

Rudolf Atul Chemicals Ltd
Annual Report 2017-18

The logo of Rudolf Atul Chemicals Ltd (RACL) signifies cooperation between two companies, one headquartered in Germany and the other in India. RACL is scripted in the same colour used by the Rudolf Group in its logo and the two flowing pieces of fabric in the same colours used by Atul Ltd in its logo. The first two letters of the logo depict garnering the strengths of the two companies and the two pieces of fabric, which also resemble the wings of a bird flapping them in unison, connotes harmony between the two partners, all to serve customers with world-class products.

Contents

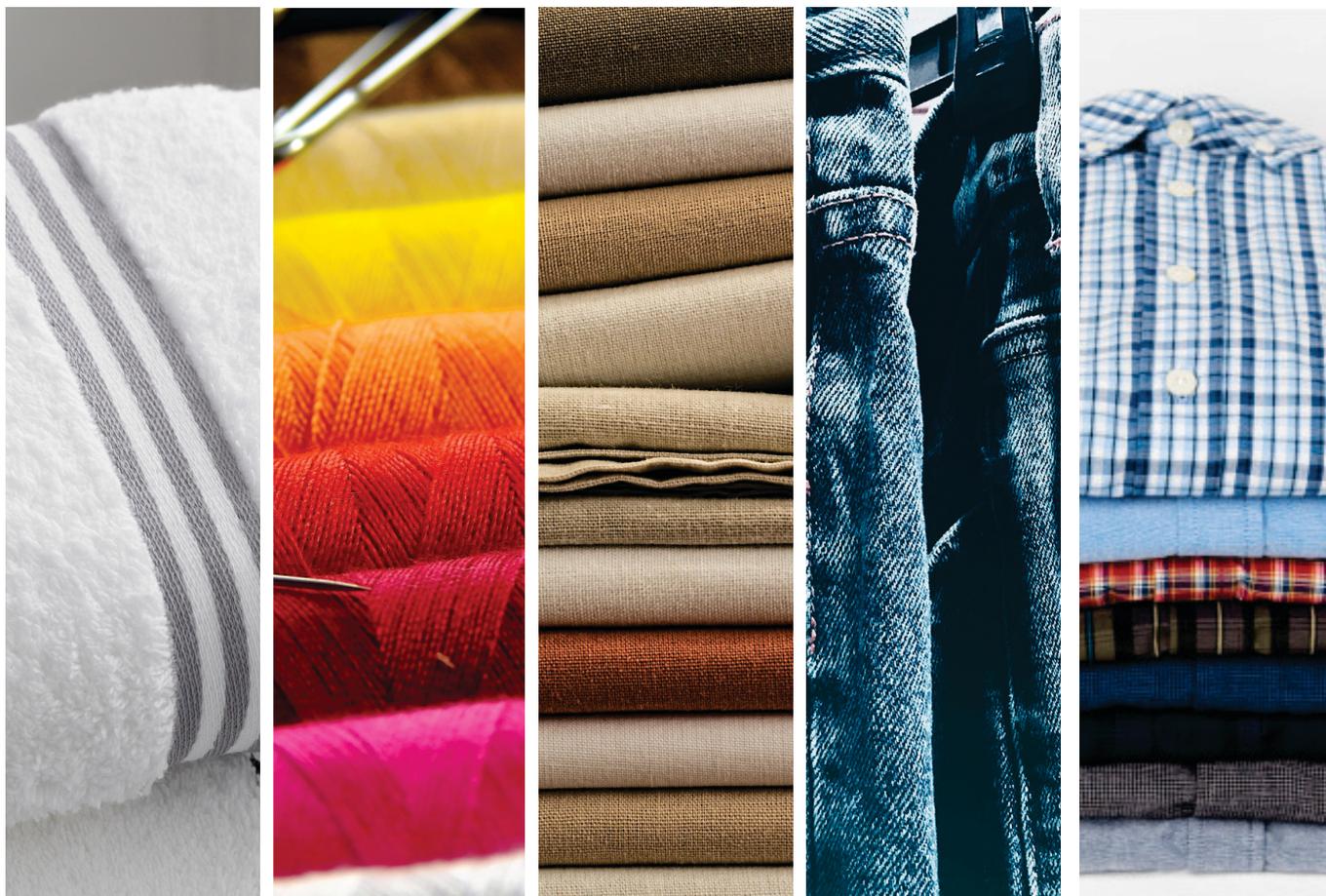
Do not lower your goals to the level of your abilities. Instead, raise your abilities to the height of your goals.

~ Swami Vivekananda

01	Corporate identity
02	Purpose and Values
04	Board of Directors
05	Directors' Report
08	Annexure to the Directors' Report
16	Management Discussion and Analysis
18	Corporate Governance Report
27	Notice
32	Performance trend
34	Independent Auditor's Report
40	Financial Statements

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 whenever 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.



Rudolf Atul Chemicals Ltd is a 50-50 joint venture company of Rudolf GmbH and Atul Ltd, engaged in manufacturing and marketing of textile chemicals in India. The Company is effectively leveraging the strengths of Rudolf and Atul in serving its customers by becoming a total solution provider and is thereby helping both the partners to participate in the growing marketplace.

About Rudolf GmbH

Incorporated and headquartered in Germany, Rudolf GmbH has 20 subsidiary companies and joint venture companies in all the continents so as to effectively service local customers. The Group is engaged in the business of specialty textile chemicals and offers a full range of technically proven textile chemicals - its motto is 'quality makes friends'. It has an excellent brand image in international markets - its brands stand for extraordinary functional finishes and finishing processes.

About Atul Ltd

Incorporated and headquartered in India, Atul Ltd is a diversified company belonging to Lalbhai Group. The Company meets the needs of varied industries such as Adhesive, Aerospace, Agriculture, Animal Feed, Automobile, Chemical, Composite, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy across the world. It manages complex chemical processes in a responsible way.

Steered by Purpose

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

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

Guided by 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.

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.

Understanding



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.

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.

Responsibility



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.

Board of Directors



Dr Wolfgang Schumann



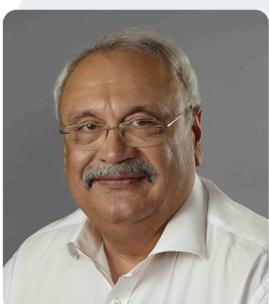
Dr G Venugopala Rao



Mr Ulrich Hambrecht



Mr Gopi Kannan Thirukonda



Mr Sudhir Merchant



Mr Sujal Shah

Dear Members,

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

01. Financial results

	2017-18	2016-17
Sales	73.27	64.58
Revenue from operations	73.99	65.24
Other income	0.72	1.60
Total revenue	76.55	74.71
Profit before tax	13.96	14.64
Provision for tax	4.92	5.11
Profit for the year	9.03	9.53
Balance brought forward	9.99	18.40
Transfer from Comprehensive Income	0.00	(0.03)
Disposable surplus	19.02	27.90
Less:		
Dividend paid	5.84	14.89
Dividend distribution tax (net)	1.19	3.03
Balance carried forward	11.99	9.98

02. Performance

Sales increased by 13% from ₹ 64.58 cr to ₹ 73.27 cr mainly due to higher volumes (11%). PBT reduced by 5% from ₹ 14.64 cr to ₹ 13.96 cr. The earnings per share decreased from ₹ 16.33 to ₹ 15.48. Cash flow from operating activities before working capital changes marginally increased by 1% from ₹ 13.73 cr to ₹ 13.92 cr and the net cash flow from operating activities decreased by 86% from ₹ 10.80 cr to ₹ 1.55 cr.

03. Dividend

The Board declared interim dividend of ₹ 10 per share on 58,37,500 equity shares of ₹ 10 each fully paid-up. The dividend entailed an outflow of ₹ 7.03 cr {including dividend distribution tax (net)} on the paid-up Equity share capital of ₹ 5.84 cr.

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

Information required under Section 134 (3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms part of this Report which is given at page number 09.

05. Insurance

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

06. Risk Management

The Company has identified risks and has initiated a mitigation plan for the same.

07. Internal Financial Controls

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

08. Fixed deposits

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

09. Loans, guarantees, investments and security

During 2017-18, the Company has not given any loans, provided guarantees or made investments.

10. Subsidiary, associate and joint venture company

The Company does not have any subsidiary, associate or joint venture company.

11. Related Party Transactions

All the transactions entered into with the Related Parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at page number 56. No transactions were entered into by the Company which required disclosure in Form AOC-2.

12. Corporate Social Responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 09.

13. Extract of the Annual Return

This is given at page number 10.

14. Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 13th Annual General Meeting (AGM) held on August 11, 2017 until the conclusion of the 18th AGM subject to ratification by the Members at every AGM. The recent amendments in law have dispensed with the requirement of ratification of the Statutory Auditors in AGM subsequent to their appointment. Considering the change in law, it is proposed to ratify the appointment of Deloitte Haskins & Sells LLP for the year ending March 31, 2019.

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

15. Directors' responsibility statement

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

- 15.1 The applicable Accounting Standards were followed along with proper explanations relating to material departures in the preparation of the annual accounts.
- 15.2 The Accounting Policies were selected and applied consistently and judgements and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- 15.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- 15.4 The attached annual accounts for the year ended March 31, 2018 were prepared on a going concern basis.
- 15.5 Adequate Internal Financial Controls to be followed by the Company were laid down; and same were adequate and operating effectively.
- 15.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

16. Directors

16.1 Appointments | Reappointments | Cessations

16.1.1 According to Article 88 of the Articles of Association of the Company, Mr Gopi Kannan Thirukonda retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM scheduled on August 03, 2018.

16.1.2 Reappointment of Mr Sudhir Merchant and Mr Sujal Shah as Independent Directors of the Company is proposed for the approval of the Members in the AGM, for a second term of 5 consecutive years.

16.2 Policies on appointment and remuneration

16.2.1 Appointment

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

- i) Qualification: well-educated and experienced in senior leadership positions in industry| profession
- ii) Traits: positive attributes and qualities
- iii) Independence: criteria prescribed in Section 149(6) of the Companies Act, 2013 for the Independent Directors, including no pecuniary interest and conflict of interest

16.2.2 Remuneration of the Non-executive Directors

- i) Sitting fees: up to ₹ 10,000 for attending a Board, Committee and any other meeting
- ii) Commission: up to 1% of net profit as may be decided by the Board based on the following factors:
 - a) Membership of Committee(s)
 - b) Profit
 - c) Attendance
 - d) Category (Independent or Non-independent)

16.2.3 Remuneration of Managing Director
This is given under para number 17.2.

17. Key Managerial Personnel and other employees

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

17.2 Remuneration
The Remuneration Policy of the Key Managerial Personnel and other employees consists 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) Grade

18. Analysis of remuneration

There is no employee who falls within the criteria provided in Sections 134(3)(q) and 197(12) of the

Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Thus, the disclosure of the information in respect thereof is not applicable.

19. Management Discussion and Analysis

The Management Discussion and Analysis Report covering performance of the Company is given at page number 16.

20. Corporate Governance Report

20.1 Statement of declaration given by the Independent Directors.

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

20.2 Report

The Corporate Governance Report is given at page number 18. Details about the number of meetings of the Board held during 2017-18 are given at page number 21. The composition of the Audit Committee is given at page number 23.

