

Balance Sheet as at March 31, 2024

(₹ lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
A ASSETS			
1. Non-current assets			
a) Property, plant and equipment	2	84,311.04	238.10
b) Capital work-in-progress	2	3,447.81	71,583.12
c) Intangible assets	2.1	25.01	-
d) Financial assets			
i) Other financial assets	3	237.48	221.05
e) Income tax assets (net)	25.03	10.31	9.24
f) Other non-current assets	4	8,132.07	9,076.72
Total non-current assets		96,163.72	81,128.23
2. Current assets			
a) Inventories	5	1,105.43	-
b) Financial assets			
i) Investments	6	291.21	-
ii) Trade receivables	7	1,942.85	-
iii) Cash and cash equivalents	8	172.94	36.30
iv) Other financial assets	3	0.81	0.10
c) Other current assets	4	4,708.57	3,262.47
Total current assets		8,221.81	3,298.87
Total assets		1,04,385.53	84,427.10
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	500.00	500.00
b) Other equity	10	45,323.46	(147.59)
Total equity		45,823.46	352.41
Liabilities			
1. Non-current liabilities			
a) Financial liabilities			
i) Borrowings	11	49,303.19	63,745.00
ii) Lease liabilities	25.11	164.90	230.27
b) Provisions	12	15.63	1.40
Total non-current liabilities		49,483.72	63,976.67
2. Current liabilities			
a) Financial liabilities			
i) Borrowings	11	56.71	12,300.00
ii) Trade payables			
Total outstanding dues of			
a) Micro-enterprises and small enterprises	13	42.32	-
b) Creditors other than micro-enterprises and small enterprises	13	1,488.78	0.75
iii) Lease liabilities	25.11	14.70	20.11
iv) Other financial liabilities	14	6,609.18	7,671.41
b) Contract liabilities	15	809.90	-
c) Other current liabilities	16	55.49	105.64
d) Provisions	12	1.27	0.11
Total current liabilities		9,078.35	20,098.02
Total liabilities		58,562.07	84,074.69
Total equity and liabilities		1,04,385.53	84,427.10

The accompanying Notes 1-25 form an integral part of the Financial Statements.

In terms of our report attached

For B R Shah & Associates

Chartered Accountants

FRN: 129053W

For and on behalf of the Board of Directors

Bharat Joshi

(DIN: 02952299)

Director

Deval Desai

Partner

Membership No. 132426

Lalit Patni

(DIN:02564572)

Director

Ahmedabad
April 18, 2024Atul
April 18, 2024

Atul Products Ltd

Statement of Profit and Loss



for the year ended March 31, 2024

(₹ lakhs)

Particulars	Note	2023-24	2022-23
INCOME			
Revenue from operations	17	6,485.40	-
Other income	18	66.89	1.00
Total income		6,552.29	1.00
EXPENSES			
Cost of materials consumed	19	477.79	-
Changes in inventories of finished goods and work-in-progress	20	(177.44)	-
Power, fuel and water	21	4,602.84	-
Employee benefit expenses	22	213.21	2.64
Finance costs	23	1,872.07	-
Depreciation and amortisation expenses	2	2,426.14	2.55
Other expenses	24	373.06	34.28
Total expenses		9,787.67	39.47
Profit (Loss) before tax		(3,235.38)	(38.47)
Tax expense			
Current tax	25.03	0.09	(1.82)
Deferred tax	25.03	-	-
Total tax expense		0.09	(1.82)
Profit (Loss) for the year		(3,235.47)	(36.65)
Other comprehensive income			
a) Items that will not be reclassified to profit (loss)			
i) Remeasurement gain (loss) on defined benefit plans (net of taxes)		(0.56)	-
Other comprehensive income, net of tax		(0.56)	-
Total comprehensive income for the year		(3,236.03)	(36.65)
Earnings per equity share of ₹ 10 each			
Basic earnings (₹)	25.08	(64.71)	(0.73)
Diluted earnings (₹)	25.08	(64.71)	(0.73)

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Bharat Joshi
(DIN: 02952299)

Director

Deval Desai

Membership No. 132426

Lalit Patni
(DIN:02564572)

Director

Ahmedabad

April 18, 2024

Ahmedabad

April 18, 2024

Atul Products Ltd
Statement of changes in equity
for the year ended March 31, 2024



A Equity share capital

		(₹ lakhs)
Particulars	Note	Amount
As at March 31, 2022		500.00
Changes in equity share capital during the year		-
As at March 31, 2023		500.00
Changes in equity share capital during the year		-
As at March 31, 2024	9	500.00

B Other equity

				(₹ lakhs)
Particulars	Equity component of non-cumulative redeemable preference shares	Reserves and surplus		Total other equity
		Retained earnings		
As at March 31, 2022	-	(110.94)		(110.94)
Profit (Loss) for the year	-	(36.65)		(36.65)
As at March 31, 2023	-	(147.59)		(147.59)
Profit (Loss) for the year	-	(3,235.47)		(3,235.47)
Other comprehensive income, net of tax	-	(0.56)		(0.56)
Issued during the year	49,037.19	-		49,037.19
Share issue expenses, net of tax	-	(330.11)		(330.11)
As at March 31, 2024	49,037.19	(3,713.73)		45,323.46

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Bharat Joshi

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Ahmedabad

April 18, 2024

Atul

April 18, 2024

Atul Products Ltd
Statement of Cash Flows
for the year ended March 31, 2024



(₹ lakhs)

