>	<ul style="list-style-type: none"> i. The members registered on the NSDL IDeAS facility are requested to follow the steps given below: <ul style="list-style-type: none"> a. Log on to eservices.nsd.com b. Go to the IDeAS section and log in through Beneficial Owner using the existing user ID and password. c. Click on "Access to e-voting". d. Click on e-voting. e. Follow the steps given in Note number 17.2.5 - from step ii) to vii). ii. The members not registered on the NSDL IDeAS facility are requested to follow the steps given below for first-time registration: <ul style="list-style-type: none"> a. Go to the IDeAS website: eservices.nsd.com b. Click on 'Register Online for IDeAS'. c. Enter the eight-character depository participant (DP) ID followed by the eight-digit client ID and registered mobile number. d. Select any of the following options for verification of the demat account: Option 1: Bank account – enter the last four digits of the bank account. Option 2: One-time password (OTP) – enter the six-digit OTP sent on the registered mobile number. e. Fill in personal information and click on 'Submit'. f. Confirm details. g. A message 'Successfully registered' will appear. h. Log on to eservices.nsd.com i. Go to the IDeAS section and log in through Beneficial Owner using the user ID and password. j. Click on "Access to e-voting". k. Click on e-voting. l. Follow the steps given in Note number 17.2.5 - from step ii) to vii).
<p>Log in through Depository Participants</p>	<ul style="list-style-type: none"> i. E-voting can be done through Depository Participant registered with NSDL CDSL by using login credentials of the demat account. ii. Click on the e-voting option and the members are redirected to the NSDL CDSL Depository website. iii. Click on the e-voting link for casting the e-vote. iv. Follow the steps given at Note number 17.2.5 - from step ii) to vii).
<p>Log in through Depository by OTP</p>	<p>Alternatively, the members can directly access e-Voting without registration, through OTP as below:</p> <ul style="list-style-type: none"> i. The members holding shares with CDSL may log on to www.evotingindia.com and click on "Shareholders Members", enter DP ID followed by the eight-digit client ID and PAN. ii. The members holding shares with NSDL may log on to the www.evoting.nsd.com and click on "Shareholder Member", enter the DP ID followed by the eight-digit client ID. <p>The system will authenticate the members by sending OTP on registered mobile numbers and e-mail addresses as recorded with the DPs. After successful authentication, the members will be provided with the links for e-voting. Follow the steps given in Note number 17.2.5 - from step ii) to vii).</p>

17.2 The instructions for remote e-voting by the members other than those referred in Note number 17.1 are as under:

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

17.2.2 Click on the 'Shareholders' tab.

17.2.3 Enter the user ID as determined in the following table:

User ID for the members holding shares in the demat form with CDSL	the 16-digit beneficiary ID
User ID for the members holding shares in the demat form with NSDL	the eight-character depository participant (DP) ID followed by the eight-digit client ID
User ID for the members holding shares in the physical form	the folio numbers of the shares held in the Company

17.2.4 Enter image verification details as displayed on the screen and click on 'Login'.

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

- i) Use the existing password.
- ii) Click on the electronic voting serial number 230529005 of Atul Ltd to vote.
- iii) The 'Resolution description' message will appear on the e-voting page with 'Yes | No' options for e-voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the resolution.
- iv) Click on the 'Resolutions file link' to view the details.
- v) After selecting the resolution, click on the 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok'; else click on 'Cancel'.
- vi) After voting on a resolution, the members will not be allowed to modify their votes.
- vii) A print of the e-voting done may be taken by clicking on the 'Click here to print' tab on the e-voting page.
- viii) In case the members holding shares in the demat form forget their password, they can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.

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

- i) Register as under:
 - a) The members who have already submitted their Permanent Account Number (PAN) to the Company | DP may enter their 10-digit alpha-numeric PAN issued by the Income Tax department. Others are requested to use the sequence number in the PAN field. The sequence number is mentioned in the e-communication.
 - b) Enter the date of birth (DoB) as recorded in the demat account or in the records of the Company for the said demat account or folio in the dd | mm | yyyy format or

Enter the dividend bank details (DBD) as recorded in the demat account or in the records of the Company for the said demat account or folio or

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

User ID for the members holding shares in the demat form with CDSL	the 16-digit beneficiary ID
User ID for the members holding shares in the demat form with NSDL	the eight-character DP ID followed by the eight-digit client ID
User ID for the members holding shares in the physical form	the folio numbers of the shares held in the Company

- ii) After entering these details appropriately, click on 'Submit'.
- iii) The members holding shares in the physical form will reach the Company selection screen. However, the members holding shares in the demat form will reach the 'Password creation' menu and will have to enter the 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.

- iv) The members holding shares in the physical form can use login details only for e-voting on the resolutions contained in this Notice.
- v) Click on the electronic voting serial number 230529005 of Atul Ltd to vote.
- vi) The 'Resolution description' message will appear 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.
- vii) Click on the 'Resolutions file link' to view the details.
- viii) After selecting the resolution, click on the 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok'; else click on 'Cancel'.
- ix) After voting on a resolution, the members will not be allowed to modify their votes.
- x) A print of the e-voting done may be taken by clicking on the 'Click here to print' tab on the e-voting page.
- xi) In case the members holding shares in the demat form forget their passwords, they can enter the user ID and the image verification details and click on 'Forgot password' to generate a new one.

17.2.7 Note for the non-individual members and the Custodians:

- i) The non-individual members (that is, other than individuals, Hindu Undivided Family, non-resident individuals) and custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- ii) A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed by the members to helpdesk.evoting@cdslindia.com
- iii) After receiving the login details, a Compliance user will be created using the admin login and password. The Compliance user will be able to link the account(s) for which they wish to vote.
- iv) The list of accounts will be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, votes can be cast.
- v) 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 the portable document format in the system for verification by the Scrutiniser.

17.2.8 The members can also use the mobile application 'm-Voting' of CDSL for e-voting using their e-voting credentials.

17.2.9 The remote e-voting period commences on July 25, 2023 (at 9:00 am) and ends on July 27, 2023 (at 5:00 pm). During this period, the members holding shares either in the physical form or in the demat form, as of the cut-off date of July 21, 2023, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting after the said period. Once the votes on a resolution are cast members who have not cast their votes through remote e-voting may cast their votes during the AGM by attending the AGM through VC by following the aforesaid process.

17.2.10 The voting rights of the members will be in proportion to their share of the paid-up equity share capital of the Company as of the cut-off date of July 21, 2023.

17.3 The instructions for e-voting during the AGM are as under:

17.3.1 The facility for voting through ballot | polling paper will not be available. The members attending the AGM through VC and who have not cast their votes through remote e-voting will be able to exercise their voting rights during the AGM through the e-voting facility. The members who have already cast their votes through remote e-voting may attend the AGM, but will not be able to cast their votes again.

17.3.2 The procedure for e-voting during the AGM is the same as per the instructions mentioned in Note numbers 17.1 and 17.2, as the case may be, for remote e-voting.

- i) Only those members who will be present at the AGM through VC and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, will be eligible to vote through the e-voting system available in the AGM.
- ii) If any votes are cast by the members through e-voting available during the AGM without participating in the AGM through VC, then the votes cast by such members will be considered invalid as the facility of e-voting during the AGM is available only to the members participating in the AGM.

17.4 The Company has availed services of Cisco WebEx to provide the VC facility to the members to attend the AGM in collaboration with CDSL. More than 1,000 members, excluding promoters, large shareholders (holding 2% or more shares in the Company), Directors, Key Managerial Personnel, Auditors and the Chairmen of Committees of the Board, can participate in the AGM through VC on a first-come, first-served basis.

17.4.1 The instructions for attending the AGM through VC are as under:

- i) The individual members holding shares in the demat form can log in at any time starting from 10:15 am on July 28, 2023, as per Note number 17.1.
- ii) Other members can log in to www.evotingindia.com at any time starting from 10:15 am on July 28, 2023, and follow the steps mentioned below:
 - a) Click on the 'Shareholders | Members' tab.
 - b) The 'Shareholders | Members' message will appear, enter user ID | verification code and click on the 'Log in' tab. If the members are not having remote e-voting login credentials, then they may create the same by following the instructions given in Note number 17.2.6.
 - c) When 'Character validation was successful. Kindly enter other login details to proceed' appears, enter the password in the 'Password' tab and click on the 'Submit' tab.
 - iii) When the 'Member voting screen' appears, click on the 'Click here' tab on the 'Live Streaming' column.
 - iv) When the message 'This is an external link, are you sure you want to continue' appears, click on the 'OK' tab to proceed.
 - v) When 'Event information' appears, enter first name and last name and click on the 'Join now' tab.
 - vi) When 'Meeting room joining confirmation' appears, click on the 'Join event' tab.

17.4.2 The members are encouraged to join the meeting through laptops for a better experience. The members will be required to ensure high-definition web cameras and high-speed internet connectivity to avoid any disturbance during the AGM.

17.4.3 The participants connecting through mobile devices | tablets | laptops using mobile hotspots may experience audio | video loss due to fluctuations in their respective networks. It is therefore recommended to use a stable Wi-Fi | LAN connection to mitigate such possible glitches.

17.4.4 The members who wish to express their views | ask questions during the AGM are requested to register themselves as speakers by providing their names, demat account numbers | folio numbers, e-mail addresses, mobile | telephone numbers along with questions, if any, to the Company on shareholders@atul.co.in Such requests need to reach the Company at least seven days before the date of the AGM.

17.4.5 Those members who have registered themselves as speakers may only be allowed to express their views | ask questions during the AGM.

17.5 In case of queries or issues regarding e-voting or attending the AGM through VC, the members may refer to the 'Frequently asked questions' and e-voting manual available at www.evotingindia.com under the 'Help' section. The members may also contact Mr Rakesh Dalvi, Manager, Central Depository Services (India) Ltd, 25th floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, Maharashtra, India, e-mail address: helpdesk.evoting@cdslindia.com, telephone: (+91 22) 23058542 | 43 or Ms Pallavi Matre, National Securities Depository Ltd, 4th floor, Trade World A wing, Kamala Mills Compound, Lower Parel, Mumbai 400 013, Maharashtra, India, e-mail address: evoting@nsdl.co.in, telephone: 1800 1020 990 or Mr Nilesh Dalwadi, Team Member, Link Intime India Pvt Ltd, 506-508, Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, e-mail address: nilesh.dalwadi@linkintime.co.in, telephone: (+91 79) 26465179 | 86 | 87 or Mr Tejas Panchal, Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, e-mail address: shareholders@atul.co.in, telephone: (+91 79) 26461294 | 26463706 or Mr Ankit Patadiya, Manager, Atul Ltd, e-mail address: legal@atul.co.in, telephone: (+91 2632) 230400.

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

17.7 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.

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



18. At the ensuing Annual General Meeting:

i) Mr Rajendra Shah retires by rotation.

Mr Shah has been serving as a Non-executive Director on the Board of the Company since May 26, 1983.

Pursuant to Section 152(6) of the Companies Act, 2013 ("the Act"), Mr Shah is liable to retire by rotation at the AGM. Although eligible for reappointment, he has expressed his unwillingness to be reappointed and has not offered himself for reappointment at the AGM. Accordingly, Mr Shah will cease to hold office as a Director of the Company at the conclusion of the AGM.

The Board of Directors ("Board") places on record their deep appreciation for the invaluable contribution, leadership and guidance extended by Mr Shah during his association.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution number 4 of the Notice.

The Board recommends resolution in item number 4 in the Notice for the approval by the members as an ordinary resolution.

ii) Mr Sunil Lalbhai is proposed to be reappointed as the Chairman and Managing Director effective July 01, 2024.

iii) Mr Rangaswamy Iyer is proposed to be appointed as an Independent Director effective May 01, 2023.

The information or details required as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to Mr Lalbhai and Mr Iyer are given in the explanatory statement.

Registered office:

Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
Corporate identity number: L99999GJ1975PLC002859
April 28, 2023

By order of the Board of Directors
(Lalit Patni)

Company Secretary and Chief Compliance Officer

Explanatory statement

The following explanatory statement, as required by Section 102 of the Companies Act, 2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, sets out material facts, including the nature and concern or interest of the Directors in relation to the item numbers 5,6,7 and 8 mentioned in the accompanying Notice:

Item number 5

The members in the AGM held on July 27, 2018, had appointed Mr Sunil Lalbhai as the Chairman and Managing Director (CMD) of the Company for a period of five years, effective July 01, 2019. The current term of his office is due to expire on June 30, 2024. Mr Lalbhai has 39 years of experience with the Company and has made significant contributions to its growth. It is now proposed to reappoint him as the CMD of the Company effective July 01, 2024. On the recommendation of the Nomination and Remuneration Committee, the Board approved the proposal for his reappointment as the CMD. His brief résumé is given below:

Name	Mr Sunil Lalbhai
Date of birth	March 15, 1960
Brief résumé	<p>Mr Sunil Lalbhai is Managing Director of the Company since June 1984 and the Chairman of the Board of the Company since August 2007. He is the Chairman of the Risk Management Committee and a Member of the Corporate Social Responsibility Committee, Investment Committee and Stakeholders Relationship Committee of the Board.</p> <p>Mr Lalbhai is a member of the Governing Council of Shree Vallabh Shikshan Ashram and a Trustee on the Board of BAIF Development Research Foundation (BAIF). He is the Chairman of the Finance Committee and HR Committee of BAIF. He is the Chairman of DHRUVA and GRISERV, two trusts promoted by BAIF. He is a Trustee or a member of some of the other social institutions established by the Lalbhai Group.</p> <p>Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.</p>
Directorship in other companies	<p>Public companies</p> <p>Amal Ltd – Chairman Atul Bioscience Ltd – Chairman Atul Rajasthan Date Palms Ltd – Vice Chairman Navin Fluorine International Ltd Pfizer Ltd The Bombay Dyeing and Manufacturing Company Ltd</p>
Membership in committees of other companies	<p>Chairman of committees</p> <p>Navin Fluorine International Ltd – Audit Committee Navin Fluorine International Ltd – Nomination and Remuneration Committee Pfizer Ltd – Risk Management Committee Pfizer Ltd – Stakeholders Relationship Committee The Bombay Dyeing and Manufacturing Company Ltd – Stakeholders Relationship Committee</p> <p>Member of committees</p> <p>Amal Ltd – Nomination and Remuneration Committee Atul Bioscience Ltd - Nomination and Remuneration Committee Pfizer Ltd – Audit Committee The Bombay Dyeing and Manufacturing Company Ltd – Nomination and Remuneration Committee The Bombay Dyeing and Manufacturing Company Ltd – Strategic Committee</p>
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	93,326

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



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

The material terms of the draft agreement are as under:

I. Responsibilities:

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

II. Tenure

The period of office of Mr Lalbhai will be for five years from July 01, 2024 to June 30, 2029.

III. Remuneration:

During tenure, he will be paid remuneration as below:

1) Basic salary of ₹ 21,37,245 (Rupees twenty one lakhs thirty seven thousand two hundred and forty five only) per month. The basic salary may be increased from time to time by the Nomination and Remuneration Committee at its absolute discretion within his contractual period of five years; however, the maximum basic salary payable will not exceed ₹ 45,00,000 (Rupees forty five lakhs only) per month.

2) Perquisites

- a) Housing: the Company will provide residential accommodation with gas, water and electricity or pay house rent allowance as per its policy.
- b) Furnishing: the Company will provide furniture and fixtures as per its policy.
- c) Medical reimbursement: the Company will reimburse medical expenses for self and family incurred as per its policy.
- d) Leave travel assistance: the Company will provide leave travel assistance for self and family once in a year as per its policy.
- e) Group accident insurance: the Company will provide group accident insurance of a sum assured up to ₹ 50 cr.
- f) Club fees: the Company will reimburse annual fees for up to two clubs.
- g) Car: the Company will provide a car at its entire cost as per its policy.
- h) Car driver wages | fuel | maintenance: the Company will reimburse for car driver wages, fuel and maintenance as per its policy.
- i) Communication devices: the Company will provide a landline telephone at the residence and other communication devices as per its policy.

3) Retirals

- a) The Company will contribute towards the provident fund and superannuation fund provided that such contributions either singly or put together do not exceed the limit prescribed under Section 36(l)(iv) of Income Tax Act, 1961 read with Rule 87 of Income Tax Rules, 1962.
- b) The Company will pay gratuity as per its policy. The period worked under this contract will be in the continuum of the service already considered under the policy.
- c) The Company will grant full pay and allowances leaves, not exceeding one month for every 11 months of service. Unavailed accumulated leaves lying unencashed may also be carried forward to the next tenure, if any.

4) Commission

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

IV. Mr Lalbhai will not be entitled to sitting fees for attending meetings of the Board and | or Committees thereof. He will, however, be reimbursed for the actual travelling, lodging, boarding and out-of-pocket expenses incurred by him for attending meetings of the Board or Committees thereof.

- V. The above remuneration and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under the applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Lalbhai will be paid minimum remuneration subject to Schedule V of the Companies Act, 2013.
- VI. A rateable proportion of the aforesaid remuneration will be payable by the Company, in the event of cessation of office during any financial year.
- VII. Mr Lalbhai will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- VIII. The Directors are at liberty to appoint more than one Managing Director.
- IX. A notice period of six months will be applicable from either side.
- X. Mr Lalbhai will be entitled to compensation in accordance with Section 202 of the Companies Act, 2013, in the event of termination of office.

The Board considers that the association of Mr Lalbhai will be of immense benefit to the Company. Accordingly, the Board recommends the resolution in item number 5 in the Notice in relation to the reappointment of Mr Lalbhai as the Chairman and Managing Director for five years for approval by the members as a special resolution.

Memorandum of interest

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

Item number 6

The Board of Directors (Board), on the recommendation of the Nomination and Remuneration Committee, appointed Mr Rangaswamy Iyer as an Additional Director effective May 01, 2023. Subject to the approval of the members, the Board also appointed Mr Iyer, as an Independent Director for a term of five consecutive years from May 01, 2023 to April 30, 2028. His brief résumé is as under:

Name	Mr Rangaswamy Iyer
Date of birth	April 12, 1953
Brief résumé	<p>Mr Rangaswamy Iyer was appointed by the Board as an Independent Director effective May 01, 2023. Effective May 01, 2023, he is also a Member of the Audit Committee of the Board.</p> <p>Mr Iyer has about four decades of experience in Healthcare industry including Animal Health, Biologicals, Consumer Healthcare and Pharmaceuticals, and mergers and acquisitions. He was Chief Financial Officer and Finance Director of Cyanamid India Ltd and later transitioned to Wyeth Ltd and rose to become its Managing Director.</p> <p>Mr Iyer is a senior advisor to Lincoln International, USA. He is an advisor consultant to multinational and Indian pharma companies, private equity firms and investment bankers in the areas of business strategy and business development.</p> <p>Mr Iyer holds a postgraduate degree in Commerce and a postgraduate degree in Financial Management from the University of Mumbai.</p>
Directorship in other companies	<p>Public company Atul Bioscience Ltd</p> <p>Private companies Cyberoid Healthcare Pvt Ltd Noveltech Feeds Pvt Ltd 11.2 Advisors Pvt Ltd</p>
Membership in committees of other companies	<p>Member of committees Atul Bioscience Ltd – Audit Committee Atul Bioscience Ltd – Nomination and Remuneration Committee</p>



Name	Mr Rangaswamy Iyer
Cessation from directorship of listed company in past three years	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

Mr Iyer, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offers himself for appointment. It is proposed to appoint him as an Independent Director for five consecutive years from May 01, 2023 to April 30, 2028. A Notice has been received from a member proposing Mr Iyer as a candidate for the office of Director of the Company.

Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires passing of special resolution with justification in the explanatory statement for appointment or continuance of a Non-executive Director whose age is 75 years or above. During his tenure Mr Iyer will attain 75 years of age.

In the opinion of the Board, Mr Iyer:

- i) possesses rich experience and expertise relevant to the Company
- ii) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder
- iii) is independent of the Management

Given the above, the Board is of the view that his association will be beneficial to the Company.

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

Accordingly, the Board recommends the resolution in item number 6 in relation to appointment of Mr Iyer as an Independent Director for a term of five consecutive years for the approval of the members as a special resolution.

Memorandum of interest

Except Mr Iyer, 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 6.

Item number 7

Pursuant to Article 87(2) of the Articles of Association of the Company and in accordance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Non-executive Directors are entitled to receive a commission up to 1% of the net profit of the Company in any financial year, with the approval of the Company by way of ordinary resolution. Earlier the 41st AGM had authorised payment of such commission for a period of five years which expired on March 31, 2023 and the same requires further renewal.

In view of the time and attention which the Non-executive Directors are called upon to give for the purpose of the business of the Company, it is considered that the payment of such commission to the Non-executive Directors as permitted by Article 87(2) aforesaid, may be made for the period of five years effective April 01, 2023.

The Board recommends the resolution in item number 7 in the Notice in relation to the payment of commission to Non-executive Directors for a period of five years for approval by the members as an ordinary resolution.

Memorandum of interest

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

Item number 8

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

On the recommendation of the Audit Committee, the Board considered and approved the appointment of the Cost Auditors, R Nanabhoy & Co, Cost Accountants, for conducting cost audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers at a remuneration of ₹ 3.57 lakhs plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending on March 31, 2024.

The Board seeks ratification of the aforesaid remuneration by the members and accordingly requests their approval of the ordinary resolution.

Memorandum of interest

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

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
Corporate identity number: L99999GJ1975PLC002859
April 28, 2023

By order of the Board of Directors
(Lalit Patni)
Company Secretary and Chief Compliance Officer

Performance trend

(₹ cr)

Particulars	Ind AS							
	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
Operating results								
Net sales	5,002	4,929	3,460	3,824	3,845	3,052	2,639	2,403
Revenue	5,261	5,083	3,616	3,983	3,947	3,186	2,891	2,652
PBIDT	895	953	950	922	768	511	512	485
Finance costs	2	3	2	2	4	9	21	26
PBDT ¹	893	950	948	920	764	502	491	459
Depreciation	163	146	120	117	112	105	91	62
Profit from operations ¹	730	804	828	803	652	397	400	397
Exceptional Non-recurring items	-	-	-	-	-	-	-	3
PBT	730	804	828	803	652	397	400	400
Tax	178	196	197	163	223	127	115	126
Net profit	552	608	631	640	429	270	285	274
Dividend (including DDT ³) ⁴	96	59	-	151	40	33	36	30
Financial position								
Gross block ⁵	2,485	2,098	1,839	1,595	1,333	1,243	1,118	945
Net block ⁵	1,702	1,446	1,295	1,139	988	989	965	883
Other assets (net)	2,893	2,943	2,416	1,931	1,662	1,209	1,111	1,011
Capital employed	4,595	4,389	3,711	3,070	2,650	2,198	2,076	1,894
Equity share capital	30	30	30	30	30	30	30	30
Other equity	4,560	4,286	3,681	3,040	2,620	2,168	1,891	1,562
Total equity	4,590	4,316	3,711	3,070	2,650	2,198	1,921	1,592
Borrowings (net)	-	-	-	-	-	-	155	302
Per equity share (₹)								
Dividend ⁶	32.50	25.00	20.00	27.50	15.00	12.00	10.00	10.00
Book value	1,555	1,459	1,254	1,035	893	741	648	537
EPS	187.03	205.34	212.78	215.82	144.51	91.16	96.18	92.53
Key indicators								
PBIDT %	17.89	19.33	27.46	24.11	19.97	16.74	19.40	20.18
PBDT %	17.85	19.27	27.40	24.06	19.87	16.45	18.61	19.10
PBT %	14.59	16.31	23.93	21.00	16.96	13.01	15.16	16.52
Employee cost %	6.02	5.60	7.20	6.51	5.70	5.93	6.56	6.99
Finance costs %	0.04	0.06	0.06	0.05	0.10	0.29	0.80	1.08
Operating cash flow total revenue %	13.88	4.27	18.71	21.40	10.06	10.21	12.80	14.13
Asset turnover ratio ⁷	2.35	2.56	2.16	2.81	3.04	2.60	2.44	3.10
RoCE % ¹	19.21	23.57	29.56	33.82	32.05	22.38	25.71	30.91
RoNW % ¹	12.40	15.15	18.61	22.38	17.70	13.11	16.23	20.78
Payment to exchequer	914	948	698	640	627	442	307	335

Notes:

¹Excluding exceptional items | ²Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above |

³Dividend distribution tax up to 2019-20 | ⁴Paid during the year | ⁵Including capital work-in-progress | ⁶Proposed | paid for the year |

⁷Excluding capital work-in-progress

(₹ cr)

Particulars	Schedule VI							
	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Operating results								
Net sales	2,510	2,307	1,964	1,746	1,508	1,168	1,159	998
Revenue	2,571	2,405	2,022	1,792	1,553	1,204	1,196	1,033
PBIDT	391	362	268	203	194	143	124	97
Finance costs	24	31	32	43	26	26	41	33
PBDT ¹	367	331	236	160	168	117	83	64
Depreciation	55	54	49	44	39	37	32	29
Profit from operations ¹	312	277	187	116	129	80	51	35
Exceptional Non-recurring items	-	20	5	6	10	-	(5)	3
PBT	312	297	192	122	139	80	46	38
Tax	95	84	56	34	43	27	10	3
Net profit	217	213	136	88	96	53	36	35
Dividend (including DDT ³) ⁴	30	26	21	16	16	14	10	10
Financial position								
Gross block ⁵	1,345	1,285	1,202	1,100	1,002	986	967	936
Net block ⁵	578	573	526	474	420	424	443	433
Other assets (net)	719	719	585	550	474	355	384	428
Capital employed	1,297	1,292	1,111	1,024	894	779	827	861
Equity share capital	30	30	30	30	30	30	30	30
Other equity	986	911	726	612	537	454	429	403
Total equity	1,016	941	756	642	567	484	459	433
Borrowings (net)	281	351	355	382	327	295	368	428
Per equity share (₹)								
Dividend ⁶	8.50	7.50	6.00	4.50	4.50	4.00	3.00	3.00
Book value	343	317	255	216	191	163	155	146
EPS	73.30	71.74	45.69	29.70	30.34	19.15	12.77	12.35
Key indicators								
PBIDT %	15.58	15.69	13.65	11.63	12.86	12.24	10.70	9.72
PBDT %	14.62	14.35	12.02	9.16	11.14	10.02	7.16	6.41
PBT %	12.43	12.01	9.52	6.64	8.55	6.85	4.40	3.51
Employee cost %	6.14	6.07	6.52	6.70	6.76	8.82	7.85	8.12
Finance costs %	0.96	1.34	1.63	2.46	1.72	2.23	3.54	3.31
Operating cash flow total revenue %	12.33	5.86	8.24	6.73	3.88	8.86	17.23	1.11
Asset turnover ratio ⁷	2.02	1.87	1.70	1.67	1.55	1.20	1.22	1.14
RoCE % ¹	26.76	26.04	21.04	16.93	18.46	13.09	11.19	9.42
RoNW % ¹	22.18	23.45	18.74	13.56	16.37	11.24	8.95	8.80
Payment to exchequer	305	267	212	191	167	99	101	98

Notes:
¹Excluding exceptional items | ²Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above |

³Dividend distribution tax up to 2019-20 | ⁴Paid during the year | ⁵Including capital work-in-progress | ⁶Proposed | paid for the year |

⁷Excluding capital work-in-progress



Independent Auditor's Report

To the members of Atul Ltd

Report on the audit of the Standalone Financial Statements

Opinion

01. We have audited the accompanying Standalone Financial Statements of Atul Ltd (the Company), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.
02. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

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

Key audit matter

04. Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the Standalone Financial Statements of the current period. This matter was addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described as follows to be the key audit matter to be communicated in our report.

Key audit matter	Auditor's response
<p>Allowance for credit losses</p> <p>The Company determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions of its customers, their industries and geography of operations.</p> <p>In calculating expected credit loss, the Company also considers the insurance covers and other securities, besides other related information for its customers, including credit reports, to estimate the probability of default in future.</p> <p>The Management has exercised significant judgement in estimating the allowance for credit losses.</p> <p>Refer Note 10 and 29.8(c) to the Standalone Financial Statements.</p>	<p>Our principle procedures included the following, but were not limited to:</p> <p>Testing the effectiveness of controls over the:</p> <ul style="list-style-type: none"> - classification of customers by the businesses and computing the net exposure as at the reporting date, - development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions, - completeness and accuracy of information used in the estimation of probability of default and - computation of the allowance for credit losses. <p>Testing the arithmetical accuracy and computation of the allowances prepared by the Management.</p> <p>Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach and the assumptions, to independently validate the Management estimates.</p>

Information other than the Financial Statements and Auditor's Report thereon

05. The Board of Directors is responsible for the other information. The other information comprises the information included in the letter to the shareholders, operational highlights, financial charts, Directors' Report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility and Sustainability Report, Dividend Distribution Policy and performance trend, but does not include the Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Report thereon.
06. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
07. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
08. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with governance for the Standalone Financial Statements

09. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the 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.
10. In preparing the Standalone Financial Statements, the Management is responsible for assessing the ability of the Company to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

11. The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's responsibility for the audit of the Standalone Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company



to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter must not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flows and Statement of changes in equity 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors as on March 31, 2023, taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2023, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Standalone Financial Statements of the Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements. Refer Note 29.1 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities (funding parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 29.17 to the Standalone Financial Statements:
 - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
 - c) The Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed declared is in accordance with Section 123 of the Act, as applicable.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company effective from April 01, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended on March 31, 2023.
- 15. As required by the Companies (Auditor's Report) Order, 2020 (the Order), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration number: 117366W|W-100018

Ketan Vora

Partner

Mumbai
April 28, 2023

Membership number: 100459
UDIN: 23100459BGXJGZ2782



Annexure A to the Independent Auditor's Report

Referred to in para 14(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

Report on the internal financial controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls with reference to Standalone Financial Statements of Atul Ltd (the Company) as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

01. Our responsibility is to express an opinion on the internal financial controls of the Company with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of internal financial controls with reference to Standalone Financial Statements

The internal financial controls with reference to Standalone Financial Statements of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. Internal financial controls with reference to Standalone Financial Statements of a Company include those policies and procedures that i) pertain to the maintenance of records that, 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 Standalone Financial Statements in accordance with the Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that can have a material effect on the Standalone Financial Statements.

Inherent limitations of internal financial controls with reference to Standalone Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal financial control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration number: 117366WJW-100018

Ketan Vora

Partner

Mumbai
April 28, 2023

Membership number: 100459
UDIN: 23100459BGXJGZ2782

Annexure B to the Independent Auditor's Report

Referred to in paragraph 15 under 'Report on Other legal and regulatory requirements' section of our report of even date.

To the best of our information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

01. a) In respect of the property, plant and equipment and intangible assets of the Company:
 - i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, bearer plants, capital work-in-progress, investment properties and relevant details of right-of-use asset.
 - ii. The Company has maintained proper records showing full particulars of intangible assets.
- b) The Company has a program of verification of property, plant and equipment, bearer plants, capital work-in-progress, investment properties and right-of-use asset so as to cover all the items

in a phased manner once over a period of three years which, in our opinion, is reasonable having regards to size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Standalone Financial Statements included in investment properties, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed | transfer deed | conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the Balance Sheet date, except the following:

Particulars of land and building	Carrying value as at March 31, 2023 (₹ cr)	Held in the name of	Whether promoter, Director or their relative or employee	Held since	Reason for not being held in the name of the Company
Freehold land	0.15	Atul Products Ltd	No	February 26, 1992	In process of transfer in the name of the Company
Freehold land	0.27	Various individuals	No	December 21, 2019	In process of transfer in the name of the Company
Building in Delhi	0.01	Atul Products Ltd	No	March 31, 1968	In process of transfer in the name of the Company
Freehold Land Others	4.73	Various individuals	No	August 24, 2021	In process of transfer in the name of the Company
Freehold Land Others	1.09	Nita Shailen Harrai Desai	No	March 25, 2023	In Process of transfer in the name of the Company

- d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.

02. a) The inventories were physically verified during the year by the Management at reasonable intervals, except goods-in-transit and stocks lying with third parties. In our opinion, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of inventory lying with third parties at the year end, written confirmations have been obtained by the Management and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

b) The Company has been sanctioned working capital limits in excess of ₹ 5 cr, in aggregate, at points of time during the year during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters. The Company is yet to submit the return | statement for the quarter ended March 31, 2023, with the banks or financial institutions.

03. The Company has made investments in, granted loans, secured or unsecured, to companies, limited liability partnership or any other parties during the year, in respect of which:

a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

Particular	Amount (₹ cr)
A. Aggregate amount granted provided during the year:	
- Subsidiary companies	533.05
- Joint operation	5.52
- Others	-
B. Balance outstanding as at Balance Sheet date in respect of the above cases:	
- Subsidiary companies	819.00
- Joint operation	53.98

The Company has not provided any guarantee or security to any other entity during the year.

- b) The investments made and the terms and conditions of the grant of all the above mentioned loans during the year are, in our opinion, not prejudicial to the interests of the Company.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.
- e) No loans granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under Clause (iii)(f) is not applicable.
04. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted and, as applicable.
05. The Company has not accepted or is not holding any deposit or amounts, which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of

the Companies Act, 2013. No order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

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

07. In the respect of statutory dues:

- a) The Company has been generally regular in depositing undisputed statutory dues of the year, including goods and service tax, provident fund, employees' state insurance, income tax, customs duty, cess, and other material statutory dues applicable to it to the appropriate authorities.
- b) There were no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, customs duty, cess, and other material statutory dues in arrears as at March 31, 2023, for a period of more than six months from the date they became payable.
- c) Details of statutory dues referred to in Sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes are given as follows:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (₹ cr)*
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	Various assessment years from 2009-10 to 2018-19	10.24
		Income Tax Appellate Tribunal	Assessment year 2010-11 and 2017-18	3.21
		High Court	Assessment year 2002-03	0.02
The Central Excise Act, 1944 and Chapter V of the Finance Act, 1994	Excise duty and Service tax	Commissioner (Appeals)	1993-2016	0.53
		Customs, Excise and Service Tax Appellate Tribunal	1992-2018	1.64
		High Court	1994-95	3.53
The Customs Act, 1962	Custom duty	Commissioner (Appeals)	1994-2009	3.19
		High Court	2017-18	1.76

*net of amount paid under protest | refund adjusted by the tax authorities

08. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under Clause (ix)(c) of the Order is not applicable.