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

20.3 Secretarial standards

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

21. Acknowledgements

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

For and on behalf of the Board of Directors

Mumbai
May 07, 2018

(Wolfgang Schumann)
Chairman

Annexure to the Directors' Report

Index

No.	Subject title	Page
1	Conservation of energy, technology absorption and foreign exchange earnings and outgo	09
1.1	Conservation of energy	09
1.2	Technology absorption	09
1.3	Foreign exchange earnings and outgo	09
2	Corporate Social Responsibility	09
2.1	Policy, programs and scope	09
2.2	Committee	09
2.3	Expenditure: determination and actual spent	09
2.4	Manner in which spent	09
2.5	Implementing agencies	10
2.6	Confirmation of compliance	10
3	Extract of the Annual Return	10
3.1	Registration and other details	10
3.2	Principal business activities of the Company	10
3.3	Particulars of the holding, the subsidiary and the associate companies	10
3.4	Shareholding pattern (Equity share capital break-up as percentage of total equity)	11
3.5	Indebtedness	14
3.6	Remuneration of the Directors and the Key Managerial Personnel	14
3.7	Penalties Punishment Compounding of offences	15

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

1.1 Conservation of energy

1.1.1 Measures taken:

Careful planning of production to avoid intermittent wash, which reduces effluent generation.

1.2 Technology absorption

No major steps were taken during 2017-18 in view of very low usage of utilities in manufacturing activities.

1.3 Foreign exchange earnings and outgo

(₹ cr)

Particulars	2017-18	2016-17
Outgo		
Import of raw materials	23.33	14.42
Earnings		
Commission income	0.53	0.49

2 Corporate Social Responsibility

2.1 Policy, programs and scope

The Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on its website at http://www.racl.net.in/pdf/RACL-CSR_Policy.pdf

2.2 Committee

- » Gopi Kannan Thirukonda (Chairman)
- » Wolfgang Schumann
- » Sudhir Merchant

2.3 Expenditure: determination and actual spent

(₹ cr)

Particulars	Amount
Average net profit of the Company for the last 3 financial years	12.22
Prescribed CSR expenditure, at 2% of above	0.24
Total amount spent for the financial year	0.24
Amount unspent by the Company	Nil

2.4 Manner in which spent

(₹ cr)

No.	Program	Project Activity	Location Village, District (State)	Outlay for the year		Cumulative expenditure up to reporting period	Implementing agency
				Budget	Spent		
1	Health	Improvement of hygiene through construction of toilets	Atul, Valsad (Gujarat)	0.24	0.24	0.63	AFT*
Total direct expenditure				0.24	0.24	0.63	

* AFT: Atul Foundation Trust

2.5 Implementing agency

Atul Foundation Trust (Atul, Gujarat):

Established in 2011, Atul Foundation Trust is an embodiment of the purpose towards serving the society and is an umbrella organisation through which all CSR initiatives of the Company are undertaken.

2.6 Confirmation of compliance

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

Managing Director	Chairman CSR Committee
G Venugopala Rao	Gopi Kannan Thirukonda

3 Extract of the Annual Return

Form number MGT – 9

Extract of the Annual Return as on March 31, 2018

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

3.1 Registration and other details

- » CIN: U24110GJ2005PLC045564
- » Registration date: February 25, 2005
- » Name of the company: Rudolf Atul Chemicals Ltd
- » Category | Sub-category of the company: Company limited by shares
- » Address of the registered office and contact details: B | 18598, Survey number 33, Atul 396 020, Gujarat, India, Telephone: (+91 2632) 230000
- » Whether listed company: No
- » Name, address and contact details of Registrar and Transfer Agent: Not applicable

3.2 Principal business activities of the Company

No.	Name and description of main products services	National Industrial Classification code of the product service	% to total revenue of the Company*
1	Basic chemicals	201	100

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

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

Not applicable

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

3.4.1 Category-wise shareholding

Category code	Category of Shareholders	Number of shares held at the beginning of the year (as at April 01, 2017)			Number of shares held at the end of the year (as at March 31, 2018)			% change during the year
		Physical	Demat	Total :% of total shares	Physical	Demat	Total :% of total shares	
A	Shareholding of the promoter and the promoter group							
1	Indian							
i)	Individuals Hindu Undivided Family	-	-	-	-	-	-	-
ii)	Central Government State Government(s)	-	-	-	-	-	-	-
iii)	Bodies corporate	29,18,750	-	50.00	29,18,750	-	50.00	-
iv)	Financial institutions Banks	-	-	-	-	-	-	-
v)	Any other	-	-	-	-	-	-	-
	Sub total (A)(1)	29,18,750	-	50.00	29,18,750	-	50.00	-
2	Foreign							
i)	Individuals (Non-resident individuals Foreign individuals)	-	-	-	-	-	-	-
ii)	Bodies corporate	29,18,750	-	50.00	29,18,750	-	50.00	-
iii)	Institutions	-	-	-	-	-	-	-
iv)	Any other	-	-	-	-	-	-	-
	Sub total (A)(2)	29,18,750	-	50.00	29,18,750	-	50.00	-
	Total shareholding of the promoter and the promoter group (A)=(A)(1)+(A)(2)	58,37,500	-	100.00	58,37,500	-	100.00	-
B	Public shareholding							
1	Institutions							
i)	Mutual funds	-	-	-	-	-	-	-
ii)	Financial institutions Banks	-	-	-	-	-	-	-
iii)	Central Government State Government(s)	-	-	-	-	-	-	-
iv)	Venture capital funds	-	-	-	-	-	-	-
v)	Insurance companies	-	-	-	-	-	-	-
vi)	Foreign institutional investors	-	-	-	-	-	-	-
vii)	Foreign venture capital investors	-	-	-	-	-	-	-
viii)	Trusts	-	-	-	-	-	-	-
	Sub total (B)(1)	-	-	-	-	-	-	-

Category code	Category of Shareholders	Number of shares held at the beginning of the year (as at April 01, 2017)			Number of shares held at the end of the year (as at March 31, 2018)			% change during the year
		Physical	Demat	Total % of total shares	Physical	Demat	Total % of total shares	
2	Non-institutions							
i)	Bodies corporate							
a)	Indian	-	-	-	-	-	-	-
b)	Overseas	-	-	-	-	-	-	-
ii)	Individuals							
a)	Shareholders holding nominal share capital up to ₹ 1 lakh	-	-	-	-	-	-	-
b)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-
iii)	Non-resident Indians (NRI)							
a)	NRI repatriable	-	-	-	-	-	-	-
b)	NRI non-repatriable	-	-	-	-	-	-	-
c)	Foreign bodies	-	-	-	-	-	-	-
d)	Foreign nationals	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-
	Sub total (B)(2)	-	-	-	-	-	-	-
	Total public shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-
	Total (A)+(B)	58,37,500	-	58,37,500	58,37,500	-	58,37,500	100.00
C	Shares held by custodians and against which depository receipts have been issued							
1	Promoter and promoter group	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-
	Sub total (C)	-	-	-	-	-	-	-
	Grand total (A)+(B)+(C)	58,37,500	-	58,37,500	58,37,500	-	58,37,500	100.00

3.4.2 Shareholding of the promoters

No.	Name of the Shareholder	Shareholding as at April 01, 2017			Shareholding as at March 31, 2018			% change in shareholding during the year
		Number of shares held	% of total shares of the Company	% of shares pledged encumbered to total number of shares	Number of shares held	% of total shares of the Company	% of shares pledged encumbered to total number of shares	
1	Atul Ltd	29,18,750	50	-	29,18,750	50	-	-
2	IB Industriechemie Beteiligungs GmbH	29,18,750	50	-	29,18,750	50	-	-

3.4.3 Change in the promoters' shareholding

No.	Particulars	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18		
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company	
A	Companies						
	At the beginning of the year		58,37,500	100	58,37,500	100	
	Increase Decrease during the year		-	-	-	-	
	At the end of the year		58,37,500	100	58,37,500	100	

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

No.	Name of the Shareholder	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18		
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company	
A	Companies						
	At the beginning of the year		-	-	-	-	
	Increase Decrease during the year		-	-	-	-	
	At the end of the year		-	-	-	-	

3.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Name of the Shareholder	Reason for change	Shareholding as at April 01, 2017		Cumulative shareholding during 2017-18	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
1	At the beginning of the year		-	-	-	-
	Increase Decrease during the year		-	-	-	-
	At the end of the year		-	-	-	-

3.5 Indebtedness

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

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	-	-	-	-
ii) Interest due, but not paid	-	-	-	-
iii) Interest accrued, but not due	-	-	-	-
Total i) + ii) + iii)	-	-	-	-
Change in indebtedness during 2017-18				
Addition	-	-	-	-
Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal amount	-	-	-	-
ii) Interest due, but not paid	-	-	-	-
iii) Interest accrued, but not due	-	-	-	-
Total i) + ii) + iii)	-	-	-	-

3.6 Remuneration of the Directors and the Key Managerial Personnel

3.6.1 Remuneration of the Managing Director, the Whole-time Director and | or the Manager

(₹ cr)

No.	Particulars	G Venugopala Rao	Total amount
1	Gross salary		
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961	0.24	0.24
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-
2	Stock option	-	-
3	Sweat equity	-	-
4	Commission	-	-
5	Others	-	-
6	Total A	0.24	0.24
7	Overall ceiling as per the Act	0.70	0.70

3.6.2 Remuneration to the other Directors

(₹ cr)

No.	Particulars	Wolfgang Schumann	Ulrich Hambrecht	Gopi Kannan Thirukonda	Sudhir Merchant	Sujal Shah	Total amount
1	Non-executive Independent Directors						
	i) Fee for attending the Board, the Committee and other meetings	-	-	-	0.009	0.008	0.017
	ii) Commission	-	-	-	0.020	0.020	0.040
	Total 1	-	-	-	0.029	0.028	0.057
2	Non-executive Non-independent Directors						
	i) Fee for attending the Board, the Committee and other meetings	-	-	-	-	-	-
	ii) Commission	-	-	-	-	-	-
	Total 2	-	-	-	-	-	-
	Total B = (1+2)	-	-	-	0.029	0.028	0.057
	Total managerial remuneration (A+B)						0.297
	Overall ceiling as per the Act						1.430

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

(₹ cr)

No.	Particulars	Key Managerial Personnel		
		CS	CFO	Total amount
		Rakesh Pathak	Milind Phatak	
1	Gross salary			
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961	0.13	0.10	0.23
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.01	-	0.01
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat equity	-	-	-
4	Commission	-	-	-
5	Others	-	-	-
	Total	0.14	0.10	0.24

3.7 Penalties | Punishment | Compounding of offences

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

Management Discussion and Analysis



The product portfolio of Rudolf Atul Chemicals Ltd (RACL) comprises auxiliary chemicals for textile processing. The Company offers products for preparation, colouration and finishing of apparel, home furnishing and technical textile. It offers 215 products which fall under two major application segments, process chemicals (PC) and effect chemicals (EC).

2017-18 was a challenging year for the Textile industry. The overall performance of the industry was subdued due to delay in the implementation of GST by process houses and MSME customers in the Textile industry, fluctuating raw material prices and lower market demand. However, the Company achieved sales of ₹ 73.3 cr, an increase of 13% over 2016-17, mainly on account of growth in volume. The PC product group grew by 9% whereas the EC product group grew by 18%.

The size of the world textile chemicals market is estimated at US\$ 8.3 bn and is growing at about 4%. China and India are major consumers of these products. The size of the Indian Textile Chemicals industry is estimated at US\$ 320 mn and is growing at about 7%. The size of the Textile industry in India is estimated at US\$ 150 bn and is expected to reach US\$ 650 bn (domestic US\$ 350 bn and export US\$ 300 bn) by 2025. The sector has been posting a steady growth over the years because of rising per capita income, favourable demographics, rising demand in man-made fibres and continued support to Textile industry by the Government.