Particulars	2023-24	2022-23
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) before tax	(3,235.38)	(38.47)
Adjustments for:		
Depreciation and amortisation expenses	2,426.14	2.55
Finance costs	1,872.07	-
Unrealised exchange rate difference (net)	(56.13)	3.01
Interest income	(20.01)	(0.47)
Interest from others	(0.47)	(0.53)
Gain on disposal of current investments measured at FVTPL (net)	(1.23)	-
Operating Profit (loss) before changes in operating assets and liabilities	985.00	(33.91)
Adjustments for:		
(Increase) Decrease in inventories	(1,105.43)	-
(Increase) Decrease in non-current and current assets	(3,096.67)	(8,329.13)
(Increase) Decrease in non-current and current liabilities	2,363.54	45.29
	(1,838.56)	(8,283.84)
Cash used in operations	(853.57)	(8,317.75)
Income tax paid (net of refund)	1.16	(1.61)
Net cash used in operating activities	A (854.73)	(8,316.14)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payments towards property, plant and equipment (including capital advances)	(14,122.62)	(38,132.05)
Redemption of (Investment in) bank deposits (net)	(16.43)	(221.05)
Redemption of (Investment in) current investments measured at FVTPL (net)	(289.98)	-
Interest received	20.48	0.05
Net cash used in investing activities	B (14,408.55)	(38,353.05)
C CASH FLOW FROM FINANCING ACTIVITIES		
Disbursements of borrowings ¹	31,778.23	50,705.00
Repayment of loan	(9,973.15)	-
Interest paid	(6,044.54)	(4,009.90)
Payment of lease liabilities	(30.50)	(30.50)
Share issue expenses	(330.11)	-
Net cash flow from financing activities	C 15,399.93	46,664.60
Net increase in cash and cash equivalents	A+B+C 136.64	(4.59)
Cash and cash equivalents at the beginning of the year	36.30	40.89
Cash and cash equivalents at the end of the year (refer Note 8)	172.94	36.30

¹ During the year 2023-24, unsecured borrowings (from Atul Ltd) and 9% Cumulative redeemable preference shares aggregating ₹ 67,021.85 lakhs and ₹ 94,50.00 lakhs respectively are converted into 76,47,18,500 9.5% non-cumulative redeemable preference shares at ₹ 10 per share.

² The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015, as amended.

³ Reconciliation of changes in liabilities arising from financing activities.

Particulars	As at March 31, 2024	As at March 31, 2023
Net debt as at the beginning of the year	76,045.00	25,340.00
Disbursements	31,778.24	50,705.00
Repayments and Equity component of non-cumulative redeemable preference shares	(59,010.34)	-
Interest expense	6,591.54	4,009.90
Interest paid	(6,044.54)	(4,009.90)
Net debt as at the end of the year	49,359.90	76,045.00

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In terms of our report attached

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Chartered Accountants

FRN: 129053W

Deval Desai

Membership No. 132426

Ahmedabad

April 18, 2024

For and on behalf of the Board of Directors

Bharat Joshi

(DIN: 02952299)

Director

Lalit Patni

(DIN:02564572)

Director

Atul

April 18, 2024

Background

Atul Products Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India, having CIN U24304GJ2020PLC117189. The Company is a wholly owned subsidiary of Atul Ltd. Its registered office is located at E-7 east site, Atul, Valsad, Gujarat 396020, India and its principal place of business is located at Atul 396 020, Gujarat, India.

The Company is formed with an objective of setting up manufacturing facilities for basic and speciality chemicals. The Company has commissioned its 300 tpd Caustic and 50 MW power plant in December 2023.

Note 1 Material accounting policies

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

a) Statement of compliance

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) 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 Financial Statements have been prepared on a historical cost basis.

ii) The 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 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, 2024:

Ministry of Corporate Affairs (MCA) notifies new standards | amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2024.

c) Foreign currency transactions

i) Functional and presentation currency

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

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date 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 Statement of Profit and Loss, except that they are deferred in other equity if they relate to qualifying cash flow hedges.

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 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.

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.

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 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) **Lease**

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 the lease arrangements in which it is lessee, except for short-term leases (leases with a term of 12 months or less), leases of low value asset 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.

g) **Property, plant and equipment**

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 Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

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

Depreciation methods, estimated useful lives and residual value

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value 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 straight-line method from the date of acquisition | installation till the date the assets are sold or disposed of:

Asset category	Estimated useful life
Buildings	30 years
Plant and equipment ¹	6 to 25 years
Vehicles	6 to 10 years
Office equipment and furniture	3 to 10 years
Roads	5 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.

h) 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.

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

i) 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.

j) 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.

k) 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 Effective Interest Rate (EIR) method.

l) Inventories

Inventories 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.

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.

m) 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.

n) Financial liabilities**i) Classification as debt or equity:**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

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

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or it expires.

o) Offsetting financial instruments

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

p) Borrowings

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

q) 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.

r) 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.

s) **Employee benefits**i) **Defined Benefit plan**a) **Gratuity**

Gratuity liability is a defined benefit obligation and is computed on the basis of 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 assets recognised in the balance sheet in respect of defined benefit gratuity plan, 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 represented by creation of separate fund and is used to meet the liability as and when it become due for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as liability with a corresponding charge to the statement of Profit and loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plan

Contributions to defined contribution schemes such as contribution to provident fund and labour welfare fund are charged as an expense to Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

Short-term employee benefits

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits, etc, are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

Other long-term employee benefits

The liabilities for earned leave is 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.

t) **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 or loss for the period attributable to equity shareholders and the weighted average number

Critical estimates and judgements

Preparation of the 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 Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the 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 Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1(e)
- ii) Estimation of useful life of Property, plant & equipment: Note 1(g)
- iii) Estimation of Provision for inventories: Note 1(k)
- iii) Fair value measurements: Note 25.04
- iv) Estimation of defined benefit obligations : Note 1(r)

Estimates and Judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

Note 2 Property, plant and equipment and Capital work-in-progress

(₹ lakhs)