- d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary companies.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture company.

10. a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under Clause (x)(a) of the Order is not applicable.
- b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under Clause (x)(b) of the Order is not applicable to the Company.
11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under Sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
12. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
14. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
15. In our opinion, during the year, the Company has not entered into any non-cash transactions with its Directors or Directors of its subsidiary companies or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
16. a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause (xvi)(a), (b) and (c) of the order is not applicable.
- b) In our opinion, the Group (the Company and its subsidiary companies, joint venture company and joint operation) does not have any core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) as part of the Group and accordingly reporting under Clause (xvi)(d) of the Order is not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the Statutory Auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and the Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
20. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a fund specified in Schedule VII to the Companies Act, 2013 or special account in compliance with the provision of Sub-Section (6) of Section 135 of the Act. Accordingly, reporting under Clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration number: 117366W|W-100018

Ketan Vora

Partner

Mumbai
April 28, 2023

Membership number: 100459
UDIN: 23100459BGXJGZ2782



Standalone Balance Sheet

as at March 31, 2023

(₹ cr)

Particulars		Note	As at March 31, 2023	As at March 31, 2022
A ASSETS				
1. Non-current assets				
a)	Property, plant and equipment	2	1,345.13	1,272.20
b)	Capital work-in-progress	2	356.31	173.44
c)	Investment properties	3	3.22	3.22
d)	Intangible assets	4	0.26	0.78
e)	Financial assets			
i)	Investments in subsidiary companies and joint venture company	5.1	312.56	255.69
ii)	Other investments	5.2	642.86	755.38
iii)	Loans	6	678.38	349.02
iv)	Other financial assets	7	11.43	13.96
f)	Income tax assets (net)	29.5	6.35	6.89
g)	Other non-current assets	8	40.75	28.24
Total non-current assets			3,397.25	2,858.82
2. Current assets				
a)	Inventories	9	647.64	701.03
b)	Financial assets			
i)	Investments	5.3	172.42	539.54
ii)	Trade receivables	10	893.86	1,058.83
iii)	Cash and cash equivalents	11	0.16	17.93
iv)	Bank balances other than cash and cash equivalents mentioned above	12	2.93	2.82
v)	Loans	6	194.60	26.72
vi)	Other financial assets	7	24.30	14.14
c)	Other current assets	8	97.74	130.80
Total current assets			2,033.65	2,491.81
Total assets			5,430.90	5,350.63
B EQUITY AND LIABILITIES				
Equity				
a)	Equity share capital	13	29.53	29.61
b)	Other equity	14	4,559.84	4,286.78
Total equity			4,589.37	4,316.39
Liabilities				
1. Non-current liabilities				
a)	Other financial liabilities	15	2.86	2.73
b)	Provisions	16	30.25	27.59
c)	Deferred tax liabilities (net)	29.5	86.18	90.36
Total non-current liabilities			119.29	120.68
2. Current liabilities				
a)	Financial liabilities			
i)	Borrowings	17	5.41	72.94
ii)	Trade payables	18		
Total outstanding dues of				
a) Micro-enterprises and small enterprises			40.15	43.36
b) Creditors other than micro-enterprises and small enterprises			490.65	576.59
iii)	Other financial liabilities	15	127.93	129.74
b)	Contract liabilities	19	32.55	30.41
c)	Other current liabilities	20	9.09	8.26
d)	Provisions	16	16.46	45.56
e)	Current tax liabilities (net)	29.5	-	6.70
Total current liabilities			722.24	913.56
Total liabilities			841.53	1,034.24
Total equity and liabilities			5,430.90	5,350.63

The accompanying Notes 1-29 form an integral part of the Standalone Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
(DIN:00198716)
**Whole-time Director
and President - U&S**

R A Shah
(DIN:00009851)

B S Mehta
(DIN:00035019)

S M Datta
(DIN:00032812)

V S Rangan
(DIN:00030248)

M M Chitale
(DIN:00101004)

S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)

P J Banerjee
(DIN:02985965)
Directors

For and on behalf of the Board of Directors

S S Lalbhai
(DIN:00045590)
Chairman and Managing Director

S A Lalbhai
(DIN:00009278)
Managing Director

Mumbai
April 28, 2023

Mumbai
April 28, 2023

Standalone Statement of Profit and Loss

for the year ended on March 31, 2023

(₹ cr)

Particulars	Note	2022-23	2021-22
INCOME			
Revenue from operations	21	5,061.78	4,992.75
Other income	22	199.44	90.07
Total income		5,261.22	5,082.82
EXPENSES			
Cost of materials consumed	23	2,484.52	2,591.23
Purchases of stock-in-trade		186.74	160.26
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	10.74	(127.02)
Employee benefit expenses	25	301.46	276.39
Finance costs	26	2.12	2.94
Depreciation and amortisation expenses	27	162.85	146.48
Other expenses	28	1,382.58	1,228.57
Total expenses		4,531.01	4,278.85
Profit before tax		730.21	803.97
Tax expense			
Current tax	29.5	170.29	200.61
Deferred tax	29.5	7.77	(4.17)
Total tax expense		178.06	196.44
Profit for the year		552.15	607.53
Other comprehensive income			
a) Items that will not be reclassified to profit loss			
i) Change in fair value of equity instruments through other comprehensive income (FVTOCI)		(110.26)	64.50
ii) Remeasurement gain (loss) on defined benefit plans		3.72	(6.76)
iii) Income tax related to items above		10.87	(0.83)
b) Items that will be reclassified to profit loss			
i) Effective portion of gain (loss) on cash flow hedges		(0.54)	0.50
ii) Income tax related to item no (i) above		0.14	(0.13)
Other comprehensive income, net of tax		(96.07)	57.28
Total comprehensive income for the year		456.08	664.81
Earnings per equity share of ₹ 10 each			
Basic earnings (₹)	29.11	187.05	205.34
Diluted earnings (₹)	29.11	187.05	205.34

The accompanying Notes 1-29 form an integral part of the Standalone Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

R A Shah
(DIN:00009851)

M M Chitale
(DIN:00101004)

S S Lalbhai
(DIN:00045590)
Chairman and Managing Director

L P Patni
Company Secretary

B S Mehta
(DIN:00035019)

S A Panse
(DIN:02599310)

S A Lalbhai
(DIN:00009278)
Managing Director

B N Mohanan
(DIN:00198716)
Whole-time Director and President - U&S

S M Datta
(DIN:00032812)

B R Arora
(DIN:00194168)

V S Rangan
(DIN:00030248)

P J Banerjee
(DIN:02985965)

Directors

Mumbai
April 28, 2023

Mumbai
April 28, 2023



Standalone Statement of changes in equity

for the year ended on March 31, 2023

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2021		29.61
Changes in equity share capital during the year		-
As at March 31, 2022		29.61
Changes in equity share capital during the year, pursuant to buy-back (refer Note 29.18)		(0.08)
As at March 31, 2023	13	29.53

B Other equity

(₹ cr)

Particulars	Reserves and surplus			Items of other comprehensive income		Total other equity
	General reserve	Retained earnings	Capital redemption reserve	FVTOCI equity instruments	Effective portion of cash flow hedges	
As at March 31, 2021	68.72	3,143.28	0.07	469.24	0.43	3,681.74
Profit for the year	-	607.53	-	-	-	607.53
Other comprehensive income, net of tax	-	(5.06)	-	61.97	0.37	57.28
Total comprehensive income for the year	-	602.47	-	61.97	0.37	664.81
Transfer to retained earnings on disposal of FVTOCI equity instruments	-	(22.82)	-	22.82	-	-
Hedging (gain) loss reclassified to the Standalone Statement of Profit and Loss	-	-	-	-	(0.60)	(0.60)
Buy-back of equity shares (refer Note 29.18)	-	-	-	-	-	-
Transferred to capital redemption reserve upon buy-back (refer Note 29.18)	-	-	-	-	-	-
Transactions with owners in their capacity as owners:						
Dividend on equity shares (refer Note 29.17)	-	(59.17)	-	-	-	(59.17)
As at March 31, 2022	68.72	3,663.76	0.07	554.03	0.20	4,286.78
Profit for the year	-	552.15	-	-	-	552.15
Other comprehensive income, net of tax	-	2.79	-	(98.46)	(0.40)	(96.07)
Total comprehensive income for the year	-	554.94	-	(98.46)	(0.40)	456.08
Transfer to retained earnings on disposal of FVTOCI equity instruments	-	1.84	-	(1.84)	-	-
Hedging (gain) loss reclassified to the Standalone Statement of Profit and Loss	-	-	-	-	(0.49)	(0.49)
Buy-back of equity shares (refer Note 29.18)	(68.72)	(17.89)	-	-	-	(86.61)
Transferred to capital redemption reserve upon buy-back (refer Note 29.18)	-	(0.08)	0.08	-	-	-
Transactions with owners in their capacity as owners:						
Dividend on equity shares (refer Note 29.17)	-	(95.92)	-	-	-	(95.92)
As at March 31, 2023	-	4,106.65	0.15	453.73	(0.69)	4,559.84

Refer Note 14 for nature and purpose of reserves

The accompanying Notes 1-29 form an integral part of the Standalone Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

R A Shah
(DIN:00009851)

M M Chitale
(DIN:00101004)

S S Lalbhai
(DIN:00045590)
Chairman and Managing Director

L P Patni
Company Secretary

B S Mehta
(DIN:00035019)

S A Panse
(DIN:02599310)

S A Lalbhai
(DIN:00009278)
Managing Director

B N Mohanan
(DIN:00198716)
Whole-time Director and President - U&S

S M Datta
(DIN:00032812)

B R Arora
(DIN:00194168)

Mumbai
April 28, 2023

V S Rangan
(DIN:00030248)

P J Banerjee
(DIN:02985965)
Directors

Mumbai
April 28, 2023

Standalone Statement of Cash Flows

for the year ended on March 31, 2023

(₹ cr)

Particulars	2022-23	2021-22
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	730.21	803.97
Adjustments for:		
Depreciation and amortisation expenses	162.85	146.48
Finance costs	2.12	2.94
Loss (gain) on disposal of property, plant and equipment (net)	(0.42)	2.32
Loss of property, plant and equipment due to fire	32.46	-
Insurance claim approved	(31.28)	-
Unrealised exchange rate difference (net)	1.81	(2.40)
Bad debts and irrecoverable balances written off (written back)	1.59	(1.28)
Allowance for doubtful debts	1.46	0.37
Dividend income	(43.14)	(8.52)
Interest income	(61.13)	(28.99)
Liabilities no longer required written back	(3.14)	(1.58)
Gain on disposal of current investments measured at FVTPL (net)	(10.00)	(23.70)
Operating profit before change in operating assets and liabilities	783.39	889.61
Adjustments for:		
(Increase) Decrease in inventories	53.40	(190.45)
(Increase) Decrease in non-current and current assets	188.67	(367.29)
Increase (Decrease) in non-current and current liabilities	(116.07)	77.59
Cash generated from operations	909.39	409.46
Income tax paid (net of refund)	(177.39)	(192.44)
Net cash flow from operating activities	A 732.00	217.02
B CASH FLOW FROM INVESTING ACTIVITIES		
Payments towards property, plant and equipment (including capital advances)	(449.72)	(297.12)
Proceeds from disposal of property, plant and equipment	0.79	0.38
Proceeds from insurance claim	22.29	-
Proceeds from sale of equity instruments measured at FVTOCI	22.04	1.78
Purchase of equity instruments measured at FVTOCI	(20.18)	(1.36)
Redemption of (Investment in) bonds measured at FVTPL	9.16	(90.55)
Redemption of (Investment in) of current investments measured at FVTPL (net)	377.50	202.71
Purchase of equity instruments of subsidiary companies measured at cost	(56.67)	(15.98)
Repayments of loans given	41.33	39.96
Disbursements of loans	(536.73)	(384.02)
Redemption of (Investment in) bank deposits (net)	(0.03)	279.85
Interest received	49.55	30.67
Dividend received from subsidiary companies	24.50	-
Dividend received from joint venture company	11.68	4.38
Dividend received from others	6.96	4.14
Net cash (used in) flow from investing activities	B (497.53)	(225.16)



Standalone Statement of Cash Flows

for the year ended on March 31, 2023

(₹ cr)

Particulars	2022-23	2021-22
C CASH FLOW FROM FINANCING ACTIVITIES		
Disbursements (Repayments) of current borrowings (net)	(67.52)	72.94
Interest paid	(2.11)	(2.94)
Dividend on equity shares	(95.92)	(59.18)
Buy-back of equity shares (including transaction cost)	(86.69)	-
Net cash used in financing activities	C (252.24)	10.82
Net increase (decrease) in cash and cash equivalents	A+B+C (17.77)	2.68
Cash and cash equivalents at the beginning of the year	17.93	15.25
Cash and cash equivalents at the end of the year	0.16	17.93

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on the Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- Cash flows from operating activities include ₹ 15.83 cr (March 31, 2022: ₹ 14.89 cr) being expenditure towards Corporate Social Responsibility initiatives.
- Refer Note 17 (d) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-29 form an integral part of the Standalone Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

R A Shah
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(DIN:00198716)
Whole-time Director
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S M Datta
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B R Arora
(DIN:00194168)

Mumbai
April 28, 2023

V S Rangan
(DIN:00030248)

P J Banerjee
(DIN:02985965)
Directors

Mumbai
April 28, 2023

Notes to the Standalone Financial Statements

Background

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

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

Note 1 Significant accounting policies

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

a) Statement of compliance

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

b) Basis of preparation

i) Historical cost convention

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

- a) Certain financial assets and liabilities (including derivative instruments): measured at fair value
- b) Defined benefit plans: plan assets measured at fair value
- c) Biological assets: measured at fair value less cost to sell

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

iii) The accounting policies are applied consistently to all the periods presented in the Standalone Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between 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 or non-current classification of assets and liabilities.

iv) Recent accounting pronouncements effective from April 01, 2023

The Ministry of Corporate Affairs (MCA) notifies new standards | amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the Standalone Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.



Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no material impact on its Standalone Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

c) Foreign currency transactions

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

d) Revenue recognition

i) Revenue from operations

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or a specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

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

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

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) Other income

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

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

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims.

Lease rental income is recognised on accrual basis.

e) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

The Company considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

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

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

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

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

f) Government grants

- i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.
- ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
- iii) Government grants relating to income are deferred and recognised in the Standalone Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iv) Government grants relating to export incentives, refer Note 1 (d).



g) Leases

As a lessee

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

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

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

As a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Under combined lease agreements, land and building are assessed individually.

h) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

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

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

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

Property, plant and equipment that are not ready for intended use as on the date of Standalone Balance Sheet are disclosed as 'capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value

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

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

Asset category	Estimated useful life
Buildings (residential, factory, etc)	30 to 60 years
Plant and equipment ¹	6 to 20 years
Vehicles ¹	6 to 10 years
Office equipment and furniture	5 to 10 years
Roads	5 years
Bearer plant ¹	40 years

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

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Land accounted under finance lease is amortised on a straight-line basis over the primary period of lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as own assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

i) Intangible assets

Computer software includes enterprise resource planning application and other costs relating to such software that provide significant future economic benefits. These costs comprise license fees and cost of system integration services.

Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent.

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

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

k) Impairment

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



l) Cash and cash equivalents

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

m) Trade receivables

Trade receivables are recognised at the amount of transaction price (net of variable consideration) when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivables overdue more than 180 days are considered in which there is significant increase in credit risk.

n) Trade and other payables

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

o) Inventories

Inventories (other than harvested product of biological assets) are stated at cost and net realisable value, whichever is lower. Cost is determined on periodic moving weighted average basis.

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

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

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

Items such as spare parts, stand-by equipment and servicing equipment that are not plant and machinery get classified as inventory.

The harvested product of biological assets of the Company, that is, oil palm Fresh Fruit Bunch (FFB) is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

p) Investments and other financial assets

Classification and measurement:

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

- i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii) those measured at amortised cost
- iii) those measured at carrying cost for equity instruments of subsidiary companies and joint venture company

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

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

Debt instruments

Initial recognition and measurement:

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

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Standalone Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Standalone Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Standalone Statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Standalone Statement of Profit and Loss.

Equity instruments

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

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

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

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29.8 details how the Company determines whether there has been a significant increase in credit risk.

For trade and lease receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Company computes expected lifetime losses based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition

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

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



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

Financial liabilities

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement

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

iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or it expires.

q) Offsetting financial instruments

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

r) Derivatives and hedging activities

The Company holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities, which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated, but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Standalone Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in other income or other expenses. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Standalone Balance Sheet date.

ii) Cash flow hedge

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Standalone Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain | (loss) on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain | (loss) previously recognised in the cash flow hedging reserve is transferred to the Standalone Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Standalone Statement of Profit and Loss.

s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.

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

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

t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

u) Biological assets

The biological assets of the Company comprise oil palms and tissue culture.

The Company classifies the tissue culture as Mature and Immature plants. Mature biological assets are those which are available for sale in next 12 months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants that are not mature are considered as Immature plants.

The oil palm trees are Bearer plant and are therefore presented and accounted for as property, plant and equipment. However, the oil palm FFB growing on the trees are accounted for as biological assets until the point of harvest. Harvested oil palm FFB are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Standalone Statement of Profit and Loss.

Mature and Immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under separate head of biological assets other than bearer plant and others under non-current assets.

Biological assets are measured at fair value less costs to sell. Costs to sell include the incremental selling costs, including auction charges, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income tax.

Tissue culture raised matured plants are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Standalone Statement of Profit and Loss. Immature tissue culture raised plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the Immature plants at different stages and the fair value measurements are clearly unreliable.

v) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

w) Employee benefits

i) Defined benefit plan

a) Gratuity

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Standalone Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it becomes due for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Standalone Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

b) 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 the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the provident fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Company, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the fair value of assets over the defined benefit obligation is recognised as a liability, with a corresponding charge to the Standalone Statement of Profit and Loss.

ii) Defined contribution plan

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees state insurance scheme, national pension scheme and labour welfare fund are charged as an expense to the Standalone Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

iii) Short-term employee benefits

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

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

iv) Other long-term employee benefits

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

x) Research and Development expenditure

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

y) Earnings per share

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

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

z) Ordinary shares

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of ordinary shares, share options and buy-back are recognised as a deduction from equity, net of any tax effects.

Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1 (e)
- ii) Estimation of useful life of tangible assets: Note 1 (h)
- iii) Estimation of provision for inventories: Note 1 (o)
- iv) Allowance for credit losses on trade receivables: Note 1 (m)
- v) Estimation of claims | liabilities: Note 1 (v)
- vi) Estimation of defined benefit obligations: Note 1 (w)
- vii) Fair value measurements: Note 29.7
- viii) Impairment: Note 1 (k)

Note 2 Property, plant and equipment and capital work-in-progress

Particulars	(₹ cr)										
	Land - freehold ¹	Right-of-use leasehold land ²	Buildings ^{1,3}	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plants	Total	Capital work-in-progress ⁴	
Gross carrying amount											
As at March 31, 2021	47.85	3.93	230.26	1,272.00	10.18	19.80	14.03	0.33	1,598.38	238.92	
Additions	22.84	-	14.08	329.89	2.47	3.17	0.86	0.40	373.71	313.55	
Disposals, transfers and adjustments	-	-	-	(35.61)	(2.07)	(12.19)	-	-	(49.87)	(379.03)	
As at March 31, 2022	70.69	3.93	244.34	1,566.28	10.58	10.78	14.89	0.73	1,922.22	173.44	
Additions	1.54	-	71.85	186.83	3.85	2.68	0.98	-	267.73	457.06	
Disposals, transfers and adjustments	-	0.04	(14.97)	(47.18)	(1.49)	0.58	(0.07)	-	(63.09)	(274.19)	
As at March 31, 2023	72.23	3.97	301.22	1,705.93	12.94	14.04	15.80	0.73	2,126.86	356.31	
Depreciation Amortisation											
Up to March 31, 2021	-	0.36	43.18	476.60	2.05	10.38	11.21	0.05	543.83	-	
For the year	-	0.05	8.61	131.56	2.18	2.10	1.40	0.02	145.92	-	
Disposals, transfers and adjustments	-	-	(0.03)	(26.28)	(1.70)	(11.71)	-	(0.01)	(39.73)	-	
Up to March 31, 2022	-	0.41	51.76	581.88	2.53	0.77	12.61	0.06	650.02	-	
For the year	-	0.05	8.94	148.04	2.36	2.23	0.69	0.02	162.33	-	
Disposals, transfers and adjustments	-	0.03	(3.02)	(27.25)	(0.86)	0.55	(0.07)	-	(30.62)	-	
Up to March 31, 2023	-	0.49	57.68	702.67	4.03	3.55	13.23	0.08	781.73	-	
Net carrying amount											
As at March 31, 2022	70.69	3.52	192.58	984.40	8.05	10.01	2.28	0.67	1,272.20	173.44	
As at March 31, 2023	72.23	3.48	243.54	1,003.26	8.91	10.49	2.57	0.65	1,345.13	356.31	

Notes:

¹Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008, and April 17, 2009, in case of water charges, the Company has created first charge over its certain land and buildings having carrying value of ₹ nil (March 31, 2022: ₹ 9.27 cr) in favour of the Government of Gujarat and paid a security deposit of ₹ nil cr (March 31, 2022: ₹ 2 cr). The abovesaid order does not survive due to the final disposal order dated January 31, 2023, passed by the Honourable High Court of Gujarat. Hence value has been nil. (refer foot note in Note 29.1)

²The Company has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the prevailing rent. It has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land.

³Includes premises on ownership basis of ₹ 1.10 cr (March 31, 2022: ₹ 1.10 cr) and cost of fully paid share in co-operative society of ₹ 2,000 (March 31, 2022: ₹ 2,000).

⁴Capital work-in-progress mainly comprises addition | expansion projects in progress.

Refer Note 17 (c) for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

refer Note 29. 2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

Capital work-in-progress ageing

(₹ cr)

Particulars	As at March 31, 2023				As at March 31, 2022					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	305.73	43.74	4.68	2.16	356.31	150.77	18.21	4.03	0.43	173.44
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
	305.73	43.74	4.68	2.16	356.31	150.77	18.21	4.03	0.43	173.44

Capital work-in- progress (Projects in progress) whose completion is overdue

(₹ cr)

Particulars	As at March 31, 2023				As at March 31, 2022			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project 1	-	102.00	-	-	13.00	-	-	-
Project 2	-	-	-	-	10.00	-	-	-
Project 3	-	-	-	-	4.00	-	-	-
Project 4	-	-	-	-	4.00	-	-	-
Project 5	-	-	-	-	3.00	-	-	-
Project 6	-	-	-	-	-	32.00	-	-
Project 7	-	11.00	-	-	-	1.00	-	-
Project 8	-	-	-	-	-	-	13.00	-
Project 9	-	-	-	-	-	-	3.00	-
Project 10	53.00	-	-	-	-	-	-	-
Project 11	-	16.00	-	-	-	-	-	-
Project 12	12.00	-	-	-	-	-	-	-
Project 13	1.00	-	-	-	-	-	-	-
Project 14	-	8.00	-	-	-	-	-	-
	66.00	137.00	-	-	34.00	33.00	16.00	-

Title deeds of immovable properties not held in name of the Company

As at March 31, 2023						
Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ cr)	Title deeds held in the name of	Whether title deed holder is a promoter Director employee relative of promoter, director or employee	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Land	3.13	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	In process of transfer in the name of the Company
Property, plant and equipment	Land	1.09	Nitaben Shailen Desai	No	March 25, 2023	
Property, plant and equipment	Land	0.57	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.49	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.38	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.27	Harisingh Tejasingsh Rathod	No	December 21, 2019	
Property, plant and equipment	Land	0.16	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.07	Atul Products Ltd	No	February 26, 1992	
Property, plant and equipment	Land	0.06	Atul Products Ltd	No	February 26, 1992	
Property, plant and equipment	Land	0.02	Atul Products Ltd	No	February 26, 1992	
Property, plant and equipment	Building	0.01	Atul Products Ltd	No	March 31, 1968	
		6.25				

As at March 31, 2022						
Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value (₹ cr)	Title deeds held in the name of	Whether title deed holder is a promoter director employee relative of promoter, director or employee	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Land	3.13	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	In process of transfer in the name of the Company
Property, plant and equipment	Land	0.57	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.49	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.38	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.27	Harisingh Tejasingsh Rathod	No	December 21, 2019	
Property, plant and equipment	Land	0.16	Ashokbhai Bhikhubhai Desai	No	August 24, 2021	
Property, plant and equipment	Land	0.07	Atul Products Ltd	No	February 26, 1992	
Property, plant and equipment	Land	0.06	Atul Products Ltd	No	February 26, 1992	
Property, plant and equipment	Land	0.02	Atul Products Ltd	No	February 26, 1992	
Property, plant and equipment	Building	0.01	Atul Products Ltd	No	March 31, 1968	
		5.16				

(₹ cr)

Note 3 Investment properties	As at March 31, 2023	As at March 31, 2022
Land - freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	3.22	3.22

a) Amount recognised in the Standalone Statement of Profit and Loss for investment properties

The Company has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Standalone Statement of Profit and Loss, since the Company does not receive any rental income, incur any depreciation or other operating expenses.

b) The Company does not have any contractual obligations to purchase, construct or develop, for maintenance or enhancements of investment properties.

c) Fair value

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	89.32	86.37
	89.32	86.37

Estimation of fair value:

The Company obtains valuations from an independent registered valuers for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources, including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for investment properties are included in level 3.

(₹ cr)

Note 4 Intangible assets	Computer software
Gross carrying amount	
As at March 31, 2021	1.89
Additions	-
As at March 31, 2022	1.89
Additions	-
As at March 31, 2023	1.89
Amortisation	
Up to March 31, 2021	0.55
Amortisation charged for the year	0.56
Up to March 31, 2022	1.11
Amortisation charged for the year	0.52
Up to March 31, 2023	1.63
Net carrying amount	
As at March 31, 2022	0.78
As at March 31, 2023	0.26

Note 5.1 Investments in subsidiary companies and joint venture company		Face value ¹	As at March 31, 2023		As at March 31, 2022	
			Number of shares	Amount (₹ cr)	Number of shares	Amount (₹ cr)
a)	Investment in equity instruments (fully paid-up)					
	Subsidiary companies joint venture company measured at cost					
	Quoted					
	In subsidiary company measured at cost					
	Amal Ltd ^{2,3}	10	1,70,130	18.82	1,29,703	18.13
	Unquoted					
	In foreign subsidiary companies measured at cost					
	Atul Brasil Quimicos Ltda	R\$ 1	7,04,711	2.03	7,04,711	2.03
	Atul China Ltd	US\$ 4,10,000	1	0.92	1	0.92
	Atul Deutschland GmbH	€ 1,00,000	1	-	1	-
	Atul Europe Ltd	£ 1	32,88,911	24.14	32,88,911	24.14
	Atul Middle East FZ-LLC	AED 1,000	300	0.51	300	0.51
	Atul USA Inc	US\$ 1,000	2,000	6.29	2,000	6.29
	In Indian subsidiary companies measured at cost					
	Aasthan Dates Ltd	10	20,98,000	2.10	20,98,000	2.10
	Anchor Adhesives Pvt Ltd	10	5,86,155	2.28	5,86,155	2.28
	Atul Bioscience Ltd	10	2,90,21,868	52.57	2,90,21,868	52.57
	Atul Biospace Ltd	10	1,10,30,365	13.36	1,10,30,365	13.36
	Atul Finserv Ltd	100	46,09,600	142.45	40,56,671	107.13
		7	5,00,000	5.00	5,00,000	5.00
	Atul Healthcare Ltd ²	10	22,67,000	22.77	99,994	0.10
	Atul Lifescience Ltd	10	4,994	0.00	4,994	0.00
	Atul Products Ltd	10	49,99,994	5.00	49,99,994	5.00
	Atul Rajasthan Date Palms Ltd	1,000	30,001	3.00	30,001	3.00
	Biyaban Agri Ltd	10	10,91,100	1.09	10,91,100	1.09
	Raja Dates Ltd	10	40,95,500	4.10	40,95,500	4.10
	In joint venture company measured at cost					
	Rudolf Atul Chemicals Ltd	10	29,18,750	6.13	29,18,750	6.13
b)	Investment in preference shares (fully paid-up)					
	Subsidiary company measured at amortised cost					
	Unquoted					
	Amal Ltd (0% redeemable preference shares)	10	-	-	20,00,000	1.81
				312.56		255.69

Note 5.2 Other investments		Face value ¹	As at March 31, 2023		As at March 31, 2022	
			Number of shares	Amount (₹ cr)	Number of shares	Amount (₹ cr)
a)	Investment in equity instruments (fully paid-up)					
	Other companies measured at FVTOCI					
	Quoted					
	Arvind Fashions Ltd	4	15,96,105	44.64	15,96,105	45.31
	Arvind Ltd	10	41,27,471	35.08	41,27,471	47.65
	Arvind SmartSpaces Ltd	10	4,12,747	11.66	4,12,747	8.46
	BASF India Ltd	10	2,61,396	59.48	2,61,396	80.85
	ICICI Bank Ltd	2	1,09,026	9.56	1,09,026	7.96
	Novartis India Ltd	5	3,74,627	21.12	3,74,627	22.12
	Pfizer Ltd	10	9,58,927	332.47	9,58,927	416.96
	The Anup Engineering Ltd	10	1,52,869	15.31	1,52,869	12.14
	Unquoted					
	Bhadreshwar Vidyut Pvt Ltd ⁴	0.19	7,95,000	-	7,95,000	0.02
	BEIL Infrastructure Ltd (formerly known as Bharuch Enviro Infrastructure Ltd)	10	70,000	0.07	70,000	0.07
	Narmada Clean Tech (formerly known as Narmada Clean Tech Ltd)	10	7,15,272	0.72	7,15,272	0.72
b)	Investment in government or trust securities measured at amortised cost					
	6 Years National Savings Certificates (deposited with government departments)		-	0.01	-	0.01
c)	Investment in bonds measured at FVTPL (quoted)					
			-	112.74	-	113.11
				642.86		755.38

(₹ cr)

Note 5.3 Current investment	As at March 31, 2023	As at March 31, 2022
Unquoted		
Investment in mutual funds measured at FVTPL	172.42	539.54
	172.42	539.54

Aggregate amount of investments and market value thereof:

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate carrying value of quoted investments ³	660.88	772.69
Aggregate market value of quoted investments	645.15	759.90
Aggregate carrying value of unquoted investments	466.96	777.92
Aggregate amount of impairment in value of investments	-	-

¹In ₹ and fully paid unless otherwise stated | ²Subsidiary company by virtue of control | ³Book value includes equity component of ₹ 18.12 cr (March 31, 2022: ₹ 18.12 cr) recognised on 0% preference shares and interest free loans given to Amal Ltd carried at amortised cost | ⁴Under liquidation.