RACL is spreading its domestic footprint in the Textile industry and is keen to participate in this growth by launching new products and cost-effective solutions. The Company will focus on continuous bleaching range business by offering eco-friendly chemicals, promoting enzymes to improve sustainability and introducing water saving concepts in dyeing chemicals. A major thrust will be given to providing a complete package for yarn, knits and terry towel processing. The Company will focus on promotion of Perfluorocarbons free chemicals, silicone softeners and products based on renewable resources to meet the increasing demand from brands to comply with zero discharge of hazardous chemicals. At the same time, Printing industry is also growing as per fashion trend, therefore the Company will cater this area by introducing formaldehyde free pigment printing package and reactive printing chemicals.

Fluctuations in foreign exchange, higher cost of Silicones and availability of certain raw materials may impact sales margins.

Internal Control Systems

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

Human Resources

The Company continued its drive to institutionalise and upgrade its HR processes, to help build a more robust workforce capable of managing dynamic and growing business needs. The process of identification and review of key initiatives has become stronger and is continuously upgraded. The requisite training was imparted during 2017-18. Employee relations remained cordial.



Corporate Governance Report

The still small voice within you
must always be the final arbiter
when there is a conflict of duty.

~ Mahatma Gandhi



1. Philosophy

Transparency and accountability are the 2 basic tenets of Corporate Governance.

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

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

2. Board

2.1 Board business

The normal business of the Board comprises:

2.1.1 Approving:

- i) short, medium or long-term borrowings
- 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) creation of charge on assets in favour of lenders
- vi) declaration of interim dividend
- vii) joint ventures, collaborations, mergers and acquisitions
- viii) loans and investments
- ix) matters requiring statutory | Board consent
- x) sale of investments and assets
- xi) unaudited quarterly financial results and audited annual accounts, including Segments revenue, results and capital employed

2.1.2 Monitoring:

- i) potential conflicts of interest of the Management, the Board Members and the Shareholders, including misuse of corporate assets and abuse in Related Party Transactions
- ii) implementation of performance objectives and corporate performance

- iii) effectiveness of the governance practices and making desirable changes
- iv) the Board nomination process such that it is transparent and results in diversity of experience, gender, knowledge, perspective and thoughts in the Board
- v) the Management and providing strategic guidance while ensuring that encouraging positive thinking does not result in over-optimism that either leads to significant risks not being recognised or exposes the Company to excessive risk

2.1.3 Noting:

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

2.1.4 Recommending:

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

2.1.5 Reviewing:

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

2.1.6 Setting:

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

2.1.7 Others:

- i) Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the Shareholders
- ii) Aligning remuneration of the key executives and

- the Board Members with the long-term interests of the Company and the Shareholders
- iii) Applying high ethical standards
 - iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgement to items where there is a potential for conflict of interest
 - v) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus of the Company
 - vi) Encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept up-to-date

- vii) Exercising objective and independent judgement on corporate affairs
- viii) Facilitating the Independent Directors to perform their role effectively as the Board Members and also as the Members of Committees
- ix) Meeting the expectations of operational transparency of the Stakeholders while maintaining confidentiality of information in order to foster a culture of good decision making

2.2 Appointment and tenure

2 | 3rd of the Directors (other than the Independent Directors) are rotational Directors. 1 | 3rd of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment. The Managing Director is appointed by the Members for a period up to 5 years.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. It consists of 6 Members comprising 2 Independent Directors and 4 promoter Directors including a Chairman and a Managing Director.

No.	Name	Directorship(s) in other Company(ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
	Chairman			
1	Wolfgang Schumann	-	-	-
	Managing Director			
2	G Venugopala Rao	-	-	-
	Non-executive Directors			
3	Ulrich Hambrecht	-	-	-
4	Gopi Kannan Thirukonda	8	4	-
5	Sudhir Merchant	2	2	2
6	Sujal Shah	7	6	3

Sudhir Merchant and Sujal Shah are Independent Directors

¹ Excludes Directorships in foreign companies and private limited companies

² Memberships | Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all public limited companies including the Company were considered.

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2017-18, the Board met 4 times.

No.	Day	Date	Venue
1	Friday	April 28, 2017	Mumbai
2	Friday	August 11, 2017	Atul
3	Wednesday	November 15, 2017	Atul
4	Friday	March 09, 2018	Mumbai

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM on August 11, 2017
		Total	Attended	
1	Wolfgang Schumann	4	4*	Present
2	G Venugopala Rao	4	4	Present
3	Ulrich Hambrecht	4	4*	Present
4	Gopi Kannan Thirukonda	4	4	Present
5	Sudhir Merchant	4	4	Present
6	Sujal Shah	4	4	Present

*1 Board meeting was attended through video conference.

2.6 Appointment | Cessation

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

2.7 Remuneration

No.	Name	Remuneration during 2017-18			
		Sitting fees	Salary and perquisites	Commission	Total
	Chairman				
1	Wolfgang Schumann	-	-	-	-
	Managing Director				
2	G Venugopala Rao	-	24,27,188	-	24,27,188
	Non-executive Directors				
3	Ulrich Hambrecht	-	-	-	-
4	Gopi Kannan Thirukonda	-	-	-	-
5	Sudhir Merchant	90,000	-	2,00,000	2,90,000
6	Sujal Shah	80,000	-	2,00,000	2,80,000

Sitting fees of up to ₹ 10,000 per meeting constitute fees paid to the Independent Directors for attending the Board, Committee and other meetings.

Commission up to 1% of the net profit of the Company to the Independent Directors was approved by the Members of the Company at the AGM held on July 18, 2014 for a period of 5 years effective April 01, 2014. The Board approves, within the aforesaid limit, commission payable to each Independent Director.

3. Committees of the Board

The Board has constituted the following Committees:

- » Audit Committee
- » Nomination and Remuneration Committee
- » Corporate Social Responsibility Committee

3.1 Audit Committee

3.1.1 Role

- i) Approving:
 - » appointment of the Chief Financial Officer
 - » transactions with Related Parties and subsequent modifications thereof
- ii) Conducting:
 - » pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any areas of concern
 - » valuation of undertakings or assets, wherever necessary
- iii) Formulating:
 - » scope, functioning, periodicity and methodology for conducting the Internal Audit in consultation with the Internal Auditor
 - » Code of Conduct and related matters
- iv) Reviewing:
 - » adequacy of the Internal Audit function, including the structure of Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit
 - » significant transactions and arrangements entered into by the unlisted subsidiary companies
 - » the Auditors' independence, performance and effectiveness of the audit process
 - » periodically with the Auditors, the Internal Control Systems, the scope of audit including the observations of the Auditors and the Financial Statements before submission to the Board
 - » the annual Financial Statements and Auditor's Report with the Management before submission to the Board for approval with particular reference to:
 - any changes in Accounting Policies and practices
 - compliance with Accounting Standards
 - disclosure of any Related Party Transactions
 - going concern assumption

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

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

3.1.2 Composition

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

No.	Name	Designation
1	Sudhir Merchant	Chairman
2	Sujal Shah	Member
3	Gopi Kannan Thirukonda	Member

3.1.3 Meetings and attendance

During 2017-18, 4 meetings were held.

No.	Name	Total	Attended
1	Sudhir Merchant	4	4
2	Sujal Shah	4	4
3	Gopi Kannan Thirukonda	4	4

The Statutory Auditors, the Chairman, the Managing Director, the Chief Financial Officer, the Company Secretary and the Internal Auditors are permanent invitees to the meetings. The Board notes the Minutes of the Audit Committee meetings.

3.2 Nomination and Remuneration Committee

3.2.1 Role

- i) Devising a policy on the Board diversity
- ii) Formulating criteria for evaluation of the Independent Directors and the Board
- iii) Formulating criteria for determining qualifications, traits and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of performance of every Director
- v) Recommending | determining remuneration of the Executive Director as per the Policy

3.2.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1	Sudhir Merchant	Chairman
2	Sujal Shah	Member
3	Gopi Kannan Thirukonda	Member
4	Ulrich Hambrecht	Member

3.2.3 Meetings and attendance

During 2017-18, no meeting was held.

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

3.3 Corporate Social Responsibility Committee

3.3.1 Role

- i) Formulating and recommending the Corporate Social Responsibility (CSR) Policy to the Board
- ii) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profit in a given year
- iii) Monitoring the CSR Policy from time to time
- iv) Recommending the amount of expenditure to be incurred on the CSR initiatives which may not be less than 2% of the average net profit of the last 3 years

3.3.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1	Gopi Kannan Thirukonda	Chairman
2	Wolfgang Schumann	Member
3	Sudhir Merchant	Member

3.3.3 Meetings and attendance

During 2017-18, 1 meeting was held.

No.	Name	Total	Attended
1	Gopi Kannan Thirukonda	1	1
2	Wolfgang Schumann	1	1
3	Sudhir Merchant	1	1

4. Company policies

4.1 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.

4.2 Code of Conduct

The Code of Conduct is available on the website of the Company at <http://www.racl.net.in/investors.html#>

All the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

4.3 Prevention of Sexual Harassment of Women at Workplace

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

5. Affirmation and disclosure

There were no materially significant Related Party Transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2017-18 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company complied with the statutory provisions, rules and regulations and in the last 3 years no strictures or penalties were imposed on the Company by any statutory authority.

6. Shareholders' information

6.1 General Body meetings

6.1.1 Location and time, where last 3 AGMs were held:

Year	Location	Date	Time
2014-15	B 18598, Survey number 33 Atul 396 020, Gujarat, India	August 03, 2015	04:00 pm
2015-16	B 18598, Survey number 33 Atul 396 020, Gujarat, India	August 05, 2016	04:00 pm
2016-17	B 18598, Survey number 33 Atul 396 020, Gujarat, India	August 11, 2017	12:30 pm

6.1.2 Special Resolutions passed in the previous 3 AGMs

Nil

6.1.3 Resolutions passed through postal ballot

Nil

6.2 Annual General Meeting 2018

Details of the 14th AGM are as under:

Year	Location	Date	Time
2017-18	B 18598, Survey number 33 Atul 396 020, Gujarat, India	August 03, 2018	12:30 pm

As required, particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

6.3 Financial year

April 01 to March 31

6.4 Date of dividend payment

April 04, 2018

6.5 Location of plant

Atul 396 020, Gujarat, India

6.6 Address for correspondence

B | 18598, Survey number 33, Atul 396 020, Gujarat, India

E-mail address: sec@racl.net.in

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

No.	Particulars	Date
1	First quarter results	August 03, 2018
2	Second quarter and half-yearly results	November 16, 2018
3	Third quarter results	February 15, 2019
4	Fourth quarter and annual results	April 19, 2019

7. Role of the Company Secretary in overall governance process

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

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

Dr GVG Rao, Managing Director and Mr Milind Phatak, Chief Financial Officer, issued certificates to the Board.

The certificates were placed before the Board at the meeting held on April 20, 2018 in which the accounts for the year ended March 31, 2018 were considered and approved by the Board.

For Rudolf Atul Chemicals Ltd

Mumbai
May 07, 2018

(G Venugopala Rao)
Managing Director

Notice

NOTICE is hereby given that the 14th Annual General Meeting of the Members of Rudolf Atul Chemicals Ltd will be held on Friday, August 03, 2018, at 12:30 pm at B | 18598, Survey Number 33, Atul 396 020, Gujarat, India to transact the following businesses:

Ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2018 and the Reports of the Directors and the Auditors thereon.
2. To confirm interim dividend on equity shares as final dividend.
3. To appoint a Director in place of Mr Gopi Kannan Thirukonda (DIN: 00048645) who retires by rotation being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the Resolution number 04 passed at the 13th Annual General Meeting of the Company held on August 11, 2017 the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (FRN 117366W | W-100018) as Statutory Auditors of the Company be and is hereby ratified for the financial year ending on March 31, 2019.”

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 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr Sudhir Merchant (DIN: 00033406), 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 reappointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from April 01, 2019 up to March 31, 2024.”
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, 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 Sujal Shah (DIN: 00058019), 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 reappointed as an Independent Director of the Company to hold office for a second term of 5 consecutive years from April 01, 2019 up to March 31, 2024.”