Particulars	Right-of-use leasehold land ¹	Buildings	Plant & Equipments	Vehicles	Roads	Office Equipment	Furniture and fixtures	Total	Capital work-in-progress ²
Gross carrying amount									
As at March 31, 2022	277.82	-	-	-	-	5.36	4.58	287.76	18,637.54
Additions	-	-	-	-	-	-	-	-	52,945.58
Disposals, transfers and adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2023	277.82	-	-	-	-	5.36	4.58	287.76	71,583.12
Additions	-	2,544.69	83,576.21	0.21	365.82	9.77	47.01	86,543.71	18,408.40
Disposals, transfers and adjustments	(80.35)	-	-	-	-	-	-	(80.35)	(86,543.71)
As at March 31, 2024	197.47	2,544.69	83,576.21	0.21	365.82	15.13	51.59	86,751.12	3,447.81
Depreciation Amortisation									
Up to March 31, 2022	18.52	-	-	-	-	0.60	0.21	19.33	-
For the year	27.78	-	-	-	-	1.70	0.85	30.33	-
Disposals, transfers and adjustments	-	-	-	-	-	-	-	-	-
Up to March 31, 2023	46.30	-	-	-	-	2.30	1.06	49.66	-
For the year	19.75	26.76	2,354.79	0.07	24.39	2.38	2.00	2,430.14	-
Disposals, transfers and adjustments	(39.72)	-	-	-	-	-	-	(39.72)	-
Up to March 31, 2024	26.33	26.76	2,354.79	0.07	24.39	4.68	3.06	2,440.08	-
Net carrying amount									
As at March 31, 2023	231.52	-	-	-	-	3.06	3.52	238.10	71,583.12
As at March 31, 2024	171.14	2,517.93	81,221.42	0.14	341.43	10.45	48.53	84,311.04	3,447.81

Notes:

¹ Refer Note 25.11 for disclosure of Right-of-use assets under lease.² Capital work-in-progress mainly comprises projects in progress.

Refer Note 25.01 for disclosure of contractual commitment for acquisition of property, plant and equipment.

Capital work-in-progress ageing

(₹ lakhs)

Particulars	As at March 31, 2024					As at March 31, 2023				
	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	1,057.65	2,365.83	24.33	-	3,447.81	52,945.58	18,612.78	24.76	-	71,583.12

Capital work-in-progress completion schedule

(₹ lakhs)

Particulars	As at March 31, 2024				As at March 31, 2023			
	To be completed in				To be completed in			
	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
Projects in progress	3,447.81	-	-	-	52,945.58	18,612.78	24.76	-

Atul Products Ltd

Notes to the Financial Statements



		(₹ lakhs)
Note 2.1 Intangible Assets		Computer Software
Gross carrying amount		
As at March 31, 2022		-
As at March 31, 2023		-
Additions		35.70
As at March 31, 2024		35.70
Depreciation Amortisation		
Upto March 31, 2022		-
As at March 31, 2023		-
For the Year		10.69
As at March 31, 2024		10.69
Net carrying amount		
As at March 31, 2023		-
As at March 31, 2024		25.01

		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
Note 3 Other financial assets					
a)	Security deposits for utilities and premises	236.30	-	221.05	-
b)	Other receivables	1.18	0.81	-	0.10
		237.48	0.81	221.05	0.10

		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
Note 4 Other assets					
a)	Prepaid expenses	2.77	83.74	-	-
b)	Interest receivable	-	-	-	0.42
c)	GST receivable	8,036.44	4,587.52	8,332.62	3,262.05
d)	Capital advances	92.86	-	744.10	-
e)	Other advances	-	37.31	-	-
		8,132.07	4,708.57	9,076.72	3,262.47

		As at March 31, 2024	As at March 31, 2023
Note 5 Inventories			
a)	Raw materials	522.01	-
b)	Finished goods and work-in-progress	177.44	-
c)	Stores, spares and fuel	405.98	-
		1,105.43	-

Notes :

- Measured at lower of cost and net realisable value
- Secured against working capital facilities provided by the bank

		As at March 31, 2024	As at March 31, 2023
Note 6 Investments			
	Unquoted		
	Investments in mutual funds measured at FVTPL	291.21	-
		291.21	-

		As at March 31, 2024	As at March 31, 2023
Note 7 Trade receivables			
Considered good - unsecured			
a)	Related parties (refer Note 25.02)	783.13	-
b)	Others	1,159.72	-
		1,942.85	-

Notes :

- Trade receivables consists of customers for which ongoing credit evaluation is performed on the financial condition of the account receivables. Based on evaluation, allowance for doubtful debts recognised in the Statement of Profit and loss is Nil.

Atul Products Ltd

Notes to the Financial Statements



Trade receivables ageing

(₹ lakhs)

No.	Particulars	As at March 31, 2024						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	1,787.38	155.47	-	-	-	-	1,942.85
	Allowance for doubtful debts	-	-	-	-	-	-	-
	Total	1,787.38	155.47	-	-	-	-	1,942.85

(₹ lakhs)

Note 8 Cash and cash equivalents		As at March 31, 2024	As at March 31, 2023
a)	Balances with banks in current accounts	172.94	36.30
		172.94	36.30

Note 9 Equity share capital	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ lakhs	Number of shares	₹ lakhs
Authorised				
Equity shares of ₹ 10 each, fully paid	50,00,000	500.00	50,00,000	500.00
	50,00,000	500.00	50,00,000	500.00
Issued and subscribed				
Equity shares of ₹ 10 each, fully paid	50,00,000	500.00	50,00,000	500.00
	50,00,000	500.00	50,00,000	500.00

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 dividend proposed by the Board, if any, is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Details of shareholders holding more than 5% of equity shares:

No.	Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd (Holding Company)	99.9999%	49,99,994	99.9999%	49,99,994

c) Reconciliation of the number of shares outstanding and the amount of equity share capital:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ lakhs	Number of shares	₹ lakhs
Balance as at the beginning of the year	50,00,000	500.00	50,00,000	500.00
Add: Issue of equity shares	-	-	-	-
Balance as at the end of the year	50,00,000	500.00	50,00,000	500.00

d) Shareholding of promoters

No.	Promoter name	As at March 31, 2024			As at March 31, 2023		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1.	Atul Ltd	49,99,994	99.9999%	0.00%	49,99,994	99.9999%	0.00%
2.	Atul Ayurveda Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
3.	Atul Consumer Products Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
4.	Atul Clean Energy Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
5.	Atul Entertainment Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
6.	Osia Infrastructure Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%
7.	Atul Crop Care Ltd	1	0.0000%	0.00%	1	0.0000%	0.00%

Atul Products Ltd

Notes to the Financial Statements



		(₹ lakhs)			
Note 10 Other equity		As at March 31, 2024		As at March 31, 2023	
	Retained earnings		(3,713.73)		(147.59)
	Other reserves				
	i) Equity component of non-cumulative redeemable preference shares		49,037.19		-
	Balance as at the end of the year		45,323.46		(147.59)

Nature and purpose of reserves

a) 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.