(₹ cr)

Note 6 Loans		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
Loan to group entities (refer Note 29.4 and 29.13)					
a)	Considered good - secured	24.40	29.58	36.60	12.20
b)	Considered good - unsecured	653.98	165.02	312.42	14.52
		678.38	194.60	349.02	26.72

(₹ cr)

Note 7 Other financial assets		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Security deposits for utilities and premises	1.56	0.80	1.33	0.85
b)	Derivative financial assets designated as hedges (net)	-	-	-	0.50
c)	Finance lease receivables (refer Note 29.12)	9.87	2.02	12.63	-
d)	Interest receivables (refer Note 29.4)	-	2.07	-	0.93
e)	Other receivables (including discount and insurance claim receivable)	-	19.41	-	11.86
		11.43	24.30	13.96	14.14

(₹ cr)

Note 8 Other assets		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Capital advances	16.67	-	8.84	-
b)	Advances other than capital advance				
	i) Balances with government authorities	24.08	62.93	17.40	72.46
	ii) Security deposits	-	-	2.00	-
	iii) Others	-	28.19	-	54.55
c)	Other receivables (including prepaid expenses)	-	6.62	-	3.79
		40.75	97.74	28.24	130.80

(₹ cr)

Note 9 Inventories ^{1,2,3}		As at March 31, 2023	As at March 31, 2022
a)	Raw materials and packing materials	139.96	185.44
	Add: Goods-in-transit	17.72	14.18
		157.68	199.62
b)	Work-in-progress	164.38	181.81
c)	Finished goods	265.05	259.85
d)	Stock-in-trade	10.80	9.31
e)	Stores, spares and fuel	48.30	45.17
	Add: Goods-in-transit	1.43	5.27
		49.73	50.44
		647.64	701.03

Notes:¹Measured at the lower of cost and net realisable value²Refer Note 17 (c) for information on inventories have been offered as security against the working capital facilities provided by the bank³Amounts (reversed) | provided in the Standalone Statement of Profit and Loss of ₹ 7.46 cr (March 31, 2022: ₹ (6.55) cr)

(₹ cr)

Note 10 Trade receivables¹		As at March 31, 2023	As at March 31, 2022
a)	Considered good - unsecured		
	i) Related parties (refer Note 29.4)	254.26	331.49
	ii) Others	638.61	730.80
b)	Which have significant increase in credit risk		
	i) Related parties (refer Note 29.4)	0.10	0.24
	ii) Others	8.66	14.42
c)	Credit impaired		
	Less: Allowance for doubtful debts (refer Note 29.8) ²	(13.67)	(12.22)
		893.86	1,058.83

Notes:

¹Refer Note 17 (c) for information on trade receivables have been offered as security against the working capital facilities provided by the bank

²Allowance for doubtful debts recognised (including expected credit loss) in the Standalone Statement of Profit and Loss of ₹ 1.45 cr (March 31, 2022: ₹ 0.37 cr)

Trade receivables ageing

(₹ cr)

No.	Particulars	As at March 31, 2023						Total
		Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed trade receivables: considered good	754.20	138.67	-	-	-	-	892.87
2.	Undisputed trade receivables: which have significant increase in credit risk	-	-	7.36	1.65	0.79	4.86	14.66
	Allowance for doubtful debts*	-	(7.05)	-	(0.97)	(0.79)	(4.86)	(13.67)
		754.20	131.62	7.36	0.68	-	-	893.86

*Allowance for doubtful debts include expected credit loss provision

(₹ cr)

No.	Particulars	As at March 31, 2022						Total
		Not due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed trade receivables: considered good	950.80	111.49	-	-	-	-	1,062.29
2.	Undisputed trade receivables: which have significant increase in credit risk	-	-	2.72	0.95	0.50	4.59	8.76
	Allowance for doubtful debts*	-	-	(1.49)	(0.95)	(0.50)	(4.58)	(12.22)
		950.80	106.79	1.23	-	-	0.01	1,058.83

*Allowance for doubtful debts include expected credit loss provision

(₹ cr)

Note 11 Cash and cash equivalents		As at March 31, 2023	As at March 31, 2022
a)	Balances with banks		
	In current accounts	-	17.80
b)	Cash on hand	0.16	0.13
		0.16	17.93

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

(₹ cr)

Note 12 Bank balances other than cash and cash equivalents above		As at March 31, 2023	As at March 31, 2022
a)	Earmarked unpaid dividend accounts	2.81	2.73
b)	Unclaimed interest on public deposit	0.00	0.00
c)	Short-term bank deposit with maturity between 3 to 12 months	0.12	0.09
		2.93	2.82

Note 13 Equity share capital		As at March 31, 2023		As at March 31, 2022	
		Number of shares	₹ cr	Number of shares	₹ cr
a)	Authorised				
	Equity shares of ₹ 10 each	8,00,00,000	80.00	8,00,00,000	80.00
			80.00		80.00
b)	Issued				
	Equity shares of ₹ 10 each	2,95,43,802	29.54	2,96,17,098	29.62
			29.54		29.62
c)	Subscribed				
	Equity shares of ₹ 10 each, fully paid	2,95,13,755	29.51	2,95,87,051	29.59
d)	Forfeited shares				
	Amount originally paid-up on forfeited shares	29,991	0.02	29,991	0.02
			29.53		29.61

a) Rights, preferences and restrictions:

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.

i) Equity shares

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

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

ii) Dividend

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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, 2023		As at March 31, 2022	
		Holding %	Number of shares	Holding %	Number of shares
1.	Aagam Holdings Pvt Ltd	22.55%	66,54,100	22.49%	66,54,000
2.	Arvind Farms Pvt Ltd	9.47%	27,96,208	9.45%	27,96,208

d) Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ cr	Number of shares	₹ cr
Balance as at the beginning of the year ¹	2,96,17,042	29.61	2,96,17,042	29.61
Less: Buy-back of equity shares (refer Note 29.18)	73,296	0.08	-	-
Balance as at the end of the year ¹	2,95,43,746	29.53	2,96,17,042	29.61

¹Includes 29,991 forfeited shares and amount of ₹ 0.02 cr

e) Shareholding of promoters

No.	Name of the promoter	As at March 31, 2023			As at March 31, 2022		
		Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
01.	Aagam Holdings Pvt Ltd	66,54,100	22.55%	0.00%	66,54,000	22.49%	-
02.	Arvind Farms Pvt Ltd	27,96,208	9.47%	-	27,96,208	9.45%	-
03.	Aagam Agencies Pvt Ltd (formerly known as Adhigam Investments Pvt Ltd)	11,95,000	4.05%	-	11,95,000	4.04%	0.06%
04.	Aayojan Resources Pvt Ltd	6,15,460	2.09%	0.16%	6,14,460	2.08%	-
05.	Akshita Holdings Pvt Ltd	4,64,400	1.57%	-	4,64,400	1.57%	-
06.	Adhinami Investments Pvt Ltd	4,55,350	1.54%	-	4,55,350	1.54%	-
07.	Anusandhan Investments Ltd	2,35,000	0.80%	-	2,35,000	0.79%	-
08.	Samvegbhai Arvindbhai Lalbhai	2,02,377	0.69%	-	2,02,377	0.68%	-
09.	Samvegbhai Arvindbhai (On behalf of Samvegbhai Arvindbhai Lalbhai HUF)	1,14,943	0.39%	-	1,14,943	0.39%	-
10.	Sunil Siddharth Lalbhai	93,326	0.32%	1.69%	91,772	0.31%	-
11.	Saumya Samvegbhai Lalbhai	74,070	0.25%	(57.45%)	1,74,070	0.59%	-
12.	Swati S Lalbhai	63,450	0.21%	(0.08%)	63,500	0.21%	-
13.	Vimla S Lalbhai*	61,370	0.21%	(6.99%)	65,982	0.22%	-
14.	Taral S Lalbhai	51,591	0.17%	3.13%	50,027	0.17%	0.01%
15.	Samvegbhai Arvindbhai Lalbhai (On behalf of Ankush Trust)	50,000	0.17%	100%	-	-	-
16.	Samvegbhai Arvindbhai Lalbhai (On behalf of Adwait Trust)	50,000	0.17%	100%	-	-	-
17.	Anamikaben Samvegbhai Lalbhai	47,199	0.16%	-	47,199	0.16%	-
18.	Sunil Siddharth Lalbhai (On behalf of Sunil Siddharth HUF)	31,544	0.11%	-	31,544	0.11%	-
19.	Astha Lalbhai	20,500	0.07%	-	20,500	0.07%	-
20.	Hansa Niranjanbhai (On behalf of Manini Niranjan Trust and BOI)	5,999	0.02%	-	5,999	0.02%	-

No.	Name of the promoter	As at March 31, 2023			As at March 31, 2022		
		Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
21.	Nishtha Sunilbhai Lalbhai	5,500	0.02%	-	5,500	0.02%	-
22.	Sanjaybhai Shrenikbhai Lalbhai (On behalf of Arvindbhai Lalbhai Family Trust)	3,653	0.01%	-	3,653	0.01%	-
23.	Sunil Siddharth Lalbhai (On behalf of Vimla Siddharth Family Trust)	2,724	0.01%	154.58%	1,070	-	100%
24.	Swati Siddharth Lalbhai (On behalf of Sunil Lalbhai Employees Trust 1)	2,000	0.01%	-	2,000	0.01%	100%
25.	Lalbhai Dalpatbhai HUF	1,169	0.01%	-	1,169	-	-
26.	Sheth Narottambhai Lalbhai	495	-	-	495	-	-

*Includes 35,620 shares held on behalf of Siddharth Family Trust (March 31, 2022: includes 35,620 shares and 4,612 shares held on behalf of Siddharth Family Trust and Vimla Siddharth Trust, respectively)

(₹ cr)

Note 14 Other equity		As at March 31, 2023	As at March 31, 2022
Summary of other equity balance			
a)	General reserve	-	68.72
b)	Retained earnings	4,106.65	3,663.76
c)	Capital redemption reserve	0.15	0.07
d)	Other reserves		
i)	FVTOCI equity instruments	453.73	554.03
ii)	Effective portion of cash flow hedges	(0.69)	0.20
		4,559.84	4,286.78

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

Nature and purpose of reserves

a) General reserve

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

b) Retained earnings

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

c) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

d) FVTOCI equity instruments

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

e) Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

(₹ cr)

Note 15 Other financial liabilities		As at		As at	
		March 31, 2023		March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Employee benefits payable	-	42.77	-	59.50
b)	Security deposits	-	35.98	-	31.09
c)	Unclaimed dividends*	-	2.81	-	2.73
d)	Creditors for capital goods	-	43.59	-	34.51
e)	Derivative financial liabilities designated as hedges (net)	-	0.54	-	-
f)	Other liabilities	2.86	2.24	2.73	1.91
		2.86	127.93	2.73	129.74

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.

(₹ cr)

Note 16 Provisions		As at		As at	
		March 31, 2023		March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Provision for compensated absences	30.25	8.09	27.59	9.34
b)	Others {refer i(b) and ii below}	-	8.37	-	36.22
		30.25	16.46	27.59	45.56

i) Information about individual provisions and significant estimates

a) Compensated absences

The Compensated absences cover the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 8.09 cr (March 31, 2022: ₹ 9.34 cr) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

b) Others

Regulatory and other claims:

The Company has provided for certain regulatory and other charges for which it has received claims. The provision represents the unpaid amount that it expects to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The Company has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount it expects to incur for which the obligating event has already arisen as on the reporting date.

ii) Movements in provisions

(₹ cr)

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Regulatory and other claims	Effluent disposal	Regulatory and other claims	Effluent disposal
Balance as at the beginning of the year	29.91	6.31	25.59	3.67
Less: Utilised	(25.13)	(6.31)	(0.02)	(3.67)
Provision made during the year	-	3.59	4.34	6.31
Balance as at the end of the year	4.78	3.59	29.91	6.31

Note 17 Borrowings

(₹ cr)

Particulars	Maturity	Terms of repayment	Interest rate pa	As at March 31, 2023		As at March 31, 2022	
				Non-current	Current	Non-current	Current
a) Secured							
Cash credit loan from banks repayable on demand	Short-term	Repayable on demand	9.00% to 9.25% (March 31, 2022: 7.10% to 7.35%)	-	5.41	-	22.77
b) Unsecured							
Working capital demand loan from banks	0-90 days	0-90 days	(March 31, 2022: 3.80 % to 4%)	-	-	-	50.17
				-	5.41	-	72.94

a) Security details

Working capital loans repayable on demand from banks (March 31, 2023: ₹ 5.41 cr, March 31, 2022: ₹ 72.94 cr) is secured by hypothecation of tangible current assets, namely, inventories and book debts of the Company as a whole and also secured by second and subservient charge on immovable and movable assets of the Company to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 200.08 cr (March 31, 2022: ₹ 195.80 cr).

b) Quarterly statement of current assets filed with banks during the year are in agreement with the books of accounts.

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

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
i) Property, plant and equipment excluding leasehold land, certain lands and buildings	1,341.65	1,253.52
ii) Inventories	647.64	701.03
iii) Trade receivables	893.86	1,058.83
iv) Current assets other than inventories and trade receivables	125.13	165.69
Total assets as security	3,008.28	3,179.07

d) Net debt reconciliation

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Net debt as at the beginning of the year	72.94	-
(Repayment) Disbursement	(67.53)	72.94
Interest expense	0.18	0.83
Interest paid	(0.18)	(0.83)
Net debt as at the end of the year	5.41	72.94

(₹ cr)

Note 18 Trade payables		As at March 31, 2023	As at March 31, 2022
a)	Total outstanding dues of micro-enterprises and small enterprises (refer Note 29.14)	40.15	43.36
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises		
i)	Related party (refer Note 29.4)		
	Acceptances	5.30	7.21
	Payables	24.23	29.83
ii)	Others	461.12	539.55
		530.80	619.95

Trade payables ageing

(₹ cr)

No.	Particulars	As at March 31, 2023						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	-	40.15	-	-	-	-	40.15
2.	Others	94.80	328.53	67.32	-	-	-	490.65
		94.80	368.68	67.32	-	-	-	530.80

(₹ cr)

No.	Particulars	As at March 31, 2022						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	-	43.36	-	-	-	-	43.36
2.	Others	74.07	399.51	103.01	-	-	-	576.59
		74.07	442.87	103.01	-	-	-	619.95

(₹ cr)

Note 19 Contract liabilities		As at March 31, 2023	As at March 31, 2022
Advances received from customers		32.55	30.41
		32.55	30.41

(₹ cr)

Note 20 Other current liabilities		As at March 31, 2023	As at March 31, 2022
a)	Statutory dues	9.07	8.26
b)	Others	0.02	-
		9.09	8.26



(₹ cr)

Note 21 Revenue from operations	2022-23	2021-22
Sale of products	4,809.76	4,731.67
Sale of services ¹	191.78	196.86
Scrap sales	13.62	14.95
Processing charges	-	8.35
Revenue from contracts with customers	5,015.16	4,951.83
Export incentives	46.62	40.92
	5,061.78	4,992.75

¹Includes ₹ 183.37 cr (2021-22: ₹ 188.52 cr) on account of freight and insurance in sale of goods on CIF, which are identified as separate performance obligation under Ind AS 115.

Disaggregation of revenue from contracts with customers:

(₹ cr)

Particulars	2022-23	2021-22
Sale of goods services		
Life Science Chemicals	1,476.67	1,447.02
Domestic	631.82	694.28
Export	844.85	752.74
Performance and Other Chemicals	3,822.04	3,709.11
Domestic	2,170.00	2,013.06
Export	1,652.04	1,696.05
Others	3.89	9.06
	5,302.60	5,165.19
Inter-segment revenue	287.44	213.36
	5,015.16	4,951.83

Reconciliation of revenue from contracts with customers recognised at contract price:

(₹ cr)

Particulars	2022-23	2021-22
Contract price	5,089.53	5,019.55
Adjustments for:		
Consideration payable to customers - discounts ¹	(83.20)	(61.46)
Contract price allocated to unsatisfied performance obligation for sale of services (net) ²	8.83	(6.26)
Revenue from contracts with customers	5,015.16	4,951.83

¹Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Company recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

²Unsatisfied performance obligation for sale of services comprises revenue from insurance and freight services for exports in-progress as at March 31, 2023, of ₹ 7.54 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2022, for ₹ 16.37 cr. The revenue for exports in- progress as at March 31, 2023, will be recognised in 2023-24 upon completion of the exports.

(₹ cr)

Note 22 Other income	2022-23	2021-22
Dividends		
Dividends from equity investments measured at FVTOCI	6.96	4.14
Dividends from equity investments measured at cost	36.18	4.38
	43.14	8.52
Interest income		
Interest income from financial assets measured at amortised cost	52.48	21.57
Interest income from financial assets measured at FVTPL	9.16	7.92
Interest from others	0.02	3.02
	61.66	32.51
Other non-operating income		
Insurance claim received	38.21	8.33
Lease income	2.27	1.95
Gain (Loss) on disposal of property, plant and equipment	0.27	(0.56)
Gain on investments measured at FVTPL	10.00	23.70
Net exchange rate difference gain (loss)	36.31	10.41
Miscellaneous income	7.58	5.21
	94.64	49.04
	199.44	90.07

(₹ cr)

Note 23 Cost of materials consumed	2022-23	2021-22
Raw materials and packing materials consumed		
Stocks at commencement	185.44	140.97
Add: Purchase	2,439.05	2,635.70
	2,624.49	2,776.67
Less: Stocks at close	139.97	185.44
	2,484.52	2,591.23

(₹ cr)

Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2022-23	2021-22
Stocks at close		
Finished goods	265.05	259.85
Work-in-progress	164.38	181.80
Stock-in-trade	10.80	9.31
	440.23	450.96
Less: Stocks at commencement		
Finished goods	259.85	192.95
Work-in-progress	181.81	127.42
Stock-in-trade	9.31	3.57
	450.97	323.94
(Increase) Decrease in stocks	10.74	(127.02)

(₹ cr)

Note 25 Employee benefit expenses	2022-23	2021-22
Salaries, wages and bonus (refer Note 29.6)	270.71	250.40
Contribution(net) to provident and other funds (refer Note 29.6)	19.53	17.85
Staff welfare	11.22	8.14
	301.46	276.39



(₹ cr)

Note 26 Finance costs	2022-23	2021-22
Interest on borrowings	0.18	0.83
Interest on financial liabilities at amortised cost	1.59	1.16
Interest on others	0.28	0.61
Other borrowing costs	0.07	0.34
	2.12	2.94

(₹ cr)

Note 27 Depreciation and amortisation expenses	2022-23	2021-22
Depreciation on property, plant and equipment (refer Note 2)	162.33	145.92
Amortisation of intangible assets (refer Note 4)	0.52	0.56
	162.85	146.48

(₹ cr)

Note 28 Other expenses	2022-23	2021-22
Power, fuel and water	613.15	489.34
Freight charges	252.69	263.04
Manpower services	65.07	64.93
Consumption of stores and spares	50.33	54.99
Conversion and plant operation charges	57.24	57.32
Plant and equipment repairs	88.41	83.67
Building repairs	38.35	42.69
Sundry repairs	12.36	13.27
Rent	2.81	2.05
Rates and taxes	2.00	1.36
Insurance	22.18	16.05
Commission	15.99	18.41
Auditor's remuneration ¹	0.66	0.61
Travelling and conveyance	19.23	13.02
Directors' fees and travelling	0.35	0.26
Directors' commission (other than the Executive Directors)	1.02	0.96
Bad debts and irrecoverable balances written off	1.59	(1.28)
Provision for doubtful debts (net)	1.45	0.37
Loss on assets sold, discarded or demolished	32.32	1.76
Expenditure on Corporate Social Responsibility initiatives (refer Note 29.15)	15.83	15.02
Miscellaneous expenses	89.55	90.73
	1,382.58	1,228.57

¹Details of Auditors' remuneration are as follows:

(₹ cr)

Particulars		2022-23	2021-22
Remuneration to the Statutory Auditors			
a)	Audit fees	0.48	0.40
b)	Tax audit fees	0.11	0.11
c)	Other matters	0.01	0.07
d)	Out of pocket expenses	0.03	-
Remuneration to the Cost Auditors			
a)	Audit fees	0.03	0.03
		0.66	0.61

Note 29.1 Contingent liabilities

(₹ cr)

Particulars		As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debts in respects of			
a)	Excise duty	0.67	0.67
b)	Income tax	8.01	7.61
c)	Customs duty	1.94	1.94
d)	Others	1.44	109.75

Others include claims on account of contracts and labour matters, water charges and customer claims | potential claims included in the previous year were settled during the year.

The regulatory claims are under litigation at various forums. The Company expects the outcome of the above matters to be in its favour and has, therefore, not recognised provision in relation to these claims. The above excludes interest | penalty unless demanded by the authorities.

Note 29.2 Commitments

a) Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed and not provided for (net of advances)		
Property, plant and equipment	88.45	85.83

b) The Company has provided letters of financial support to its two subsidiary companies.

Note 29.3 Research and development

Details of expenditure incurred on approved in-house Research and Development facilities:

(₹ cr)

Particulars	2022-23	2021-22
Capital expenditure on building	-	0.32
Other capital expenditure	1.99	3.06
Recurring expenditure	31.22	29.01
	33.21	32.39

Note 29.4 Related party disclosures

Note 29.4 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
01.	Aaranyak Urmi Ltd ¹	Subsidiary companies
02.	Aasthan Dates Ltd	
03.	Amal Ltd ²	
04.	Amal Speciality Chemicals Ltd ¹	
05.	Anchor Adhesives Pvt Ltd	
06.	Atul Aarogya Ltd	
07.	Atul Ayurveda Ltd	
08.	Atul Bioscience Ltd	
09.	Atul Biospace Ltd	
10.	Atul Brasil Quimicos Ltda	
11.	Atul China Ltd	
12.	Atul Clean Energy Ltd	
13.	Atul Consumer Products Ltd	
14.	Atul Crop Care Ltd	
15.	Atul Deutschland GmbH	
16.	Atul Entertainment Ltd	
17.	Atul Europe Ltd	
18.	Atul Finserv Ltd	
19.	Atul Fin Resources Ltd ¹	
20.	Atul Healthcare Ltd	
21.	Atul Hospitality Ltd	
22.	Atul Infotech Pvt Ltd ¹	
23.	Atul Ireland Ltd ¹	
24.	Atul Lifescience Ltd	
25.	Atul Middle East FZ-LLC	
26.	Atul Natural Dyes Ltd	
27.	Atul Natural Foods Ltd	
28.	Atul Nivesh Ltd ¹	
29.	Atul Paints Ltd	

Note 29.4 Related party disclosures (continued)

No.	Name of the related party	Description of relationship
30.	Atul Polymers Products Ltd	Subsidiary companies
31.	Atul Products Ltd	
32.	Atul Rajasthan Date Palms Ltd ¹	
33.	Atul Renewable Energy Ltd	
34.	Atul (Retail) Brands Ltd	
35.	Atul Seeds Ltd	
36.	Atul USA Inc	
37.	Biyaban Agri Ltd	
38.	DPD Ltd ¹	
39.	Jayati Infrastructure Ltd	
40.	Osia Dairy Ltd	
41.	Osia Infrastructure Ltd	
42.	Raja Dates Ltd	
43.	Sehat Food Ltd	
44.	Valsad Institute of Medical Sciences Ltd ¹	Associate company
45.	Rudolf Atul Chemicals Ltd	Joint venture company
46.	Anaven LLP	Joint operation of subsidiary company
47.	Aagam Holdings Pvt Ltd	Entity over which control is exercised by Key Management Personnel
48.	Crawford Bayley & Co	
49.	Key Management Personnel	
	Sunil Lalbhai	Chairman and Managing Director
	Samveg Lalbhai	Managing Director
	Bharathy Mohanan	Whole-time Director and President - U&S
	Gopi Kannan Thirukonda	Whole-time Director and CFO
	Rajendra Shah	Non-executive Director
	Bansi Mehta	Non-executive Director
	Susim Datta	Non-executive Director
	Srinivasa Rangan	Non-executive Director
	Mukund Chitale	Non-executive Director
	Shubhalakshmi Panse	Non-executive Director
	Baldev Arora	Non-executive Director
	Pradeep Banerjee	Non-executive Director
50.	Close family members of Key Management Personnel	
	Vimla Lalbhai	Mother of Sunil Lalbhai
	Swati Lalbhai	Sister of Sunil Lalbhai
	Astha Lalbhai	Daughter of Sunil Lalbhai
	Saumya Lalbhai	Son of Samveg Lalbhai
	Nishtha Lalbhai	Daughter of Sunil Lalbhai
51.	Welfare funds	
	Atul Foundation Trust	Entities over which Key Management Personnel or their close family members have significant influence
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya Trust	
	Urmi Stree Sanstha	

Note 29.4 Related party disclosures (continued)

No.	Name of the related party	Description of relationship
52.	Other related parties	Post-employment benefit plan of Atul Ltd
	Atul Limited Employees Gratuity Fund	
	Atul Products Ltd-Ankleshwar Division Employees' Provident Fund Trust	
	The Atul Officers Retirement Benefit Fund	

¹Investments held through subsidiary companies | ²Subsidiary company by virtue of control.

			(₹ cr)	
Note 29.4 (B) Transactions with subsidiary companies			2022-23	2021-22
a)	Sales and income			
1.	Sale of goods		827.30	919.04
	Aaranyak Urmi Ltd		0.01	0.02
	Amal Ltd		0.40	0.19
	Amal Speciality Chemicals Ltd		0.24	-
	Atul Bioscience Ltd		68.88	58.82
	Atul Biospace Ltd		3.11	7.84
	Atul China Ltd		173.91	136.29
	Atul Europe Ltd		119.78	241.47
	Atul Ireland Ltd		1.60	0.12
	Atul Middle East FZ-LLC		3.04	2.26
	Atul Products Ltd		0.68	0.08
	Atul USA Inc		455.55	471.90
	Osia Infrastructure Ltd		0.10	0.05
2.	Service charges received		10.22	9.52
	Amal Ltd		1.12	1.19
	Amal Speciality Chemicals Ltd		0.41	0.31
	Atul Bioscience Ltd		5.65	5.04
	Atul Biospace Ltd		0.22	0.31
	Atul Consumer Products Ltd		0.03	0.04
	Atul Crop Care Ltd		0.08	0.11
	Atul Finserv Ltd		0.06	0.06
	Atul Infotech Pvt Ltd		0.07	0.15
	Atul Products Ltd		2.01	1.66
	Osia Infrastructure Ltd		0.57	0.65
3.	Interest received		45.11	11.52
	Atul Bioscience Ltd		4.97	5.13
	Atul Products Ltd		40.10	6.39
	Atul Rajasthan Date Palms Ltd		0.04	-
4.	Lease rent received		0.50	0.31
	Aaranyak Urmi Ltd		0.00	0.00
	Amal Ltd		-	0.00
	Amal Speciality Chemicals Ltd		0.00	0.00
	Atul Bioscience Ltd		0.00	0.00

Note 29.4 Related party disclosures (continued)

		(₹ cr)	
Note 29.4 (B) Transactions with subsidiary companies		2022-23	2021-22
	Atul Biospace Ltd	0.00	0.00
	Atul Consumer Products Ltd	0.00	-
	Atul Crop Care Ltd	0.00	-
	Atul Finserv Ltd	0.12	0.05
	Atul Infotech Pvt Ltd	0.00	-
	Atul Natural Dyes Ltd	0.00	0.00
	Atul Natural Foods Ltd	0.00	0.00
	Atul Products Ltd	0.35	0.23
	Atul Renewable Energy Ltd	0.00	0.00
	Osia Infrastructure Ltd	0.02	0.02
5.	Brand usage charges	0.17	0.15
	Atul Aarogya Ltd	0.00	0.00
	Atul Ayurveda Ltd	0.00	0.00
	Atul Bioscience Ltd	0.16	0.14
	Atul Biospace Ltd	0.00	0.00
	Atul Clean Energy Ltd	0.00	0.00
	Atul Crop Care Ltd	0.00	0.00
	Atul Entertainment Ltd	0.00	0.00
	Atul Fin Resource Ltd	0.00	0.00
	Atul Finserv Ltd	0.00	0.00
	Atul Hospitality Ltd	0.00	0.00
	Atul Infotech Pvt Ltd	0.00	0.00
	Atul Nivesh Ltd	0.00	0.00
	Atul Paints Ltd	0.00	-
	Atul Products Ltd	0.00	-
	Atul Rajasthan Date Palms Ltd	0.01	0.01
	Atul (Retail) Brands Ltd	0.00	0.00
	Atul Seeds Ltd	0.00	0.00
b)	Purchases and expenses		
1.	Purchase of goods	53.35	67.84
	Aaranyak Urmi Ltd	0.01	0.01
	Aasthan Dates Ltd	0.00	-
	Amal Ltd	21.24	31.41
	Amal Speciality Chemicals Ltd	4.03	-
	Atul Bioscience Ltd	6.69	12.55
	Atul Biospace Ltd	0.01	0.01
	Atul China Ltd	5.57	4.06
	Atul Europe Ltd	-	1.63
	Atul USA Inc	0.88	0.36
	DPD Ltd	3.97	11.80
	Osia Infrastructure Ltd	10.94	6.01

Note 29.4 Related party disclosures (continued)

			(₹ cr)	
Note 29.4 (B) Transactions with subsidiary companies			2022-23	2021-22
2.	Service charges		36.58	36.86
	Atul Biospace Ltd		0.06	0.02
	Atul Consumer Products Ltd		15.79	15.38
	Atul Crop Care Ltd		15.99	16.83
	Atul Finserv Ltd		0.87	0.87
	Atul Infotech Pvt Ltd		3.87	3.76
3.	Commission		8.89	9.08
	Atul Brasil Quimicos Ltda		1.83	1.25
	Atul China Ltd		1.40	1.95
	Atul Europe Ltd		2.25	2.80
	Atul Middle East FZ-LLC		2.41	2.24
	Atul USA Inc		1.00	0.84
4.	Reimbursement of expenses		13.18	8.72
	Aaranyak Urmi Ltd		0.00	0.00
	Amal Ltd		0.00	0.01
	Atul Biospace Ltd		-	0.00
	Atul Brasil Quimicos Ltda		-	0.01
	Atul China Ltd		0.19	0.10
	Atul Consumer Products Ltd		2.38	1.88
	Atul Crop Care Ltd		6.97	5.26
	Atul Europe Ltd		0.63	0.75
	Atul Products Ltd		-	0.29
	Atul USA Inc		3.01	0.42
c)	Other transactions			
1.	Repayment of loans given		14.52	6.76
	Atul Bioscience Ltd		14.52	6.76
2.	Direct investment made in equity shares		58.67	17.98
	Amal Ltd		0.69	-
	Atul Finserv Ltd		35.31	12.89
	Atul Healthcare Ltd		22.67	0.10
	Atul Products Ltd		-	4.99
3.	Reimbursements received		0.48	0.04
	Aaranyak Urmi Ltd		-	0.00
	Amal Ltd		0.05	0.00
	Amal Speciality Chemicals Ltd		0.01	-
	Atul Bioscience Ltd		0.10	0.01
	Atul Biospace Ltd		0.00	-
	Atul Crop Care Ltd		0.00	-
	Atul Finserv Ltd		0.01	-
	Atul Infotech Pvt Ltd		0.02	-
	Atul Middle East FZ-LLC		0.09	-
	Atul Products Ltd		0.18	0.02
	Atul Rajasthan Date Palms Ltd		0.01	-
	Osia Infrastructure Ltd		0.00	0.00

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (B) Transactions with subsidiary companies		2022-23	2021-22
4.	Redemption of preference shares	2.00	2.00
	Amal Ltd	2.00	2.00
5.	Loan given	526.05	290.23
	Atul Bioscience Ltd	15.00	36.83
	Atul Products Ltd	507.05	253.40
	Atul Rajasthan Date Palms Ltd	4.00	-
6.	Sale of fixed assets	0.07	0.01
	Amal Speciality Chemicals Ltd	0.06	-
	Atul Bioscience Ltd	0.01	0.01
7.	Purchase of CWIP	0.64	-
	Atul Infotech Pvt Ltd	0.64	-
8.	Dividend income	24.50	-
	Atul Biospace Ltd	2.60	-
	Atul Europe Ltd	15.58	-
	Atul Finserv Ltd	6.32	-

(₹ cr)

Note 29.4 (C) Transactions with joint venture company		2022-23	2021-22
a)	Sales and income		
1.	Sale of goods	5.08	3.73
2.	Service charges received	4.53	3.92
3.	Lease rent received	0.46	0.66
4.	Brand usage charges	0.02	0.02
b)	Purchases and expenses		
	Purchase of goods	0.64	0.01
c)	Other transactions		
1.	Dividends received from equity investment measured at cost	11.68	4.38
2.	Reimbursements received	0.73	0.27

The above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 29.4 (D) Transactions with joint operation of subsidiary company		2022-23	2021-22
a)	Sales and income		
1.	Sale of goods	10.91	12.73
2.	Service charges received	1.93	1.34
3.	Lease rent received	2.07	2.05
4.	Interest income	5.33	5.69
b)	Purchases and expenses		
	Purchase of goods	100.77	126.46
c)	Other transactions		
1.	Reimbursements received	0.17	0.69
2.	Loan given	5.52	94.62
3.	Repayment of loan given	19.83	33.20

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (E) Transactions with entity over which control exercised by Key Management Personnel		2022-23	2021-22
Purchases and expenses			
1.	Services availed	0.02	0.12
	Crawford Bayley & Co	0.02	0.12
Other transactions			
1.	Reimbursement received	0.00	-
	Aagam Holdings Pvt Ltd	0.00	-

(₹ cr)

Note 29.4 (F) Key Management Personnel compensation		2022-23	2021-22
Remuneration¹		21.70	21.81
1.	Short-term employee benefits	19.16	19.45
2.	Post-employment benefits ¹	1.25	1.15
3.	Commission and other benefits to Non-executive Directors	1.29	1.21

¹Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 29.4 (G) Close family members of Key Management Personnel compensation		2022-23	2021-22
Remuneration¹		1.13	0.87
1.	Astha Lalbhai	0.51	0.40
2.	Saumya Lalbhai	0.35	0.26
3.	Nishtha Lalbhai	0.27	0.21

¹Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 29.4 (H) Transactions with entities over which Key Management Personnel or their close family members have significant influence		2022-23	2021-22
a) Sales and income			
1.	Sale of goods	0.17	0.13
	Atul Kelavani Mandal	0.05	0.03
	Atul Rural Development Fund	0.02	0.00
	Atul Vidyalaya Trust	0.10	0.09
	Urmi Stree Sanstha	0.00	0.00
2.	Lease rent received	0.03	0.02
	Atul Kelavani Mandal	0.02	0.02
	Atul Rural Development Fund	0.00	-
	Urmi Stree Sanstha	0.00	-
b) Purchases and expenses			
1.	Purchase of goods	0.00	0.02
	Atul Foundation Trust	0.00	0.02
2.	Reimbursement of expenses	0.06	-
	Atul Foundation Trust	0.02	-
	Atul Rural Development Fund	0.04	-

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (H) Transactions with entities over which Key Management Personnel or their close family members have significant influence		2022-23	2021-22
c)	Other transactions		
1.	Expenditure on Corporate Social Responsibility initiatives	17.28	6.80
	Atul Foundation Trust	7.18	6.30
	Atul Rural Development Fund (including ₹ 4.35 cr unspent CSR of 2021-22)	10.10	0.50
2.	Reimbursements received	0.09	0.04
	Atul Foundation Trust	0.01	0.00
	Atul Kelavani Mandal	0.00	0.00
	Atul Rural Development Fund	0.00	0.00
	Atul Vidyalyaya Trust	0.06	0.03
	Urmi Stree Sanstha	-	0.00
3.	Sale of CWIP	0.90	0.00
	Atul Rural Development Fund	0.90	-

(₹ cr)

Note 29.4 (I) Transactions with post-employment benefit plan of Atul Ltd		2022-23	2021-22
a)	Contributions during the year (Employer's contribution only)		
	Atul Ltd Employees Gratuity Fund	0.42	9.98
	Atul Products Ltd-Ankleshwar Division Employees' Provident Fund Trust	0.24	0.24

(₹ cr)

Note 29.4 (J) Outstanding balances as at year end		As at March 31, 2023	As at March 31, 2022
a)	With subsidiary companies		
1.	Loans receivable	819.00	307.46
	Atul Bioscience Ltd	54.55	54.06
	Atul Products Ltd	760.45	253.40
	Atul Rajasthan Date Palms Ltd	4.00	-
2.	Receivables	248.40	329.30
	Aaranyak Urmi Ltd	0.00	0.00
	Amal Ltd	0.51	0.43
	Amal Speciality Chemicals Ltd	0.37	0.09
	Atul Bioscience Ltd	21.02	18.14
	Atul Biospace Ltd	0.52	0.99
	Atul China Ltd	43.84	49.72
	Atul Consumer Products Ltd	0.00	0.00
	Atul Crop Care Ltd	0.05	0.02
	Atul Europe Ltd	22.59	67.98
	Atul Fin Resources Ltd	0.00	-
	Atul Finserv Ltd	0.03	0.06
	Atul Healthcare Ltd	0.02	-
	Atul Infotech Pvt Ltd	0.00	0.00
	Atul Ireland Ltd	-	0.12
	Atul Natural Dyes Ltd	0.00	0.00

Note 29.4 Related party disclosures (continued)

			(₹ cr)	
Note 29.4 (J) Outstanding balances as at year end			As at March 31, 2023	As at March 31, 2022
		Atul Natural Foods Ltd	0.00	0.00
		Atul Nivesh Ltd	0.00	-
		Atul Paints Ltd	0.00	-
		Atul Polymers Products Ltd	0.07	0.07
		Atul Products Ltd	0.63	0.15
		Atul Rajasthan Date Palms Ltd	0.02	0.01
		Atul Renewable Energy Ltd	0.00	-
		Atul USA Inc	158.54	191.30
		Osia Infrastructure Ltd	0.18	0.21
3.		Payables	20.02	16.36
		Aaranyak Urmi Ltd	0.00	-
		Amal Ltd	0.04	1.13
		Amal Speciality Chemicals Ltd	0.36	-
		Atul Bioscience Ltd	1.42	1.42
		Atul Biospace Ltd	0.04	0.02
		Atul Brasil Quimicos Ltda	1.94	0.99
		Atul China Ltd	1.54	0.36
		Atul Consumer Products Ltd	1.66	1.60
		Atul Crop Care Ltd	2.07	1.90
		Atul Europe Ltd	1.76	2.88
		Atul Finserv Ltd	0.08	0.12
		Atul Infotech Pvt Ltd	0.32	0.29
		Atul Middle East FZ-LLC	1.32	1.17
		Atul USA Inc	4.85	2.82
		Osia Infrastructure Ltd	2.61	1.66
4.		Acceptances	5.31	7.21
		Atul Fin Resources Ltd	5.31	7.21
5.		Interest accrued on loan given	0.04	-
		Atul Rajasthan Date Palms Ltd	0.04	-

			(₹ cr)	
Note 29.4 (J) Outstanding balances as at year end			As at March 31, 2023	As at March 31, 2022
b)	With joint venture company			
	1.	Receivables	2.18	0.89
	2.	Payables	0.30	-
	3.	Refundable security deposit	2.00	2.00

All above balances are with Rudolf Atul Chemicals Ltd.