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 90(2) of the Articles of Association of the Company and in accordance with the provisions of Section 197 of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof) (the Act), the Non-executive Independent Directors of the Company be paid remuneration by way of commission, over and above the sitting fees, up to 1% of the net profit of the Company computed in the manner laid down in Section 198 of the Act, for each of 5 financial years commencing from April 01, 2019, in a such proportion and manner as the Board of Directors may from time to time determine.”

Notes

1. A Member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a Member. A person can act as proxy on behalf of not more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 12:30 pm on Wednesday, August 01, 2018.
2. 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 ending March 31, 2018 are annexed |attached.
3. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for

- inspection during normal business hours on working days on or before the date of the AGM. Even after registering for e-communication, the Members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
5. The Members, desiring any information relating to the accounts, are requested to write to the Company at least 7 days before the date of Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.
6. At the ensuing Annual General Meeting, Mr Gopi Kannan Thirukonda retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as under:

Name	Mr Gopi Kannan Thirukonda
Date of birth	March 30, 1959
Brief résumé	Mr Gopi Kannan Thirukonda has 33 years of experience in various capacities and is currently the Chief Financial Officer of Atul Ltd. He is a FCA, FCMA, FCS and holds a post graduate diploma in Management.
Directorship in other companies	<p>Public companies</p> <p>Amal Ltd Atul Bioscience Ltd Atul Elkay Polymers Ltd – Chairman Atul Finserv Ltd – Chairman Atul Fin Resources Ltd Atul Ltd – Whole-time Director and CFO Atul Nivesh Ltd Atul Rajasthan Date Palms Ltd</p> <p>Foreign companies</p> <p>Atul China Ltd – Chairman Atul Deutschland GmbH – Chairman</p>
Membership in committees of other companies	<p>Member of Committees</p> <p>Amal Ltd – Stakeholders Relationship Committee Amal Ltd – Corporate Social Responsibility Committee Atul Bioscience Ltd – Audit Committee Atul Bioscience Ltd – Corporate Social Responsibility Committee Atul Ltd – Stakeholders Relationship Committee</p>
Relationship with other Directors	None
Number of shares held in the Company	Nil

7. At the ensuing Annual General Meeting, Mr Sudhir Merchant and Mr Sujal Shah are proposed to be reappointed as Independent Directors of the Company for a second term of 5 consecutive years from April 01, 2019 up to March 31, 2024.

The information or details pertaining to them are given in the Explanatory statement.

Registered office:

B | 18598, Survey number 33

Atul 396 020, Gujarat

India

CIN: U24110GJ2005PLC045564

May 07, 2018

CIN: Company Identification Number

DIN: Director Identification Number

FRN: Firm Registration Number

By order of the Board of Directors

(Rakesh Pathak)

Company Secretary

Explanatory statement

The following Explanatory statement, as required by Section 102 of the Companies Act, 2013, sets out material facts including the nature and concern or interest of the Directors in relation to the item of Special business under Item number 5, 6 and 7 mentioned in the accompanying Notice:

Item number 5

The Members in the AGM held on July 18, 2014 had appointed Mr Sudhir Merchant as an Independent Director of the Company for a term of 5 consecutive years, effective April 01, 2014 to March 31, 2019. The current term of his office is due to expire on March 31, 2019. His brief résumé is as under:

Name	Mr Sudhir Merchant
Date of birth	August 25, 1953
Brief résumé	Mr Sudhir Merchant holds a post graduate degree in Management Studies (MMS) and is an industrialist having more than 40 years of experience. He is also on the Board of other listed non-listed companies.
Directorship in other companies	<p>Public companies</p> <p>TCPL Packaging Ltd The Indian Card Clothing Co Ltd</p> <p>Private companies</p> <p>Encore Natural Polymers Pvt Ltd Encore Polyfrac Products Pvt Ltd Saidarshan Business Centres Pvt Ltd Shivraj Sugar & Allied Products Pvt Ltd</p>
Membership in committees of other companies	<p>Chairman of Committees</p> <p>Encore Natural Polymers Pvt Ltd – Corporate Social Responsibility Committee TCPL Packaging Ltd – Corporate Social Responsibility Committee TCPL Packaging Ltd – Nomination and Remuneration Committee TCPL Packaging Ltd – Stakeholders Relationship Committee</p> <p>Member of Committees</p> <p>TCPL Packaging Ltd – Audit Committee The Indian Card Clothing Co. Ltd – Audit Committee</p>

	The Indian Card Clothing Co. Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	Nil

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

In the opinion of the Board, Mr Merchant fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the Management. A copy of the draft letter of appointment of Mr Merchant 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 Merchant does not hold by himself or together with his relatives two percent or more of the total voting power of the Company. As per the provisions of the Companies Act, 2013 an Independent Director can be reappointed for a second term by passing of a Special Resolution by the Members.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in Item number 5 in relation to appointment of Mr Merchant as an Independent Director for a second term of 5 consecutive years for the approval by the Members as a Special Resolution.

Memorandum of interest

Except Mr Merchant, 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 5.

Item number 6

The Members in the AGM held on July 18, 2014 had appointed Mr Sujal Shah as an Independent Director of the Company for a term of 5 consecutive years, effective April 01, 2014 to March 31, 2019. The current term of his office is due to expire on March 31, 2019. His brief résumé is as under:

Name	Mr Sujal Shah
Date of birth	September 23, 1968
Brief résumé	Mr Sujal Shah is a practicing Chartered Accountant with an overall post qualification experience of about 26 years. He is a founder partner of SSPA & Co Chartered Accountants, Mumbai, and is associated with corporate consultancy services that are offered by the firm.
Directorship in other companies	<p>Public companies</p> <p>Amal Ltd Amrit Corporation Ltd Bhishma Realty Ltd Capricon Realty Ltd Hindoostan Mills Ltd Mafatlal Industries Ltd Reliance Asset Reconstruction Company Ltd</p> <p>Private companies</p> <p>Convergence Chemicals Pvt Ltd DHFL Pramerica Truasteed Pvt Ltd i-Process Services (India) Pvt Ltd Raiji and Horwath Consultancy Services Pvt Ltd SSPA Consultants Pvt Ltd</p>

Membership in committees of other companies	<p>Chairman of Committees</p> <p>Convergence Chemicals Pvt Ltd – Audit Committee Hindustan Mills Ltd – Audit Committee i-Process Services (India) Pvt Ltd – Audit Committee</p> <p>Member of Committees</p> <p>Amal Ltd – Audit Committee Amrit Corporation Ltd – Audit Committee DHFL Pramerica Truasteed Pvt Ltd – Audit Committee Mafatlal Industries Ltd – Audit Committee Reliance Asset Reconstruction Company Ltd – Audit Committee</p>
Relationship with other Directors	None
Number of shares held in the Company	Nil

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

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

Mr Shah does not hold by himself or together with his relatives two percent or more of the total voting power of the Company. As per the provisions of the Companies Act, 2013 an Independent Director can be reappointed for second term by passing a Special Resolution by the Members.

The Board considers that his continued association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in Item number 6 in relation to reappointment of Mr Shah as an Independent Director for a second term of 5 consecutive years for the approval by the Members as a Special Resolution.

Memorandum of interest

Except Mr Shah, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item number 6.

Item number 7

Pursuant to Article 90(2) of the Articles of Association read with Section 197 of the Companies Act, 2013, the Non-executive Independent Directors are entitled to receive commission up to 1% of the net profit of the Company in any financial year, with the approval of the Company by way of Ordinary Resolution. Earlier the 10th AGM had authorised payment of such commission for a period of 5 years which is expiring on March 31, 2019 and the same requires further renewal.

In view of the time and attention which the Non-executive Independent Directors are called upon to give for the purpose of business of the Company, it is considered that the payment of such commission to the Non-executive Independent Directors as permitted by Article 90(2) aforesaid, may be made for the period of 5 years effective April 01, 2019.

The Board recommends the Resolution in Item number 7 in the Notice in relation to the payment of commission to Non-executive Independent Directors for a period of 5 years for the approval by the Members as an Ordinary Resolution.

Registered office:
B | 18598, Survey number 33
Atul 396 020, Gujarat
India
CIN: U24110GJ2005PLC045564
May 07, 2018

CIN: Company Identification Number
DIN: Director Identification Number
FRN: Firm Registration Number

By order of the Board of Directors

(Rakesh Pathak)
Company Secretary

Performance trend

(₹ lakhs)

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13 ¹
Operating results						
Net sales	7,327	6,457	6,086	4,341	3,063	2,055
Revenue	7,399	6,523	6,147	4,046	3,112	2,067
PBIDT	1,445	1,508	1,424	897	564	274
Interest	12	12	10	3	(42)	1
PBDT	1,432	1,496	1,414	894	606	274
Depreciation	36	32	26	80	78	81
PBT from operations ²	1,396	1,464	1,387	814	528	193
Exceptional Non-recurring items	-	-	-	-	-	-
PBT	1,396	1,464	1,387	814	528	193
Tax	492	511	480	264	175	54
Net profit	904	953	907	550	353	140
Other Comprehensive Income, net of tax	(0.4)	(3)	-	-	-	-
Total Comprehensive Income	903	950	907	550	353	140
Dividend (including DDT ³)	703	1792	140	-	102	-
Financial position						
Gross block ⁴	689	643	519	448	312	309
Net block ⁴	596	586	494	423	122	198
Other assets (net)	1,639	1,448	2,382	1,686	1,462	1,136
Capital employed	2,235	2,034	2,876	2,109	1,584	1,334
Equity share capital	584	584	584	584	584	584
Other equity	1,651	1,450	2,292	1,525	1,001	750
Total equity	2,235	2,034	2,876	2,109	1,584	1,334
Borrowings	-	-	-	-	-	-
Per equity share (₹)						
Dividend	10.00	12.75	12.75	2.00	1.50	-
Book value	38.28	34.84	49.27	36.13	27.13	22.85
Earning	15.48	16.33	15.54	9.43	6.04	2.39
Key indicators						
PBIDT %	19.24%	20.81%	21.41%	21.20%	18.41%	13.33%
PBDT %	19.07%	20.65%	21.26%	21.12%	19.78%	13.33%
PBT %	18.59%	20.21%	20.85%	19.23%	17.24%	9.39%
RoCE % ^{2,5}	63.01%	72.59%	48.57%	38.74%	30.68%	1.54%
RoNW % ²	40.44%	46.88%	31.54%	26.08%	22.29%	10.49%
Payment to the exchequer	2,377	1,991	1,854	1,200	848	341

Notes:

¹First full year of partnership between Rudolf Group and Atul Conglomerate | ²Excluding exceptional items | ³Dividend distribution tax |

⁴Including capital work-in-progress | ⁵Excluding capital work-in-progress

34	Independent Auditor's Report
40	Balance Sheet
41	Statement of Profit and Loss
42	Statement of changes in equity
43	Statement of Cash Flows
45	Notes

Independent Auditor's Report

To the Members of Rudolf Atul Chemicals Ltd

Report on the Ind AS Financial Statements

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

Responsibility of the Management for Ind AS Financial Statements

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

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

Auditor's responsibility

03 Our responsibility is to express an opinion on these Ind AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under

the provisions of the Act and the Rules made thereunder and the Order issued under Section 143(11) of the Act.

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

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

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

Opinion

08 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other matter

09 The Financial Statements of the Company for the year ended March 31, 2017 were audited by the B R Shah, Chartered Accountants, the predecessor auditor.