		(₹ lakhs)			
Note 11 Borrowings		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
a)	Unsecured loans from holding Company (refer Note a)	-	-	76,045.00	-
b)	9.5% non-cumulative redeemable preference shares	34,181.67			
c)	Secured loan from financial institutions				
	i) Secured loan from HDFC Bank (refer Note b)	5,670.88	-	-	-
	ii) Secured loan from Federal Bank (refer Note b)	9,507.35	-	-	-
	Amount of current maturities of long-term debt disclosed under the head 'current borrowing'	(56.71)	56.71	(12,300.00)	12,300.00
		49,303.19	56.71	63,745.00	12,300.00

Notes :

a) During the year prepayment done for unsecured loan amounting to ₹ 9973.15 lakhs and unsecured loan aggregating ₹ 67021.85 lakhs and 9% cumulative redeemable preference shares aggregating ₹ 9450 lakhs converted into 76,47,18,500 9.5% non-cumulative redeemable preference shares at face value of ₹10 each.

b) Security details:

Term loans from banks (March 31, 2024: ₹ 15178.23 lakhs, March 31, 2023: nil) is secured by the whole immovable and movable properties including machinery, machinery spares, tools and accessories, inventory and other movable assets to the extent of bank limit.

c) Terms | Rights Attached to preference shares

The Company has only one class of 9.5% non-cumulative redeemable preference shares having a par value of ₹ 10 Per Share. These shares are redeemable at par after 7 years with ₹ 16,534 lakhs annually starting from financial year 2031-32 to 2035-36. These preference shares are held by Atul Ltd, holding Company. The Company has not declared any dividend on preference shares during the year.

d) Preference share capital

		(₹ lakhs)			
Details of Preference share capital:		As at March 31, 2024		As at March 31, 2023	
Authorised					
	93,02,70,000 9.5% non-cumulative redeemable preference shares of ₹10 each		93,027.00		-
Issued, subscribed and paid -up					
	82,67,18,500 9.5% non-cumulative redeemable preference shares of ₹10 each		82,671.85		-

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

		(₹ lakhs)			
Particulars		As at March 31, 2024		As at March 31, 2023	
i)	Property, plant and equipment	84,139.90		6.58	
ii)	Capital work-in-progress	3,447.81		71,583.12	
iii)	Trade receivables	1,942.85		-	
iv)	Cash and cash equivalents	172.94		36.30	
v)	Other current financial assets	0.81		0.10	
vi)	Other current assets	4,999.78		3,262.47	
vii)	Inventories	1,105.43		-	
	Total assets as security	95,809.52		74,888.57	

		(₹ lakhs)			
Note 12 Provisions		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
a)	Provision for retirement benefits	5.79	0.01	0.46	0.00
b)	Provision for compensated absences	9.84	1.26	0.94	0.11
		15.63	1.27	1.40	0.11

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Notes to the Financial Statements



a) Information about individual provisions and significant estimates

i) Compensated absences:

The Compensated absences cover the liability for earned leave. Out of the total amount disclosed above, the amount of ₹ 1.26 Lakhs (March 31, 2023 : 0.11) 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.

Note 13 Trade payables		As at March 31, 2024	As at March 31, 2023
a)	Total outstanding dues of micro-enterprises and small enterprises (refer Note 25.09)	42.32	-
b)	Total outstanding dues of creditors other than micro-enterprises and small enterprises		
	- others	1,488.78	0.75
	Total	1,531.10	0.75

(₹ lakhs)

Trade payables ageing

No.	Particulars	As at March 31, 2024						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	-	42.32	0.00	-	-	-	42.32
2.	Others	319.68	759.70	409.40	-	-	-	1,488.78
3.	Disputed dues – MSME	-	-	-	-	-	-	-
4.	Disputed dues – Others	-	-	-	-	-	-	-
	Total	319.68	802.02	409.40	-	-	-	1,531.10

(₹ lakhs)

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	-	-	-	-	-	-	-
2.	Others	0.75	-	-	-	-	-	0.75
3.	Disputed dues – MSME	-	-	-	-	-	-	-
4.	Disputed dues – Others	-	-	-	-	-	-	-
	Total	0.75	-	-	-	-	-	0.75

(₹ lakhs)

Note 14 Other financial liabilities		As at March 31, 2024		As at March 31, 2023	
		Non-current	Current	Non-current	Current
a)	Employee benefits payable	-	67.78	-	9.68
b)	Security deposits	-	0.51	-	-
c)	Creditor for capital goods of micro-enterprises and small enterprises (refer Note 25.09)	-	2,040.56	-	2,359.51
d)	Creditor for capital goods other than micro-enterprises and small enterprises				
	i) Related parties (refer Note 25.02)	-	449.76	-	112.35
	ii) Others	-	4,050.57	-	5,189.87
	Total	-	6,609.18	-	7,671.41

(₹ lakhs)

Note 15 Contract liabilities		As at March 31, 2024	As at March 31, 2023
a)	Advances received from customers	809.90	-
	Total	809.90	-

(₹ lakhs)

Note 16 Other current liabilities		As at March 31, 2024	As at March 31, 2023
a)	Statutory dues	55.22	105.62
b)	Others	0.27	0.02
	Total	55.49	105.64

(₹ lakhs)

	(₹ lakhs)	
Note 17 Revenue from operations	2023-24	2022-23
Sale of chemicals	5,334.94	-
Sale of steam	1,146.53	-
Scrap sales Other revenue	3.93	-
Revenue from contracts with customers	6,485.40	-