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (J) Outstanding balances as at year end		As at March 31, 2023	As at March 31, 2022
c)	With joint operation		
1.	Receivables	3.16	0.86
2.	Payables	6.86	12.22
3.	Loan receivable	53.98	68.28
4.	Interest accrued on loan given	2.04	0.93

All above balances are with Anaven LLP.

(₹ cr)

Note 29.4 (J) Outstanding balances as at year end		As at March 31, 2023	As at March 31, 2022
d)	With entity over which control exercised by Key Management Personnel		
1.	Receivables	0.00	-
	Aagam Holdings Pvt Ltd	0.00	-
2.	Payables	0.01	-
	Crawford Bayley & Co	0.01	-

(₹ cr)

Note 29.4 (J) Outstanding balances as at year end		As at March 31, 2022	As at March 31, 2021
e)	With entities over which Key Management Personnel or their close family members have significant influence		
1.	Receivables	0.05	0.02
	Atul Foundation Trust	0.02	0.00
	Atul Kelavani Mandal	0.01	0.01
	Atul Rural Development Fund	0.00	0.00
	Atul Vidyalaya Trust	0.02	0.01
	Urmi Stree Sanstha	0.00	0.00
2.	Payables	0.05	0.04
	Atul Foundation Trust	0.00	-
	Atul Vidyalaya Trust	0.05	0.04

Note 29.4 (K) Terms and conditions

1. Sales to and purchases from related parties were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available at cost plus margin.
2. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Subscriptions of additional equity shares were on preferential basis.
3. All outstanding balances are unsecured and are repayable in cash and cash equivalent.

Note 29.5 Current and deferred tax

The major components of income tax expense for the years ended on March 31, 2023, and March 31, 2022, are:

a) Income tax expense recognised in the Statement of Profit and Loss

		(₹ cr)	
Particulars		2022-23	2021-22
i)	Current tax		
	Current tax on profit for the year	170.06	200.61
	Adjustments for current tax of prior periods	0.23	-
	Total current tax expense	170.29	200.61
ii)	Deferred tax		
	(Decrease) Increase in deferred tax liabilities	3.96	(2.39)
	Decrease (Increase) in deferred tax assets	3.81	(1.78)
	Total deferred tax expense (benefit)	7.77	(4.17)
	Income tax expense	178.06	196.44

b) Income tax expense recognised in the other comprehensive income

		(₹ cr)	
Particulars		2022-23	2021-22
i)	Current tax		
	Remeasurement gain (loss) on defined benefit plans	0.94	(1.70)
	Total current tax expenses	0.94	(1.70)
ii)	Deferred tax		
	Fair value of equity investment	(11.81)	2.53
	Effective portion of gain (loss) on cash flow hedges	(0.14)	0.13
	Total deferred tax expenses (benefits)	(11.95)	2.66
	Income tax expenses	(11.01)	0.96

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

Particulars		2022-23	2021-22
a)	Statutory income tax rate	25.17%	25.17%
b)	Differences due to:		
i)	Non-deductible expenses	0.71%	0.39%
ii)	Exempt income	-	(0.73%)
iii)	Income tax incentives	(1.53%)	(0.27%)
iv)	Others	0.04%	(0.13%)
	Effective income tax rate	24.39%	24.43%

d) Current tax assets

		(₹ cr)	
Particulars		As at March 31, 2023	As at March 31, 2022
	Opening balance	6.89	10.99
	Taxes paid in advance, net of provision during the year	(0.54)	(4.10)
	Closing balance	6.35	6.89

Note 29.5 Current and deferred tax (continued)

e) Current tax liabilities

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	6.70	4.32
Current tax payable for the year	170.29	200.61
Taxes paid	(176.99)	(198.23)
Closing balance	-	6.70

f) Deferred tax liabilities (net)

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

(₹ cr)

Particulars	As at March 31, 2023	Charged (Credited) to		As at March 31, 2022	Charged (Credited) to		As at March 31, 2021
		profit or loss	OCI equity		profit or loss	OCI equity	
Property, plant and equipment	92.66	7.53	-	85.13	(1.54)	-	86.67
Unrealised gain on mutual fund	0.11	(3.57)	-	3.68	(0.85)	-	4.53
Fair value equity investments (net)	15.57	-	(11.81)	27.38	-	2.53	24.85
Total deferred tax liabilities	108.34	3.96	(11.81)	116.19	(2.39)	2.53	116.05
Provision for leave encashment	(9.65)	(0.35)	-	(9.30)	(1.28)	-	(8.02)
Provision for doubtful debts	(3.44)	(0.37)	-	(3.07)	(0.09)	-	(2.98)
Regulatory and other charges	(1.44)	4.89	-	(6.33)	0.01	-	(6.34)
Investment properties	(7.79)	(0.36)	-	(7.43)	(0.42)	-	(7.01)
Cash flow hedges	0.16	-	(0.14)	0.30	-	0.13	0.17
Total deferred tax assets	(22.16)	3.81	(0.14)	(25.83)	(1.78)	0.13	(24.18)
Net deferred tax liabilities (assets)	86.18	7.77	(11.95)	90.36	(4.17)	2.66	91.87

Note 29.6 Employee benefit obligations

Funded schemes

a) Defined benefit plans

Gratuity

The Company operates a gratuity plan through the Atul Ltd Employees Gratuity Fund. Every employee is entitled to a benefit equivalent to the last drawn salary of 15 days for each completed year of service in line with the Payment of Gratuity Act, 1972 or the Company scheme, whichever is more beneficial. Gratuity is payable at the time of separation or retirement from the Company, whichever is earlier. The benefit vests after five years of continuous service.

Note 29.6 Employee benefit obligations (continued)

(₹ cr)			
Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2021	52.76	(52.76)	-
Current service cost	3.53	-	3.53
Interest expense (income)	3.34	(3.34)	-
Total amount recognised in profit and loss	6.87	(3.34)	3.53
Remeasurement			
(Gain) loss from changes in demographic assumptions	(1.62)	-	(1.62)
(Gain) loss from change in financial assumptions	5.45	0.05	5.50
Experience loss	2.87	-	2.87
Total amount recognised in other comprehensive income	6.70	0.05	6.75
Employer contributions	-	(9.98)	(9.98)
Benefit payments	(5.04)	4.87	(0.17)
Liability transferred (out) in	(0.13)	-	(0.13)
As at March 31, 2022	61.16	(61.16)	-
Current service cost	4.13		4.13
Interest expense (income)	3.92	(3.92)	-
Total amount recognised in profit and loss	8.05	(3.92)	4.13
Remeasurement			
(Gain) loss from changes in demographic assumptions	1.06	-	1.06
(Gain) loss from change in financial assumptions	(3.87)	0.06	(3.81)
Experience loss	(0.97)	-	(0.97)
Total amount recognised in other comprehensive income	(3.78)	0.06	(3.72)
Employer contributions	-	(0.42)	(0.42)
Benefit payments	(4.43)	4.43	-
Liability transferred (out) in	0.01	-	0.01
As at March 31, 2023	61.01	(61.01)	-

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

(₹ cr)		
Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	61.01	61.16
Fair value of plan assets	(61.01)	(61.16)
Deficit of gratuity plan	-	-

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.35%	6.41%
Attrition rate	13.00%	15.00%
Rate of return on plan assets	7.35%	6.41%
Salary escalation rate	9.84%	10.70%

Note 29.6 Employee benefit obligations (continued)

Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Discount rate	1.00%	1.00%	(3.19%)	(3.76%)	3.47%	4.08%
Attrition rate	1.00%	1.00%	(0.54%)	(0.89%)	0.58%	0.96%
Rate of return on plan assets	1.00%	1.00%	(3.19%)	(3.76%)	3.47%	4.08%
Salary escalation rate	1.00%	1.00%	3.36%	3.88%	(3.15%)	(3.65%)

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

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

Major categories of plan assets are as follows

(₹ cr)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Unquoted	in %	Unquoted	in %
Government of India assets	1.18	1.93%	1.18	1.93%
Debt instruments				
Corporate bonds	1.28	2.10%	1.22	2.01%
Investment funds				
Insurance funds	58.10	95.23%	53.09	86.81%
Others	0.29	0.48%	5.50	8.99%
Special deposit schemes	0.16	0.26%	0.16	0.26%
	61.01	100%	61.15	100%

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the

Note 29.6 Employee benefit obligations (continued)

aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. All deviations from the range are corrected by rebalancing the portfolio. It intends to maintain the above investment mix in the coming years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. It has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets. A large portion of assets consists of insurance funds; it also invests in corporate bonds and special deposit schemes. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2024, are ₹ 4.17 cr.

The weighted average duration of the defined benefit obligation is six years (2021-22: six years). The expected maturity analysis of gratuity is as follows:

Particulars	(₹ cr)				
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2023	11.51	8.32	30.71	32.21	82.75
As at March 31, 2022	11.40	9.50	28.59	29.65	79.14

Provident fund

The Company has established an employee provident fund trust for employees based at Ankleshwar. It is administered by the Company to which both the employee and the employer make monthly contributions equal to 12% of basic salary of employee. The contribution of the Company to the provident fund for all employees is charged to the Standalone Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability is ₹ nil. The Company has contributed the following amounts towards provident fund during the respective period ended:

Expenses recognised for the year ended on March 31, 2023 (included in Note 25)		(₹ cr)	
		As at March 31, 2023	As at March 31, 2022
i)	Defined benefit obligation	12.45	11.29
ii)	Funds	12.48	11.68
	Net assets (liabilities)	0.03	0.39
iii)	Charge to the Standalone Statement of Profit and Loss during the year (included in Note 25)	0.24	0.24

The assumptions used in determining the present value of obligation:

Particulars		2022-23	2021-22
i)	Mortality rate	Indian Assured Lives Mortality 2012-14 (Urban)	Indian assured lives mortality 2012-14 (Urban)
ii)	Withdrawal rate	5% pa for all age groups	5% pa for all age groups
iii)	Rate of discount	7.35%	6.41%
iv)	Expected rate of interest	8.88%	8.10%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.15%	8.10%

Note 29.6 Employee benefit obligations (continued)

b) Defined contribution plans

Provident and other funds

Amount of ₹ 15.40 cr March 31, 2022: ₹ 14.33 cr} {net of Nil (March 31, 2022: ₹ 0.06 cr) from the Pradhan Mantri Rojgar Protsahan Yojana} is recognised as expense and included in Note 25 'Contribution o provident and other funds'.

Compensated absences

Amount of ₹ 4.08 cr (March 31, 2022: ₹ 7.94 cr) is recognised as expense and included in Note 25 'Salaries, wages and bonus'.

Note 29.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments ¹	-	530.11	-	-	642.26	-
Preference shares	-	-	-	-	-	1.81
Government securities	-	-	0.01	-	-	0.01
Bonds	112.74	-	-	113.11	-	-
Mutual funds	172.42	-	-	539.54	-	-
Trade receivables	-	-	893.86	-	-	1058.83
Loans	-	-	872.98	-	-	375.74
Security deposits for utilities and premises	-	-	2.36	-	-	2.18
Interest	-	-	2.07	-	-	0.93
Derivative financial assets designated as hedges (net)	-	-	0.00	-	0.50	0.00
Finance lease receivables	-	-	11.89	-	-	12.63
Cash and bank balances	-	-	3.09	-	-	20.75
Other receivables	-	-	19.41	-	-	11.86
Total financial assets	285.16	530.11	1,805.67	652.65	642.76	1,484.74
Financial liabilities						
Trade payables	-	-	530.80	-	-	619.95
Security deposits	-	-	35.98	-	-	31.09
Derivative financial liabilities designated as hedges (net)	-	0.54	-	-	-	-
Employee benefits payable	-	-	42.77	-	-	59.50
Creditors for capital goods	-	-	43.59	-	-	34.51
Other liabilities (includes discount payables)	-	-	7.91	-	-	7.37
Total financial liabilities	-	0.54	661.05	-	-	752.42

¹Excludes equity investments in subsidiary, joint venture and associate companies | entities which are carried at cost and hence are not required to be disclosed as per Ind AS 107 'Financial Instruments Disclosures'.

Note 29.7 Fair value measurements (continued)

a) Fair value hierarchy

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

(₹ cr)

i)	Financial assets and liabilities measured at fair value as at March 31, 2023	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments measured at FVTOCI:					
	Quoted equity shares ¹	5.2	529.32	-	-	529.32
	Unquoted equity shares ²	5.2	-	-	0.79	0.79
	Financial investments measured at FVTPL:					
	Bond	5.2	112.74	-	-	112.74
	Mutual funds	5.3	-	172.42	-	172.42
	Derivatives designated as hedges:					
	Currency options	7	-	-	-	-
	Total financial assets		642.06	172.42	0.79	815.27
	Financial liabilities					
	Derivatives designated as hedges:					
	Currency options	15	-	0.54	-	0.54
	Total financial liabilities		-	0.54	-	0.54

(₹ cr)

ii)	Financial assets and liabilities measured at fair value as at March 31, 2022	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments measured at FVTOCI:					
	Quoted equity shares ¹	5.2	641.45	-	-	641.45
	Unquoted equity shares ²	5.2	-	-	0.81	0.81
	Financial investments measured at FVTPL:					
	Bond	5.2	113.11	-	-	113.11
	Mutual funds	5.2	-	539.54	-	539.54
	Derivatives designated as hedges:					
	Currency options	7	-	0.50	-	0.50
	Total financial assets		754.56	540.04	0.81	1295.41

¹Excludes investments (in equity shares) in subsidiary, joint venture and associate companies | entities which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures".

²Includes investments in BEIL Infrastructure Ltd (formerly known as Bharuch Enviro Infrastructure Ltd) (70,000 equity shares), Narmada Clean Tech (formerly known as Narmada Clean Tech Ltd) which are for operation purpose and the Company has to hold it till the production site continues. The Company estimates that the fair value of these investments are not materially different as compared to its cost.

Note 29.7 Fair value measurements (continued)

There were no transfers between any levels during the year.

Level 1: This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- i) the use of quoted market prices or dealer quotes for similar instruments,
- ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Standalone Balance Sheet date,
- iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model,
- iv) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in levels 1, 2 and 3.

c) Valuation processes

The Finance department of the Company includes a team that performs the valuations of financial assets and liabilities with assistance from independent external experts when required, for financial reporting purposes, including level 3 fair values.

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

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
	Carrying amount Fair value	Carrying amount Fair value
Non-current financial assets		
Investments:		
Preference shares	-	1.81
Government securities	0.01	0.01
Loans	872.98	375.74
Security deposits for utilities and premises	2.36	2.18
Finance lease receivables	11.89	12.63
Total non-current financial assets	887.24	392.37
Non-current financial liabilities		
Other liabilities	2.86	2.73
Total non-current financial liabilities	2.86	2.73



Note 29.7 Fair value measurements (continued)

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values for loans and investments in preference shares were calculated based on cash flows discounted using a prevailing lending rate at the time of inception.

Note 29.8 Financial risk management

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

- i) Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.
- ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.
- iii) Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- iv) Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- v) Risk reporting and monitoring: Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

a) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, investment in mutual funds, borrowings and the cash flow that is generated from operations. It believes that the current cash and cash equivalents, tied up borrowing lines and cash flow that are generated from operations are sufficient to meet the requirements. Accordingly, liquidity risk is perceived to be low.

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

As at March 31, 2023		Note	Carrying amount	Less than 12 months	More than 12 months	Total
	Trade payables	18	530.80	530.80	-	530.80
	Security and other deposits	15	35.98	35.98	-	35.98
	Employee benefits payable	15	42.77	42.77	-	42.77
	Creditors for capital goods	15	43.59	43.59	-	43.59
	Other liabilities	15	7.91	5.05	2.86	7.91

(₹ cr)

Note 29.8 Financial risk management (continued)

As at March 31, 2022		Note	Carrying amount	Less than 12 months	More than 12 months	Total
	Trade payables	18	619.95	619.95	-	619.95
	Security and other deposits	15	31.09	31.09	-	31.09
	Employee benefits payable	15	59.50	59.50	-	59.50
	Creditors for capital goods	15	34.51	34.51	-	34.51
	Other liabilities	15	7.37	4.64	2.73	7.37
	Derivatives (settlement on net basis)	15	-	-	-	-

b) Management of market risk

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

- i) price risk
- ii) foreign exchange risk

The above risks may affect income and expenses or the value of its financial instruments. Its objective for market risk is to maintain this risk within acceptable parameters while optimising returns. The exposure to these risks and the management of these risks are explained as follows:

Potential impact of risk	Management policy	Sensitivity to risk
<p>i) Price risk</p> <p>The Company is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>Equity price risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, equity securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through other comprehensive income as at March 31, 2023, is ₹ 529.32 cr (March 31, 2022: ₹ 641.45 cr).</p> <p>The fair value of bonds classified at fair value through profit and loss as at March 31, 2023, is ₹ 112.74 cr (March 31, 2022: ₹ 113.11 cr).</p> <p>The fair value of mutual funds classified at fair value through profit and loss as at March 31, 2023, is ₹ 172.42 cr (March 31, 2022: ₹ 539.54 cr).</p>	<p>In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management Policy.</p> <p>Any investment or divestment must be approved by the Board, Chief Financial Officer and the Audit Committee.</p>	<p>As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows:</p> <p>For equity instruments, a 4% increase in Nifty 50 prices may have led to approximately an additional ₹ 12.66 cr gain in other comprehensive income (2021-22: ₹ 17.72 cr). A 4% decrease in Nifty 50 prices may have led to an equal but opposite effect.</p> <p>For bonds, a 1% increase in prices may have led to approximately an additional ₹ 1.1 cr gain in the Standalone Statement of Profit and Loss (2021-22: ₹ 1.1 cr). A 1% decrease in prices may have led to an equal but opposite effect.</p> <p>For mutual funds, a 1% increase in prices may have led to approximately an additional ₹ 1.7 cr gain in the Standalone Statement of Profit and Loss (2021-22: ₹ 5.4 cr). A 1% decrease in prices may have led to an equal but opposite effect.</p>

Note 29.8 Financial risk management (continued)

Potential impact of risk	Management policy	Sensitivity to risk
ii) Foreign exchange risk The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.	The Company has exposure arising out of export, import and other transactions other than functional risks. It hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is as per the guidelines laid down in its Risk Management Policy.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Standalone Financial Statements, the Company has calculated the impact as follows: For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an additional ₹ 7.97 cr gain in other comprehensive income (2021-22: gain of ₹ 9.60 cr). A 2% decrease may have led to an additional ₹ 6.95 cr loss in other comprehensive income (2021-22: loss of ₹ 6.37 cr).

Foreign currency risk exposure

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

Particulars	As at March 31, 2023					
	US\$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Cash and cash equivalents (EEFC account)	-	-	-	-	-	-
Trade receivables	59.00	484.82	2.39	21.39	0.23	2.31
Less:						
Hedged through derivatives ¹ :						
Currency range options	15.10	124.08	-	-	-	-
Net exposure to foreign currency risk (assets)	43.90	360.74	2.39	21.39	0.23	2.31
Financial liabilities						
Trade payables	11.93	98.00	0.06	0.54	(0.00)	(0.00)
Net exposure to foreign currency risk (liabilities)	11.93	98.00	0.06	0.54	(0.00)	(0.00)

Particulars	As at March 31, 2022					
	US\$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Cash and cash equivalents (EEFC account)	2.06	15.60	-	-	-	-
Trade receivables	75.32	570.77	3.40	28.59	0.23	2.30
Less:						
Hedged through derivatives ¹ :						
Currency range options	29.25	221.66	-	-	-	-
Net exposure to foreign currency risk (assets)	48.13	364.71	3.40	28.59	0.23	2.30
Financial liabilities						
Trade payables	14.75	111.78	0.07	0.60	-	0.04
Net exposure to foreign currency risk (liabilities)	14.75	111.78	0.07	0.60	-	0.04

¹Includes hedges for highly probable transactions up to next 12 months

Note 29.8 Financial risk management (continued)

c) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or Export Credit Guarantee Corporation schemes. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence, the credit risk is perceived to be low.

Reconciliation of loss allowance provision – trade receivables

Particulars	(₹ cr)
	Loss allowance on trade receivables
Loss allowance as on March 31, 2021	11.85
Changes in loss allowance	0.37
Loss allowance as on March 31, 2022	12.22
Changes in loss allowance	1.45
Loss allowance as on March 31, 2023	13.67

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, preference shares, mutual funds, bonds and loans to subsidiary companies. It has a diversified portfolio of investments with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its treasury department.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position

As at March 31, 2023

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price interest rate	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US\$								
Foreign exchange risk								
Currency range options	124.08	-	-	0.54	1-12	79.75-84.22	(0.54)	0.54

Note 29.8 Financial risk management (continued)

As at March 31, 2022

(₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price interest rate	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US\$								
Foreign exchange risk								
Currency range options	221.66	-	0.50	-	1-12	75.71-80.09	0.50	(0.50)

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2023

(₹ cr)

Type of hedge	Changes in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statements line item affected
Cash flow hedge				
Foreign exchange risk	(0.54)	-	0.50	Trade receivables and payables

As at March 31, 2022

(₹ cr)

Type of hedge	Changes in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statements line item affected
Cash flow hedge				
Foreign exchange risk	0.50	-	0.60	Trade Receivables and payables

Note 29.8 Financial risk management (continued)

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
	As at March 31, 2023	As at March 31, 2022
Derivative instruments		
Balance at the beginning of the year	0.20	0.43
Gain recognised in other comprehensive income during the year	(0.54)	0.50
Amount reclassified to revenue during the year	(0.49)	(0.60)
Tax impact on above	0.14	(0.13)
Balance at the end of the year	(0.69)	0.20

Note 29.9 Capital management

The primary objective of capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. It determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements (refer Note 29.19 (b) for debt- equity ratio).

Note 29.10 Segment information

In accordance with Ind AS 108, 'Operating Segments', segment information has been given in the Consolidated Financial Statements of Atul Ltd and therefore, no separate disclosure on segment information is given in the Standalone Financial Statements.

Note 29.11 Earnings per share

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

Particulars		2022-23	2021-22
Profit for the year attributable to the equity shareholders	₹ cr	552.15	607.53
Weighted average number of equity shares used in calculating basic diluted EPS ¹	Number	2,95,19,595	2,95,87,051
Nominal value of equity share	₹	10.00	10.00
Basic EPS	₹	187.05	205.34
Diluted EPS	₹	187.05	205.34

¹During the current year, the Company completed its share buy-back on May 09, 2022.

Note 29.12 Leases

a) As a lessee

The Company has taken various residential and office premises under operating lease or leave and license agreements. These are cancellable by the Company, having a term between 11 months and three years and have no specific obligation for renewal. Payments are recognised in the Standalone Statement of Profit and Loss under 'Rent' in Note 28.

b) As a lessor

i) Operating lease

The Company has entered into operating leases on its office buildings and land. These are cancellable by the Company, having a term between 11 months and three years and have no specific obligation for renewal. Rents received are recognised in the Standalone Statement of Profit and Loss as lease income in Note 22 'Other income'.

Note 29.12 Leases (continued)

ii) Finance lease

The Company has given a building on finance lease for a term of 30 years and machines for a term of 10 years.

Future minimum lease payments receivable under finance leases, together with the present value of the net minimum lease payments (MLP), are as under:

(₹ cr)

Particulars	As at March 31, 2023		As at March 31, 2022	
	MLP receivable	Present value of MLP receivable	MLP receivable	Present value of MLP receivable
Not later than one year	2.02	1.93	1.82	1.73
Later than one year and not later than five years	7.69	5.88	7.68	5.90
Later than five years	7.44	4.07	9.46	5.00
Total MLP receivable	17.15	11.89	18.96	12.63
Less: unearned finance income	5.26	-	6.33	-
Present value of MLP receivable	11.89	11.89	12.63	12.63
Less: allowance for uncollectible lease payments	-	-	0.00	0.00
	11.89	11.89	12.63	12.63

Note 29.13 Loans

Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 186 (4) of the Companies Act, 2013.

(₹ cr)

Particulars	Purpose	Amount outstanding as at		Maximum balance during the year	
		March 31, 2023	March 31, 2022	2022-23	2021-22
i) Subsidiary companies:					
Atul Bioscience Ltd	For working capital, operational, project expenditure requirement and purchase of the manufacturing facility at Ambernath	54.55	54.06	58.56	54.06
Atul Products Ltd	For project expenditure requirement	760.45	253.40	760.45	253.40
Atul Rajasthan Date Palms Ltd	For working capital	4.00	-	4.00	-
ii) Joint operation of subsidiary company:					
Anaven LLP	For working capital, operational and project expenditure requirement	53.98	68.28	70.75	93.85

Notes:

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

Note 29.14 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	48.76	44.85
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.00	0.00
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	0.07
Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.00	0.00
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 29.15 Expenditure on Corporate Social Responsibility initiatives

- a) Gross amount required to be spent by the Company during the year is ₹ 15.81 cr (2021-22: ₹ 14.86 cr).
b) Amount spent during the year on

(₹ cr)

Particulars	2022-23			2021-22		
	Paid	Payable	Total	Paid	Payable	Total
i) Construction Acquisition of any asset	-	-	-	-	-	-
ii) On purposes other than (i) above	15.83	-	15.83	14.89	-	14.89

- c) Details related to spent | unspent obligations

Particulars	2022-23	2021-22
01. Promotion of health	5.87	2.16
02. Promotion of health care and sanitation	0.49	0.71
03. Enhancement of vocational skills	0.40	0.39
04. Support to livelihood projects	1.35	1.43
05. Promotion of education	2.51	2.22
06. Empowerment of women	0.22	0.11
07. Conservation of natural resources Environment sustainability	2.15	1.09
08. Development of rural areas	2.04	1.74
09. Flood relief activities	0.05	-
10. Administrative overheads	0.75	0.69
11. Unspent amount in relation to:		
- Ongoing projects	-	4.35
- Other than Ongoing projects	-	-
	15.83	14.89

Note 29.15 Expenditure on Corporate Social Responsibility initiatives (continued)

d) Details of ongoing CSR projects under Section 135(6) of the Act

(₹ cr)

Balance as at April 01, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In separate Unspent CSR Account		From the bank account of the Company	From separate Unspent CSR Account	With the Company	In separate Unspent CSR Account
-	4.35	-	-	(4.35)	-	-

(₹ cr)

Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate Unspent CSR Account		From the bank account of the Company	From separate Unspent CSR Account	With the Company	In separate Unspent CSR Account
-	-	4.85	0.50	-	-	4.35

e) Excess CSR expenditure under Section 135(5) of the Act

(₹ cr)

Balance as at April 01, 2022	Amount required to be spent during the year	Amount spent during the year	Balance as at March 31, 2023
0.06	15.81	15.83	0.08

(₹ cr)

Balance as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance as at March 31, 2022
0.03	14.86	14.89	0.06

f) Refer Note 29.4 (H) for details of contribution to a trust controlled by the Company in relation to expenditure on Corporate Social Responsibility initiatives.

Note 29.16 Offsetting financial assets and liabilities

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

a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an International Swaps and Derivatives Association Inc Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet.

b) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (Refer Note 17(c) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

Note 29.17 Dividend on equity shares

Dividend on equity shares declared and paid during the year:

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Final dividend of ₹ 25.00 per share for the year 2021-22 (2020-21: ₹ 20.00)	73.78	59.17
Interim dividend of ₹ 7.50 per share for the year 2022-23	22.14	-
	95.92	59.17

Note:

The Company declares and pays dividend in Indian rupees. Companies are required to pay | distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Note 29.18 Buy-back of shares

The Board of Directors in its meeting held on March 25, 2022, had approved a proposal to buy-back fully paid-up equity shares of face value of ₹ 10 each of the Company. The buy-back of equity shares through the open market stock exchange route commenced on April 07, 2022, and it was completed on May 09, 2022. The Company bought back and extinguished a total of 73,296 equity shares at an average buy-back price of ₹ 9,536.31 per equity share, constituting 0.25% of the pre buy-back paid-up equity share capital of the Company. The buy-back resulted in a cash outflow of ₹ 69.90 cr (excluding transaction costs). The Company purchased the said shares out of its free reserves and created capital redemption reserve of ₹ 0.08 cr equal to the nominal value of the shares bought back as an appropriation from general reserve in accordance with Section 69 of the Companies Act, 2013.

Note 29.19 Ratios

No.	Ratio	UoM	Formula (Refer below table for numerator and denominator details)	As at March 31, 2023	As at March 31, 2022	Variance %	Reason for variance
01.	Current ratio	Times	$A \div B$	2.60	2.32	11.80%	Below threshold of 25%
02.	Debt-equity ratio	Times	$I \div H$	0.00	0.02	(100%)	Negligible debt, Company is effectively operating at zero debt.
03.	Debt service coverage ratio	Times	$Q \div (J + M)$	95.24	9.98	854.68%	Negligible interest cost, Company is effectively operating at zero debt.
04.	Return on equity ratio	%	$P \div \text{average of H}$	12%	15%	(18.08%)	Below threshold of 25%
05.	Inventory turnover ratio	Times	$L \div \text{average of D}$	7.41	8.14	(8.88%)	Below threshold of 25%
06.	Trade receivables turnover ratio	Times	$L \div \text{average of E}$	5.12	5.56	(7.94%)	Below threshold of 25%
07.	Trade payables turnover ratio	Times	$(R+S) \div \text{average of G}$	7.27	6.94	4.71%	Below threshold of 25%
08.	Net capital turnover ratio	Times	$L \div \text{average of C}$	4.57	4.92	(7.09%)	Below threshold of 25%
09.	Net profit ratio	%	$P \div L$	11.05%	12.33%	(10.40%)	Below threshold of 25%
10.	Return on capital employed	%	$(M + O) \div \text{average of K}$	19.00%	23.57%	(19.38%)	Below threshold of 25%
11.	Return on investment	%	$(M + O) \div \text{average of F}$	13.58%	16.24%	(16.34%)	Below threshold of 25%

Note 29.19 Ratios (continued)

No.	Base values	UoM	Reference	As at March 31, 2023	As at March 31, 2022
A	Current assets	₹ cr	Balance Sheet (current assets) - current investments	1,861.23	1,952.27
B	Current liabilities	₹ cr	Balance Sheet (current liabilities)	716.83	840.62
C	Working capital	₹ cr	A-B	1,144.40	1,111.65
D	Inventories	₹ cr	Balance Sheet (refer Note 9)	647.64	701.03
E	Trade receivables	₹ cr	Balance Sheet (refer Note 10)	893.86	1,058.83
F	Total assets	₹ cr	Balance Sheet (total assets)	5,430.90	5,350.63
G	Trade payables	₹ cr	Balance Sheet (refer Note 18 + 15 d)	574.39	654.46
H	Equity	₹ cr	Balance Sheet (refer Note 13+14)	4,589.37	4,316.39
I	Debt	₹ cr	Balance Sheet (refer Note 17)	5.41	72.94
J	Principal repayments in coming year	₹ cr	Balance Sheet (refer Note 17)	5.41	72.94
K	Capital employed	₹ cr	H + I+ deferred tax liability (refer Notes 29.5) -capital work- in- progress (refer Notes 2) - revaluation reserve on investment (change in equity part B)	3,871.00	3,752.00
L	Net sales	₹ cr	Statement of Profit and Loss (refer Note 21, sales of products and services only)	4,999.00	4,928.53
M	Finance cost	₹ cr	Statement of Profit and Loss (refer Note 26)	2.12	2.94
N	Depreciation	₹ cr	Statement of Profit and Loss (refer Note 2, 4)	162.85	146.48
O	Profit before tax	₹ cr	Statement of Profit and Loss	730.21	803.97
P	Profit after tax	₹ cr	Statement of Profit and Loss	552.15	607.53
Q	Net operating income	₹ cr	M + N + P	717.12	756.95
R	Total operating purchase	₹ cr	Purchase of raw material and stock in trade (refer Note 23) + other expenses (refer Note 28)	4,008.37	4,024.53
S	Capital purchase	₹ cr	Addition in capital work-in-progress (refer Note 2)	457.06	313.55

Note 29.20 Utilisation of loans, advances and equity investment in entities
a) Invested in intermediary entities

No.	Name of intermediary entities	Address	CIN	Relationship with the Company	Nature of fund	Date of funding	Amount
1.	Atul Healthcare Ltd	E-7, East area, Atul, 396 020	U85120GJ2021PLC127178	Subsidiary company	Equity investment	October 18, 2022	22.50
2.	Atul Finserv Ltd	310-B, Atul House, Veer Savarkar Marg, Dadar (West), Mumbai 400 028	U51900MH1947PLC005453	Subsidiary company	Equity investment	March 25, 2023	24.21

b) Invested by intermediary entities in ultimate beneficiary entities

No.	Name of ultimate beneficiary entities	Address	CIN	Relationship with the Company	Nature of fund	Date of funding	Amount
1.	Valsad Institute of Medical Sciences Ltd	Maninagar Society, 1/668, Tithal road, Valsad-396001	U85320GJ2020PLC113263	Subsidiary company	Equity investment	October 18, 2022	22.50
2.	Amal Ltd	310 B, Veer Savarkar Marg, Dadar (West), Mumbai 400 028	L24100MH1974PLC017594	Subsidiary company	Equity investment	March 25, 2023	24.21

Note 29.21 Relationship with struck off companies

The Company does not have any transactions during the year and also does not have outstanding balance as at March 31, 2023, with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

Note 29.22 Other statutory information (required by Schedule III to the Companies Act, 2013)

- The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Company is not declared wilful defaulter by any bank or financial institution or other lender.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.
- No loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person.
- The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

Note 29.23 Fire incident

An incident of fire occurred on April 20, 2022, in one of the plants at Atul, Gujarat. There was no fatality or injury to any person, and damage was restricted to the affected plant. The Company has written off the carrying value of the assets destroyed by fire amounting to ₹ 35.60 cr during the quarter ended on June 30, 2022 | year ended on March 31, 2023, by including it in other expenses. The Company has filed a claim in this regard with the insurance company which is under process. Against this claim, the Company has received an interim approval of ₹ 31.28 cr during the year ended on March 31, 2023, which is included in other income. The Company will claim further amounts when spent.