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

Report on other legal and regulatory requirements

- 10 As required by Section 143(3) of the Act, based on our audit we report that:
- i) 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.
 - ii) 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.
 - iii) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account.
 - iv) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - v) On the basis of the written representations received from the Directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2018 from being appointed as a Director in terms of Section 164(2) of the Act.
 - vi) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A. Our report expresses an

unmodified opinion on the adequacy and operating effectiveness of Internal Financial Controls of the Company over financial reporting.

- vii) 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration Number: 117366W|W-100018

(Samir R. Shah)

Partner

Mumbai

April 20, 2018

Membership Number: 101708

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1(f) under 'Report on other legal and regulatory requirements' Section of our report of even date.

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

We have audited the Internal Financial Controls over financial reporting of Rudolf Atul Chemicals Limited (the Company) as of March 31, 2018 in conjunction with our audit of the Ind AS 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 controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Company the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the judgement of the auditors including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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 over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

Internal Financial Controls over financial reporting of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. Internal Financial Controls over financial reporting of a company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that may have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over financial reporting

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

Opinion

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration Number: 117366W|W-100018

(Samir R. Shah)

Partner

Membership Number: 101708

Mumbai
April 20, 2018

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' Section of our report of even date.

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the lease deed provided to us, we report that, in respect of immovable property of buildings that have been taken on lease and disclosed as fixed asset in the Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the Act), in respect of which:
 - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - (c) There is no overdue amount remaining outstanding as at the Balance Sheet date.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments

and providing guarantees and securities, as applicable.

- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits, hence reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
 - (c) There are no disputed dues of sales tax, customs duty, excise duty, value added tax and goods and service tax which have not been deposited as on March 31, 2018. The details of dues of income tax and service tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹)
The Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2011 to 2012	18,58,210*
The Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	2015 to 2016	27,95,640**
The Finance Act, 1994	Service tax	Commissioner of Central Excise (Appeals)	2012-13 to 2014-15	13,52,053

* Net of Rs. 3,27,800 paid under protest

**Amount of Rs. 14,88,125 was already paid by the Company and the Rectification u/s 154 of the Income Tax Act, 1961 has been filed by the Company.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and Government or has not issued any debentures. Hence, reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under clause (ix) of the Order is not applicable.

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

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

(xii) The Company is not a Nidhi Company, and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and

explanations given to us, the Company is in compliance with section 177 and 188 of the Act, where applicable, for all transactions with the Related Parties and the details of Related Party Transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.

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

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

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm's Registration Number: 117366W|W-100018

(Samir R. Shah)

Partner

Mumbai
April 20, 2018

Membership Number: 101708

Balance Sheet as at March 31, 2018

(₹ lakhs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
A ASSETS			
1 Non-current assets			
i) Property, plant and equipment	2	596.03	586.08
ii) Capital work-in-progress		-	31.31
iii) Intangible assets	3	0.31	0.44
iv) Income tax assets (net)	24.4	9.74	5.53
v) Deferred tax assets (net)	24.4	-	5.84
vi) Other non-current assets	4	12.70	11.09
Total non-current assets		618.78	640.28
2 Current assets			
i) Inventories	5	887.66	534.59
ii) Financial assets			
a) Trade receivables	6	1,651.46	1,143.99
b) Cash and cash equivalents	7	469.42	756.60
c) Loans	8	500.00	925.00
d) Other financial assets	9	1.99	9.33
iii) Other current assets	4	45.93	37.96
Total current assets		3,556.47	3,407.48
Total assets		4,175.25	4,047.76
B EQUITY AND LIABILITIES			
Equity			
i) Equity share capital	10	583.75	583.75
ii) Other equity	11	1,651.31	1,450.55
Total equity		2,235.06	2,034.30
Liabilities			
1 Non-current liabilities			
i) Financial liabilities			
a) Borrowings	12	125.07	133.31
b) Other financial liabilities	13	139.36	133.23
ii) Provisions	14	14.35	11.72
iii) Deferred tax liabilities	24.4	2.43	-
Total non-current liabilities		281.21	278.26
2 Current liabilities			
i) Financial liabilities			
a) Trade payables	15	864.09	768.79
b) Other financial liabilities	13	709.02	905.47
ii) Other current liabilities	16	72.96	33.77
iii) Employee benefit obligations	14	10.06	8.16
iv) Current tax liabilities (net)	24.4	2.84	19.02
Total current liabilities		1,658.98	1,735.21
Total liabilities		1,940.19	2,013.46
Total equity and liabilities		4,175.25	4,047.76
The accompanying Notes form an integral part of the Financial Statements	1-24		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Wolfgang Schumann
Chairman

Samir R. Shah
Partner

Milind Phatak
Chief Financial Officer

Ulrich Hambrecht
Gopi Kannan Thirukonda
Sudhir Merchant
Sujal Shah
Directors

G Venugopala Rao
Managing Director

Mumbai
April 20, 2018

Rakesh Pathak
Company Secretary

Mumbai
April 20, 2018

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



(₹ lakhs)

Particulars	Note	2017-18	2016-17
INCOME			
Revenue from operations	17	7,583.48	7,310.78
Other income	18	71.50	159.84
Total income		7,654.97	7,470.62
EXPENSES			
Cost of materials consumed	19	4,971.52	3807.62
Purchase of stock-in-trade		100.01	324.68
Changes in inventories of finished goods and stock-in-trade	20	(93.94)	32.53
Excise duty		184.22	787.40
Employee benefit expenses	21	446.98	361.02
Finance costs	22	12.12	12.12
Depreciation and amortisation expenses	2,3	36.43	31.57
Other expenses	23	601.40	649.40
Total expenses		6,258.74	6,006.35
Profit before tax		1,396.23	1,464.27
Tax expense			
Current tax	24.4	484.13	503.74
Deferred tax	24.4	8.28	7.23
Total tax expense		492.41	510.97
Profit for the year		903.81	953.30
Other Comprehensive Income			
Items that will not be reclassified to profit and loss			-
a) Remeasurement gains on defined benefit plans		(0.71)	(5.09)
b) Income tax relating to Item number (i) above		0.24	1.76
Other Comprehensive Income, net of tax		(0.46)	(3.33)
Total Comprehensive Income for the year		903.35	949.97
Earnings per equity share			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	24.10	15.48	16.33
The accompanying Notes form an integral part of the Financial Statements	1-24		

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Wolfgang Schumann
Chairman

Samir R. Shah
Partner

Milind Phatak
Chief Financial Officer

Ulrich Hambrecht
Gopi Kannan Thirukonda
Sudhir Merchant
Sujal Shah
Directors

G Venugopala Rao
Managing Director

Mumbai
April 20, 2018

Rakesh Pathak
Company Secretary

Mumbai
April 20, 2018

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

A. Equity share capital

Particulars	Note	(₹ lakhs)
		Amount
As at April 01, 2016		583.75
Changes in Equity share capital		-
As at March 31, 2017		583.75
Changes in Equity share capital		-
As at March 31, 2018	10	583.75

B. Other equity

Particulars	Reserves and surplus total				Total other equity
	Note	Security premium	General reserve	Retained earnings	
As at March 31, 2016		416.69	35.27	1,840.23	2,292.18
Profit for the year		-	-	953.30	953.30
Other Comprehensive Income		-	-	(3.33)	(3.33)
Total Comprehensive Income for the year		-	-	949.97	949.97
Transactions with owners in their capacity as owners:					
Dividend paid (including dividend distribution tax)	24.8	-	-	(1791.60)	(1791.60)
As at March 31, 2017		416.69	35.27	998.60	1,450.55
Profit for the year		-	-	903.81	903.81
Other Comprehensive Income		-	-	(0.46)	(0.46)
Total Comprehensive Income for the year		-	-	903.35	903.35
Transactions with owners in their capacity as owners:					
Income tax paid (net of refund)	24.8	-	-	(702.59)	(702.59)
As at March 31, 2018		416.69	35.27	1,199.36	1,651.32
The accompanying Notes form an integral part of the Financial Statements	1-24				

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Wolfgang Schumann
Chairman

Samir R. Shah
Partner

Milind Phatak
Chief Financial Officer

Ulrich Hambrecht
Gopi Kannan Thirukonda
Sudhir Merchant
Sujal Shah
Directors

G Venugopala Rao
Managing Director

Mumbai
April 20, 2018

Rakesh Pathak
Company Secretary

Mumbai
April 20, 2018

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



(₹ lakhs)

Particulars	Note	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		1,396.23	1,464.27
Adjustments for:			
Add:			
Depreciation and amortisation expenses	2,3	36.43	31.57
Finance costs	22	12.12	12.12
Unrealised exchange rate difference (net)		2.22	(5.74)
Bad debts and irrecoverable balances written off		-	0.81
		50.77	38.76
		1,447.00	1,503.03
Less:			
Interest received	18	54.33	93.20
Provisions for doubtful debt written back	18	0.61	36.48
		54.94	129.68
Operating profit before change in operating assets and liabilities		1,392.06	1,373.35
Adjustments for:			
(Increase) decrease in inventories	5	(353.06)	77.55
(Increase) decrease in trade receivables		(507.47)	149.31
(Increase) decrease in other current financial assets		0.29	0.61
(Increase) decrease in other current assets		(7.97)	(24.84)
(Increase) decrease in other non-current assets		(1.01)	(10.99)
Increase (decrease) in trade payables		89.68	(15.80)
Increase (decrease) in other current financial liabilities		(1.80)	-
Increase (decrease) in other current liabilities		39.20	(22.41)
Increase (decrease) in other non-current financial liabilities		6.13	23.95
Increase (decrease) in current provisions		1.91	8.16
Increase (decrease) in non-current provisions		1.92	6.63
		(732.17)	192.16
Cash generated from operations		659.88	1,565.51
Less:			
Income tax paid (net of refund)		504.92	485.83
Net cash flow from operating activities	A	154.96	1,079.69

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

(₹ lakhs)

Particulars	Note	2017-18	2016-17
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payment to acquire property, plant and equipment (including capital advance)		(12.72)	(107.06)
Inter corporate deposit given		(800.00)	(1,050.00)
Inter corporate deposit received back		1,225.00	1,175.00
Interest received		61.38	87.91
Net cash inflow from investing activities	B	473.66	105.86
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance lease obligation paid		(20.00)	-
Dividend on equity shares (including dividend distribution tax)		(895.80)	(895.80)
Net cash used in financing activities	C	(915.80)	(895.80)
Net increase (decrease) in cash and cash equivalents	A+B+C	(287.17)	289.74
Cash and cash equivalents at the beginning of the year		756.60	466.85
Cash and cash equivalents at the end of the year		469.42	756.60
The accompanying Notes form an integral part of the Financial Statements	1-24		

- i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on the Statement of Cash Flows as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.
- ii) Cash flows from operating activities include ₹ 24.50 lakhs (March 31, 2017: ₹ 18.25 lakhs) being expenditure towards Corporate Social Responsibility initiatives.
- iii) Refer Note 12 for a reconciliation of changes in liabilities arising from financing activities.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Wolfgang Schumann
Chairman

Samir R. Shah
Partner

Milind Phatak
Chief Financial Officer

Ulrich Hambrecht
Gopi Kannan Thirukonda
Sudhir Merchant
Sujal Shah
Directors

G Venugopala Rao
Managing Director

Mumbai
April 20, 2018

Rakesh Pathak
Company Secretary

Mumbai
April 20, 2018

Background

Rudolf Atul Chemicals Ltd (the Company) is a limited company incorporated and domiciled in India. It is a joint venture company of Rudolf GmbH and Atul Ltd, engaged in manufacturing and marketing of textile chemicals in India. The Company is effectively leveraging the strengths of Rudolf and Atul in serving its customers by becoming a total solution provider and is thereby helping the two partners to participate in the growing marketplace. The registered office of the Company is located at B | 18598, Survey number 33, Atul 396 020, Gujarat, India.