	(₹ lakhs)	
Note 18 Other income	2023-24	2022-23
Income from investments in mutual funds measured at FVTPL	1.23	-
Interest income from financial assets measured at amortised cost	20.01	0.47
Interest from others	0.47	0.53
Exchange rate difference gain (net)	44.77	-
Miscellaneous income	0.41	-
	66.89	1.00

	(₹ lakhs)	
Note 19 Cost of Material Consumed	2023-24	2022-23
Raw materials consumed		
Stock at commencement	-	-
Add : Purchase	999.80	-
	999.80	-
Less : Stock at close	522.01	-
	477.79	-

	(₹ lakhs)	
Note 20 Changes in inventories of finished goods & work-in-progress	2023-24	2022-23
Stocks at close		
Finished goods	177.44	-
	177.44	-
Less : Stock at commencement		
Finished goods	-	-
	-	-
(Increase) Decrease in stocks	(177.44)	-

	(₹ lakhs)	
Note 21 Power, fuel and water	2023-24	2022-23
Power, fuel and water	4,602.84	-
	4,602.84	-

	(₹ lakhs)	
Note 22 Employee benefit expenses	2023-24	2022-23
Salaries, wages and bonus	193.66	2.13
Contribution (net) to provident and other funds (refer Note 25.1)	13.89	0.09
Staff welfare	5.66	0.42
	213.21	2.64

	(₹ lakhs)	
Note 23 Finance costs	2023-24	2022-23
Interest on borrowings - secured loan	1,266.18	-
Interest on others	551.11	-
Other borrowing costs		
- Corporate guarantee charges	54.78	-
	1,872.07	-

	(₹ lakhs)	
Note 24 Other expenses	2023-24	2022-23
Plant operation charges	5.86	-
Freight and cartage	87.48	-
Effluent treatment expenses	48.28	-
Business auxiliary services	112.37	8.98
Legal and professional expenses	5.27	2.08
Sundry repairs	26.80	-
Rates and taxes	5.44	2.19
Insurance	34.46	-
Travelling and conveyance	-	0.25
Remuneration to the Statutory Auditors		
a) Audit fees	4.50	1.20
b) Out of pocket expenses	0.27	0.04
Exchange rate difference - loss (net)	-	18.89
Miscellaneous expenses	42.32	0.65
	373.06	34.28

Atul Products Ltd

Notes to the Financial Statements



Note 25.01 Commitments and contingent liabilities

Capital commitments

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

Particulars	(₹ lakhs)	
	As at March 31, 2024	As at March 31, 2023
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
For purchase of property, plant and equipment	2,185.38	9,261.79

Contingent liabilities

The Company does not have any contingent liability or disputable claims as at March 31, 2024 and March 31, 2023.

Corporate guarantees

The Company has not provided any corporate guarantees or any security as at March 31, 2024 as well as March 31, 2023 for loans or any other financial aid obtained by its holding company, any group entities or by any other person.

Note 25.02 Related party disclosures

Note 25.02 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1.	Atul Ltd	Holding company
2.	Aaranyak Urmi Ltd	Subsidiary of Holding company
3.	Aasthan Dates Ltd	Subsidiary of Holding company
4.	Amal Ltd	Subsidiary of Holding company
5.	Amal Speciality Chemicals Ltd	Subsidiary of Holding company
6.	Anchor Adhesives Pvt Ltd	Subsidiary of Holding company
7.	Atul Aarogya Ltd	Subsidiary of Holding company
8.	Atul Ayurveda Ltd	Subsidiary of Holding company
9.	Atul Bioscience Ltd	Subsidiary of Holding company
10.	Atul Biospace Ltd	Subsidiary of Holding company
11.	Atul Brasil Quimicos Ltda	Subsidiary of Holding company
12.	Atul China Ltd	Subsidiary of Holding company
13.	Atul Clean Energy Ltd	Subsidiary of Holding company
14.	Atul Consumer Products Ltd	Subsidiary of Holding company
15.	Atul Crop Care Ltd	Subsidiary of Holding company
16.	Atul Deutschland GmbH	Subsidiary of Holding company
17.	Atul Entertainment Ltd	Subsidiary of Holding company
18.	Atul Europe Ltd	Subsidiary of Holding company
19.	Atul Finserv Ltd	Subsidiary of Holding company
20.	Atul Fin Resources Ltd	Subsidiary of Holding company
21.	Atul Healthcare Ltd	Subsidiary of Holding company
22.	Atul Hospitality Ltd	Subsidiary of Holding company
23.	Atul Infotech Pvt Ltd	Subsidiary of Holding company
24.	Atul Ireland Ltd	Subsidiary of Holding company
25.	Atul Lifescience Ltd	Subsidiary of Holding company
26.	Atul Middle East FZ-LLC	Subsidiary of Holding company
27.	Atul Natural Dyes Ltd	Subsidiary of Holding company
28.	Atul Natural Foods Ltd	Subsidiary of Holding company
29.	Atul Nivesh Ltd	Subsidiary of Holding company
30.	Atul Paints Ltd	Subsidiary of Holding company
31.	Atul Polymers Products Ltd	Subsidiary of Holding company
32.	Atul Rajasthan Date Palms Ltd	Subsidiary of Holding company
33.	Atul Renewable Energy Ltd	Subsidiary of Holding company
34.	Atul (Retail) Brands Ltd	Subsidiary of Holding company
35.	Atul Seeds Ltd	Subsidiary of Holding company
36.	Atul USA Inc	Subsidiary of Holding company
37.	Biyaban Agri Ltd	Subsidiary of Holding company
38.	DPD Ltd	Subsidiary of Holding company
39.	Jayati Infrastructure Ltd	Subsidiary of Holding company
40.	Osia Dairy Ltd	Subsidiary of Holding company
41.	Osia Infrastructure Ltd	Subsidiary of Holding company
42.	Raja Dates Ltd	Subsidiary of Holding company
43.	Sehat Food Ltd	Subsidiary of Holding company
	Key management personnel	
1.	Lalit Patni	Non-executive Director
2.	Vivek Gadre	Non-executive Director
3.	Rajeev Kumar	Non-executive Director
4.	Bharatkumar Joshi	Non-executive Director
5.	Sudhakar Shetty	Whole time Director and Occupier