Note 29.24 Rounding off

Figure less than ₹ 50,000 have been shown as '0.00' in the relevant notes in these Standalone Financial Statements.

Note 29.25 Authorisation for issue of the Standalone Financial Statements

The Standalone Financial Statements were authorised for issue by the Board of Directors on April 28, 2023.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora Partner	T R Gopi Kannan (DIN:00048645) Whole-time Director and CFO	R A Shah (DIN:00009851)	M M Chitale (DIN:00101004)	S S Lalbhai (DIN:00045590) Chairman and Managing Director
	L P Patni Company Secretary	B S Mehta (DIN:00035019)	S A Panse (DIN:02599310)	S A Lalbhai (DIN:00009278) Managing Director
	B N Mohanan (DIN:00198716) Whole-time Director and President - U&S	S M Datta (DIN:00032812)	B R Arora (DIN:00194168)	
Mumbai April 28, 2023		V S Rangan (DIN:00030248)	P J Banerjee (DIN:02985965) Directors	Mumbai April 28, 2023



Independent Auditor's Report

To the members of Atul Ltd

Report on the audit of the Consolidated Financial Statements

Opinion

01. We have audited the accompanying Consolidated Financial Statements of Atul Ltd (the Company or the Parent) and its subsidiary companies, (the Parent and its subsidiary companies together referred to as the Group) which includes the share of loss of the Group in its associate company and the share of profit of the Group in its joint venture company, which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and which includes a joint operation (which is an entity) of the Group accounted on proportionate basis.
02. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other Auditors on separate Financial Statements of the subsidiary companies referred to in the other matters section, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for opinion

03. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's responsibility for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate company, and its joint venture company and joint operation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in para 14 in the other matters section, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key audit matter

04. Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the Consolidated Financial Statements of the current period. This matter was addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described as follows to be the key audit matter to be communicated in our report.

Key audit matters	Auditor's response
<p>Allowance for credit losses</p> <p>The Group determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.</p> <p>In calculating expected credit loss, the Group also considers the insurance covers and other securities, besides other related information for its customers, including credit reports, to estimate the probability of default in future. The Management has exercised significant judgement in estimating the allowance for credit losses.</p> <p>Refer Notes 11 and 30.8(c) to the Consolidated Financial Statements.</p>	<p>Principle procedures included but were not limited to:</p> <p>Testing the effectiveness of controls over the:</p> <ul style="list-style-type: none"> - classification of customers by the businesses and computing the net exposure as at the reporting date - development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions - computation of the allowance for credit losses. <p>Testing the arithmetical accuracy and computation of the allowances prepared by the Management.</p> <p>Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and factoring the possible effect of the pandemic, to independently validate the Management estimates.</p>

Information other than the Financial Statements and Auditor's Report thereon

05. The Board of Directors of the Parent is responsible for the other information. The other information comprises the information included in the letter to shareholders, operational highlights, financial charts, Directors' Report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility and Sustainability Report, Dividend Distribution Policy and performance trend, but does not include the Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Reports thereon.
06. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
07. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the subsidiary companies audited by the other Auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other Auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their Financial Statements audited by other Auditors.
08. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with governance for the Consolidated Financial Statements

09. The Board of Directors of the Parent is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group, including its associate company and joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate company and joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entities 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 the design, implementation and maintenance of adequate internal financial controls, which were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.



10. In preparing the Consolidated Financial Statements, the respective Management of the companies included in the Group and its associate company and joint venture company are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group and of its associate company and joint venture company are also responsible for overseeing the financial reporting process of the respective entities.

Auditor's responsibility for the audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
 13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
 - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
 - d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate company and joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its associate company and joint venture company to cease to continue as a going concern.
 - e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - f) Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associate company and joint venture company to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

14. We did not audit the Financial Statements | financial information of 35 subsidiary companies, whose Financial Statements | financial information reflect total assets of ₹ 1,271.15 cr as at March 31, 2023, total revenues of ₹ 1,037.32 cr, total net profit after tax of ₹ 45.99 cr, total other comprehensive income of ₹ 46.60 cr and net cash outflows amounting to ₹ 8.58 cr for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net loss of ₹ (0.29) cr for the year ended on March 31, 2023, as considered in the Consolidated Financial Statements, in respect of an associate company. These Financial Statements | financial information have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies and associate company is based solely on the reports of other Auditors.

Some of these subsidiary companies are located outside India whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other Auditors under generally accepted auditing

standards applicable in their respective countries. The Management of the Company has converted the Financial Statements | financial and other information of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management of the Company. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India is based on the reports of other Auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

15. We did not audit the Financial Statements | financial information of 4 subsidiary companies, whose financial information reflects total assets of ₹ 26.31 cr as at March 31, 2023, total revenue of ₹ 6.79 cr, total net profit after tax of ₹ 1.89 cr, total other comprehensive income of ₹ 1.89 cr and net cash inflows amounting to ₹ 0.93 cr for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements | financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, is based solely on such unaudited Financial Statements | financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements | financial information are not material to the Group.
16. Our opinion on the Consolidated Financial Statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors and the Financial Statements | financial information certified by the Management.

Report on other legal and regulatory requirements

17. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other Auditors on separate Financial Statements | financial information of the subsidiary companies and associate company, referred in the other matters section, we report to the extent applicable that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other Auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2023, taken on record by the Board of Directors of the Parent and the reports of the Statutory Auditors of its subsidiary companies, associate company and a joint venture company incorporated in India, none of the Directors of the Group companies, associate company and a joint venture company incorporated in India is disqualified as on March 31, 2023, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate report in Annexure A, which is based on the Auditor's Reports of the Parent, subsidiary companies, associate company and a joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies, for the reasons stated therein.
- Reporting on the adequacy of internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls under Section 143(3)(i) of the Act is not applicable to the joint operation of the Group as it is a limited liability partnership.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its Directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate company, joint venture company - Refer Note 30.1 to the Consolidated Financial Statements;
 - ii. The Group and its associate company, joint venture company did not have any material foreseeable losses on long-term contracts, including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and a joint venture company incorporated in India.
 - iv. (a) The respective Managements of the Company and its subsidiary companies and associate company, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other Auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary companies and associate company to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary companies and associate company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - (b) The respective Managements of the Company and its subsidiary companies and associate company, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the

- other Auditors of such subsidiary companies and associate company respectively that, to the best of their knowledge and belief, no funds have been received by the Company or any of such subsidiary companies and associate company from any person or entity, including foreign entities (funding parties), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary companies and associate company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our or other Auditor's notice that has caused us or the other Auditors to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note no. 30.15 to the Consolidated Financial Statements
- (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Parent during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Parent have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed, declared is in accordance with Section 123 of the Act, as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company effective from April 01, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
18. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO report issued by the Auditors of the subsidiary companies and a joint venture company included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component Auditors and provided to us, we report that the Auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration number: 117366W|W-100018

Ketan Vora

Partner

Mumbai
April 28, 2023

Membership Number: 100459
UDIN: 23100459BGXJHA9068



Annexure A to the Independent Auditor's Report

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

Report on the internal financial controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

01. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to Consolidated Financial Statements of Atul Ltd (the Parent), its subsidiary companies, associate company and a joint venture company, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

02. The respective Board of Directors of the Parent, its subsidiary companies associate company and a joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

03. Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements of the Parent, its subsidiary companies and its associate company and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with

ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and whether such controls operated effectively in all material respects.

04. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
05. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements of the Parent, its subsidiary companies, associate company and its joint venture company, which are companies incorporated in India.

Meaning of internal financial controls with reference to Consolidated Financial Statements

06. The internal financial controls with reference to Consolidated Financial Statements of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. The internal financial controls with reference to Consolidated Financial Statements of the Company include those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of Financial Statements in accordance with the Generally Accepted Accounting Principles and

that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration number: 117366W|W-100018

Mumbai
April 28, 2023

Ketan Vora
Partner
Membership Number: 100459
UDIN: 23100459BGXJHA9068

Inherent limitations of internal financial controls with reference to Consolidated Financial Statements

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

Opinion

08. In our opinion, to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other Auditors referred to in the other matters paragraph, the Parent, its subsidiary companies associate company and a joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matters

09. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to, 30 subsidiary companies, and an associate company which are companies incorporated in India, is based solely on the corresponding reports of the Auditors of such companies.

Our opinion is not modified in respect of the above matters.



Consolidated Balance Sheet

as at March 31, 2023

(₹ cr)

Particulars		Note	As at March 31, 2023	As at March 31, 2022
A	ASSETS			
	1. Non-current assets			
	a) Property, plant and equipment	2	1,713.77	1,575.95
	b) Capital work-in-progress	2	1,032.85	420.47
	c) Investment properties	3	3.22	3.22
	d) Goodwill	4	29.14	29.14
	e) Other intangible assets	4	3.61	8.19
	f) Biological assets other than bearer plants	5	19.92	17.69
	g) Investments accounted for using the equity method	6.1	42.76	28.11
	h) Financial assets			
	i) Investments	6.2	648.61	760.51
	ii) Loans	7	0.13	3.61
	iii) Other financial assets	8	8.95	8.95
	j) Income tax assets (net)	30.5	13.98	9.58
	k) Deferred tax assets (net)	30.5	16.41	16.47
	l) Other non-current assets	9	143.66	135.53
	Total non-current assets		3,677.01	3,017.42
	2. Current assets			
	a) Inventories	10	789.36	864.12
	b) Biological assets	5	31.36	19.90
	c) Financial assets			
	i) Current investment	6.3	189.57	550.08
	ii) Trade receivables	11	844.61	989.01
	iii) Cash and cash equivalents	12	38.05	57.69
	iv) Bank balances other than cash and cash equivalents mentioned above	13	13.98	11.23
	v) Other financial assets	8	23.99	16.28
	d) Other current assets	9	160.03	180.59
	e) Assets held for sales		0.02	0.03
	Total current assets		2,090.97	2,688.93
	Total assets		5,767.98	5,706.35
B	EQUITY AND LIABILITIES			
	Equity			
	a) Equity share capital	14	29.53	29.61
	b) Other equity	15	4,641.85	4,399.35
	Equity attributable to owners of Atul Ltd		4,671.38	4,428.96
	Non-controlling interests		48.04	30.88
	Total equity		4,719.42	4,459.84
	Liabilities			
	1. Non-current liabilities			
	a) Financial liabilities			
	i) Borrowings	16	28.71	61.05
	ii) Other financial liabilities	17	4.59	3.86
	iii) Lease liabilities	30.12	5.26	5.79
	b) Provisions	18	32.47	29.20
	c) Deferred tax liabilities (net)	30.5	133.82	143.60
	d) Other non-current liabilities	19	3.48	4.46
	Total non-current liabilities		208.33	247.96
	2. Current liabilities			
	a) Financial liabilities			
	i) Borrowings	16	18.27	77.33
	ii) Trade payables	20		
	Total outstanding dues of			
	a) Micro-enterprises and small enterprises		46.13	44.67
	b) Creditors other than micro-enterprises and small enterprises		492.38	590.06
	iii) Other financial liabilities	17	210.13	181.18
	b) Contract liabilities	21	36.95	33.82
	c) Other current liabilities	19	12.63	12.97
	d) Provisions	18	20.83	46.80
	e) Current tax liabilities (net)	30.5	2.91	11.72
	Total current liabilities		840.23	998.55
	Total liabilities		1,048.56	1,246.51
	Total equity and liabilities		5,767.98	5,706.35

The accompanying Notes 1-30 form an integral part of the Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered AccountantsKetan Vora
PartnerT R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFOL P Patni
Company SecretaryB N Mohanan
(DIN:00198716)
Whole-time Director
and President - U&SMumbai
April 28, 2023R A Shah
(DIN:00009851)B S Mehta
(DIN:00035019)S M Datta
(DIN:00032812)V S Rangan
(DIN:00030248)M M Chitale
(DIN:00101004)S A Panse
(DIN:02599310)B R Arora
(DIN:00194168)P J Banerjee
(DIN:02985965)**Directors**

For and on behalf of the Board of Directors

S S Lalbhai
(DIN:00045590)
Chairman and Managing DirectorS A Lalbhai
(DIN:00009278)
Managing DirectorMumbai
April 28, 2023

Consolidated Statement of Profit and Loss

for the year ended on March 31, 2023

(₹ cr)

Particulars	Note	2022-23	2021-22
INCOME			
Revenue from operations	22	5,427.52	5,080.89
Other income	23	114.87	76.00
Total income		5,542.39	5,156.89
EXPENSES			
Cost of materials consumed	24	2,604.17	2,600.05
Purchases of stock-in-trade		224.46	195.91
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	35.35	(207.33)
Employee benefit expenses	26	370.19	342.54
Finance costs	27	7.90	9.17
Depreciation and amortisation expenses	28	197.81	176.69
Other expenses	29	1,418.50	1,238.28
Total expenses		4,858.38	4,355.31
Profit before share of net profit of investments accounted for using equity method and tax		684.01	801.58
Share of net profit of joint venture company accounted for using the equity method		3.83	8.16
Profit before tax		687.84	809.74
Tax expense			
Current tax	30.5	179.16	213.51
Deferred tax	30.5	2.05	(8.51)
Total tax expense		181.21	205.00
Profit for the year		506.63	604.74
Other comprehensive income			
a) Items that will not be reclassified to profit loss			
i) Change in fair value of equity instruments through other comprehensive income (FVTOCI)		(109.98)	65.29
ii) Remeasurement gain (loss) on defined benefit plans		4.26	(7.26)
iii) Income tax related to items above		10.79	(0.82)
b) Items that will be reclassified to profit loss			
i) Effective portion of gain (loss) on cash flow hedges		(0.54)	0.50
ii) Exchange differences on translation of foreign operations		6.94	0.51
iii) Income tax related to items above		(0.04)	(0.17)
Other comprehensive income, net of tax		(88.57)	58.05
Total comprehensive income for the year		418.06	662.79
Profit is attributable to:			
Owners of the Company		514.09	604.26
Non-controlling interests		(7.46)	0.48
		506.63	604.74
Other comprehensive income is attributable to:			
Owners of the Company		(88.58)	58.05
Non-controlling interests		0.01	-
		(88.57)	58.05
Total comprehensive income is attributable to:			
Owners of the Company		425.51	662.31
Non-controlling interests		(7.45)	0.48
		418.06	662.79
Earnings per equity share of ₹ 10 each attributable to owners of the Company			
Basic earnings (₹)	30.11	174.15	204.23
Diluted earnings (₹)	30.11	174.15	204.23

The accompanying Notes 1-30 form an integral part of the Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

R A Shah
(DIN:00009851)

M M Chitale
(DIN:00101004)

S S Lalbhai
(DIN:00045590)
Chairman and Managing Director

L P Patni
Company Secretary

B S Mehta
(DIN:00035019)

S A Panse
(DIN:02599310)

S A Lalbhai
(DIN:00009278)
Managing Director

B N Mohanan
(DIN:00198716)
Whole-time Director
and President - U&S

S M Datta
(DIN:00032812)

B R Arora
(DIN:00194168)

Mumbai
April 28, 2023

V S Rangan
(DIN:00030248)

P J Banerjee
(DIN:02985965)
Directors

Mumbai
April 28, 2023



Consolidated Statement of changes in equity

for the year ended on March 31, 2023

A Equity share capital

Particulars	Note	Amount
As at March 31, 2021		29.61
Changes in equity share capital during the year		-
As at March 31, 2022		29.61
Changes in equity share capital during the year, pursuant to buy-back (refer Note 30.14)		(0.08)
As at March 31, 2023	14	29.53

B Other equity

Particulars	Attributable to owners of the Company							Non-controlling interest	Total	
	Reserves and surplus				Items of other comprehensive income					
	General reserve	Retained earnings	Statutory reserve	Capital redemption reserve	FVTOCI equity instruments	Effective portion of cash flow hedges	Foreign currency translation reserve			Total other equity
As at March 31, 2021	70.99	3,230.80	0.06	0.07	469.50	0.43	25.06	3,796.91	30.63	3,827.54
Profit for the year	-	604.26	-	-	-	-	-	604.26	0.48	604.75
Other comprehensive income, net of tax	-	(5.44)	-	-	62.65	0.37	0.47	58.05	-	58.05
Total comprehensive income for the year	-	598.82	-	-	62.65	0.37	0.47	662.31	0.48	662.80
Transfer to retained earnings on disposal of FVTOCI equity instruments	-	(22.80)	-	-	22.80	-	-	-	-	-
Transfer to general reserves	0.25	(0.25)	-	-	-	-	-	-	-	-
Transfer to reserve fund under the Reserve Bank of India Act, 1934	-	(0.12)	0.12	-	-	-	-	-	-	-
Hedging (gain) loss reclassified to the Statement of Profit and Loss	-	-	-	-	-	(0.60)	-	(0.60)	-	(0.60)
Buy-back of equity shares	-	-	-	-	-	-	-	-	-	-
Transferred to capital redemption reserve upon buy-back	-	-	-	-	-	-	-	-	-	-
Dividend on equity shares (refer Note 30.15)	-	(59.17)	-	-	-	-	-	(59.17)	-	(59.17)
Transactions with non-controlling interests	-	(0.10)	-	-	-	-	-	(0.10)	(0.23)	(0.33)
Transfer to foreign currency translation reserve	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	71.24	3,747.18	0.18	0.07	554.95	0.20	25.53	4,399.35	30.88	4,430.23
Profit for the year	-	514.09	-	-	-	-	-	514.09	(7.46)	506.63
Other comprehensive income, net of tax	-	3.19	-	-	(98.13)	(0.40)	6.76	(88.58)	0.01	(88.57)
Total comprehensive income for the year	-	517.28	-	-	(98.13)	(0.40)	6.76	425.51	(7.45)	418.06
Transfer to retained earnings on disposal of FVTOCI equity instruments	-	2.46	-	-	(2.46)	-	-	-	-	-
Transfer to general reserves	-	-	-	-	-	-	-	-	-	-
Transfer to reserve fund under the Reserve Bank of India Act, 1934	-	(0.36)	0.36	-	-	-	-	-	-	-
Hedging (gain) loss reclassified to the Statement of Profit and Loss	-	-	-	-	-	(0.48)	-	(0.48)	-	(0.48)
Buy-back of equity shares (refer Note 30.14)	(68.72)	(17.89)	-	-	-	-	-	(86.61)	-	(86.61)
Transferred to capital redemption reserve upon buy-back (refer Note 30.14)	-	(0.08)	-	0.08	-	-	-	-	-	-
Dividend on equity shares (refer Note 30.15)	-	(95.92)	-	-	-	-	-	(95.92)	-	(95.92)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	24.61	24.61
As at March 31, 2023	2.52	4,152.67	0.54	0.15	454.36	(0.68)	32.29	4,641.85	48.04	4,689.89

Refer Note 15 for nature and purpose of reserves

The accompanying Notes 1-30 form an integral part of the Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
(DIN:00198716)
Whole-time Director
and President - U&S

Mumbai
April 28, 2023

R A Shah
(DIN:00009851)

B S Mehta
(DIN:00035019)

S M Datta
(DIN:00032812)

V S Rangan
(DIN:00030248)

M M Chitale
(DIN:00101004)

S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)

P J Banerjee
(DIN:02985965)
Directors

For and on behalf of the Board of Directors

S S Lalbhai
(DIN:00045590)
Chairman and Managing Director

S A Lalbhai
(DIN:00009278)
Managing Director

Mumbai
April 28, 2023

Consolidated Statement of Cash Flows

for the year ended on March 31, 2023

(₹ cr)

Particulars	2022-23	2021-22
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	687.84	809.74
Adjustments for:		
Depreciation and amortisation expenses	197.81	176.69
Finance costs	7.90	9.16
Loss (gain) on disposal of property, plant and equipment (net)	(0.44)	2.43
Loss of property, plant and equipment due to fire	32.46	-
Insurance claim approved	(31.28)	-
Unrealised exchange rate difference (net)	7.79	(2.76)
Effect of exchange rates on translation of operating cash-flows	6.42	(3.91)
Bad debts and irrecoverable balances written off (written back)	1.59	(1.30)
Allowance for doubtful debts made (written back)	3.83	0.57
Dividend income	(7.06)	(4.17)
Interest income	(10.55)	(11.70)
Changes in fair value of biological assets	(3.75)	(2.10)
Liability no longer required written back	(3.99)	(1.61)
Gain on disposal of current investments measured at FVTPL (net)	(10.74)	(24.25)
Income on account of government grants	(0.98)	(0.95)
Share of profit on joint venture company	(3.83)	(8.16)
Operating profit before change in operating assets and liabilities	873.02	937.68
Adjustments for:		
(Increase) Decrease in inventories biological assets	64.80	(275.44)
(Increase) Decrease in non-current and current assets	79.66	(326.14)
Increase (Decrease) in non-current and current liabilities	(117.41)	97.01
Cash generated from operations	900.07	433.11
Income tax paid (net of refund)	(193.38)	(201.66)
Net cash flow from operating activities	A 706.69	231.45
B CASH FLOW FROM INVESTING ACTIVITIES		
Payments towards property, plant and equipment (including capital advance)	(874.68)	(590.90)
Proceeds from disposal of property, plant and equipment	0.79	0.38
Proceeds from insurance claim	22.29	-
Proceeds from sale of equity investment measured at FVTOCI	23.99	3.83
Purchase of equity investment measured at FVTOCI	(22.44)	(4.89)
Purchase of equity investment measured at cost	(22.50)	-
Investment in bonds measured at FVTPL	9.16	(90.55)
Repayments of loans given	12.70	0.15
Disbursements of loans	(7.19)	(2.79)
Redemption of (Investment in) bank deposits (net)	(2.67)	290.01
Redemption of (Investment in) of current investments measured at FVTPL (net)	371.64	215.23
Interest received	0.81	3.33
Dividend received	18.74	8.55
Net cash used in investing activities	B (469.36)	(167.65)



Consolidated Statement of Cash Flows

for the year ended on March 31, 2023

(₹ cr)

Particulars	2022-23	2021-22
C CASH FLOW FROM FINANCING ACTIVITIES		
Disbursements (Repayments) of term loans non-current borrowings	(29.24)	(62.01)
Disbursements (Repayments) of working capital loans current borrowings	(62.16)	73.72
Transaction with non-controlling interests	24.63	(0.32)
Interest paid	(7.90)	(9.87)
Dividend on equity shares	(96.13)	(58.96)
Buy-back of equity shares (including transaction cost)	(86.69)	-
Net cash used in financing activities	C (257.49)	(57.44)
Net increase (decrease) in cash and cash equivalents	A+B+C (20.16)	6.36
Cash and cash equivalents at the beginning of the year	57.69	46.91
Net effect of exchange gain (loss) on cash and cash equivalents held in foreign currencies	0.52	4.42
Cash and cash equivalents at the end of the year	38.05	57.69

- The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on the Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015 as amended.
- Cash flows from operating activities net off ₹ 16.05 cr (March 31, 2022: ₹ 15.27 cr) being expenditure towards Corporate Social Responsibility initiatives.
- Refer Note 16 (f) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-30 form an integral part of the Consolidated Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora
Partner

T R Gopi Kannan
(DIN:00048645)
Whole-time Director and CFO

R A Shah
(DIN:00009851)

M M Chitale
(DIN:00101004)

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Chairman and Managing Director

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Company Secretary

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(DIN:00009278)
Managing Director

B N Mohanan
(DIN:00198716)
**Whole-time Director
and President - U&S**

S M Datta
(DIN:00032812)

B R Arora
(DIN:00194168)

Mumbai
April 28, 2023

V S Rangan
(DIN:00030248)

P J Banerjee
(DIN:02985965)

Directors

Mumbai
April 28, 2023

Notes to the Consolidated Financial Statements

Background

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

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

Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Group in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary companies.

a) Statement of compliance

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

b) Basis of preparation

i) Historical cost convention

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

- a) Certain financial assets and liabilities (including derivative instruments): measured at fair value
- b) Defined benefit plans: plan assets measured at fair value
- c) Biological assets: measured at fair value less cost to sell

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

iii) Accounting policies are applied consistently to all the periods presented in the Consolidated Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Group and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

iv) Recent accounting pronouncements effective from April 01, 2023

The Ministry of Corporate Affairs (MCA) notifies new standards | amendments to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements:

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Consolidated Financial Statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors:

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Group has evaluated the amendment and there is no material impact on its Consolidated Financial Statements.



Ind AS 12 - Income taxes:

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Group has evaluated the amendment and there is no material impact on its Consolidated Financial Statements.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

c) Basis of consolidation

i) Subsidiary companies

Subsidiary companies are all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are consolidated from the date control commences until the date control ceases. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are one or more changes to elements of control described above.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the Parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary, to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

ii) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest in a joint venture company and a joint operation.

Joint venture company:

Interest in joint venture company is accounted for using the equity method {see (iv) below}.

Joint operation:

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statements under the appropriate headings.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and other comprehensive income of the entity. Dividends received or receivable from the associate companies and joint venture company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (m) below.

v) Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

d) Foreign currency transactions

i) Functional and presentation currency

Items included in the Financial Statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Consolidated Financial Statements are presented in Indian Rupee (₹), which is also the functional currency of the Company.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains | (losses) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidated Statement of Profit and Loss except that they are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains | (losses) are presented in the Consolidated Statement of Profit and Loss on a net basis within other income.

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

iii) Group companies

The results and financial position of foreign operations of the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet
- b) income and expenses are translated at average exchange rates
- c) all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is disposed, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

e) Revenue recognition

i) Revenue from operations

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the



contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

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

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the transaction price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of Goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

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) Other income

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

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

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims

Lease rental income is recognised on accrual basis.

f) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The Group considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realise the benefits of those deductible differences.

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

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

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

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

g) Government grants

- a) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.
- b) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within other income.
- c) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- d) Government grants relating to export incentives - refer Note 1 (e).

h) Leases

As a lessee

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

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

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use asset is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.



As a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

Under combined lease agreements, land and building are assessed individually.

i) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- i) fair values of the assets transferred,
- ii) liabilities incurred to the former owners of the acquired business,
- iii) equity interest issued by the Group and
- iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- sum of consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve. Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

j) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

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

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

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

Property, plant and equipment that are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value

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

Depreciation is calculated on a pro-rata basis on the straight-line method from the date of acquisition | installation till the date the assets are sold or disposed of. Estimated useful lives of the assets are as follows:

Asset category	Estimated useful life
Buildings (residential, factory, etc)	30 to 60 years
Roads	5 years
Plant and equipment ¹	6 to 20 years
Office equipment and furniture	5 to 10 years
Vehicles ¹	6 to 10 years
Bearer plants ¹	40 years

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

The property, plant and equipment, including land acquired under finance leases are depreciated over the useful life of the asset or over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other income.

k) Goodwill

Goodwill represents the cost of the acquired businesses | subsidiary in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill of the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

l) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.



An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Amortisation methods, estimated useful lives and residual value

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives of the intangible assets are as follows:

Asset category	Estimated useful life
Computer software	3 years
Non-compete fees	5 years

m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

n) Impairment

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

o) Cash and cash equivalents

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

p) Trade receivables

Trade receivables are recognised at the amount of transaction price (net of variable consideration) when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivable overdue for more than 180 days are considered as receivable with significant increase in credit risk.

q) Trade and other payables

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

r) Inventories

Inventories (other than harvested product of biological assets) are stated at cost and net realisable value, whichever is lower. Cost is determined on periodic moving weighted average basis.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

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

Items such as spare parts, stand-by equipment and servicing equipment that are not plant and machinery get classified as inventory.

The harvested product of biological assets of the Group is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

s) **Investments and other financial assets**

Classification and measurement

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

- i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)
- ii) those measured at amortised cost

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

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

Debt instruments

Initial recognition and measurement:

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

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to other income in the Consolidated Statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Consolidated Statement of Profit and Loss.

Equity instruments

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income and there is no subsequent reclassification of these fair value gains and losses to the Consolidated Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Consolidated Statement of Profit and Loss as other income when the right to receive payment is established.



Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Impairment of financial assets

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

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Group computes expected lifetime losses based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition

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

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

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

t) Financial liabilities

i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

iii) Subsequent measurement

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

iv) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or it expires.

u) Offsetting financial instruments

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

v) Derivatives and hedging activities

The Group holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates on foreign currency exposures or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated as a hedge, or is so designated, but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | Liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Consolidated Balance Sheet date.

ii) **Cash flow hedge**

The Group designates certain foreign exchange forward and options contracts as cash flows hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flows hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flows hedging reserve till the period the hedge was effective remains in cash flows hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flows hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flows hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

w) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.

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

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

x) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

y) **Biological assets**

The biological assets of the Group comprises oil palms, date palms and tissue culture.

The Group classifies the tissue culture as Mature and Immature plants. Mature biological assets are those which are available for sale in next 12 months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants that are not mature are considered as Immature plants.

Mature and Immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under separate head of biological assets other than bearer plants and others under non-current assets.



The Bearer plants are recognised and measured as per Ind AS 16 (refer Note 5). The oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets other than bearer plants until the point of harvest. Harvested oil palm FFBs are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Consolidated Statement of Profit and Loss. Farming cost like labour and other costs are recognised in the Consolidated Statement of Profit and Loss.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

Tissue culture raised (matured plants) are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Consolidated Statement of Profit and Loss. Immature tissue culture plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the Immature plants at different stages and the fair value measurements are clearly unreliable.

z) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

aa) Employee benefits

i) Defined benefit plan

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Consolidated Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Group, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Consolidated Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of changes in equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident fund:

Provident fund for certain eligible employees is managed by the Group through the Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust in line with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Group, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the fair 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.

ii) Defined contribution plan

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees state insurance scheme, national pension scheme and labour welfare fund are charged as an expense to the Consolidated Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

iii) Short-term employee benefits

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

Short-term employee benefits are provided at undiscounted amount during the reporting period based on service rendered by employees.

iv) Other long-term employee benefits

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

ab) Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

ac) Earnings per share

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to the owners of Atul Ltd by the weighted average number of equity shares outstanding during the period.

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

ad) Ordinary shares

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buy-back are recognised as a deduction from equity, net of any tax effects.

ae) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) of the Group to make decisions for which discrete financial information is available. The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Group as a whole. The CODM assesses the financial performance and position of the Group and makes strategic decisions. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.



Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Inter-segment transfers:

Inter-segment revenue are accounted for based on the transaction price agreed to between segments which is based on current market prices.

Unallocated items:

Revenue, expenses, assets and liabilities which relate to the Group as a whole and not allocable to segments on a reasonable basis have been included under 'unallocated revenue | expenses | assets | liabilities'. See Note 30.17 - Segment Information for further details.

Critical estimates and judgements

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

The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1 (f)
- ii) Estimation of useful life of tangible assets: Note 1 (j)
- iii) Estimated goodwill impairment: Note 1 (k)
- iv) Estimation of provision for inventories: Note 1 (r)
- v) Allowance for credit losses on trade receivable: Note 1 (p)
- vi) Estimation of claims | liabilities: Note 1 (z)
- vii) Estimation of defined benefit obligation: Note 1 (aa)
- viii) Consolidation decisions and classification of joint arrangements: Note 1 (b) and Note 30.16
- ix) Impairment: Note 1 (n)

Note 2 Property, plant and equipment and capital work-in-progress

Particulars	Land - freehold ¹	Right-of-use leasehold land ²	Buildings ^{3,3,7}	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plants	Total	Capital work-in-progress ⁴
Gross carrying amount										
As at March 31, 2021	61.24	41.79	313.54	1,470.41	10.69	25.55	15.08	6.08	1,944.38	249.70
Additions	22.83	-	28.28	345.72	2.49	3.25	0.91	0.41	403.89	566.98
Disposal, transfer and adjustments	-	-	(6.94)	(36.67)	(2.08)	(12.22)	-	(0.08)	(57.99)	(396.21)
As at March 31, 2022	84.07	41.79	334.88	1,779.46	11.10	16.58	15.99	6.41	2,290.28	420.47
Additions	1.55	-	82.02	273.09	3.95	2.20	0.96	-	363.77	973.20
Disposal, transfer and adjustments	-	(0.05)	(15.62)	(49.48)	(1.48)	0.70	(0.07)	-	(66.00)	(360.82)
As at March 31, 2023	85.62	41.74	401.28	2,003.07	13.57	19.48	16.88	6.41	2,588.05	1,032.85
Depreciation Amortisation										
Up to March 31, 2021	-	1.32	49.27	509.25	2.23	13.80	11.23	0.72	587.82	-
For the year	-	0.41	12.26	152.71	2.28	2.60	1.61	0.16	172.03	-
Disposal, transfer and adjustments	-	-	(0.73)	(31.31)	(1.71)	(11.77)	-	-	(45.52)	-
Up to March 31, 2022	-	1.73	60.80	630.65	2.80	4.63	12.84	0.88	714.33	-
For the year	-	0.41	12.31	174.30	2.47	2.68	0.90	0.16	193.23	-
Disposal, transfer and adjustments	-	(0.00)	(3.81)	(28.29)	(0.85)	(0.25)	(0.08)	-	(33.28)	-
Up to March 31, 2023	-	2.14	69.30	776.66	4.42	7.06	13.66	1.04	874.28	-
Net carrying amount										
As at March 31, 2022	84.07	40.06	274.08	1,148.81	8.30	11.95	3.15	5.53	1,575.95	420.47
As at March 31, 2023	85.62	39.60	331.98	1,226.41	9.15	12.42	3.22	5.37	1,713.77	1,032.85

Notes:

¹Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009, in case of water charges, the Group has created first charge over its certain land and buildings having carrying value of ₹ nil (March 31, 2022: ₹ 9.27 cr) in favour of the Government of Gujarat and paid security deposit ₹ nil (March 31, 2022: ₹ 2 cr). The abovesaid order does not survive due to the final disposal order dated January 31, 2023, passed by the Honourable High Court of Gujarat. Hence value has been nil. (refer Note 30.1).