Note 1 Significant Accounting Policies

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

01 Basis of preparation:

- i) Compliance with Ind AS:
The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act as amended.
- ii) Historical cost convention:
The Financial Statements have been prepared on a historical cost basis except for the following:
 - a) Certain financial assets and liabilities are measured at fair value.
 - b) Defined benefit plans: plan assets measured at fair value.
All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- iii) Recent accounting pronouncements:
Standards issued, but not yet effective:
In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying (i) amendments to Ind AS 12, 'Income Taxes', Ind

AS 21, 'The Effects of Changes in Foreign Exchange Rates', Ind AS 28, 'Investments in Associates and Joint Ventures', Ind AS 40, 'Investment Property', and (ii) Ind AS 115, 'Revenue from Contracts with Customers'. The amendments are applicable to the Company from April 01, 2018.

The Financial Statements of the Company have not been impacted on account of these pronouncements.

02 Property, plant and equipment:

Property, plant and equipment are carried at cost of acquisition|construction including incidental expenses directly attributable to the acquisition|construction activity, as the case may be, less accumulated depreciation, amortisation and impairment as necessary as per Cost Model.

Depreciation

- i) Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets.
- ii) Depreciation is calculated on a pro-rata basis from the date of acquisition|installation till the date the assets are sold or disposed off.
- iii) Useful lives of the assets as prescribed under part C of Schedule II to the Companies Act, 2013 are applied.
- iv) The property, plant and equipment acquired under finance leases is depreciated over the assets' useful life or over the shorter of the assets' useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.
- v) The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

03 Intangible assets:

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

Amortisation:

Computer software cost is amortised over a period of 6 years using straight-line method.

Effective April 1, 2012, the 'Technical Know-How' is amortised over a revised period of 3 years as estimated by the Management using straight-line method.

04 Impairment of assets:

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

05 Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

06 Trade receivables:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method, less provision for impairment based on expected credit loss.

07 Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

08 Borrowing costs:

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

09 Inventories:

- i) Raw materials, packing materials, purchased finished goods, finished goods, fuel, stores and spares are valued at cost or net realisable value, whichever is lower. The cost is arrived at on First in First Out (FIFO) basis.
- ii) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location

and condition.

- iii) Due allowances are made for obsolete inventory based on technical estimates made by the Company.

10 Foreign currency transactions:

i) Functional and presentation currency:

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

ii) Transactions and balances:

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

11 Revenue recognition:

i) Timing of recognition:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods, the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the activities of the Company.

ii) Measurement of revenue:

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government which are levied on sales such as sales tax, value added tax, etc.

iii) Other revenue:

Interest income is recognised on a time proportion basis taking into account the amount

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

outstanding and the rate applicable. Commission income is recognised on the basis of confirmation received.

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

The net interest cost is calculated by applying the discount rate 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.

ii) Defined contribution plan:

Contribution paid | payable by the Company during the period to Provident Fund, Superannuation Fund, Employees' State Insurance

Corporation, National Pension Scheme and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Provident fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Long-term leave encashment:

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.

Short-term leave encashment:

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

13 Provisions, contingent liabilities and contingent assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised, but are

disclosed in the Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.

14 Income Taxes:

- i) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- ii) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.

15 Leases:

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. 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 rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

16 Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period. Earnings

considered in ascertaining the EPS is the net profit for the period and any attributable tax for the period.

17 Contributed equity:

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

18 Critical estimates and judgements:

The preparation of the Financial Statements require the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of current tax expense and payable – Note 24.4
- ii) Estimated useful life of intangible asset – Note 3
- iii) Estimation of defined benefit obligation – Note 24.5
- iv) Recognition of deferred tax assets – Note 24.4

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.

(₹ lakhs)

Note 2 Property, plant and equipment	Building ^{1,2}	Plant and equipment	Office equipment and furniture	Vehicles	Total
Gross carrying amount					
As at March 31, 2016	392.81	121.37	5.15	-	519.33
Additions	1.06	108.88	13.42	-	123.36
As at March 31, 2017	393.87	230.25	18.57	-	642.69
Additions	-	38.55	1.96	5.74	46.25
As at March 31, 2018	393.87	268.80	20.52	5.74	688.94
Depreciation					
Up to March 31, 2016	14.55	9.30	1.31	-	25.17
For the year	14.66	15.13	1.65	-	31.44
Up to March 31, 2017	29.21	24.43	2.96	-	56.61
For the year	14.75	19.30	1.95	0.29	36.30
Up to March 31, 2018	43.96	43.74	4.92	0.29	92.90
Net carrying amount					
As at March 31, 2017	364.66	205.82	15.60	-	586.08
As at March 31, 2018	349.91	225.06	15.61	5.46	596.03

¹ Leased assets (also refer Note 24.11)

Building includes the following amounts where the Company is a lessee under a finance lease:

(₹ lakhs)

Buildings	March 31, 2018	March 31, 2017
Cost Deemed cost	392.81	392.81
Accumulated depreciation	(43.65)	(29.10)
Net carrying amount	349.16	363.71

² The manufacturing plant of the Company is installed in land and building leased by the joint venture company, Atul Ltd.

(₹ lakhs)

Note 3 Intangible assets	Computer software
Gross carrying amount	
As at March 31, 2016	1.63
Additions	-
As at March 31, 2017	1.63
Additions	-
As at March 31, 2018	1.63
Amortisation	
Up to March 31, 2016	1.06
For the year	0.13
Up to March 31, 2017	1.19
For the year	0.13
Up to March 31, 2018	1.32
Net carrying amount	
As at March 31, 2017	0.44
As at March 31, 2018	0.31

(₹ lakhs)

Note 4 Other assets	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
i) Balances with the Government department				
a) Tax paid under protest	-	11.99	-	10.99
b) Balances with the statutory authorities	30.27	-	12.83	-
ii) Capital advances	-	0.71	-	0.10
iii) Prepayment				
a) Others	0.04	-	7.60	-
iv) Others	15.63	-	17.53	-
	45.93	12.70	37.96	11.09

(₹ lakhs)

Note 5 Inventories*	As at March 31, 2018	As at March 31, 2017
i) Raw materials and packing materials	512.90	255.80
Add: Goods-in-transit	111.70	79.67
	624.60	335.48
ii) Finished goods	263.05	189.78
iii) Stock-in-trade	-	7.04
iv) Scrap material	-	2.30
	263.05	199.12
	887.66	534.59

* The mode of valuation of inventory has been stated in Note 1(9)

(₹ lakhs)

Note 6 Trade receivables	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
i) Trade receivables	1,641.48	1,142.73
ii) Related Parties (refer Note 24.3)	9.98	1.27
	1,651.46	1,143.99

(₹ lakhs)

Note 7 Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017
Balances with banks		
i) In current accounts	15.79	36.00
ii) In demand deposit	453.63	720.59
	469.42	756.60

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(₹ lakhs)

Note 8 Loans	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
a) Inter corporate deposit to Related Party	500.00	425.00
b) Inter corporate deposit to others	-	500.00
	500.00	925.00

(₹ lakhs)

Note 9 Other financial assets	As at March 31, 2018	As at March 31, 2017
i) Advances recoverable in cash	0.51	0.80
ii) Interest accrued, but not due on inter corporate deposit	1.49	8.54
	1.99	9.33

(₹ lakhs)

Note 10 Equity share capital	As at March 31, 2018	As at March 31, 2017
Authorised		
70,00,000 (70,00,000) equity shares of ₹ 10 each	700.00	700.00
	700.00	700.00
Issued		
58,37,500 (58,37,500) equity shares of ₹ 10 each	583.75	583.75
	583.75	583.75
Subscribed		
58,37,500 (58,37,500) equity shares of ₹ 10 each, fully paid	583.75	583.75
	583.75	583.75

(₹ lakhs)

(i) Movement in Equity share capital	Number of shares	Equity share capital
As at March 31, 2017	58,37,500	583.75
As at March 31, 2018	58,37,500	583.75

- ii) Terms and rights attached to equity shares
The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.
- a) 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. 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.
- b) Dividend:
The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is approved by the Board.
- iii) During the year, the Company has paid interim dividend of ₹ 10 per equity share (previous year ₹ 12.75 per equity share) as per the Resolution dated March 31, 2018, which resulted in a cash outflow of ₹ 702.59 lakhs inclusive of corporate dividend tax.

iv) Details of Shareholders holding more than 5% of equity shares:

No	Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
		Holding %	No of shares	Holding %	No of shares
1	IB Industriechemie Beteiligungs GmbH	50.00 %	29,18,750	50.00%	29,18,750
2	Atul Ltd	50.00 %	29,18,750	50.00%	29,18,750

(₹ lakhs)

Note 11 Other equity	As at March 31, 2018	As at March 31, 2017
i) Security premium reserve	416.69	416.69
ii) General reserve	35.27	35.27
iii) Retained earnings		
Balance at the beginning of the year	998.60	1,840.23
Add: Profit for the year	903.81	953.30
Less: Dividend on equity shares for the year 2017-18: ₹ 10 per share, (2015-16: ₹ 12.75 per share; 2016-17: ₹ 12.75 per share)	(583.75)	(1,488.56)
Dividend distribution tax on dividend	(118.84)	(303.04)
Add: Other Comprehensive Income	(0.46)	(3.33)
Balance at the end of the year	1,199.36	998.60
	1,651.31	1,450.55

(₹ lakhs)

Note 12 Borrowings	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Long-term borrowings				
Long-term maturities of finance lease obligations	-	125.07	-	137.58
Less: Current maturities of finance lease obligations	-	-	4.27	(4.27)
(included in Note 13 Other financial liabilities)	-	-	(4.27)	-
	-	125.07	-	133.31

Net Debt Reconciliation:

(₹ lakhs)

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings	Total
Net debt as at March 31, 2017	133.31	4.27	137.57
Repayments	(15.73)	(4.27)	(20.00)
Interest expense	7.49	-	7.49
Net debt as at March 31, 2018	125.07	-	125.07

(₹ lakhs)

Note 13 Other financial liabilities	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
i) Security deposits	-	139.36	-	133.23
ii) Creditors for capital goods	2.83	-	-	-
iii) Dividend payable	583.75	-	744.28	-
iv) Dividend distribution tax payable	118.84	-	151.52	-
v) Current maturities of finance lease obligations (Refer Note 14)	-	-	4.27	-
vi) Others	3.60	-	5.40	-
	709.02	139.36	905.47	133.23

(₹ lakhs)

Note 14 Provisions	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Provisions for employee benefits				
i) Compensated absences	2.46	14.35	1.12	11.72
ii) Gratuity (refer Note 24.5)	7.60	-	7.04	-
	10.06	14.35	8.16	11.72

Information about individual provisions and significant estimates

a) Compensated absences

Compensated absences cover the liability for earned leave. Out of the total amount disclosed above, ₹ 2.46 lakhs is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

(₹ lakhs)

Note 15 Trade payables	As at March 31, 2018	As at March 31, 2017
Trade payables		
i) Related Party (refer Note 24.3)	218.53	295.14
ii) Others (refer Note 24.12 for outstanding dues of micro enterprise and small enterprise)	645.56	473.64
	864.08	768.79

(₹ lakhs)

Note 16 Other current liabilities	As at March 31, 2018	As at March 31, 2017
i) Statutory dues	65.64	27.10
ii) Advances received from customers	7.33	6.67
	72.96	33.77

(₹ lakhs)

Note 17 Revenue from operations	2017-18	2016-17
Revenue		
Sale of products (including excise duty ¹)	7,511.28	7,245.34
Other operating revenue		
Commission received	53.00	49.02
Scrap sales	19.19	16.41
	7,583.48	7,310.78

¹ Includes ₹ 184.22 lakhs excise duty up to June 30, 2017 (PY: ₹ 787.40 lakhs)