Atul Products Ltd

Notes to the Financial Statements



(₹ lakhs)

Note 25.02 (B) Transactions with holding company		2023-24	2022-23
a)	Sales and income		
1.	Sale of goods	3,563.17	-
	Atul Ltd	3,563.17	-
b)	Purchases and expenses		
1.	Purchase of goods and services	714.96	68.05
	Atul Ltd	714.96	68.05
2.	Service charges	167.60	201.41
	Atul Ltd	167.60	201.41
3.	Reimbursement of expenses	8.27	17.79
	Atul Ltd	8.27	17.79
4.	Lease rent expense	29.85	35.48
	Atul Ltd	29.85	35.48
c)	Other transactions		
1.	Unsecured borrowings	950.00	50,705.00
	Atul Ltd	950.00	50,705.00
2.	Unsecured borrowings repayment	9,973.15	-
	Atul Ltd	9,973.15	-
3.	Conversion of Unsecured borrowings from holding company to 9.5% non-cumulative redeemable preference shares	67,021.85	-
	Atul Ltd	67,021.85	-
4.	Investment in 9% cumulative redeemable preference shares	9,450.00	-
	Atul Ltd	9,450.00	-
5.	Conversion of 9% cumulative redeemable preference shares to 9.5% non-cumulative redeemable preference shares	9,450.00	-
	Atul Ltd	9,450.00	-
6.	Investment in 9.5 % non-cumulative redeemable preference shares by holding company	6,200.00	-
	Atul Ltd	6,200.00	-
7.	Corporate guarantee given by holding Company	20,000.00	-
	Atul Ltd	20,000.00	-
8.	Interest on unsecured borrowings	5,469.12	4,009.90
	Atul Ltd	5,469.12	4,009.90

(₹ lakhs)

Note 25.02 (C) Transactions with subsidiary of holding company		2023-24	2022-23
a)	Purchases and expenses		
1.	Purchase of goods and services:	291.73	808.50
	Osia Infrastructure Ltd	257.68	808.50
	Amal Speciality Chemicals Ltd	20.99	-
	Atul Infotech Pvt Ltd	13.06	-

(₹ lakhs)

Note 25.02 (D) Outstanding balances as at year end		As at March 31, 2024	As at March 31, 2023
a)	With holding company		
1.	Unsecured borrowings payable	-	76,045.00
2.	9.5% non-cumulative redeemable preference shares (face value)	82,671.85	-
3.	Payables	419.49	58.13
4.	Receivables	783.13	-
5.	Advances received	269.82	-
6.	Corporate guarantee	20,000.00	-
b)	With subsidiary of holding company		
1.	Payables:	29.15	54.22
	Osia Infrastructure Ltd	17.33	54.22
	Amal Speciality Chemicals Ltd	9.02	-
	Atul Infotech Pvt Ltd	2.80	-

Note 25.02 (E) Terms and condition

- 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.
- All outstanding balances are unsecured and are repayable in cash and cash equivalent.

Note 25.03 Current and deferred tax

a) Income tax expense recognised in the Statement of Profit or Loss:

(₹ lakhs)

Particulars		2023-24	2022-23
i)	Current tax		
	Current tax on profit for the year	0.09	-
	Adjustments for current tax of prior periods	-	(1.82)

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	Total current tax expense	0.09	(1.82)
ii)	Deferred tax		
	Increase (Decrease) in deferred tax liabilities	1,296.34	-
	(Increase) Decrease in deferred tax assets	1,830.49	-
	(Increase) Decrease in deferred tax assets recognised to the extent of deferred tax liabilities	1,296.34	-
	Total deferred tax expense (benefit)	-	-
	Income tax expense	0.09	(1.82)

Atul Products Ltd

Notes to the Financial Statements



b) Income tax assets

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	9.24	8.50
Add: Taxes paid in advance	12.92	12.22
Less: Refund received (net off interest)	11.76	13.30
Less: Current tax provision	0.09	(1.82)
Closing balance	10.31	9.24

Note 25.04 Fair value measurements

(₹ lakhs)

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments:						
Mutual funds	291.21	-	-	-	-	-
Trade receivables	-	-	1,942.85	-	-	-
Security deposits for utilities and premises	-	-	236.30	-	-	221.05
Other receivables	-	-	1.99	-	-	0.10
Cash and cash equivalents	-	-	172.94	-	-	36.30
Total financial assets	291.21	-	2,354.08	-	-	257.45
Financial liabilities						
Borrowings	-	-	49,359.90	-	-	76,045.00
Lease liabilities	-	-	179.60	-	-	250.38
Trade payables	-	-	1,531.10	-	-	0.75
Other financial liabilities	-	-	6,609.18	-	-	7,671.41
Total financial liabilities	-	-	57,679.78	-	-	83,967.54

Note 25.05 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. 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:

- 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.
- 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.
- 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.
- 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.
- Risk reporting and monitoring: Focused on providing to the Board 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 and investment in mutual funds. It believes that the current cash and cash equivalents, tied up borrowing lines 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 including contractual interest payment, as at the Balance Sheet date:

(₹ lakhs)

Contractual maturities of financial liabilities as at March 31, 2024	Less than 1 year	More than 1 year	Total
Borrowings	56.71	49,303.19	49,359.90
Lease liabilities	14.70	164.90	179.60
Trade payables	1,531.10	-	1,531.10
Other financial liabilities	6,609.18	-	6,609.18

(₹ lakhs)

Contractual maturities of financial liabilities as at March 31, 2023	Less than 1 year	More than 1 year	Total
Borrowings	12,300.00	63,745.00	76,045.00
Lease liabilities	20.11	230.27	250.38
Trade payables	0.75	-	0.75
Other financial liabilities	7,671.41	-	7,671.41

b) Interest rate risk

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The Company is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.