²The Group has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the prevailing rent. The Group has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land.

³Includes premises on ownership basis ₹ 1.10 cr (March 31, 2022: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2022: ₹ 2,000).

⁴Capital work-in-progress mainly comprises addition | expansion projects in progress.

⁵Refer Note 16 (e) for information on property, plant and equipment hypothecated | mortgaged as security by the Group.

⁶Refer Note 30.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

⁷Refer Note 30.1.2 for disclosure of right-of-use assets under lease.

Capital work-in-progress ageing

(₹ cr)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	793.22	232.54	4.93	2.16	1,032.85	392.64	23.37	4.03	0.43	420.47
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

Capital work-in-progress (projects in progress) whose completion is overdue

(₹ cr)

Particulars	As at March 31, 2023					As at March 31, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project 1	-	102.00	-	-	-	13.00	-	-	-	-
Project 2	-	-	-	-	-	10.00	-	-	-	-
Project 3	-	-	-	-	-	4.00	-	-	-	-
Project 4	-	-	-	-	-	4.00	-	-	-	-
Project 5	-	-	-	-	-	3.00	-	-	-	-
Project 6	-	-	-	-	-	-	32.00	-	-	-
Project 7	-	11.00	-	-	-	-	1.00	-	-	-
Project 8	-	-	-	-	-	-	-	13.00	-	-
Project 9	-	-	-	-	-	-	-	3.00	-	-
Project 10	53.00	-	-	-	-	-	-	-	-	-
Project 11	-	16.00	-	-	-	-	-	-	-	-
Project 12	12.00	-	-	-	-	-	-	-	-	-
Project 13	1.00	-	-	-	-	-	-	-	-	-
Project 14	-	8.00	-	-	-	-	-	-	-	-
Project 15	0.93	0.25	-	-	-	1.29	0.13	-	-	-
	66.93	137.25	-	-	-	35.29	33.13	16.00	-	-

(₹ cr)

Note 3 Investment properties	As at March 31, 2023	As at March 31, 2022
Land - freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	3.22	3.22

- a) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties

The Group has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Consolidated Statement of Profit and Loss, since the Group does not receive any rental income, incur any depreciation or other operating expenses.

- b) The Group does not have any contractual obligations to purchase, construct or develop for maintenance or enhancements of investment properties.
- c) Fair value

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment properties	89.32	86.37
	89.32	86.37

Estimation of fair value:

The Group obtains valuations from independent registered valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for investment properties are included in level 3.

(₹ cr)

Note 4 Intangible assets and goodwill	Computer software	Non-compet fees	Total	Goodwill
Gross carrying amount				
As at March 31, 2021	2.35	20.00	22.35	29.14
Additions	0.01	-	0.01	-
As at March 31, 2022	2.36	20.00	22.36	29.14
Additions	-	-	-	-
As at March 31, 2023	2.36	20.00	22.36	29.14
Amortisation				
Up to March 31, 2021	0.84	8.67	9.51	-
Amortisation charged for the year	0.66	4.00	4.66	-
Up to March 31, 2022	1.50	12.67	14.17	-
Amortisation charged for the year	0.58	4.00	4.58	-
As at March 31, 2023	2.08	16.67	18.75	-
Net carrying amount				
As at March 31, 2022	0.86	7.33	8.19	29.14
As at March 31, 2023	0.28	3.33	3.61	29.14

Significant estimate - Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit (CGU), representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the operating segment of the Group. The impairment loss of the CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the CGU pro-rata on the basis of the carrying amount of such asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss. It is not reversed in the subsequent period.

The goodwill of ₹ 20.58 cr pertains to the control acquisition of Amal Ltd. The recoverable amount of the cash generating unit has been determined based on the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal has been determined based on closing quoted share price of Amal Ltd in an active market as on March 31, 2023.

The goodwill of ₹ 8.56 cr pertains to the Ambernath manufacturing facility, the active pharmaceutical ingredient business of Polydrug Laboratories Pvt Ltd, which was acquired by a subsidiary company during the financial year 2018-19. The recoverable amount of this Ambernath manufacturing facility is determined based on the value in use, which is derived by using five years cash flow projections with the following key assumptions:

Particulars	Assumptions
Annual growth rate	Based on the estimated market share
Terminal growth rate	1%
Weighted average cost of capital % (WACC) before tax	9.2%
Expected gross margins	Based on prior experience

Cash flow projections are based on the expected market share, gross margins and prior experience.

The Management believes that any reasonably possible change in the key assumptions may not cause the carrying amount to exceed the recoverable amount of the cash generating units. Accordingly, there was no impairment recorded during the year.

Note 5 Biological assets

- a) Biological assets of the Group comprise
 - i) Immature tissue culture raised date palms that are classified as non-current biological assets. The Group has a production cycle of about four-five years.
 - ii) Mature tissue culture raised date palms that are classified as current biological assets.
- b) Reconciliation of changes to the carrying value of biological assets between the beginning and the end of the current year are as follows

(₹ cr)

Particulars	Tissue culture raised date palms			
	March 31, 2023		March 31, 2022	
	Mature	Immature	Mature	Immature
Opening balance	19.90	17.69	13.40	16.62
Increase due to production	0.06	20.84	0.13	20.07
Change due to biological transformation	17.39	(16.55)	15.99	(16.33)
Decrease due to sale	(10.22)	-	(12.18)	-
Decrease due to write-off	-	(2.06)	-	(2.67)
Change in fair value due to price changes	4.23	-	2.56	-
Closing balance	31.36	19.92	19.90	17.69
Current assets	31.36	-	19.90	-
Non-current assets*	-	19.92	-	17.69
Biological assets shown in Balance Sheet	31.36	19.92	19.90	17.69

*Non-current biological asset is expected to take more than 12 months from reporting date to become ready for dispatch.

As at March 31, 2023, the Group had 4,13,553 mature plants (March 31, 2022: 3,29,456) and 2,79,684 immature plants (March 31, 2022: 3,96,377).

During the current year, the Group has sold 1,60,454 plants (March 31, 2022: 1,68,522).

(₹ cr)

Note 6.1 Investments accounted for using the equity method	Place of business	% of ownership interest	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (fully paid-up)				
Unquoted investment in associate company				
Valsad Institute of Medical Sciences Ltd	India	50%	22.50	-
Add: Group share of loss for the year			(0.11)	-
			22.39	-
Unquoted investment in joint venture company				
Rudolf Atul Chemicals Ltd	India	50%	28.11	24.32
Add: Group share of profit for the year			3.94	8.17
Less: Dividend received			(11.68)	(4.38)
			20.37	28.11
Total equity accounted investments			42.76	28.11

(₹ cr)

Note 6.2 Other investments		Face value¹	As at March 31, 2023		As at March 31, 2022	
			Number of shares	Amount	Number of shares	Amount
a)	Investment in equity instruments (fully paid up)					
	Equity instruments measured at FVTOCI					
	Quoted					
	Aarti Industries Ltd	5	1,000	0.05	1,000	0.10
	Aarti Pharmed Labs Ltd	5	250	0.01	-	-
	Andhra Papers Ltd	10	-	-	5,000	0.14
	Antony West Handling Cell Ltd	5	3,000	0.07	-	-
	Apollo Sindoori Hotels Ltd	5	500	0.05	2,000	0.17
	Arvind Fashions Ltd	4	15,96,105	44.64	13,87,918	45.31
	Arvind Ltd	10	41,27,471	35.08	41,27,471	47.65
	Arvind SmartSpaces Ltd	10	4,12,747	11.66	4,12,747	8.46
	Aurobindo Pharma Ltd	1	500	0.03	500	0.03
	Avenue Supermarket Ltd	10	50	0.02	50	0.02
	Axis Bank Ltd	10	2,729	0.17	7,509	0.57
	Bajaj Finance Ltd	10	233	0.13	312	0.23
	BAYER Cropscience Ltd	10	12	0.01	12	0.01
	BASF India Ltd	10	2,61,396	59.48	2,61,396	80.85
	Camlin Fine Sciences Ltd	10	1,500	0.02	1,500	0.02
	Central Depository Services India Ltd	10	3,273	0.30	4,507	0.67
	Cummins India Ltd	2	191	0.03	191	0.02
	Glenmark Life Sciences Ltd	2	10,000	0.39	-	-
	HDFC Bank Ltd	10	2,384	0.38	2,073	0.30
	Housing Development Finance Corporation Ltd	10	2,809	0.74	2,500	0.60
	ICICI Bank Ltd	2	1,09,026	9.56	1,09,026	7.96
	ICICI Lombard General Insurance co. Ltd	10	1,319	0.14	-	-
	ICICI Securities Ltd	5	5,000	0.21	-	-
	ICRA Ltd	10	421	0.19	421	0.18
	IDFC First Bank Ltd	10	15,729	0.09	15,729	0.06

(₹ cr)

Note 6.2 Other investments		Face value ¹	As at March 31, 2023		As at March 31, 2022	
			Number of shares	Amount	Number of shares	Amount
	IDFC Ltd	10	25,000	0.22	20,000	0.12
	India Nippon Electricals Ltd	5	3,000	0.10	-	-
	Indian Oil Corporation Ltd	10	36,000	0.28	12,500	0.15
	Kotak Mahindra Bank Ltd	10	1,269	0.22	1,269	0.22
	Manappuram Finance Ltd	2	7,500	0.09	-	-
	Nesco Ltd	2	2,000	0.10	2,000	0.11
	NOCIL Ltd	10	2,001	0.04	2,001	0.05
	Novartis India Ltd	5	3,84,660	21.70	3,84,660	22.72
	NTPC Ltd	10	5,000	0.09	-	-
	Pfizer Ltd	10	9,58,927	332.47	9,58,927	416.96
	Praj Industries Ltd	10	1,000	0.03	1,000	0.04
	Procter & Gamble Health Ltd	10	317	0.15	-	-
	State Bank of India	1	1,000	0.05	-	-
	Tata Motors Ltd	2	3,500	0.15	3,500	0.15
	Technocraft Industries India Ltd	10	1,233	0.15	-	-
	The Anup Engineering Ltd	10	1,52,869	15.31	1,52,869	12.14
	VA Tech Wabag Ltd	2	1,500	0.05	1,500	0.04
	Wonderla Holidays Ltd	10	-	-	1,000	0.10
	Unquoted					
	Bhadreshwar Vidyut Pvt Ltd ²	0.19	7,95,000	-	7,95,000	0.02
	BEIL Infrastructure Ltd (formerly known as Bharuch Enviro Infrastructure Ltd)	10	91,000	0.09	91,000	0.09
	Narmada Clean Tech (formerly known as Narmada Clean Tech Ltd)	10	11,21,958	1.12	11,21,958	1.12
b)	Investments in government or trust securities measured at amortised cost					
	6 Years National Savings Certificates (deposited with government departments)			0.01		0.01
c)	Investment in bonds measured at FVTPL (quoted)			112.74		113.12
			648.61			760.51

(₹ cr)

Note 6.3 Current investment		As at March 31, 2023	As at March 31, 2022
	Unquoted		
a)	Investment in mutual funds measured at FVTPL	189.57	550.08
		189.57	550.08

Aggregate amount of investments and market value thereof:

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments	647.39	759.27
Aggregate market value of quoted investments	647.39	759.27
Aggregate amount of unquoted investments	233.55	579.43
Aggregate amount of impairment in value of investments	-	-

¹In ₹ and fully paid unless otherwise stated | ²Under liquidation

(₹ cr)

Note 7 Loans		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
Loan to others					
a)	Considered good - unsecured	0.13	-	3.61	-
		0.13	-	3.61	-

(₹ cr)

Note 8 Other financial assets		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Security deposits for utilities and premises	3.50	0.80	2.05	0.86
b)	Derivative financial assets designated as hedges (net)	-	-	-	0.50
c)	Finance lease receivables (refer Note 30.12)	5.44	1.11	6.89	-
d)	Balance with banks in fixed deposits, with maturity beyond 12 months	0.01	-	0.01	-
e)	Interest receivable	-	0.04	-	0.47
f)	Other receivables (including discount and insurance claim receivable)	-	22.04	-	14.45
		8.95	23.99	8.95	16.28

(₹ cr)

Note 9 Other assets		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Capital advances	24.49	-	86.73	-
b)	Advance other than capital advances				
	i) Security deposit	0.08	-	2.08	-
	ii) Balances with government authorities	118.52	121.19	46.71	114.19
	iii) Advance to others	-	30.59	-	61.50
c)	Other receivables	0.50	8.25	0.01	4.90
d)	Defined benefit plan assets	0.07	-	-	-
		143.66	160.03	135.53	180.59

(₹ cr)

Note 10 Inventories ^{1,2,3}		As at March 31, 2023	As at March 31, 2022
a)	Raw materials and packing materials	152.85	200.69
	Add: Goods-in-transit	17.89	14.25
		170.74	214.94
b)	Work-in-progress	169.28	186.65
c)	Finished goods	362.11	383.69
d)	Stock-in-trade	25.76	23.92
e)	Stores, spares and fuel	60.05	49.48
	Add: Goods-in-transit	1.42	5.44
		61.47	54.92
		789.36	864.12

¹Measured at the lower of cost and net realisable value

²Refer Note 16 (e) for information on inventories have been offered as security against the working capital facilities provided by the bank

³Amounts (reversed) | provided in the Consolidated Statement of Profit and Loss of ₹ 11.60 cr (March 31, 2022: ₹ (6.55) cr)

(₹ cr)

Note 11 Trade receivables¹		As at March 31, 2023	As at March 31, 2022
a)	Considered good - unsecured	846.58	993.08
b)	Which have significant increase in credit risk	14.46	8.66
	Less: Allowance for doubtful debts (refer Note 30.8) ²	(16.43)	(12.73)
		844.61	989.01

¹Refer Note 16 (e) for information on trade receivables have been offered as security against the working capital facilities provided by the bank

²Allowance for doubtful debts recognised (including expected credit loss) in the Consolidated Statement of Profit and Loss of ₹ 3.83 cr (March 31, 2022: ₹ 0.57 cr)

Trade receivables ageing

(₹ cr)

No.	Particulars	As at March 31, 2023						Total
		Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed trade receivables: considered good	715.98	128.47	0.29	1.84	-	-	846.58
2.	Undisputed trade receivables: which have significant increase in credit risk	-	-	7.28	1.62	0.79	4.77	14.46
	Allowance for doubtful debts*	-	(7.94)	-	(2.82)	(0.80)	(4.87)	(16.43)
		715.98	120.53	7.57	0.64	(0.01)	(0.10)	844.61

*Allowance for doubtful debts include expected credit loss provision.

(₹ cr)

No.	Particulars	As at March 31, 2022						Total
		Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
1.	Undisputed trade receivables: considered good	861.78	130.75	0.03	0.51	0.01	-	993.08
2.	Undisputed trade receivables: which have significant increase in credit risk	-	-	2.63	0.95	0.50	4.58	8.66
	Allowance for doubtful debts*	-	(4.96)	(1.49)	(1.20)	(0.50)	(4.58)	(12.73)
		861.78	125.79	1.17	0.26	0.01	-	989.01

*Allowance for doubtful debts include expected credit loss provision.

(₹ cr)

Note 12 Cash and cash equivalents		As at March 31, 2023	As at March 31, 2022
a)	Balances with banks		
	In current accounts	37.87	57.54
b)	Cash on hand	0.18	0.15
		38.05	57.69

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

(₹ cr)

Note 13 Bank balances other than cash and cash equivalents above		As at March 31, 2023	As at March 31, 2022
a)	Earmarked unclaimed dividend	2.81	2.73
b)	Unclaimed interest on public deposit	0.00	0.00
c)	Short-term bank deposit with maturity between 3 to 12 months	11.17	8.50
		13.98	11.23

Note 14 Equity share capital	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ cr	Number of shares	₹ cr
a) Authorised				
Equity shares of ₹ 10 each	8,00,00,000	80.00	8,00,00,000	80.00
		80.00		80.00
b) Issued				
Equity shares of ₹ 10 each	2,95,43,802	29.54	2,96,17,098	29.62
		29.54		29.62
c) Subscribed				
Equity shares of ₹ 10 each, fully paid	2,95,13,755	29.51	2,95,87,051	29.59
d) Forfeited shares				
Amount originally paid-up on forfeited shares	29,991	0.02	29,991	0.02
		29.53		29.61

a) Rights, preferences and restrictions:

The Group has one class of shares referred to as equity shares having a par value of ₹ 10.

i) Equity shares

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts and preference shares, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

ii) Dividend

The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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, 2023		As at March 31, 2022	
		Holding %	Number of shares	Holding %	Number of shares
1.	Aagam Holdings Pvt Ltd	22.55%	66,54,000	22.49%	66,54,000
2.	Arvind Farms Pvt Ltd	9.47%	27,96,208	9.45%	27,96,208



Note 14 Equity share capital (continued)

d) Reconciliation of the number of shares outstanding and the amount of equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	₹ cr	Number of shares	₹ cr
Balance as at the beginning of the year ¹	2,96,17,042	29.61	2,96,17,042	29.61
Less: Buy-back of equity shares (refer Note 30.14)	73,296	0.08	-	-
Balance as at the end of the year ¹	2,95,43,746	29.53	2,96,17,042	29.61

¹Includes 29,991 forfeited shares and amount of ₹ 0.02 cr

e) Shareholding of promoters

No.	Name of the promoter	As at March 31, 2023			As at March 31, 2022		
		Number of shares	% of total shares	% change during the year	Number of shares	% of total shares	% change during the year
01.	Aagam Holdings Pvt Ltd	66,54,100	22.55%	0.00%	66,54,000	22.49%	-
02.	Arvind Farms Pvt Ltd	27,96,208	9.47%	-	27,96,208	9.45%	-
03.	Aagam Agencies Pvt Ltd (formerly known as Adhigam Investments Pvt Ltd)	11,95,000	4.05%	-	11,95,000	4.04%	0.06%
04.	Aayojan Resources Pvt Ltd	6,15,460	2.09%	0.16%	6,14,460	2.08%	-
05.	Akshita Holdings Pvt Ltd	4,64,400	1.57%	-	4,64,400	1.57%	-
06.	Adhinami Investments Pvt Ltd	4,55,350	1.54%	-	4,55,350	1.54%	-
07.	Anusandhan Investments Ltd	2,35,000	0.80%	-	2,35,000	0.79%	-
08.	Samvegbhai Arvindbhai Lalbhai	2,02,377	0.69%	-	2,02,377	0.68%	-
09.	Samvegbhai Arvindbhai (On behalf of Samvegbhai Arvindbhai Lalbhai HUF)	1,14,943	0.39%	-	1,14,943	0.39%	-
10.	Sunil Siddharth Lalbhai	93,326	0.32%	1.69%	91,772	0.31%	-
11.	Saumya Samvegbhai Lalbhai	74,070	0.25%	(57.45%)	1,74,070	0.59%	-
12.	Swati S Lalbhai	63,450	0.21%	(0.08%)	63,500	0.21%	-
13.	Vimla S Lalbhai*	61,370	0.21%	(6.99%)	65,982	0.22%	-
14.	Taral S Lalbhai	51,591	0.17%	3.13%	50,027	0.17%	0.01%
15.	Samvegbhai Arvindbhai Lalbhai (On behalf of Ankush Trust)	50,000	0.17%	100%	-	-	-
16.	Samvegbhai Arvindbhai Lalbhai (On behalf of Adwait Trust)	50,000	0.17%	100%	-	-	-
17.	Anamikaben Samvegbhai Lalbhai	47,199	0.16%	-	47,199	0.16%	-
18.	Sunil Siddharth Lalbhai (on behalf of Sunil Siddharth HUF)	31,544	0.11%	-	31,544	0.11%	-
19.	Astha Lalbhai	20,500	0.07%	-	20,500	0.07%	-
20.	Hansa Niranjanbhai (on behalf of Manini Niranjan Trust and BOI)	5,999	0.02%	-	5,999	0.02%	-
21.	Nishtha Sunilbhai Lalbhai	5,500	0.02%	-	5,500	0.02%	-
22.	Sanjaybhai Shrenikbhai Lalbhai (on behalf of Arvindbhai Lalbhai Family Trust)	3,653	0.01%	-	3,653	0.01%	-
23.	Sunil Siddharth Lalbhai (on behalf of Vimla Siddharth Family Trust)	2,724	0.01%	154.58%	1,070	-	100%
24.	Swati Siddharth Lalbhai (on behalf of Sunil Lalbhai Employees Trust 1)	2,000	0.01%	-	2,000	0.01%	100%
25.	Lalbhai Dalpatbhai HUF	1,169	0.01%	-	1,169	-	-
26.	Sheth Narottambhai Lalbhai	495	-	-	495	-	-

*Includes 35,620 shares held on behalf of Siddharth Family Trust (March 31, 2022: includes 35,620 shares and 4,612 shares held on behalf of Siddharth Family Trust and Vimla Siddharth Trust, respectively)

(₹ cr)

Note 15 Other equity		As at March 31, 2023	As at March 31, 2022
Summary of other equity balance			
a)	General reserve	2.52	71.24
b)	Retained earnings	4,152.67	3,747.18
c)	Statutory reserve	0.54	0.18
d)	Capital redemption reserve	0.15	0.07
e)	Other reserves		
	i) FVTOCI equity instruments	454.36	554.95
	ii) Effective portion of cash flows hedges	(0.68)	0.20
	iii) Foreign currency translation reserve	32.29	25.53
		4,641.85	4,399.35

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

Nature and purpose of other reserves

a) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956 and local laws of respective foreign subsidiary companies.

b) Retained earnings

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

c) Statutory reserve

Statutory reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the RBI Act). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by RBI.

d) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

e) FVTOCI equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

f) Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Group uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

g) Foreign currency translation reserve

Exchange differences arising on translation of the Financial Statements of a foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the Consolidated Statement of Profit and Loss when the net investment is disposed-off.

(₹ cr)

Note 16 Borrowings		Maturity	Terms of repayment	Interest rate p.a.	As at March 31, 2023		As at March 31, 2022	
					Non-current	Current	Non-current	Current
					a)	Secured		
i)	Rupee term loan from banks (refer Note a)	September 2027	20 equal quarterly installments	7.90% (March 31, 2022: 8.25%)	21.30	-	49.33	-
ii)	Foreign currency term loan from banks (refer Note b)	May 2023	50 equal monthly installments	5.25%	-	-	0.79	-
		August 2023	48 equal monthly installments starting from September 2019	2.75% (Base rate + 2%)	5.44	-	-	-
iii)	Working capital loans from banks (refer Note c)	September 2024	48 equal quarterly installments	9.40% (March 31, 2022: 8.25%)	0.18	0.36	0.53	0.02
		1 - 12 months	Repayable on demand	8.75% to 9.40% (March 31, 2022: 9.75% to 10.15%)	-	9.29	-	4.25
		Short-term	Repayable on demand	9.00% to 9.25% (March 31, 2022: 7.10% to 7.35%)	-	5.41	-	22.77
b)	Unsecured							
i)	Loan from related parties (refer Note 30.4)	March 2028	5 equal annual installments	9.40% (March 31, 2022: 9%)	5.00	-	10.50	-
ii)	Working capital demand loan from banks	0 - 90 days	0 - 90 days	3.8% to 4%	-	-	-	50.17
					31.92	15.06	61.16	77.22
	Amount of current maturities of long-term debt disclosed under the head 'current borrowing'				(3.21)	3.21	(0.11)	0.11
					28.71	18.27	61.05	77.33

Notes:

- Rupee term loans from banks are secured by exclusive charge on the property, plant and equipment of respective subsidiary companies, both present and future.
- Foreign currency term loans from banks are secured by exclusive charge on the building of respective subsidiary companies, both present and future.
- Working capital loans repayable on demand from banks (March 31, 2023: ₹ 14.70 cr, March 31, 2022: ₹ 72.94 cr) are secured by hypothecation of tangible current assets, namely, inventories and book debts and secured by second and subservient charge on immovable and movable assets of the Company and certain subsidiary companies to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 200.08 cr (March 31, 2022: ₹ 195.80 cr).
- Quarterly statement of current assets filed with banks during the year are in agreement with the books of accounts.

Note 16 Borrowings (continued)

e) The carrying amount of assets hypothecated | mortgaged as security for current and non-current borrowing limits are:

(₹ cr)

Particulars		As at March 31, 2023	As at March 31, 2022
i)	Property, plant and equipment excluding leasehold land, certain lands and buildings	1,477.50	1,402.10
ii)	Inventories	649.46	701.03
iii)	Trade receivables	894.88	1,058.83
iv)	Current assets other than inventories and trade receivables	132.83	167.59
Total assets as security		3,154.67	3,329.55

f) Net debt reconciliation

(₹ cr)

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings	Total
Net debt as at March 31, 2021	98.21	28.46	126.67
(Repayments) Disbursements	(37.05)	48.76	11.71
Interest expense	4.10	1.43	5.53
Interest paid	(4.10)	(1.43)	(5.53)
	61.16	77.22	138.38
Amount of current maturities of long-term debt disclosed under the head current borrowing	(0.11)	0.11	-
Net debt as at March 31, 2022	61.05	77.33	138.38
(Repayments) Disbursements	(29.13)	(62.27)	(91.40)
Interest expense	4.14	0.29	4.42
Interest paid	(4.14)	(0.29)	(4.42)
	31.92	15.06	46.98
Amount of current maturities of long-term debt disclosed under the head current borrowing	(3.21)	3.21	-
Net debt as at March 31, 2023	28.71	18.27	46.98

(₹ cr)

Note 17 Other financial liabilities		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Employee benefits payable	0.60	47.08	-	63.56
b)	Security deposits	-	37.06	-	31.95
c)	Unclaimed dividends*	-	2.81	-	2.73
d)	Derivative financial liabilities designated as hedges (net)	-	0.54	-	-
e)	Creditor for capital goods	-	118.59	-	79.27
f)	Other liabilities	3.99	4.05	3.86	3.67
		4.59	210.13	3.86	181.18

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2023.

(₹ cr)

Note 18 Provisions		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
a)	Provision for compensated absences	32.47	8.60	29.20	10.36
b)	Others {refer i (b) and (ii) below}	-	12.23	-	36.44
		32.47	20.83	29.20	46.80

Note 18 Provisions (continued)

i) Information about individual provisions and significant estimates

a) Compensated absences

The Compensated absences cover the liability for sick and earned absences. Out of the total amount disclosed above, the amount of ₹ 8.60 cr (March 31, 2022: ₹ 10.36 cr) is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

b) Others

Regulatory and other claims

The Group has provided for certain regulatory and other charges for which claims have been received by the Group. The provision represents the unpaid amount that the entity expect to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The Group has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount the entity expects to incur for which the obligating event has already arisen as on the reporting date.

ii) Movements in provisions:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Regulatory and other claims	Effluent disposal and others	Regulatory and other charges	Effluent disposal and others
	Balance as at the beginning of the year	29.93	6.51	25.60
Less: Utilised	(25.16)	(6.51)	(0.02)	(3.67)
Provision made during the year	3.87	3.59	4.35	6.51
Balance as at the end of the year	8.64	3.59	29.93	6.51

(₹ cr)

Note 19 Other liabilities		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
		a)	Deferred income on account of government grant received	3.48	-
b)	Statutory dues	-	12.57	-	12.63
c)	Others	-	0.06	-	0.34
		3.48	12.63	4.46	12.97

(₹ cr)

Note 20 Trade payables		As at March 31, 2023	As at March 31, 2022
		a)	Total outstanding dues of micro-enterprises and small enterprises
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises	492.38	590.06
		538.51	634.73

(₹ cr)

Note 20 Trade payables (continued)

Trade payables ageing

(₹ cr)

No.	Particulars	As at March 31, 2023						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	-	43.08	2.81	0.05	0.19	-	46.13
2.	Others	96.28	325.99	69.74	0.20	0.17	-	492.38
		96.28	369.07	72.55	0.25	0.36	-	538.51

(₹ cr)

No.	Particulars	As at March 31, 2022						
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
1.	MSME	-	43.89	0.54	0.24	-	-	44.67
2.	Others	75.13	399.75	113.91	1.16	0.06	0.05	590.06
		75.13	443.64	114.45	1.40	0.06	0.05	634.73

(₹ cr)

Note 21 Contract liabilities	As at March 31, 2023	As at March 31, 2022
Advances received from customers	36.95	33.82
	36.95	33.82

(₹ cr)

Note 22 Revenue from operations	2022-23	2021-22
Sale of products	5,180.68	4,825.13
Sale of services ¹	185.64	190.74
Scrap sales	14.13	15.42
Commission received	0.05	0.02
Processing charges	-	8.35
Revenue from contracts with customers	5,380.50	5,039.66
Export incentives	47.02	41.23
	5,427.52	5,080.89

¹Includes ₹ 183.37 cr (2021-22: ₹ 188.52 cr) on account of freight and insurance in sale of goods on CIF, which are identified as separate performance obligation under Ind AS 115.

Disaggregation of revenue from contracts with customers

(₹ cr)

Particulars	2022-23	2021-22
Sale of goods services		
Life Science Chemicals	1,937.50	1,449.36
Domestic	791.53	695.16
Export	1,145.97	754.20
Performance and Other Chemicals	3,680.80	3,733.69
Domestic	2,089.81	2,018.16
Export	1,590.99	1,715.53
Others	49.64	69.97
	5,667.95	5,253.02
Inter-segment revenue	287.45	213.36
	5,380.50	5,039.66

Note 22 Revenue from operations (continued)

Reconciliation of revenue from contracts with customers recognised at contract price

	(₹ cr)	
Particulars	2022-23	2021-22
Contract price	5,460.50	5,113.08
Adjustments for:		
Consideration payable to customers - discounts ¹	(88.83)	(67.16)
Contract price allocated to unsatisfied performance obligation for sale of services (net) ²	8.83	(6.26)
Revenue from contracts with customers	5,380.50	5,039.66

¹Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Group recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

²Unsatisfied performance obligation for sale of services comprises revenue from insurance and freight services for exports in-progress as at March 31, 2023, of ₹ 7.54 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2022, for ₹ 16.37 cr. The revenue for exports in-progress as at March 31, 2023, will be recognised in 2022-23 upon completion of the exports.

	(₹ cr)	
Note 23 Other income	2022-23	2021-22
Interest income		
Interest income from financial assets measured at amortised cost	1.91	7.24
Interest income from financial assets measured at FVTPL	9.16	7.92
Interest from others	0.13	3.21
	11.20	18.37
Dividend income		
Dividend from equity investments measured at FVTOCI	7.06	4.17
	7.06	4.17
Other non-operating income		
Insurance claims received	40.52	8.33
Lease income	1.65	1.26
Gain on investments measured at FVTPL	10.74	24.25
Fair value changes in biological assets	3.75	2.10
Gain (loss) on disposal of property, plant and equipment	0.30	(0.56)
Net exchange rate difference gain (loss)	29.28	11.29
Others	10.37	6.79
	96.61	53.46
	114.87	76.00

	(₹ cr)	
Note 24 Cost of materials consumed	2022-23	2021-22
Raw materials and packing materials consumed		
Stocks at commencement	200.69	155.77
Add: Purchase	2,556.33	2,644.97
	2,757.02	2,800.74
Less: Stocks at close	152.85	200.69
	2,604.17	2,600.05

(₹ cr)

Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2022-23	2021-22
Stocks at close		
Finished goods	364.34	396.49
Work-in-progress	183.08	188.12
Stock-in-trade	25.76	23.92
	573.18	608.53
Less: Stocks at commencement		
Finished goods	396.49	261.49
Work-in-progress	188.12	136.13
Stock-in-trade	23.92	3.58
	608.53	401.20
(Increase) Decrease in stocks	35.35	(207.33)

(₹ cr)

Note 26 Employee benefit expenses	2022-23	2021-22
Salaries, wages and bonus (refer Note 30.6)	333.76	311.35
Contribution to provident and other funds (refer Note 30.6)	23.32	21.19
Staff welfare	13.11	10.00
	370.19	342.54

(₹ cr)

Note 27 Finance costs	2022-23	2021-22
Interest on borrowings	4.42	5.53
Interest on financial liabilities at amortised cost	1.60	1.20
Interest on others	1.65	1.48
Other borrowings costs	0.23	0.96
	7.90	9.17

(₹ cr)

Note 28 Depreciation and amortisation expenses	2022-23	2021-22
Depreciation on property, plant and equipment (refer Note 2)	193.23	172.03
Amortisation of intangible assets (refer Note 4)	4.58	4.66
	197.81	176.69

(₹ cr)

Note 29 Other expenses	2022-23	2021-22
Power, fuel and water	647.56	510.14
Freight charges	265.68	265.95
Manpower services	36.35	35.89
Consumption of stores and spares	63.87	61.82
Conversion and plant operation charges	57.25	57.32
Plant and equipment repairs	97.15	90.98
Building repairs	28.27	38.02

Note 29 Other expenses (continued)

	(₹ cr)	
Note 29 Other expenses	2022-23	2021-22
Sundry repairs	13.16	13.51
Rent	2.82	1.86
Rates and taxes	2.48	1.81
Insurance	24.89	18.26
Commission	7.52	10.42
Travelling and conveyance	19.28	13.56
Auditor's remuneration ¹	1.64	1.54
Directors' fees and travelling	0.56	0.41
Directors' commission (other than the Executive Directors)	1.02	0.96
Bad debts and irrecoverable balances written off (written back)	1.59	(1.30)
Provision for doubtful debts (net)	3.83	0.57
Loss on assets sold, discarded or demolished	32.32	1.87
Expenditure on Corporate Social Responsibility initiatives	16.31	15.43
Exchange rate difference - loss	-	0.88
Miscellaneous expenses	94.95	98.38
	1,418.50	1,238.28

¹Details of Auditors' remuneration are as follows:

		(₹ cr)	
Particulars		2022-23	2021-22
Remuneration to the Statutory Auditors			
a)	Audit fees	1.27	1.16
b)	Tax audit fees	0.12	0.11
c)	Other matters	0.19	0.24
d)	Out of pocket expenses	0.03	-
Remuneration to the Cost Auditors			
a)	Audit fees	0.03	0.03
		1.64	1.54

Note 30.1 Contingent liabilities

		(₹ cr)	
Particulars		As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debts in respect of:			
i)	Excise duty	0.67	0.67
ii)	Income tax	8.30	7.90
iii)	Sales tax VAT	0.71	0.71
iv)	Customs duty	1.94	1.94
v)	Others	1.44	109.75
vi)	Corporate guarantee	58.76	51.75

Others include claims on account of contracts and labour matters, water charges and customer claims | potential claims included in the previous year were settled during the year.