(₹ lakhs)

Note 18 Other Income	2017-18	2016-17
Interest from inter company deposits	45.50	75.47
Interest from others	8.83	17.74
Liability written back	0.61	36.48
Exchange rate difference gain (net)	15.45	30.12
Miscellaneous income	1.10	0.04
	71.50	159.84

(₹ lakhs)

Note 19 Cost of materials consumed	2017-18	2016-17
Raw materials and packing materials consumed		
Stocks at commencement	335.48	375.03
Add: Purchases	5,260.64	3,768.06
	5,596.12	4,143.09
Less: Stocks at close	624.60	335.48
	4,971.52	3,807.62

(₹ lakhs)

Note 20 Changes in inventories of finished goods and stock-in-trade	2017-18	2016-17
Stocks at close		
Finished goods	263.05	189.78
Scrap material	-	2.30
Stock-in-trade	-	7.04
	263.05	199.12
Less: Stocks at commencement		
Finished goods	189.78	220.81
Scrap material	2.30	-
Stock-in-trade	7.04	16.30
	199.12	237.11
	(63.94)	38.00
Excise duty variation on opening closing stocks of finished goods	(30.00)	(5.46)
(Increase) Decrease in stocks	(93.94)	32.53

(₹ lakhs)

Note 21 Employee benefit expenses	2017-18	2016-17
Salaries, wages and bonus	365.70	298.06
Contribution to provident and other funds (refer Note 24.5)	19.88	14.04
Staff welfare expenses	61.40	48.92
	446.98	361.02

(₹ lakhs)

Note 22 Finance costs	2017-18	2016-17
Interest on income tax	0.63	-
Interest on obligation under finance lease	7.49	8.24
Interest on others	4.01	3.88
	12.12	12.12

(₹ lakhs)

Note 23 Other expenses	2017-18	2016-17
Consumption of stores and spares	7.30	3.22
Power, fuel and water	10.36	9.54
Plant and equipment repairs	4.55	12.15
Sundry repairs	1.00	1.31
Rent	36.66	9.23
Insurance	9.10	8.68
Plant operation charges	6.72	2.29
Freight, cartage and octroi	16.43	14.29
Commission	77.46	143.54
Travelling and conveyance	70.01	65.76
Payments to the Statutory Auditors		
i) As Auditor	1.31	1.70
ii) For other services	1.07	1.30
iii) For reimbursement of expenses	0.07	0.19
Directors' fees	1.70	1.70
Directors' commission (other than the Executive Directors)	4.00	6.00
Manpower services	270.77	263.07
Bad debts and irrecoverable balances written off (net of Provision)	-	0.81
Expenditure on Corporate Social Responsibility (refer Note no 24.13)	24.50	18.25
Legal and professional charges	10.77	10.27
Testing analysis and inspection charges	4.51	5.35
Miscellaneous expenses	43.10	70.76
	601.40	649.40

Note 24.1 Contingent liabilities

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts in respects of:		
i) Income tax	34.94	73.25
ii) Service tax	13.52	-

The above matters are currently being considered by the tax authorities | various forums and the Company expects the judgement will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities | various forums. The potential undiscounted amount of total payments for taxes that the Company may be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as stated above.

Note 24.2 Commitments

Capital commitments

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

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	-	13.75

Note 24.3 (A) Related Party information

Name of the Related Party and nature of relationship

No.	Name of the Related Party	Description of relationship
	Party where control exists	
1	I B Industrieschemie Beteiligungs GmbH	
2	Atul Ltd	Joint venture

Other Related Parties with whom transactions have taken place during the year

1	Rudolf GmbH	
2	Atul Bioscience Ltd	Enterprises over which significant influence exercised
3	Atul Infotech Private Ltd	
4	Atul Finserv Ltd	
5	Atul Foundation Trust (welfare fund)	

Note 24.3 (B) Transactions with joint venture partner

		(₹ lakhs)	
a)	Sales and income	2017-18	2016-17
1	Sale of goods	30.46	2.35
	Atul Ltd	30.46	2.35
2	Interest received	-	40.88
	Atul Ltd	-	40.88
b)	Purchases and expenses		
1	Purchase of goods	265.28	328.47
	Atul Ltd	265.28	328.47
2	Service charges paid	290.33	268.34
	Atul Ltd	290.33	268.34
3	Utility expenses	10.04	9.07
	Atul Ltd	10.04	9.07
4	Reimbursement of expenses	55.70	73.69
	Atul Ltd	55.70	73.69
5	Lease rent	54.00	20.00
	Atul Ltd	54.00	20.00
c)	Other transactions		
1	Inter corporate deposits received back	-	1,050.00
	Atul Ltd	-	1,050.00
2	Final equity dividend	-	744.28
	Atul Ltd	-	372.14
	I B Industrieschemie	-	372.14
3	Interim equity dividend	583.75	744.28
	Atul Ltd	291.88	372.14
	Rudolf GmbH	291.88	372.14
Outstanding balances as at year end		March 31, 2018	March 31, 2017
1	Receivables	269.98	261.27
	Atul Ltd (Receivables)	9.98	1.27
	Atul Ltd (Deposits given)	260.00	260.00
2	Payables	143.86	161.44
	Atul Ltd	143.86	161.44

Note 24.3 (C) Transactions with organisations over which significant influence exercised

(₹ lakhs)

a)	Sales and income	2017-18	2016-17
1	Commissions received Rudolf GmbH	53.00 53.00	49.02 49.02
2	Waiver of payables Rudolf GmbH	- -	34.20 34.20
3	Interest received Atul Bioscience Ltd Atul Infotech Private Ltd	22.00 20.10 1.90	19.48 18.55 0.93
b)	Purchase and expenses		
1	Purchases of goods Rudolf GmbH	2,333.43 2,333.43	1,441.78 1,441.78
2	Insurance expenses Rudolf GmbH	- -	2.98 2.98
3	Testing fees Rudolf GmbH	- -	1.42 1.42
4	Reimbursement of expenses Atul Finserv Ltd	0.06 0.06	0.25 0.25
c)	Other transactions		
1	Corporate Social Responsibility initiatives Atul Foundation Trust	24.50 24.50	18.25 18.25
2	Inter corporate deposit given Atul Bioscience Ltd ¹ Atul Infotech Private Ltd ¹ Short term @ 9.9% p.a	500.00 500.00 -	425.00 350.00 75.00
3	Inter corporate deposit received back Atul Bioscience Ltd Atul Infotech Private Ltd	425.00 350.00 75.00	- - -
Outstanding balances as at year end		March 31, 2018	March 31, 2017
1	Receivables Atul Bioscience Ltd Atul Infotech Private Ltd	500.00 500.00 -	425.00 350.00 75.00
2	Payables Rudolf GmbH Atul Finserv Ltd	74.66 74.66 -	133.70 133.66 0.04

* Related Party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

Note 24.4 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are:

a) Income tax expenses recognised in the Statement of Profit and Loss

(₹ lakhs)

Particulars	2017-18	2016-17
i) Current tax		
Current tax on profit for the year	484.13	503.96
Adjustments for current tax of prior periods	-	(0.22)
Total current tax expense	484.13	503.74
ii) Deferred tax		
Decrease (Increase) in deferred tax assets	8.28	7.23
Total deferred tax expense (benefit)	8.28	7.23
Income tax expense	492.41	510.97

b) No deferred tax has been recorded or recognised in Other Comprehensive Income during the reporting year.

c) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

Particulars	2017-18	2016-17
a) Statutory income tax rate	34.61%	34.61%
b) Differences due to:		
i) Expenses not deductible for tax purposes	0.35%	0.17%
ii) Others	0.31%	0.12%
Effective income tax rate	35.27%	34.90%

d) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have not been recognised in net profit or loss or Other Comprehensive Income, but directly debited | (credited) to equity

e) Current tax liabilities

(₹ lakhs)

Particulars	2017-18	2016-17
Opening balance	19.02	0.64
Add: Current tax payable for the year	484.13	503.74
Less: Taxes paid	(500.32)	(485.36)
Closing balance	2.84	19.02

f) Current tax assets

(₹ lakhs)

Particulars	2017-18	2016-17
Opening balance	5.52	15.00
Add: Tax paid in advance, net of provisions during the year	4.22	(9.48)
Closing balance	9.74	5.52

g) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Property, plant and equipment	13.12	4.48
Total deferred tax liabilities	13.12	4.48
Expenses disallowed under Section 40(a) of the Income Tax Act, 1961	1.16	1.08
Finance lease transaction	4.63	4.80
Compensated absences	4.90	4.44
Total deferred tax assets	10.69	10.32
Net deferred tax (assets) liabilities	2.43	(5.84)

Movement in deferred tax liabilities | assets

(₹ lakhs)

Particulars	Property, plant and equipment	Expense disallowed u/s 40(a)	Finance lease	Compensated absences	Total
As at March 31, 2016	(7.90)	(1.34)	(3.84)	-	(13.07)
(Charged) Credited - to profit or loss	12.37	0.27	(0.96)	(4.44)	7.23
As at March 31, 2017	4.48	(1.08)	(4.80)	(4.44)	(5.84)
(Charged) Credited - to profit or loss	8.65	(0.08)	0.17	(0.45)	8.28
As at March 31, 2018	13.12	(1.16)	(4.63)	(4.90)	2.43

Note 24.5 Employee benefit obligations

Funded schemes

a) Defined benefit plans:

Gratuity

The Company operates a gratuity plan through the 'Rudolf Atul Chemicals Ltd Employees Gratuity Trust'. Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or the Company scheme, whichever is more beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after 5 years of continuous service.

Balance Sheet amount (Gratuity)

(₹ lakhs)

Particulars	Present value of obligation	Fair value of plain assets	Net amount
As at March 31, 2016	-	-	-
Current service cost	3.44	-	3.44
Interest expense (income)	-	(0.24)	(0.24)
Total amount recognised in profit and loss	3.44	(0.24)	3.20
Remeasurements			
Experience (gains) losses	5.09	-	5.09
Total amount recognised in Other Comprehensive Income	5.09	-	5.09
Employer contributions	-	(1.25)	(1.25)
Transfer in liabilities and assets	17.14	(17.14)	-
As at March 31, 2017	25.67	(18.64)	7.04
Current service cost	3.18	-	3.18
Past service cost	3.39	-	3.39
Interest expense (income)	1.80	(1.31)	0.48
Total amount recognised in profit and loss	8.36	(1.31)	7.04
Remeasurements			
(Gain) Loss from change in demographic assumptions	(0.23)	-	(0.23)
(Gain) Loss from change in financial assumptions	0.82	-	0.82
Experience (gains) losses	0.12	-	0.12
Total amount recognised in Other Comprehensive Income	0.71	-	0.71
Employer contributions	-	(7.19)	(7.19)
As at March 31, 2018	34.74	(27.13)	7.60

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

(₹ lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	34.74	25.67
Fair value of plan assets	(27.13)	(18.64)
Deficit of gratuity plan	7.60	7.04

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.80%	7.00%
Attrition rate	7.80%	7.00%
Rate of return on plan assets	7.80%	7.00%
Salary growth rate	8.27%	7.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

(₹ lakhs)

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount rate	1.00%	0.50%	(1.69)	(24.89)	1.88	26.50
Attrition rate	1.00%	0.50%	(0.14)	(25.72)	0.14	25.62
Rate of return on plan assets	1.00%	10.00%	(1.69)	(24.89)	1.88	26.50
Salary growth rate	1.00%	0.50%	1.85	26.25	(1.70)	(24.89)

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.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

Major category of plan assets are as follows:

(₹ lakhs)

Particulars	March 31, 2018				March 31, 2017			
	Quoted	Unquoted	Total	in %	Quoted	Unquoted	Total	in %
Investment funds								
Traditional fund	-	25.61	25.61	99%	-	12.61	12.61	68%
Others								
Bank balance	-	0.19	0.19	1%	-	6.03	6.03	32%
	-	25.80	25.80	100%	-	18.64	18.64	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:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, a deficit will be created. Most of the plan asset investments are in fixed income securities with high grades and in Government securities. These are subject to interest rate risk. The Company has a Risk Management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviation from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment may not have a material impact on the overall level of assets.