As an estimation of the approximate impact of interest rate risk, with respect to borrowings, the Company has calculated impact of 25 bps change in interest rates. A 25 bps increase in interest rates might have led to approximately an additional annual impact of ₹ 37.95 Lakhs (2022-23 : ₹ 190.11 Lakhs). A 25 bps decrease in interest rates might have led to an equal but opposite effect.

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c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost or fair value through profit and loss and deposits with banks and financial institutions, as well as credit exposure to trade | non-trade customers including outstanding receivables. Credit risk is managed through policy surrounding credit risk management.

- Credit risk management
Credit risk is managed through the policy surrounding Credit risk management.
- Provision for expected credit losses

Trade receivables

Trade receivables consists of customers, for which ongoing credit evaluation is performed on the financial condition of the account receivables. As the Company has commenced operations during the year, there are no old outstanding trade receivables and hence the credit risk is perceived to be low.

Note 25.06 Capital management

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

For the purpose of capital management, the company considers the following components of its balance sheet to manage capital:

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

Particulars	As at March 31, 2024	As at March 31, 2023
Total debt	49,359.90	76,045.00
Total equity	45,823.46	352.41
Debt-equity Ratio (%)	108%	21579%

Note 25.07 Segment information

The Company operates in a single business segment that is manufacturing of bulk chemicals. There are no separate reportable segments as per Ind AS - 108 on ' Operating Segment ' and no further disclosures are required.

During the year, out of total sales, the Company has made sales to two customers to whom sales exceed 10% of the total revenue of the Company. The total revenue from these customers amounts to ₹ 4520.54 Lakhs.

Note 25.08 Earnings per share

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

Particulars		2023-24	2022-23
Loss for the year attributable to the equity shareholders	₹ lakhs	(3,235.47)	(36.65)
Basic Weighted average number of equity shares outstanding during the year	Number	50,00,000	50,00,000
Nominal value of equity share	₹	10	10
Basic EPS	₹	(64.71)	(0.73)
Diluted EPS	₹	(64.71)	(0.73)

Note 25.09 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount remaining unpaid to any supplier as at the end of each accounting year	2,082.88	2,359.51
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006	-	-

Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under 'The Micro, Small and Medium Enterprise Development Act, 2006' as at March 31, 2024. The auditors have relied upon in respect of this matter.

Note 25.10 Employee benefit obligations

a) Defined benefit plan
Gratuity

The Company operates a defined benefit plan (the gratuity plan). Every employee is entitled to a benefit equivalent to the last drawn salary of 15 days for each completed year of service subject to maximum of ₹ 20 lakhs in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is more beneficial. Gratuity is payable at the time of separation or retirement from the Company, whichever is earlier. The benefits vest after five years of continuous service.

Balance Sheet amount (Gratuity)

(₹ lakhs)

Particulars	Present value of obligation
As at March 31, 2022	-
Current service cost	0.46
As at March 31, 2023	0.46
Current service cost	4.31
Past service cost	-
Interest expense (income)	0.03
Total amount recognised in profit and loss	4.34
Remeasurements	
Liability transferred In / Acquisitions	0.43
Return on plan assets, excluding amount included in interest expense (income)	-
(Gain) Loss from change in demographic assumptions	(0.28)
(Gain) Loss from change in financial assumptions	0.38
Experience (gains) losses	0.47
Total amount recognised in other comprehensive income	0.56
Employer contributions	-
Benefit payments	-
As at March 31, 2024	5.80

The net liability disclosed above relates to following funded and unfunded plans:

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded obligations	5.80	0.46
Fair value of plan assets	-	-
Deficit of gratuity plan recognised as provision (refer Note 12)	5.80	0.46

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Mortality rate	Indian assured lives mortality (2012-14) Urban	Indian assured lives mortality (2012-14) Urban
Discount rate	7.19%	7.39%
Attrition rate	14.00%	13.00%
Salary growth rate	10.36%	9.84%

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			
	As at March 31, 2024	As at March 31, 2023	Increase in assumptions		Decrease in assumptions	
			As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Discount rate	1.00%	1.00%	(0.52)	(0.05)	0.61	0.05
Attrition rate	1.00%	1.00%	(0.30)	(0.03)	0.33	0.03
Salary growth rate	1.00%	1.00%	0.58	0.05	(0.51)	(0.04)

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

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

1. Interest rate risk

A fall in the discount rate which is linked to the Government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

2. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

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Expected future cash flows:

The expected future cash flows in respect of gratuity as at balance sheet date will be as follows:

(₹ lakhs)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2024	0.01	0.01	1.32	12.24	13.58
As at March 31, 2023	0.00	0.00	0.07	1.14	1.21

b) Defined contribution plans:

The Company pays provident fund contributions to registered provident fund administered by the government at the rate of 12% of basic salary as per regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is of ₹ 6.75 Lakhs (March 31, 2023: ₹ 1.11).

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market and mortality rates, obtained from the relevant data.

Other long term employee benefits

c) Compensated absences

Particulars	Compensated Absences	
	As at March 31, 2024	As at March 31, 2023
i) Mortality rate	Indian assured lives mortality 2012-14 (Urban)	Indian assured lives mortality 2012-14 (Urban)
ii) Present value of unfunded obligations (refer Note 12)	11.10	1.05
iii) Expense recognised in the Statement of Profit and Loss capitalised (including encashment paid during the year)	10.16	1.05
iv) Discount rate (per annum)	7.19%	7.39%
v) Salary escalation rate (per annum)	10.36%	9.84%
vi) Attrition rate	14.00%	13.00%

Note 25.11 Leases

As a lessee

i) Following are the changes in the carrying value of right-of-use assets (Land)

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	231.52	259.30
Other adjustments	(80.35)	
Depreciation Amortisation	19.97	(27.78)
Balance at the end of the year	171.14	231.52

ii) Following movement in lease liabilities

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	250.38	268.38
Finance cost accrued	16.99	17.47
Payment of lease liabilities	(30.50)	(35.47)
Other adjustments	(57.27)	-
Balance at the end of the year	179.60	250.38

iii) The following table provides details regarding the contractual maturities of lease liabilities on an undiscounted basis

(₹ lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	30.50	36.18
One to five years	122.00	152.09
More than five years	111.83	136.18
Balance at the end of the year	264.33	324.44

The Company 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.