The regulatory claims are under litigation at various forums. The Group expects the outcome of the above matters to be in its favour and has, therefore, not recognised provision in relation to these claims. The above excludes interest | penalty unless demanded by the authorities.

Note 30.2 Commitments

a) Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	192.92	378.84

Note 30.3 Research and development

Details of expenditure incurred on approved in-house research and development facilities:

(₹ cr)

Particulars	2022-23	2021-22
Capital expenditure on building	-	0.32
Other capital expenditure	1.99	3.06
Recurring expenditure	31.22	29.01
	33.21	32.39

Note 30.4 Related party disclosures

Note 30.4 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
01.	Aagam Holdings Pvt Ltd	Entity over which control exercised by Key Management Personnel
02.	Aayojan Resources Pvt Ltd	
03.	Adhigam Investments Pvt Ltd	
04.	Crawford Bayley & Co	
05.	Samveg Agencies Pvt Ltd	Joint venture company
06.	Rudolf Atul Chemicals Ltd	
07.	Rudolf GmbH	Entity over which control exercised by Joint venture partner
08.	Rudolf Hub 1922 S.r.l	
09.	Key Management Personnel	
	Sunil Lalbhai	Chairman and Managing Director
	Samveg Lalbhai	Managing Director
	Bharathy Mohanan	Whole-time Director and President - U&S
	Gopi Kannan Thirukonda	Whole-time Director and CFO
	Rajendra Shah	Non-executive Director
	Bansi Mehta	Non-executive Director
	Susim Datta	Non-executive Director
	Srinivasa Rangan	Non-executive Director
	Mukund Chitale	Non-executive Director
	Subhalakshmi Panse	Non-executive Director
	Baldev Arora	Non-executive Director
	Pradeep Banerjee	Non-executive Director
	Amal Ltd	
	Rajeev Kumar	Managing Director
	Abhay Jadeja	Director
	Sujal Shah	Director

Note 30.4 (A) Related party information (continued)

No.	Name of the related party	Description of relationship
	Mahalakshmi Subramanian	Director
	Jyotin Mehta	Director
	Atul Bioscience Ltd	
	Prabhakar Chebiyyam	Managing Director
	Ajit Dangi	Director
	Pramod Lele	Director
	Rangaswamy Iyer	Director
	Astha Lalbhai	Director
	Latika Pradhan	Director
	Vivek Gadre	Director
	Atul Europe Ltd	
	Edward Sharkey	Director
	Jacques Collonge	Director
	Vasudev Koppaka	Director
	DPD Ltd	
	Avril Brackpool	Director
	Ajitsingh Batra	Director
	Edward Sharkey	Director
	Shailesh Pandya	Director
10.	Close family members of Key Management Personnel	
	Vimla Lalbhai	Mother of Sunil Lalbhai
	Swati Lalbhai	Sister of Sunil Lalbhai
	Astha Lalbhai	Daughter of Sunil Lalbhai
	Saumya Lalbhai	Son of Samveg Lalbhai
	Nishtha Lalbhai	Daughter of Sunil Lalbhai
11.	Welfare funds	
	Atul Foundation Trust	
	Atul Kelavani Mandal	
	Atul Rural Development Fund	Entities over which Key Management Personnel or their close family members have significant influence
	Atul Vidyalaya Trust	
	Urmi Stree Sanstha	
12.	Other related parties ¹	
	Amal Ltd Group Gratuity Scheme Trust	Post-employment benefit plan of Amal Ltd
	Atul Ltd Employees Gratuity Fund	Post-employment benefit plan of Atul Ltd
	Atul Bioscience Staff Gratuity Trust	Post-employment benefit plan of Atul Bioscience Ltd
	Atul Crop Care Ltd Employees Group Gratuity Assurance Scheme	Post-employment benefit plan of Atul Crop Care Ltd
	Atul Finserv Ltd Employees Group Gratuity Scheme	Post-employment benefit plan of Atul Finserv Ltd
	Atul Products Ltd - Ankleshwar Division Employees' Provident Fund Trust	Post-employment benefit plan of Atul Ltd
	Atul Rajasthan Date Palms Ltd	Post-employment benefit plan of Atul Rajasthan Date Palms Ltd
	Lapox Polymers Ltd Employees Group Gratuity Assurance Scheme	Post-employment benefit plan of Lapox Polymers Ltd
	Rudolf Atul Chemicals Ltd Employees Group Gratuity Assurance Scheme	Post-employment benefit plan of Rudolf Atul Chemicals Ltd
	The Atul Officers Retirement Benefit Fund	Post-employment benefit plan of Atul Ltd

¹Refer Note 30.6 for information on transactions with post-employment benefit plans mentioned above.

Note 30.4 Related party disclosures (continued)

(₹ cr)

Note 30.4 (B) Transactions with entity over which control exercised by Key Management Personnel		2022-23	2021-22
a)	Purchases and expenses		
1.	Services availed	0.05	-
	Crawford Bayley & Co	0.05	-
b)	Other transactions		
1.	Issue of equity shares	17.88	-
	Aagam Agencies Pvt Ltd	0.14	-
	Aagam Holdings Pvt Ltd	15.16	-
	Aayojan Resources Pvt Ltd	2.08	-
	Adhinami Investments Pvt Ltd	0.19	-
	Akshita Holdings Pvt Ltd	0.07	-
	Anusandhan Investments Pvt Ltd	0.04	-
	Sunil Siddharth Lalbhai	0.02	-
	Sunil Siddharth Lalbhai (On behalf of Vimla Siddharth Family Trust)	0.11	-
	Swati S Lalbhai	0.00	-
	Tara S Lalbhai	0.00	-
	Vimlaben S Lalbhai	0.07	-
2.	Reimbursement received	0.00	-
	Aagam Holdings Pvt Ltd	0.00	-

(₹ cr)

Note 30.4 (C) Transactions with joint venture company		2022-23	2021-22
a)	Sales and income		
1.	Sale of goods	5.08	3.73
2.	Service charges received	4.53	3.92
3.	Lease rent received	0.46	0.66
4.	Brand usage charges	0.02	0.02
b)	Purchases and expenses		
1.	Purchase of goods	0.70	0.01
2.	Interest expenses	0.43	0.95
c)	Other transactions		
1.	Dividends received from equity investment measured at cost	11.68	4.38
2.	Reimbursement received	0.73	0.27
3.	Inter-corporate deposit received back	10.50	-
4.	Inter-corporate deposit given	5.00	-

The above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 30.4 (D) Transactions with entity over which control exercised by joint venturer		2022-23	2021-22
a)	Sales and income		
1.	Commission received	0.63	0.87
	Rudolf GmbH	0.63	0.87
b)	Purchases and expenses		
1.	Purchase of goods	16.36	15.91
	Rudolf GmbH	16.36	15.91
2.	Business promotion and development	0.24	0.49
	Rudolf Hub 1922 S.r.l	0.24	0.49

Note 30.4 Related party disclosures (continued)

(₹ cr)

Note 30.4 (E) Key Management Personnel compensation		2022-23	2021-22
Remuneration¹		21.97	22.69
1.	Short-term employee benefits	19.24	20.19
2.	Post-employment benefits ¹	1.25	1.15
3.	Commission and other benefits to Non-executive Independent Directors	1.48	1.35

¹Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 30.4 (F) Close family members of Key Management Personnel compensation		2022-23	2021-22
Remuneration¹		1.13	0.87
1.	Astha S Lalbhai	0.51	0.40
2.	Saumya S Lalbhai	0.35	0.26
3.	Nishtha S Lalbhai	0.27	0.21

¹Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 30.4 (G) Transactions with entities over which Key Management Personnel or their close family members have significant influence		2022-23	2021-22
a)	Sales and income		
1.	Sale of goods	0.16	0.12
	Atul Kelavani Mandal	0.05	0.03
	Atul Rural Development Fund	0.02	0.00
	Atul Vidyalaya Trust	0.09	0.09
	Urmi Stree Sanstha	0.00	0.00
2.	Lease rent received	0.02	0.02
	Atul Kelvani Mandal	0.02	0.02
	Atul Rural Development Fund	0.00	-
	Urmi Stree Sanstha	0.00	-
b)	Purchases and expenses		
1.	Purchase of goods	0.00	0.01
	Atul Foundation Trust	0.00	0.01
2.	Reimbursement paid	0.06	-
	Atul Foundation Trust	0.02	-
	Atul Rural Development Fund	0.04	-
c)	Other transactions		
1.	Expenditure on Corporate Social Responsibility initiatives	17.87	7.51
	Atul Foundation Trust	7.76	6.89
	Atul Rural Development Fund (including ₹ 4.35 cr unspent CSR of 2021-22)	10.11	0.62
2.	Reimbursements received	0.07	0.04
	Atul Foundation Trust	0.01	0.00
	Atul Kelavani Mandal	0.00	0.00
	Atul Rural Development Fund	0.00	0.00
	Atul Vidyalaya Trust	0.06	0.04
	Urmi Stree Sanstha	-	0.00
3.	Sale of CWIP	0.90	-
	Atul Rural Development Fund	0.90	-

Note 30.4 Related party disclosures (continued)

(₹ cr)

Note 30.4 (H) Outstanding balances at the year end		As at March 31, 2023	As at March 31, 2022
a)	With Directors or with organisations where Directors are interested		
1.	Receivables	0.00	-
	Aagam Holdings Pvt Ltd	0.00	-
2.	Payables	0.04	-
	Crawford Bayley & Co	0.04	-

(₹ cr)

Note 30.4 (I) Outstanding balances at the year end		As at March 31, 2023	As at March 31, 2022
a)	With joint venture company		
1.	Receivables	2.18	0.89
2.	Payables	0.30	-
3.	Refundable security deposit	2.00	2.00
4.	Inter-corporate deposit	5.00	10.50

The above transactions are with Rudolf Atul Chemicals Ltd.

b)	With entity over which control exercised by joint venturer		
1.	Receivables	2.10	-
	Rudolf GmbH	2.10	-
2.	Payables	5.26	0.48
	Rudolf GmbH	5.05	0.04
	Rudolf Hub 1922 S.r.l	0.21	0.44

(₹ cr)

Note 30.4 (J) Outstanding balances at the year end		As at March 31, 2023	As at March 31, 2022
a)	With entities over which Key Management Personnel or their close family members have significant influence		
1.	Receivables	0.05	0.02
	Atul Foundation Trust	0.02	0.00
	Atul Kelavani Mandal	0.01	0.01
	Atul Rural Development Fund	0.00	0.00
	Atul Vidyalaya Trust	0.02	0.01
	Urmi Stree Sanstha	0.00	0.00
2.	Payables	0.05	0.04
	Atul Education Trust	0.00	-
	Atul Foundation Trust	0.00	-
	Atul Vidyalaya	0.05	0.04

Note 30.5 Current and deferred tax

The major components of income tax expense for the years ended March 31, 2023, and March 31, 2022, are:

a) Income tax expense recognised in the Consolidated Statement of Profit and Loss

		(₹ cr)	
Particulars		2022-23	2021-22
i)	Current tax		
	Current tax on profit for the year	179.38	212.88
	Adjustments for current tax of prior periods	(0.22)	0.63
	Total current tax expense	179.16	213.51
ii)	Deferred tax		
	(Decrease) Increase in deferred tax liabilities	(12.33)	12.10
	Decrease (Increase) in deferred tax assets	14.38	(20.61)
	Total deferred tax expense (benefit)	2.05	(8.51)
	Income tax expense	181.21	205.00

b) Income tax expense recognised in the other comprehensive income

		(₹ cr)	
Particulars		2022-23	2021-22
i)	Current tax		
	Remeasurement gain (loss) on defined benefit plans	1.07	(1.82)
	Total current tax expense	1.07	(1.82)
ii)	Deferred tax		
	Fair value equity investment	(11.86)	2.64
	Effective portion of gain (loss) on cash flow hedges	(0.13)	0.13
	Foreign currency translation reserve	0.17	0.04
	Total deferred tax expense (benefit)	(11.82)	2.81
	Income tax expense	(10.75)	0.99

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

		2022-23	2021-22
Particulars			
a)	Statutory income tax rate	25.17%	25.17%
b)	Differences due to:		
i)	Non-deductible expenses	2.16%	0.30%
ii)	Exempt income	(0.33%)	(0.74%)
iii)	Income tax incentives	(3.23%)	(0.29%)
iv)	Effect of deferred tax expense	0.01%	-
v)	Others	2.57%	0.88%
	Effective income tax rate	26.35%	25.32%

d) Current tax liabilities (net)

		(₹ cr)	
Particulars		As at March 31, 2023	As at March 31, 2022
	Opening balance	9.58	14.54
	Tax paid in advance, net of provisions during the year	4.40	(4.96)
	Closing balance	13.98	9.58

Note 30.5 Current and deferred tax (continued)

e) Current tax assets (net)

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	11.72	6.59
Current tax payable for the year	179.16	213.51
Taxes paid	(187.97)	(208.38)
Closing balance	2.91	11.72

f) Deferred tax liabilities | (assets)

The following is the analysis of deferred tax liabilities | (assets) balances presented in the Consolidated Balance Sheet:

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	133.82	143.60
Deferred tax assets	(16.41)	(16.47)
	117.41	127.13

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

(₹ cr)

Particulars	As at March 31, 2023	Charged (Credited) to		As at March 31, 2022	Charged (Credited) to		As at March 31, 2021
		profit or loss	OCI equity		profit or loss	OCI equity	
Property, plant and equipment	112.02	4.73	-	107.29	0.70	-	106.59
Fair value equity investments (net)	15.70	-	(11.86)	27.56	-	2.64	24.92
Undistributed profit of subsidiary companies	37.47	(1.75)	-	39.22	9.57	-	29.65
Foreign currency translation reserves	4.07	-	0.17	3.90	-	0.04	3.86
Unrealised gain on mutual fund	0.11	(3.62)	-	3.73	(0.85)	-	4.58
Effective portion of gains (loss) on cash flow hedges	0.17	-	(0.13)	0.30	-	0.13	0.17
Provision for leave encashment	(10.91)	(1.16)	-	(9.75)	(1.26)	-	(8.49)
Provision for doubtful debts	(3.71)	(0.50)	-	(3.21)	(0.14)	-	(3.07)
Regulatory and other charges	(0.07)	6.26	-	(6.33)	0.01	-	(6.34)
Investment properties	(7.79)	(0.36)	-	(7.43)	(0.42)	-	(7.01)
Elimination of profits resulting from intragroup transactions	(15.89)	(2.22)	-	(13.67)	(11.25)	-	(2.42)
Unused tax losses	(12.66)	(1.32)	-	(11.34)	(4.74)	-	(6.60)
MAT credit entitlement	-	0.23	-	(0.23)	0.04	-	(0.27)
Others	(1.10)	1.81	-	(2.91)	(0.22)	-	(2.69)
Net deferred tax liabilities (assets)	117.41	2.10	(11.82)	127.13	(8.56)	2.81	132.88

Note 30.6 Employee benefit obligations

Funded schemes

a) Defined benefit plans

Gratuity

	(₹ cr)		
Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2021	55.30	(54.80)	0.50
Current service cost	3.97	-	3.97
Interest expense (income)	3.51	(3.47)	0.04
Total amount recognised in the Consolidated Statement of Profit and Loss	7.48	(3.47)	4.01
Remeasurement			
Return on plan assets, excluding amount included in interest expense (income)	(0.01)	0.02	0.01
(Gain) from change in demographic assumptions	(1.71)	-	(1.71)
Loss from change in financial assumptions	5.94	-	5.94
Experience (gain)	3.02	-	3.02
Total amount recognised in other comprehensive income	7.24	0.02	7.26
Employer contributions	-	(10.38)	(10.38)
Benefit payments	(5.17)	5.00	(0.17)
Liability transferred out Divestments	(0.13)	-	(0.13)
Assets transferred in Acquisitions	0.07	-	0.07
As at March 31, 2022	64.79	(63.62)	1.17
Current service cost	4.73	(0.01)	4.72
Interest expense (income)	4.16	(4.06)	0.10
Total amount recognised in the Consolidated Statement of Profit and Loss	8.89	(4.07)	4.82
Remeasurement			
Return on plan assets, excluding amount included in interest expense (income)	-	0.12	0.12
(Gain) from change in demographic assumptions	0.90	-	0.90
Loss from change in financial assumptions	(4.20)	-	(4.20)
Experience (gain)	(1.08)	-	(1.08)
Total amount recognised in other comprehensive income	(4.38)	0.12	(4.26)
Employer contributions	-	(0.65)	(0.65)
Liability transferred out Divestments	0.01	-	0.01
Assets transferred in Acquisitions	(4.62)	4.62	-
As at March 31, 2023	64.69	(63.60)	1.09

Note 30.6 Employee benefit obligations (continued)

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

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	64.69	64.79
Fair value of plan assets	(63.60)	(63.62)
Deficit of Gratuity plan	1.09	1.17

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.29% to 7.39%	6.09% to 6.70%
Attrition rate	13.00% 25.00%	15.00%
Rate of return on plan assets	7.29% to 7.39%	6.09% to 6.70%
Salary escalation rate	9.84%	10.70%

Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Discount rate	1.00%	1.00%	(3.27%)	(3.36%)	3.57%	3.66%
Attrition rate	1.00%	1.00%	(0.57%)	(0.83%)	0.61%	0.89%
Rate of return on plan assets	1.00%	1.00%	(3.27%)	(3.36%)	3.57%	3.66%
Salary escalation rate	1.00%	1.00%	3.44%	3.47%	(3.22%)	(3.26%)

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

Note 30.6 Employee benefit obligations (continued)

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

Major category of plan assets are as follows

Particulars	As at March 31, 2023		As at March 31, 2022	
	Unquoted	in %	Unquoted	in %
Government of India assets	1.18	1.86%	1.18	1.85%
Debt instruments				
Corporate bonds	1.28	2.01%	1.23	1.93%
Investment funds				
Insurance funds	60.67	95.39%	55.55	87.32%
Others	0.31	0.49%	5.50	8.65%
Special deposit scheme	0.16	0.25%	0.16	0.25%
	63.60	100.00%	63.62	100.00%

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks; the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. All deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the coming years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets.

A large portion of assets consists insurance funds. The Group also invests in corporate bonds and special deposit scheme. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2024 are ₹ 4.79 cr.

The weighted average duration of the defined benefit obligation is six years (2021-22: six years). The expected maturity analysis of gratuity is as follows:

Particulars					(₹ cr)
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Expected defined benefit obligation (gratuity)					
As at March 31, 2023	11.96	8.87	32.03	35.60	88.46
As at March 31, 2022	11.84	9.89	29.81	33.28	84.82

Provident fund

In case of certain employees, the provident fund contribution is made to a trust administered by the Group. The actuary has provided a valuation of provident fund liability based on the assumptions listed below and has determined that there is no shortfall as at March 31, 2023.

Note 30.6 Employee benefit obligations (continued)

(₹ cr)

Particulars		As at March 31, 2023	As at March 31, 2022
i)	Defined benefit obligation	12.45	11.29
ii)	Fund	12.48	11.68
	Net assets (liabilities)	0.03	0.39
iii)	Charge to the Consolidated Statement of Profit and Loss during the year (included in Note 26)	0.24	0.24

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

Particulars		2022-23	2021-22
i)	Mortality rate	Indian assured lives mortality 2012-14 (Urban)	Indian assured lives mortality 2012-14 (Urban)
ii)	Withdrawal rate	5% p.a. for all age groups	5% p.a. for all age groups
iii)	Rate of discount	7.35%	6.41%
iv)	Expected rate of interest	8.15%	8.10%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.15%	8.10%

b) Defined contribution plans

Provident and other funds

Amount of ₹ 18.51 cr (March 31, 2022: ₹ 17.19 cr) {net of ₹ Nil cr (March 31, 2022: ₹ 0.06 cr) from the Pradhan Mantri Rojgar Protsahan Yojana} is recognised as an expense and included in Note 26 'Contribution to provident and other funds'.

Compensated absences

Amount of ₹ 4.50 cr (March 31, 2022: ₹ 8.83 cr) is recognised as expense and included in Note 26 'Salaries, wages and bonus'.

Note 30.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments ¹	-	535.86	-	-	647.38	-
Mutual funds	189.57	-	-	550.08	-	-
Government securities	-	-	0.01	-	-	0.01
Bonds	112.74	-	-	113.12	-	-
Trade receivables	-	-	844.61	-	-	989.01
Loans	-	-	0.13	-	-	3.61
Security deposits for utilities and premises	-	-	4.30	-	-	2.91

Note 30.7 Fair value measurements (continued)

(₹ cr)

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Interest receivable	-	-	0.04	-	-	0.47
Derivative financial assets designated as hedges (net)	-	-	-	-	0.50	-
Finance lease receivables	-	-	6.55	-	-	6.89
Cash and bank balances	-	-	52.03	-	-	68.92
Other receivables	-	-	22.05	-	-	14.46
Total financial assets	302.31	535.86	929.72	663.20	647.88	1,086.28
Financial liabilities						
Borrowings	-	-	46.98	-	-	138.38
Trade payables	-	-	538.51	-	-	634.73
Security deposits	-	-	37.06	-	-	31.95
Derivative financial liabilities designated as hedges (net)	-	0.54	-	-	-	-
Employee benefits payable	-	-	47.68	-	-	63.56
Creditors for capital goods	-	-	118.59	-	-	79.27
Lease liabilities	-	-	5.26	-	-	5.79
Other liabilities	-	-	10.85	-	-	10.26
Total financial liabilities	-	0.54	804.93	-	-	963.94

¹Excludes equity investments in joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 'Financial Instruments Disclosures'.

a) Fair value hierarchy

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

(₹ cr)

i)	Financial assets and liabilities measured at fair value as at March 31, 2023	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVTOCI:					
	Quoted equity shares ¹	6.2	534.65	-	-	534.65
	Unquoted equity shares ²	6.2	-	-	1.21	1.21
	Financial investments at FVTPL:					
	Bond	6.2	112.74	-	-	112.74
	Mutual funds	6.3	-	189.57	-	189.57
	Derivatives designated as hedges:					
	Currency options	8	-	-	-	-
	Total financial assets		647.39	189.57	1.21	838.17
	Financial liabilities					
	Derivatives designated as hedges:					
	Currency options	17	-	0.54	-	0.54
	Total financial liabilities		-	0.54	-	0.54

Note 30.7 Fair value measurements (continued)

(₹ cr)

ii)	Financial assets and liabilities measured at fair value as at March 31, 2022	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVTOCI:					
	Quoted equity shares ¹	6.2	646.15	-	-	646.15
	Unquoted equity shares ²	6.2	-	-	1.23	1.23
	Financial investments at FVTPL:					
	Bond	6.2	113.12	-	-	113.12
	Mutual funds	6.3	-	550.08	-	550.08
	Derivatives designated as hedges:					
	Currency options	8	-	0.50	-	0.50
	Total financial assets		759.27	550.58	1.23	1,311.08
	Financial liabilities					
	Derivatives designated as hedges:					
	Foreign exchange forward contracts		-	-	-	-
	Total financial liabilities		-	-	-	-

¹Excludes equity investments in joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 'Financial Instruments Disclosures'.

²Includes investments in BEIL Infrastructure Ltd (formerly known as Bharuch Enviro Infrastructure Ltd) (91,000 equity shares), Narmada Clean Tech (formerly known as Narmada Clean Tech Ltd) which are for operation purpose and the Company has to hold it till the production site continues. The Group estimates that the fair value of these investments are not materially different as compared to its cost.

(₹ cr)

iii)	Biological assets other than bearer plants measured at fair value	As at March 31, 2023			As at March 31, 2022		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	Tissue culture raised date palms plants	-	-	51.28	-	-	37.59
	Total biological assets	-	-	51.28	-	-	37.59

There were no transfers between any levels during the year.

Level 1: This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments,
- the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Consolidated Balance Sheet date,
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model,
- the fair value of the remaining financial instruments is determined using discounted cash flows analysis.

All of the resulting fair value estimates are included in level 1, 2 and 3.

Note 30.7 Fair value measurements (continued)

c) Valuation processes

The Finance department of the Group includes a team that performs the valuations of financial assets and liabilities with assistance from independent external experts when required, for financial reporting purposes, including level 3 fair values.

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

Particulars	(₹ cr)	
	As at March 31, 2023	As at March 31, 2022
	Carrying amount Fair value	Carrying amount Fair value
Financial assets		
Investments:		
Government securities	0.01	0.01
Security deposits for utilities and premises	4.30	2.91
Finance lease receivables	6.55	6.89
Total financial assets	10.86	9.81
Financial liabilities		
Borrowings	46.98	138.38
Lease liabilities	5.26	5.79
Other liabilities	8.04	7.53
Total financial liabilities	60.28	151.70

The carrying amounts of trade receivables, cash and cash equivalents, loan, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, employee benefit payables, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Note 30.8 Financial risk management

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

- i) Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.
- ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk inter-relationships.
- iii) Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- iv) Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- v) Risk reporting and monitoring: Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

Note 30.8 Financial risk management (continued)

a) Management of liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, investment in mutual funds, borrowings and the cash flow that is generated from operations. It believes that the current cash and cash equivalents, tied up borrowing lines and cash flow that are generated from operations are sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

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

(₹ cr)

As at March 31, 2023		Note	Carrying amount	Less than 12 months	More than 12 months	Total
	Borrowings	16	46.98	18.27	28.71	46.98
	Trade payables	20	538.51	538.51	-	538.51
	Security and other deposits	17	37.06	37.06	-	37.06
	Employee benefits payable	17	47.68	47.08	0.60	47.68
	Creditors for capital goods	17	118.59	118.59	-	118.59
	Lease liabilities	30.12	5.26	-	5.26	5.26
	Other liabilities	17	804.93	800.34	4.59	804.93
	Derivatives (settlement on net basis)	17	0.54	0.54	-	0.54
As at March 31, 2022		Note	Carrying amount	Less than 12 months	More than 12 months	Total
	Borrowings	16	138.38	77.33	61.05	138.38
	Trade payables	20	634.73	634.73	-	634.73
	Security and other deposits	17	31.95	31.95	-	31.95
	Employee benefits payable	17	63.56	63.56	-	63.56
	Creditors for capital goods	17	79.27	79.27	-	79.27
	Lease liabilities	30.12	5.79	-	5.79	5.79
	Other liabilities	17	10.26	6.40	3.86	10.26
	Derivatives (settlement on net basis)	17	-	-	-	-

b) Management of market risk

The size and operations of the Group exposes it to the following market risks that arise from its use of financial instruments:

- i) price risk
- ii) interest rate risk
- iii) foreign exchange risk

The above risks may affect income and expenses or the value of its financial instruments. Its objective for market risk is to maintain this risk within acceptable parameters while optimising returns. The exposure to these risks and the management of these risks are explained as follows:

**Note 30.8 Financial risk management (continued)**

	Potential impact of risk	Management policy	Sensitivity to risk
i)	Price risk		
	<p>The Group is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>Equity price risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified at fair value through other comprehensive income as at March 31, 2023, is ₹ 534.65 cr (March 31, 2022: ₹ 646.15 cr). The fair value of bonds classified at fair value through profit and loss as at March 31, 2023, is ₹ 112.74 cr (March 31, 2022: ₹ 113.12 cr).</p> <p>The fair value of mutual fund classified at fair value through profit and loss as at March 31, 2023, is ₹ 189.57 cr (March 31, 2022: ₹ 550.08 cr).</p>	<p>In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management Policy.</p> <p>Any new investment or divestment must be approved by the Board, Chief Financial Officer and Audit Committee.</p>	<p>As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows:</p> <p>For equity instruments, a 4% increase in Nifty 50 prices may have led to approximately an additional ₹ 12.87 cr gain in other comprehensive income (2021-22: ₹ 18.02 cr). A 4% decrease in Nifty 50 prices may have led to an equal but opposite effect.</p> <p>For bonds, a 1% increase in prices may have led to approximately an additional ₹ 1.1 cr gain in the Consolidated Statement of Profit and Loss (2021-22: ₹ 1.1 cr). A 1% decrease in prices may have led to an equal but opposite effect.</p> <p>For mutual funds, a 1% increase in prices may have led to approximately an additional ₹ 1.9 cr gain in the Consolidated Statement of Profit and Loss (2021-22: ₹ 5.5 cr). A 1% decrease in prices may have led to an equal but opposite effect.</p>
ii)	Interest rate risk		
	<p>The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.</p> <p>As at March 31, 2023, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 15.24 cr (March 31, 2022: ₹ 27.59 cr).</p>	<p>In order to manage its interest rate risk arising from variable interest rate borrowings, the Group uses interest rate swaps to hedge its exposure to future market interest rates, whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the Treasury department.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates may have led to approximately an additional ₹ 0.04 cr (2021-22: ₹ 0.07) gain in other comprehensive income. A 25 bps decrease in interest rates may have led to an equal but opposite effect.</p>
iii)	Foreign exchange risk		
	<p>The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Group. The risk also includes highly probable foreign currency cash flows. The objective of the cash flows hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.</p>	<p>The Group has exposure arising out of export, import, loans and other transactions other than functional risk. The Group hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management Policy of the Group.</p>	<p>As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Consolidated Financial Statements, the Group has calculated the impact as follows: For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an additional ₹ 6.29 cr gain in other comprehensive income (2021-22: gain of ₹ 6.52 cr). A 2% decrease may have led to an additional ₹ 5.27 cr loss in other comprehensive income (2021-22: loss of ₹ 3.30 cr).</p>

Note 30.8 Financial risk management (continued)

Foreign currency risk exposure

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

Particulars	As at March 31, 2023					
	US\$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Cash and cash equivalents (EEFC account)	-	-	-	-	-	-
Trade receivables	48.08	395.06	0.91	8.11	2.42	24.60
Less:						
Hedged through derivatives ¹ :						
Currency range options	15.10	124.08	-	-	-	-
Net exposure to foreign currency risk (assets)	32.98	270.98	0.91	8.11	2.42	24.60
Financial liabilities						
Trade payables	11.55	94.94	0.05	0.47	0.60	6.15
Net exposure to foreign currency risk (liabilities)	11.55	94.94	0.05	0.47	0.60	6.15

¹Includes hedges for highly probable transactions up to next 12 months

Particulars	As at March 31, 2022					
	US\$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Cash and cash equivalents (EEFC account)	2.06	15.60	-	-	-	-
Trade receivables	53.92	408.61	1.37	11.49	6.15	61.10
Less:						
Hedged through derivatives ¹ :						
Currency range options	29.25	221.66	-	-	-	-
Net exposure to foreign currency risk (assets)	26.73	202.55	1.37	11.49	6.15	61.10
Financial liabilities						
Trade payables	18.94	143.54	0.11	0.88	0.13	1.33
Net exposure to foreign currency risk (liabilities)	18.94	143.54	0.11	0.88	0.13	1.33

¹Includes hedges for highly probable transactions up to next 12 months

c) Management of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or Export Credit Guarantee Corporation schemes. All trade receivables are reviewed and assessed for default on a quarterly basis.

Note 30.8 Financial risk management (continued)

Reconciliation of loss allowance provision – trade receivables

Particulars	(₹ cr)
Loss allowance as on March 31, 2021	12.16
Changes in loss allowance	0.57
Loss allowance as on March 31, 2022	12.73
Changes in loss allowance	3.70
Loss allowance as on March 31, 2023	16.43

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, mutual funds, bonds and loans to subsidiary companies. It has a diversified portfolio of investment with various number of counterparties that have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its Treasury department.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position

As at March 31, 2023

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US\$								
Foreign exchange risk								
Currency range options	124.08	-	-	0.54	1-12	79.75- 84.22	(0.54)	0.54

As at March 31, 2022

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US\$								
Foreign exchange risk								
Currency range options	221.66	-	0.50	-	1-12	75.71- 80.09	0.50	(0.50)

Note 30.8 Financial risk management (continued)

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2023

(₹ cr)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statements line item affected
Cash flow hedge				
Foreign exchange risk	(0.54)	-	0.50	Trade receivables and payables

As at March 31, 2022

(₹ cr)

Type of hedge	Changes in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statements line item affected
Cash flow hedge				
Foreign exchange risk	0.50	-	0.60	Trade receivables and payables

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
	As at March 31, 2023	As at March 31, 2022
Derivative instruments		
Balance at the beginning of the year	0.20	0.43
Gain (loss) recognised in other comprehensive income during the year	(0.54)	0.50
Amount reclassified to revenue during the year	(0.48)	(0.60)
Tax impact on above	0.14	(0.13)
Balance at the end of the year	(0.68)	0.20

Note 30.9 Capital management

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

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt	46.98	138.38
Total equity	4,671.38	4,428.96
Debt-equity ratio (%)	1.00%	3.12%

Note 30.10 Offsetting financial assets and liabilities

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

a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an International Swaps and Derivatives Association Inc Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Consolidated Balance Sheet.

b) Collateral against borrowings

The Group has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (refer Note 16 (e) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

Note 30.11 Earnings per share

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

Particulars		2022-23	2021-22
Profit for the year attributable to the equity shareholders	₹ cr	514.09	604.26
Weighted average number of equity shares used in calculating basic diluted EPS ¹	Number	2,95,19,595	2,95,87,051
Nominal value of equity share	₹	10	10
Basic EPS	₹	174.15	204.23
Diluted EPS	₹	174.15	204.23

¹During the current year, the Group completed its share buy-back on May 09, 2022.