A large portion of assets consists of insurance funds. The plan asset mix is in compliance with the requirements of the respective local regulations.

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 ₹11.95 lakhs.

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

Unfunded Schemes

Particulars	Compensated absences	
	March 31, 2018	March 31, 2017
i) Present value of unfunded obligations	16.81	12.84
ii) Expense recognised in the Statement of Profit and Loss	4.17	4.63
iii) Discount rate (per annum)	7.80%	7.00%
iv) Salary escalation rate (per annum)	8.27%	7.00%

Note 24.6 Fair value measurements

Financial instruments by category

(₹ lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
i) Trade receivables	-	-	1,651.46	-	-	1,143.99
ii) Cash and cash equivalents	-	-	469.42	-	-	756.60
iii) Loans	-	-	500.00	-	-	925.00
iv) Other financial assets	-	-	1.99	-	-	9.33
Total financial assets	-	-	2,622.88	-	-	2,834.92
Financial liabilities						
i) Borrowings	-	-	125.07	-	-	133.31
ii) Other financial liabilities	-	-	848.38	-	-	1,038.70
iii) Trade payables	-	-	864.09	-	-	768.79
Total financial liabilities	-	-	1,837.53	-	-	1,940.79

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the 3 levels prescribed under the Accounting Standard. An explanation of each level follows underneath the table.

ii) Fair value of financial assets and liabilities measured at amortised cost

(₹ lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
i) Trade receivables	1,651.46	1,651.46	1,143.99	1,143.99
ii) Cash and cash equivalents	469.42	469.42	756.60	756.60
iii) Loans	500.00	500.00	925.00	925.00
iv) Other financial assets	1.99	1.99	9.33	9.33
Total financial assets	2,622.88	2,622.88	2,834.92	2,834.92
Financial liabilities				
i) Borrowings	125.07	125.07	133.31	133.31
ii) Other financial liabilities	848.38	848.38	1,038.70	1,038.70
iii) Trade payables	864.09	864.09	768.79	768.79
Total financial liabilities	1,837.53	1,837.53	1,940.79	1,940.79

The carrying amounts of trade receivables, trade payables, other receivables, loans, borrowings, capital creditors and cash and cash equivalents including bank balances other than cash and cash equivalents are considered to be the same as their fair values due to the current and short term nature of such balances.

The fair values for loans, security deposits and investments in preference shares were calculated based on cash flows discounted using a current lending rate.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Note 24.7 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:

- i) Risk identification and definition – Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.
- ii) Risk classification – Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and a clear understanding of risk interrelationships.
- iii) Risk assessment and prioritisation – Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- iv) Risk mitigation – Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- v) Risk reporting and monitoring – Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

(A) Credit risk

The Company is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to trade | non-trade customers including outstanding receivables.

Management of credit risk

Based on the financial transaction, credit risk is minimised. High rated banks | institutions are accepted for placing an FD or taking a LC from customers. Customer credit limits are regularly monitored.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The Company funding is through initial equity contribution and its retained earnings, and the Company has not availed credit facilities from any bank or financial institution.

Financing

The Company has not availed any credit facility from banks and financial institutions.

Management of liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The company manages liquidity by ensuring that it will have sufficient funds to meet its liabilities when due, without incurring unacceptable losses. In doing this, the Management considers both normal and stressed conditions. A material and sustained shortfall in our cash flow can undermine the credit rating and impair investor confidence in the Company.

Contractual maturities of financial liabilities as at March 31, 2018	Less than 3 months	3 to 6 months	6 months to one year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Finance lease obligations	-	-	-	4.83	5.47	114.77	125.07
Creditors for capital goods	2.83	-	-	-	-	-	2.83
Dividend payable	583.75	-	-	-	-	-	583.75
Dividend distribution tax payable	118.84	-	-	-	-	-	118.84
Trade payables	864.09	-	-	-	-	-	864.09
Others	3.60	-	-	-	-	-	3.60
Total non-derivative liabilities	1,573.11	-	-	4.83	5.47	114.77	1,698.18

Contractual maturities of financial liabilities as at March 31, 2017	Less than 3 months	3 to 6 months	6 months to one year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Finance lease obligations	4.27	-	-	-	10.30	123.01	137.58
Dividend payable	744.28	-	-	-	-	-	744.28
Dividend distribution tax payable	151.52	-	-	-	-	-	151.52
Others	5.40	-	-	-	-	-	5.40
Trade payables	768.79	-	-	-	-	-	768.79
Total non-derivative liabilities	1,674.25	-	-	-	10.30	123.01	1,807.56

C) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The risk is measured through a forecast of highly probable foreign currency cash flows.

The above risks may affect the income and expenses of the Company or the value of its financial instruments. The objective of management of market risk of the Company is to maintain this risk within acceptable parameters, while optimising returns. The exposure of the Company to these risks is explained below:

Foreign currency risk exposure:

The exposure of the Company to foreign currency risk at the end of the reporting period, is as follows:

Particulars	March 31, 2018		March 31, 2017	
	Amount in €	Amount in INR	Amount in €	Amount in INR
Financial liabilities				
Trade payables	93,200	74,65,977	1,95,329	1,33,66,362
Net exposure to foreign currency risk	93,200	74,65,977	1,95,329	1,33,66,362

Note 24.8 Capital management

The Company considers the following components of its Balance Sheet to manage capital:

Total equity as shown in the Balance Sheet includes general reserve, retained earnings, share capital and security premium. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its Shareholders. The capital structure of the Company is based on judgement of the Management of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to Shareholders, return on capital to Shareholders or issue new shares.

The Policy of the Company is to maintain a stable and strong capital structure with a focus on total equity so as to maintain confidence of various Stakeholders and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Management monitors the return on capital as well as the level of dividends to Shareholders. The goal of the Company is to continue to be able to provide return by the Company to Shareholders by continuing to distribute dividends in future periods. Refer to the table below for the final and interim dividends declared and paid.

(₹ lakhs)		
Particulars	2017-18	2016-17
Equity shares		
Final dividend for the year ended March 31, 2018 ₹ Nil (PY: ₹12.75) per fully paid share (including dividend distribution tax)	-	895.80
Interim dividend for the year ended March 31, 2018 ₹ 10.00 (PY: ₹12.75) per fully paid share (including dividend distribution tax)	702.59	895.80

Note 24.9 Segment information

As the business activity of the Company falls within a single primary segment viz. textile products (chemicals), the disclosure requirement of Ind AS - 108 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015, is not applicable.

Further, since the revenue generated and assets within India are greater than 90% of the total revenue and total assets respectively of the Company, the disclosure requirement of geographical segments as per the aforesaid Standard is not applicable.

Revenue from a single customer was 10% or more of the total revenue (net of excise duty) of the Company, which is ₹ 1,028.25 lakhs in the year ended March 31, 2018 and was ₹ 696.15 lakhs in the year ended March 31, 2017.

Note 24.10 Earnings per share

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

Particulars		2017-18	2016-17
Profit for the year attributable to the Equity Shareholders	₹	903.81	953.30
Basic Weighted average number of equity shares outstanding during the year	Number	58,37,500	58,37,500
Nominal value of equity share	₹	10	10
Basic and diluted EPS	₹	15.48	16.33

Note 24.11 Leases

Finance lease

The Company has taken a building on finance lease for a term of 30 years.

Future minimum lease payments payable under finance leases together with the present value of the net minimum lease payments are as under: (₹ lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Not later than one year	-	-	20.00	20.00
Later than one year and not later than five years	40.00	35.42	40.00	33.30
Later than five years	200.00	89.65	200.00	84.28
Total minimum lease payments payable	240.00	125.07	260.00	137.58
Less: future finance cost	114.93	-	122.42	-
Present value of minimum lease payments payable	125.07	125.07	137.58	137.58

Note 24.12 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, 2018	As at March 31, 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.02	19.44
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.01	1.34
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	12.70	104.32
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.35	1.34

Note 24.13 Corporate Social Responsibility

a) Gross amount required to be spent by the Company during the year is ₹ 24.44 lakhs

b) Amount spent during the year on:

Particulars	Paid	Payable	Total
i) Construction acquisition of any asset	-	-	-
ii) On purposes other than (i) above	24.50	-	24.50

Note 24.14 Regrouped | Recast | Reclassified

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

Note 24.15 The Financial Statements were authorised for issue by the Board of Directors on April 20, 2018.

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP
Chartered Accountants

Wolfgang Schumann
Chairman

Samir R. Shah
Partner

Milind Phatak
Chief Financial Officer

Ulrich Hambrecht
Gopi Kannan Thirukonda
Sudhir Merchant
Sujal Shah
Directors

G Venugopala Rao
Managing Director

Mumbai
April 20, 2018

Rakesh Pathak
Company Secretary

Mumbai
April 20, 2018



Rudolf Atul Chemicals Ltd

Registered office: B | 18598, Survey number 33, Atul 396 020, Gujarat, India

Attendance slip

14th Annual General Meeting

Friday, August 03, 2018

DP ID		Folio number Client ID	
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Full name of the Shareholder | Proxy attending the meeting

.....
(First name)

(Middle name)

(Surname)

First holder | Joint holder | Proxy
(Strike out whichever is not applicable)

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

.....
(First name)

(Middle name)

(Surname)

Signature of the Shareholder | Proxy



Rudolf Atul Chemicals Ltd

Form number MGT-11

Proxy form

Registered office: B | 18598, Survey number 33, Atul 396 020, Gujarat, India

{Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014}

CIN: U24110GJ2005PLC045564

Name of the Company: Rudolf Atul Chemicals Ltd

Registered office: B | 18598, Survey number 33, Atul 396 020, Gujarat, India

Name of the Member(s):
Registered address:
E-mail address:
Folio number Client ID:
DP ID:

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

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

as my | our Proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 14th Annual General Meeting of the Company, to be held on Friday, August 03, 2018 at 12:30 pm at B | 18598, Survey number 33, Atul 396 020, Gujarat, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	Resolutions
1	Adoption of the Financial Statements and Reports thereon for the financial year ended on March 31, 2018
2	Confirmation of interim dividend on equity shares as final dividend
3	Reappointment of Mr Gopi Kannan Thirukonda as a Director
4	Ratification of appointment of Deloitte Haskins & Sells LLP as the Statutory Auditors and fix their remuneration
5	Reappointment of Mr Sudhir Merchant as an Independent Director for 5 consecutive years
6	Reappointment of Mr Sujal Shah as an Independent Director for 5 consecutive years
7	Payment of commission to Non-executive Independent Directors

Signed this __ day __ of 2018.

Signature of the Member

Signature of the Proxy holder(s)

Affix Revenue Stamp here

Note:

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



Corporate information

Directors

Dr Wolfgang Schumann
(Chairman)

Dr G Venugopala Rao
(Managing Director)

Mr Ulrich Hambrecht

Mr Gopi Kannan Thirukonda

Mr Sudhir Merchant

Mr Sujal Shah

Company Secretary

Mr Rakesh Pathak

Auditors
Deloitte Haskins & Sell LLP

Registered office
B | 18598, Survey number 33
Atul 396 020, Gujarat
India

Bankers
Axis Bank
State Bank of India
Yes Bank

E-mail address: sec@racl.net.in
Website: www.racl.net.in

Rudolf Atul Chemicals Ltd

Atul 396 020, Gujarat

India