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.

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Note 25.12 Ratios

No.	Ratio	UOM	Formula	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for variance
a)	Current ratio	Times	$A \div B$	0.91	0.16	455%	The Company has commenced its business from December 2023. Thus the ratios do not give appropriate information and are not comparable.
b)	Debt-equity ratio	Times	$I \div H$	1.08	215.79	-100%	
c)	Debt service coverage ratio	Times	$S \div T$	0.06	-	-	
d)	Return on Equity ratio	%	$P \div \text{average of H}$	-14.02%	-10.40%	35%	
e)	Inventory turnover ratio	Times	$L \div \text{average of D}$	11.73	-	-	
f)	Trade receivables turnover ratio	Times	$L \div \text{average of E}$	0.03	-	-	
g)	Trade payables turnover ratio	Times	$R \div \text{average of G}$	1.79	-	-	
h)	Net capital turnover ratio	Times	$L \div \text{average of C}$	(2.45)	-	-	
i)	Net profit ratio	%	$O \div L$	-49.89%	-	-	
j)	Return on capital employed	%	$(M + O) \div \text{average of K}$	-2.82%	-0.06%	4622%	
k)	Return on investment	%					
l)	In Mutual Funds	%	$U \div V$	7.49%	-	-	

No.	Base values	UoM	Reference	March 31, 2024	March 31, 2023
A	Current assets	₹ lakhs	Balance Sheet (current assets)	8,221.81	3,298.87
B	Current liabilities	₹ lakhs	Balance Sheet (current liabilities) - current borrowings and tax	9,021.64	7,798.02
C	Working capital	₹ lakhs	A-B	(799.83)	(4,499.15)
D	Inventories	₹ lakhs	Balance Sheet	1,105.43	-
E	Trade receivables	₹ lakhs	Balance Sheet	1,942.85	-
F	Total assets	₹ lakhs	Balance Sheet (total assets)	1,04,385.53	84,427.10
G	Trade payables	₹ lakhs	Balance Sheet	1,531.10	0.75
H	Equity	₹ lakhs	Balance Sheet	45,823.46	352.41
I	Debt	₹ lakhs	Balance Sheet	49,359.90	76,045.00
J	Principal repayments	₹ lakhs	Balance Sheet	76,995.00	-
K	Capital employed	₹ lakhs	H + I - capital work-in-progress	91,735.55	4,814.29
L	Net sales	₹ lakhs	Statement of Profit and Loss	6,485.40	-
M	Finance cost	₹ lakhs	Statement of Profit and Loss	1,872.07	-
N	Depreciation	₹ lakhs	Statement of Profit and Loss	2,426.14	2.55
O	PBT	₹ lakhs	Statement of Profit and Loss	(3,235.38)	(38.47)
P	Total comprehensive income	₹ lakhs	Statement of Profit and Loss	(3,236.03)	(36.65)
Q	Net operating income	₹ lakhs	M + N + P	1,062.18	(34.10)
R	Total operating purchase	₹ lakhs	Purchase + R&M + Other expenses	1,372.86	34.28
S	Earnings available for debt service	₹ lakhs	Net Profit after taxes + depreciation and amortizations + Interest	1,062.74	(34.10)
T	Debt service	₹ lakhs	Interest + Lease Payments + Principal Repayments (as per terms)	19,120.58	NA
U	Gain on Mutual Fund Investment	₹ lakhs	Realised + Unrealised Gain - Stamp Duty on purchase	1.21	NA
V	Annualised Weighted Average Investment in Mutual Fund	₹ lakhs	Weighted Average Investment in Mutual Fund based on daily investment during the year	16.15	NA

The Company has been incorporated on October 10, 2020 and commenced operations from greenfield project during quarter ended december 31, 2023 , so the above ratios does not provide appropriate information.

On the basis of the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, plans and business assumptions, the company is confident that no material uncertainty exists as on date that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due.

Note 25.13 Other statutory information

- 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 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 the 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 preoperty, 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 the Companies Act, 2013) either severally or jointly with any other person.
- There were no loans, advances and investments made in intermediary company.
- The company has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting periods.
- There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- The company has not entered into any non-cash transactions with directors or any person connected with the directors.



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Note 25.14 Relationship with struck off companies

There were no transactions or balances with struck off companies.

Note 25.15 Rounding off

Figure less than ₹ 500 have been shown as "0.00" in the relevant notes in these Financial Statements.

Note 25.16 Audit Trail

As per the requirements of Rule 3(1) of the Companies (Accounts) Rules 2014, the Company uses only such accounting software for maintaining its books of account that have a feature of, recording audit trail of each and every transaction creating an edit log of each change made in the books of account along with the date when such changes were made and who made those changes within such accounting software. This feature of recording audit trail has operated throughout the year and was not tampered with during the year.

In respect of aforesaid accounting software, after thorough testing and validation, audit trail was not enabled for direct data changes at database level in view of the possible impact on the efficiency of the system. In respect of audit trail at database level, the Company has established and maintained an adequate internal control framework over its financial reporting and based on its assessment, has concluded that the internal controls for the year ended March 31, 2024 were effective. The Company is in the process of system upgradation to meet the database level audit trail requirement.

Note 25.17 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on April 18, 2024.

In terms of our report attached

For B R Shah & Associates

Chartered Accountants

FRN: 129053W

For and on behalf of the Board of Directors

Bharat Joshi
(DIN: 02952299)

Director

Lalit Patni
(DIN:02564572)

Director

Deval Desai

Membership No. 132426

Ahmedabad
April 18, 2024

Atul
April 18, 2024