Note 30.12 Leases

a) As a lessee

i) Following are the changes in the carrying value of right-of-use assets

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	5.27	5.92
Depreciation Amortisation	(0.62)	(0.65)
Balance at the end of the year	4.65	5.27

ii) Following movement in lease liabilities

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	5.79	6.27
Finance cost accrued	0.29	0.34
Payment of lease liabilities	(0.80)	(0.83)
Translation difference	(0.02)	0.01
Balance at the end of the year	5.26	5.79

Note 30.12 Leases (continued)

iii) The following table provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ cr)

Particulars	As at	
	March 31, 2023	March 31, 2022
Less than one year	0.86	0.82
One to five years	4.46	4.30
More than five years	2.15	3.00
Total	7.47	8.12

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rent paid to lessor for short-term lease period is recognised into the Consolidated Statement of Profit and Loss as Rent in Note 29 'Other expenses'.

Cash payments for the principal portion and interest of the lease liabilities are classified within financing activities and short-term lease payments within operating activities.

b) As a lessor

i) Operating lease

The Group has entered into operating leases on its office buildings and land. These are cancellable by the Group, having a term between 11 months and three years and have no specific obligation for renewal. Rents received are recognised in the Consolidated Statement of Profit and Loss as lease income in Note 23 'Other income'.

ii) Finance lease

The Group has given a building on finance lease for a term of 30 years and machines for a term of 10 years.

Future minimum lease payments receivable under finance leases, together with the present value of the net minimum lease payments (MLP), are as under:

(₹ cr)

Particulars	As at March 31, 2023		As at March 31, 2022	
	MLP receivable	Present value of MLP receivable	MLP receivable	Present value of MLP receivable
Not later than one year	1.11	1.07	0.91	0.87
Later than one year and not later than five years	4.05	3.11	4.07	3.15
Later than five years	4.42	2.37	5.50	2.87
Total MLP receivable	9.58	6.55	10.48	6.89
Less: unearned finance income	3.03	-	3.59	-
Present value of MLP receivable	6.55	6.55	6.89	6.89
Less: allowance for uncollectible lease payments	-	-	-	-
	6.55	6.55	6.89	6.89

Note 30.13 Rounding off

Figure less than ₹ 50,000 have been shown as '0.00' in the relevant notes in these Consolidated Financial Statements.

Note 30.14 Buy-back of shares

The Board of Directors in its meeting held on March 25, 2022, had approved a proposal to buy-back fully paid-up equity shares of face value of ₹ 10 each of the Company. The buy-back of equity shares through the open market stock exchange route commenced on April 07, 2022, and it was completed on May 09, 2022. The Company bought back and extinguished a total of 73,296 equity shares at an average buy-back price of ₹ 9,536.31 per equity share, constituting 0.25% of the pre

Note 30.14 Buy-back of shares (continued)

buy-back paid-up equity share capital of the Company. The buy-back resulted in a cash outflow of ₹ 69.90 cr (excluding transaction costs). The Company purchased the said shares out of its free reserves and created capital redemption reserve of ₹ 0.08 cr equal to the nominal value of the shares bought back as an appropriation from the general reserve in accordance with Section 69 of the Companies Act, 2013.

Note 30.15 Dividend on equity shares

Dividend on equity shares declared and paid during the year:

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Final dividend of ₹ 25.00 per share for the year 2021-22 (2020-21: ₹ 20.00)	73.78	59.17
Interim dividend of ₹ 7.50 per share for the year 2022-23	22.14	-
	95.92	59.17

Note:

The Group declares and pays dividend in Indian rupees. Companies are required to pay | distribute dividend after deducting applicable withholding income taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Note 30.16 Interests in other entities

a) Subsidiary companies

The subsidiary companies of the Group at March 31, 2023, are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activity	Place of business country of incorporation	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Aaranyak Urmi Ltd	Food products	India	100%	100%	-	-
Aasthan Dates Ltd	Agri products	India	100%	100%	-	-
Amal Ltd	Chemicals	India	49.86%	49.86%	50.14%	50.14%
Amal Speciality Chemicals Ltd	Chemicals	India	49.86%	49.86%	50.14%	50.14%
Anchor Adhesives Pvt Ltd	Chemicals	India	100%	100%	-	-
Atul Aarogya Ltd	Healthcare products	India	100%	100%	-	-
Atul Ayurveda Ltd	Ayurvedic products	India	100%	100%	-	-
Atul Bioscience Ltd	Chemicals	India	100%	100%	-	-
Atul Biospace Ltd	Agri products	India	100%	100%	-	-
Atul Brasil Quimicos Ltda	Chemicals	Brasil	100%	100%	-	-
Atul China Ltd	Chemicals	China	100%	100%	-	-
Atul Clean Energy Ltd	Renewable energy	India	100%	100%	-	-
Atul Consumer Products Ltd	Polymers	India	100%	100%	-	-
Atul Crop Care Ltd	Agri products	India	100%	100%	-	-

Note 30.16 Interests in other entities (continued)

Name of the entity	Principal activity	Place of business country of incorporation	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
			As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Atul Deutschland GmbH	Chemicals	Germany	100%	100%	-	-
Atul Entertainment Ltd	Entertainment	India	100%	100%	-	-
Atul Europe Ltd	Chemicals	UK	100%	100%	-	-
Atul Finserv Ltd	Investments	India	100%	100%	-	-
Atul Fin Resources Ltd	Finance	India	100%	100%	-	-
Atul Healthcare Ltd	Healthcare	India	100%	100%	-	-
Atul Hospitality Ltd	Hospitality	India	100%	100%	-	-
Atul Infotech Pvt Ltd	Information Technology	India	100%	100%	-	-
Atul Ireland Ltd	Chemicals	Ireland	100%	100%	-	-
Atul Lifescience Ltd	Chemicals	India	100%	100%	-	-
Atul Middle East FZ-LLC	Chemicals	UAE	100%	100%	-	-
Atul Natural Dyes Ltd	Chemicals	India	100%	100%	-	-
Atul Natural Foods Ltd	Food products	India	100%	100%	-	-
Atul Nivesh Ltd	Investments	India	100%	100%	-	-
Atul Paints Ltd	Chemicals	India	100%	100%	-	-
Atul Polymers Products Ltd	Polymers	India	100%	100%	-	-
Atul Products Ltd	Chemicals	India	100%	100%	-	-
Atul Rajasthan Date Palms Ltd	Agri products	India	73.98%	73.98%	26.02%	26.02%
Atul Renewable Energy Ltd	Renewable energy	India	100%	100%	-	-
Atul (Retail) Brands Ltd	Retail	India	100%	100%	-	-
Atul Seeds Ltd	Agri products	India	100%	100%	-	-
Atul USA Inc	Chemicals	USA	100%	100%	-	-
Biyaban Agri Ltd	Agri products	India	100%	100%	-	-
DPD Ltd	Agri products	UK	98%	98%	2%	2%
Jayati Infrastructure Ltd	Infrastructure	India	100%	100%	-	-
Osia Dairy Ltd	Dairy	India	100%	100%	-	-
Osia Infrastructure Ltd	Infrastructure	India	100%	100%	-	-
Raja Dates Ltd	Agri products	India	100%	100%	-	-
Sehat Foods Ltd	Food products	India	100%	100%	-	-

The Group holds 49.86% of equity share capital of Amal Ltd. Based on facts and circumstances including dispersion of holdings of other shareholders, common promoters of both the companies, operational dependency on the company, the Group has concluded that Atul Ltd continues to control Amal Ltd as it has existing rights that give it the current ability to direct relevant activities of Amal Ltd.

b) Non-controlling interests (NCI)

Set out below the summarised financial information for the subsidiary company, which has non-controlling interests that are material to the Group. The amounts disclosed for subsidiary company are before inter-company eliminations.

Note 30.16 Interests in other entities (continued)

(₹ cr)

Summarised Balance Sheet	Amal Ltd	
	As at March 31, 2023	As at March 31, 2022
Current assets	11.28	4.81
Current liabilities	7.16	9.04
Net current assets	4.12	(4.23)
Non-current assets	105.60	63.77
Non-current liabilities	1.19	1.14
Net non-current assets	104.41	62.63
Net assets	108.53	58.40
Accumulated NCI	54.42	29.12

(₹ cr)

Summarised Statement of Profit and Loss	Amal Ltd	
	2022-23	2021-22
Revenue	43.19	45.30
Profit for the year	0.73	2.43
Other comprehensive income	0.03	(0.01)
Total comprehensive income	0.76	2.41
Profit allocated to NCI	0.38	1.21
Dividends paid to NCI	-	-

(₹ cr)

Summarised cash flows	Amal Ltd	
	2022-23	2021-22
Cash flows from operating activities	(1.17)	4.91
Cash flows from investing activities	(21.32)	(3.77)
Cash flows from financing activities	23.74	(1.22)
Net increase (decrease) in cash and cash equivalents	1.25	(0.08)

c) Interests in associate and joint venture company accounted for using the equity method

(₹ cr)

Name of the entity	Place of business country of incorporation	% of ownership interest	Relationship	Quoted fair value		Carrying amount	
				As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Rudolf Atul Chemicals Ltd	India	50%	Joint venture	*	*	20.37	28.11
Valsad Institute of Medical Sciences Ltd	India	50%	Associate	*	*	22.39	-
Total						42.76	28.11

*Note: Unlisted entity - no quoted price available

Rudolf Atul Chemicals Ltd

The Group acquired 50% interest in Rudolf Atul Chemicals Ltd (RACL), a joint venture company in India between IB Industriechemie Beteiligungs GmbH (Germany) and Atul Ltd on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the shareholders of RACL, both the companies have significant participating rights such that they jointly control the operations of the joint venture company.

Note 30.16 Interests in other entities (continued)

Valsad Institute of Medical Sciences Ltd

During the year, Atul Healthcare Ltd (wholly-owned subsidiary of Atul Ltd) acquired shares in Valsad Institute of Medical Sciences Ltd (VIMS) for setting up a modern multi-speciality and super speciality NABH compliant 200 bed hospital in Valsad effective from October 4, 2022.

i) Commitments and contingent liabilities in respect of the joint venture company

(₹ cr)

Particulars	As at March 31, 2023	As at March 31, 2022
Share in contingent liabilities in respect of disputed demands for income tax	0.32	0.32
Share in capital commitments	0.05	-
Total commitments and contingent liabilities	0.37	0.32

ii) Summarised financial information in respect of the joint venture company

The tables below provide summarised financial information in respect of the joint venture company that are material to the Group. The information disclosed are as presented in the Financial Statements of the joint venture company. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ cr)

Summarised Balance Sheet	Rudolf Atul Chemicals Ltd	
	As at March 31, 2023	As at March 31, 2022
Current assets		
Cash and cash equivalents	10.28	15.67
Other assets	39.32	46.57
Total current assets	49.60	62.24
Total non-current assets	11.53	10.56
Current liabilities		
Financial liabilities (excluding trade payables)	2.35	3.42
Other liabilities	16.63	11.63
Total current liabilities	18.98	15.05
Non-current liabilities		
Financial liabilities (excluding trade payables)	1.15	1.15
Other liabilities	0.27	0.42
Total non-current liabilities	1.42	1.57
Net assets	40.73	56.18

(₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	As at March 31, 2023	As at March 31, 2022
Opening net assets	56.21	48.63
Profit for the year	7.77	16.39
Other comprehensive income	0.10	(0.05)
Dividends paid	(23.35)	(8.76)
Closing net assets	40.73	56.21
Share of Group in %	50%	50%
Share of Group	20.37	28.11
Carrying amount	20.37	28.11

Note 30.16 Interests in other entities (continued)

Summarised Statement of Profit and Loss

(₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	2022-23	2021-22
Revenue	111.18	121.16
Interest income	0.98	1.37
Depreciation and amortisation	0.47	0.47
Interest expense	0.16	0.14
Income tax expense	2.73	5.38
Profit for the year	7.77	16.39
Other comprehensive income	0.10	(0.05)
Total comprehensive income	7.87	16.34
Dividends received	11.68	4.38

d) Interests in joint operation

Name of the entity	Principal activity	Place of business country of incorporation	Ownership interest held by the Group	
			As at March 31, 2023	As at March 31, 2022
			%	%
Anaven LLP	Chemicals	India	50%	50%

Note 30.17 Segment information

a) Description of segments and principal activities

The Group has determined the following reporting segments, based on the information reviewed by the Chief Operating Decision Maker:

Name of segment	Product groups
Life Science Chemicals	Active pharmaceutical ingredients and its intermediates, Crop protection chemicals
Performance and Other Chemicals	Adhesion promoters, Bulk chemicals, Epoxy resins and hardeners, Intermediates, Textile dyes
Others	Agribiotech, Food products, Services and others

Note 30.17 Segment information (continued)

b) Operating segment

(₹ cr)

Particulars	Life Science Chemicals		Performance and Other Chemicals		Others		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
i) Segment revenue								
Gross sales	1,959.16	1,465.10	3,706.17	3,759.18	49.64	69.98	5,714.97	5,294.26
Less: Inter-segment revenue	0.29	0.44	287.16	212.93	-	-	287.45	213.37
Net revenue from operations	1,958.87	1,464.66	3,419.01	3,546.25	49.64	69.98	5,427.52	5,080.89
ii) Segment results								
Profit before finance cost and tax	422.65	178.88	240.25	575.89	1.15	24.43	664.05	779.20
Less: Finance costs							7.90	9.17
Less: Other unallocable expenditure (net of unallocable income)							(27.86)	(31.55)
Add: Share of net profit of joint venture company							3.83	8.16
Profit before tax							687.84	809.74
iii) Other information								
Segment assets	1,310.18	1,199.03	3,280.99	2,904.22	195.02	162.49	4,786.19	4,265.74
Unallocated common assets							981.79	1,440.61
Total assets							5,767.98	5,706.35
Segment liabilities	266.43	284.69	559.24	652.11	31.24	47.36	856.91	984.16
Unallocated common liabilities							191.65	262.35
Total liabilities							1,048.56	1,246.51
Additions to assets and intangible assets	311.00	105.85	602.18	524.12	0.73	6.79	913.91	636.76
Unallocated additions to assets and intangible assets							-	3.69
Total capital expenditure*							913.91	640.45
Depreciation	47.65	45.96	141.98	123.05	4.59	4.12	194.22	173.13
Unallocated depreciation							3.59	3.56
Total depreciation							197.81	176.69

c) Geographical segment

(₹ cr)

Particulars	In India		Outside India		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Segment revenue	2,867.95	2,525.88	2,559.57	2,555.01	5,427.52	5,080.89
Carrying cost of assets by location of assets	5,482.68	5,343.32	285.30	363.03	5,767.98	5,706.35
Additions to assets and intangible assets*	905.75	640.45	8.16	-	913.91	640.45

*Including capital work-in-progress and capital advances

Note 30.17 Segment information (continued)

d) Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

e) Other disclosures

- i) The Group has disclosed business segment as the operating segment, which has been identified in line with the Ind AS 108 'Operating Segments' taking into account the organisation structure as well as the differing risks and returns.
- ii) The segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.
- iii) The Group accounts for inter-segment sales and transfers at market price.

Note 30.18 Disclosure of additional information pertaining to the parent, subsidiary, joint venture and associate companies | entities and joint operation as per Schedule III of the Companies Act, 2013

No.	Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ cr)	As % of consolidated profit and (loss)	Amount (₹ cr)	As % of consolidated other comprehensive income	Amount (₹ cr)	As % of consolidated total comprehensive income	Amount (₹ cr)
Parent company									
01.	Atul Ltd	87.08%	4,589.36	92.90%	491.57	108.99%	(96.07)	89.68%	395.50
Indian subsidiary companies									
01.	Aaranyak Urmi Ltd	-	0.11	-	0.01	-	-	-	0.01
02.	Aasthan Dates Ltd	0.03%	1.80	0.01%	0.05	-	-	0.01%	0.05
03.	Amal Ltd	1.65%	86.91	0.14%	0.73	(0.03%)	0.03	0.17%	0.76
04.	Amal Speciality Chemicals Ltd	0.56%	29.77	(3.13%)	(16.55)	-	-	(3.75%)	(16.55)
05.	Anchor Adhesives Pvt Ltd	0.01%	0.52	-	0.01	-	-	-	0.01
06.	Atul Aarogya Ltd	-	0.12	0.06%	0.31	-	-	0.07%	0.31
07.	Atul Ayurveda Ltd	-	0.08	0.20%	1.05	-	-	0.24%	1.05
08.	Atul Bioscience Ltd	1.26%	66.42	(0.98%)	(5.21)	(0.12%)	0.11	(1.16%)	(5.10)
09.	Atul Biospace Ltd	0.34%	18.01	0.51%	2.71	-	-	0.61%	2.71
10.	Atul Clean Energy Ltd	-	0.10	0.04%	0.23	-	-	0.05%	0.23
11.	Atul Crop Care Ltd	0.02%	0.84	0.46%	2.44	(0.12%)	0.11	0.58%	2.55
12.	Atul Consumer Products Ltd	0.02%	0.86	0.60%	3.15	(0.14%)	0.12	0.74%	3.27
13.	Atul Entertainment Ltd	-	0.10	-	0.02	-	-	-	0.02
14.	Atul Finserv Ltd	2.79%	146.90	1.21%	6.41	0.01%	(0.01)	1.45%	6.40
15.	Atul Fin Resources Ltd	0.39%	20.78	0.34%	1.80	(0.40%)	0.35	0.49%	2.15
16.	Atul Healthcare Ltd	0.43%	22.52	(0.05%)	(0.25)	-	-	(0.06%)	(0.25)
17.	Atul Hospitality Ltd	-	0.09	-	-	-	-	-	-
18.	Atul Infotech Pvt Ltd	0.40%	21.00	0.07%	0.38	(0.03%)	0.03	0.09%	0.41
19.	Atul Lifescience Ltd	-	-	-	-	-	-	-	-
20.	Atul Natural Dyes Ltd	-	0.01	-	-	-	-	-	-
21.	Atul Natural Foods Ltd	-	0.01	-	-	-	-	-	-
22.	Atul Nivesh Ltd	0.06%	3.40	0.04%	0.20	-	-	0.05%	0.20
23.	Atul Paints Ltd	-	0.01	-	-	-	-	-	-
24.	Atul Polymers Products Ltd	-	0.02	0.23%	1.21	-	-	0.27%	1.21
25.	Atul Products Ltd	0.07%	3.52	(0.07%)	(0.37)	-	-	(0.08%)	(0.37)

Note 30.18 Disclosure of additional information pertaining to the parent, subsidiary, joint venture and associate companies | entities and joint operation as per Schedule III of the Companies Act, 2013 (continued)

No.	Name of entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ cr)	As % of consolidated profit and (loss)	Amount (₹ cr)	As % of consolidated other comprehensive income	Amount (₹ cr)	As % of consolidated total comprehensive income	Amount (₹ cr)
26.	Atul Rajasthan Date Palms Ltd	0.14%	7.31	0.20%	1.04	-	-	0.24%	1.04
27.	Atul Renewable Energy Ltd	-	0.01	-	-	-	-	-	-
28.	Atul (Retail) Brands Ltd	-	0.10	0.09%	0.49	-	-	0.11%	0.49
29.	Atul Seeds Ltd	-	0.07	0.18%	0.96	-	-	0.22%	0.96
30.	Biyaban Agri Ltd	0.01%	0.55	-	0.02	-	-	-	0.02
31.	Jayati Infrastructure Ltd	-	0.07	0.18%	0.96	-	-	0.22%	0.96
32.	Osia Dairy Ltd	-	0.07	0.18%	0.96	-	-	0.22%	0.96
33.	Osia Infrastructure Ltd	0.14%	7.16	0.49%	2.61	-	-	0.59%	2.61
34.	Raja Dates Ltd	0.07%	3.49	(0.01%)	(0.07)	-	-	(0.02%)	(0.07)
35.	Sehat Foods Ltd	-	0.10	-	-	-	-	-	-
	Associate company (investment as per the equity method)								
01.	Valsad Institute of Medical Sciences Ltd	-	-	(0.02%)	(0.11)	-	-	(0.02%)	(0.11)
	Foreign subsidiary companies								
01.	Atul Brasil Quimicos Ltda	0.05%	2.76	0.18%	0.97	(0.06%)	0.05	0.23%	1.02
02.	Atul China Ltd	0.25%	13.04	0.07%	0.36	0.01%	(0.01)	0.08%	0.35
03.	Atul Deutschland GmbH	0.01%	0.28	(0.01%)	(0.05)	(0.02%)	0.02	(0.01%)	(0.03)
04.	Atul Europe Ltd	0.85%	44.75	0.38%	2.03	(1.68%)	1.48	0.80%	3.51
05.	Atul Ireland Ltd	0.01%	0.58	(0.01%)	(0.07)	0.01%	(0.01)	(0.02%)	(0.08)
06.	Atul Middle East FZ-LLC	0.12%	6.31	0.41%	2.17	(0.41%)	0.36	0.57%	2.53
07.	Atul USA Inc	1.03%	54.52	1.79%	9.46	(4.21%)	3.71	2.99%	13.17
08.	DPD Ltd	1.02%	53.90	2.43%	12.84	(1.80%)	1.59	3.27%	14.43
	Joint venture company (investment as per the equity method)								
01.	Rudolf Atul Chemicals Ltd	-	-	0.74%	3.94	-	-	0.89%	3.94
	Joint operation								
01.	Anaven LLP	1.17%	61.67	0.14%	0.74	-	-	0.17%	0.74
	Total (A)	100%	5,270.00	100%	529.15	100%	(88.14)	100%	441.01
	a) Adjustment arising out of consolidation		(598.62)		(15.06)		(0.43)		(15.49)
	b) Non-controlling interests								
01.	Amal Ltd		45.13		(7.99)		-		(7.99)
02.	Atul Rajasthan Date Palms Ltd		1.90		0.27		-		0.27
03.	DPD Ltd		1.01		0.26		-		0.26
	Total (B)		48.04		(7.46)		-		(7.46)
	Total (B)		(550.58)		(22.52)		(0.43)		(22.95)
	Grand Total (A+B)		4,719.42		506.63		(88.57)		418.06



Note 30.19 Relationship with struck off companies

The Group does not have any transactions during the year and also does not have outstanding balance as at March 31, 2023, with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

Note 30.20 Fire incident

An incident of fire occurred on April 20, 2022, in one of the plants at Atul, Gujarat. There was no fatality or injury to any person, and damage was restricted to the affected plant. The Company has written off the carrying value of the assets destroyed by fire amounting to ₹ 35.60 cr during the quarter ended on June 30, 2022 | year ended on March 31, 2023, by including it in other expenses. The Company has filed a claim in this regard with the insurance company which is under process. Against this claim, the Company has received interim approval of ₹ 31.28 cr during the year ended on March 31, 2023, which is included in other income. The Company will claim further amounts when spent.

Note 30.21 Other statutory information (as required by Schedule III to the Companies Act, 2013)

- The Parent and Indian subsidiary companies have not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Parent and Indian subsidiary companies have complied with the number of layers prescribed under Clause (87) of Section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- The Group is not declared wilful defaulter by any bank or financial institution or other lender.
- The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- No proceedings have been initiated or are pending against the Parent and Indian subsidiary companies for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.
- No loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.
- The Parent and Indian subsidiary companies do not have any charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.

Note 30.22 Authorisation for issue of the Consolidated Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on April 28, 2023.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Ketan Vora Partner	T R Gopi Kannan (DIN:00048645) Whole-time Director and CFO	R A Shah (DIN:00009851)	M M Chitale (DIN:00101004)	S S Lalbhai (DIN:00045590) Chairman and Managing Director
	L P Patni Company Secretary	B S Mehta (DIN:00035019)	S A Panse (DIN:02599310)	S A Lalbhai (DIN:00009278) Managing Director
	B N Mohanan (DIN:00198716) Whole-time Director and President - U&S	S M Datta (DIN:00032812)	B R Arora (DIN:00194168)	
Mumbai April 28, 2023		V S Rangan (DIN:00030248)	P J Banerjee (DIN:02985965) Directors	Mumbai April 28, 2023

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 companies, associate company and joint arrangements

Part A: Subsidiary companies

No.	Name of the entity	Reporting period for the concerned subsidiary company, if different from that of holding company	Reporting currency and exchange rate as on date of the relevant financial year in case of foreign subsidiary companies		Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% Shareholding
			Currency	Exchange rate											
01.	Aaranyak Urmi Ltd	NA	NA	NA	0.21	(0.09)	0.36	0.24	-	0.31	0.01	0.00	0.01	-	100%
02.	Aasthan Dates Ltd	NA	NA	NA	2.10	(0.30)	1.80	0.00	-	0.05	0.05	(0.00)	0.05	-	100%
03.	Amal Ltd	NA	NA	NA	12.36	74.54	95.25	8.35	55.43	38.29	1.37	0.64	0.73	-	49.85%
04.	Amal Speciality Chemicals Ltd	NA	NA	NA	7.72	22.05	101.25	71.48	-	22.82	(16.55)	-	(16.55)	-	49.85%
05.	Anchor Adhesives Pvt Ltd	NA	NA	NA	0.59	(0.06)	0.52	0.00	-	-	0.02	0.01	0.01	-	100%
06.	Atul Aarogya Ltd	NA	NA	NA	0.07	0.05	0.12	0.00	-	-	0.32	0.01	0.31	0.33	100%
07.	Atul Ayurveda Ltd	NA	NA	NA	0.08	0.00	0.11	0.03	-	-	1.05	0.00	1.05	1.07	100%
08.	Atul Bioscience Ltd	NA	NA	NA	29.02	37.40	169.82	103.40	0.01	158.36	(6.73)	(1.52)	(5.21)	-	100%
09.	Atul Biospace Ltd	NA	NA	NA	11.03	6.98	18.66	0.65	10.00	4.12	2.80	0.09	2.71	2.60	100%
10.	Atul Brasil Quimicos Ltda	NA	BRL	16.19	1.15	1.61	3.16	0.40	-	1.98	1.01	-	1.01	-	100%
11.	Atul China Ltd	NA	CNY	11.95	4.05	8.99	43.08	30.04	-	203.00	0.39	0.02	0.37	-	100%
12.	Atul Clean Energy Ltd	NA	NA	NA	0.10	(0.00)	0.10	-	-	-	0.24	-	0.23	0.23	100%
13.	Atul Crop Care Ltd	NA	NA	NA	0.05	0.79	3.78	2.94	-	15.99	2.71	0.28	2.44	1.62	100%
14.	Atul Consumer Products Ltd	NA	NA	NA	0.05	0.81	2.84	1.98	0.03	15.80	3.40	0.25	3.15	2.37	100%
15.	Atul Deutschland GmbH	NA	Euro	89.38	0.89	(0.61)	0.71	0.43	-	-	(0.05)	-	(0.05)	-	100%
16.	Atul Entertainment Ltd	NA	NA	NA	0.07	0.03	0.11	-	-	-	0.02	0.00	0.02	-	100%
17.	Atul Europe Ltd	NA	GBP	101.75	33.47	11.28	76.01	31.26	10.30	168.09	2.67	0.54	2.13	-	100%
18.	Atul Finserv Ltd	NA	NA	NA	46.45	100.45	149.40	2.50	127.89	7.79	6.61	0.20	6.41	6.32	100%
19.	Atul Fin Resources Ltd	NA	NA	NA	15.58	5.21	21.02	0.23	5.97	1.18	2.16	0.36	1.80	1.07	100%
20.	Atul Healthcare Ltd	NA	NA	NA	22.77	(0.25)	22.52	-	22.50	-	(0.25)	-	(0.25)	-	100%
21.	Atul Hospitality Ltd	NA	NA	NA	0.06	0.03	0.09	-	-	-	0.01	0.01	0.00	-	100%

Statement containing salient features of the Financial Statements of subsidiary companies, associate company and joint arrangements Part A: Subsidiary companies (continued)

No.	Name of the entity	Reporting period for the concerned subsidiary company, if different from that of holding company	Reporting currency and exchange rate as on date of the relevant financial year in case of foreign subsidiary companies		Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% Shareholding
			Currency	Exchange rate											
22.	Atul Infotech Pvt Ltd	NA	NA	NA	0.30	20.70	21.75	0.75	0.03	4.44	0.51	0.13	0.38	0.56	100%
23.	Atul Ireland Ltd	NA	Euro	89.38	0.89	(0.32)	1.27	0.69	-	4.12	(0.08)	-	(0.08)	-	100%
24.	Atul Lifescience Ltd	NA	NA	NA	0.01	(0.00)	0.00	0.00	-	-	-	-	-	-	100%
25.	Atul Middle East FZ-LLC	NA	AED	22.38	0.67	5.64	6.52	0.21	-	11.21	2.22	-	2.22	-	100%
26.	Atul Natural Dyes Ltd	NA	NA	NA	0.01	(0.00)	0.01	-	-	-	-	-	-	-	100%
27.	Atul Natural Foods Ltd	NA	NA	NA	0.01	(0.00)	0.01	-	-	-	(0.00)	-	(0.00)	-	100%
28.	Atul Nivesh Ltd	NA	NA	NA	2.50	0.90	3.40	0.00	-	-	0.27	0.07	0.20	-	100%
29.	Atul Paints Ltd	NA	NA	NA	0.01	(0.00)	0.01	-	-	-	(0.00)	-	(0.00)	-	100%
30.	Atul Polymers Products Ltd	NA	NA	NA	0.05	(0.03)	0.16	0.13	-	-	1.24	0.03	1.21	1.24	100%
31.	Atul Products Ltd	NA	NA	NA	5.00	(1.48)	844.24	840.75	-	-	(0.38)	(0.02)	(0.37)	-	100%
32.	Atul Rajasthan Date Palms Ltd	NA	NA	NA	8.11	(0.80)	21.18	13.87	-	1.03	0.94	(0.10)	1.04	-	73.98%
33.	Atul Renewable Energy Ltd	NA	NA	NA	0.01	(0.00)	0.01	-	-	-	(0.00)	-	(0.00)	-	100%
34.	Atul (Retail) Brands Ltd	NA	NA	NA	0.10	(0.00)	0.10	-	-	-	0.50	0.00	0.49	0.50	100%
35.	Atul Seeds Ltd	NA	NA	NA	0.09	(0.03)	0.10	0.03	-	-	0.96	0.00	0.96	0.99	100%
36.	Atul USA Inc	NA	USD	82.17	16.43	38.09	123.28	68.76	-	576.40	13.03	3.34	9.69	-	100%
37.	Biyaban Agri Ltd	NA	NA	NA	1.09	(0.54)	0.57	0.01	-	0.02	0.02	-	0.02	-	100%
38.	DPD Ltd	NA	GBP	101.75	2.54	51.41	69.79	15.84	-	41.25	15.95	2.45	13.50	-	98.00%
39.	Jayati Infrastructure Ltd	NA	NA	NA	0.09	(0.02)	0.10	0.03	-	-	0.96	0.00	0.96	0.99	100%
40.	Osia Dairy Ltd	NA	NA	NA	0.09	(0.03)	0.10	0.03	-	-	0.97	0.00	0.96	0.99	100%
41.	Osia Infrastructure Ltd	NA	NA	NA	3.85	3.31	8.72	1.56	-	22.85	3.37	0.76	2.61	0.29	100%
42.	Raja Dates Ltd	NA	NA	NA	4.10	(0.61)	3.57	0.08	-	0.06	(0.08)	(0.01)	(0.07)	-	100%
43.	Sehat Foods Ltd	NA	NA	NA	0.10	0.00	0.10	0.00	-	-	0.00	0.00	0.00	-	100%

AED: United Arab Emirate Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, US\$: United States Dollar

Statement containing salient features of the Financial Statements of subsidiary companies, associate company and joint arrangements
Part B: Associate company and joint arrangements

(₹ cr)

No.	Name of the entity	Latest audited Balance Sheet date	Shares of associate joint arrangements held by the Company on the year end		Description of significant influence	Reason why the associate joint arrangements are not consolidated	Net worth attributable to shareholding as per the latest audited Balance Sheet	Accumulated profit (loss)	Profit (Loss) for the year	
			No.	Amount of investment					Extent of holding %	Considered in consolidation
	Associate company									
1.	Valsad Institute of Medical Sciences Ltd	March 31, 2023	13,50,000	22.50	50.00%	NA	22.39	(0.29)	(0.11)	(0.18)
	Joint venture company									
1.	Rudolf Atul Chemicals Ltd	March 31, 2023	29,18,750	6.13	50.00%	Refer Note 1	20.37	30.36	3.94	3.94
	Joint operation									
1.	Anaven LLP	March 31, 2023		67	50.00%	Refer Note 2	61.62	(10.66)	0.74	0.74

Note 1: By representation on the Board of Directors of the joint venture company, the Company participation in the policy making process.

Note 2: This is a jointly controlled entity.

Corporate information

Directors

Mr Sunil Lalbhai

(Chairman and Managing Director)

Mr Rajendra Shah

Mr Bansi Mehta

(retired on May 31, 2023)

Mr Samveg Lalbhai

(Managing Director)

Mr Susim Datta

Mr Bharathy Mohanan

(Whole-time Director and President -
Utilities and Services)

Mr Srinivasa Rangan

Mr Mukund Chitale

Mr Gopi Kannan Thirukonda

(Whole-time Director and CFO)

Ms Shubhalakshmi Panse

Mr Baldev Arora

Mr Pradeep Banerjee

(effective May 01, 2022)

Mr Rangaswamy Iyer

(effective May 01, 2023)

Company Secretary

Mr Lalit Patni

Statutory Auditors

Deloitte Haskins & Sells LLP

Cost Auditors

R Nanabhoy & Co

Secretarial Auditors

SPANJ & Associates

Registered office

Atul House

G I Patel Marg

Ahmedabad 380 014, Gujarat

India

Head office

Atul 396 020, Gujarat

India

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

Website: www.atul.co.in

Bankers

Axis Bank

Bank of Baroda

Bank of India

Export Import Bank of India

State Bank of India

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



Lalbhai Group