



## ATUL LTD

Atul 396020, Gujarat, India  
Telephone: (+91 2632) 230000 | 233261-5 Telefax: (+91 2632) 233639  
CIN : L99999GJ1975PLC002859  
Email: lalit\_patni@atul.co.in Website: www.atul.co.in

SEC:A:1

April 29, 2016

The Company Secretary  
BSE Ltd  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001.

BSE Listing

The Manager  
Listing Department  
National Stock Exchange of India Ltd  
"Exchange Plaza" C-1, Block G,  
Bandra-Kurla Complex  
Bandra (East)  
Mumbai 400051.

NEAPS

Dear Sirs:

### **Annual Results for the year ended on March 31, 2016**

Pursuant to Regulation 30 & 33(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith for the year ended on March 31, 2016:

- (1) Audited standalone & consolidated financial results.
- (2) Auditors' Report on standalone financial results.
- (3) Auditors' Report on consolidated financial results.
- (4) Form A for standalone Annual results.
- (5) Form A for consolidated Annual results.

The same have been taken on record by the Board of Directors of the Company today at their meeting held at Mumbai from 10.30 a.m. to 1.15 p.m.

Please acknowledge the receipt and inform the members of the Exchange.

Thank you,

Yours faithfully,  
FOR ATUL LTD

  
Lalit Patni  
Company Secretary and  
Chief Compliance Officer

Encl.: as above



LALBHAI GROUP

Registered Office: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India  
Telephone: (+91 79) 26460520 | 26461294 | 26463706 | Telefax: (+91 79) 26404111



# Atul Ltd

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

## Financial results for the year ended March 31, 2016

| Particulars                                                                                     | For the quarter ended on |                   |                |                | Year ended on   |                 | Consolidated accounts for the |                 |
|-------------------------------------------------------------------------------------------------|--------------------------|-------------------|----------------|----------------|-----------------|-----------------|-------------------------------|-----------------|
|                                                                                                 | March 31, 2016           | December 31, 2015 | March 31, 2015 | March 31, 2015 | March 31, 2016  | March 31, 2015  | March 31, 2016                | March 31, 2015  |
|                                                                                                 | Unaudited                | Unaudited         | Unaudited      | Unaudited      | Audited         | Audited         | Audited                       | Audited         |
| <b>1 Income from operations</b>                                                                 |                          |                   |                |                |                 |                 |                               |                 |
| a Net sales   income from operations (net of excise duty)                                       | 60,647                   | 59,218            | 60,581         |                | 2,40,722        | 2,51,042        | 2,54,870                      | 2,61,094        |
| b Other operating income                                                                        | 1,442                    | 1,352             | 1,323          |                | 5,168           | 4,523           | 5,274                         | 4,545           |
| <b>Total income from operations (net)</b>                                                       | <b>62,089</b>            | <b>60,570</b>     | <b>61,904</b>  |                | <b>2,45,890</b> | <b>2,55,565</b> | <b>2,60,144</b>               | <b>2,65,639</b> |
| <b>2 Expenses</b>                                                                               |                          |                   |                |                |                 |                 |                               |                 |
| a Cost of materials consumed                                                                    | 29,238                   | 29,658            | 29,254         |                | 1,23,405        | 1,33,322        | 1,32,880                      | 1,40,463        |
| b Purchases of stock-in-trade                                                                   | 269                      | 292               | 584            |                | 1,968           | 2,822           | 2,111                         | 2,982           |
| c Changes in inventories of finished goods, work-in-progress and stock-in-trade                 | 1,593                    | 378               | 2,465          |                | (2,802)         | 1,612           | (2,501)                       | 1,096           |
| d Power, fuel and water                                                                         | 6,447                    | 6,532             | 7,346          |                | 26,332          | 29,442          | 26,709                        | 29,821          |
| e Employee benefit expenses                                                                     | 4,619                    | 4,409             | 3,665          |                | 17,219          | 15,385          | 18,466                        | 16,329          |
| f Depreciation and amortisation expenses                                                        | 1,706                    | 1,574             | 1,420          |                | 6,169           | 5,528           | 6,579                         | 6,027           |
| g Other expenses                                                                                | 9,386                    | 8,925             | 10,519         |                | 36,553          | 35,410          | 36,124                        | 34,819          |
| <b>Total expenses</b>                                                                           | <b>53,258</b>            | <b>51,768</b>     | <b>55,253</b>  |                | <b>2,08,844</b> | <b>2,23,521</b> | <b>2,20,368</b>               | <b>2,31,537</b> |
| <b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>  | <b>8,831</b>             | <b>8,802</b>      | <b>6,651</b>   |                | <b>37,046</b>   | <b>32,044</b>   | <b>39,776</b>                 | <b>34,102</b>   |
| 4 Other income                                                                                  | 1,557                    | 714               | 137            |                | 4,574           | 1,531           | 3,071                         | 1,025           |
| <b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>       | <b>10,388</b>            | <b>9,516</b>      | <b>6,788</b>   |                | <b>41,620</b>   | <b>33,575</b>   | <b>42,847</b>                 | <b>35,127</b>   |
| 6 Finance costs                                                                                 | 658                      | 768               | 549            |                | 2,584           | 2,364           | 2,757                         | 2,569           |
| <b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b> | <b>9,730</b>             | <b>8,748</b>      | <b>6,239</b>   |                | <b>39,036</b>   | <b>31,211</b>   | <b>40,090</b>                 | <b>32,558</b>   |
| 8 Exceptional items (net) (refer Note 4)                                                        | -                        | -                 | -              |                | 267             | -               | -                             | -               |
| <b>9 Profit from ordinary activities before tax (7+8)</b>                                       | <b>9,730</b>             | <b>8,748</b>      | <b>6,239</b>   |                | <b>39,303</b>   | <b>31,211</b>   | <b>40,090</b>                 | <b>32,558</b>   |
| <b>10 Tax expense</b>                                                                           |                          |                   |                |                |                 |                 |                               |                 |
| a Current tax                                                                                   | 1,630                    | 2,470             | 1,100          |                | 10,250          | 8,087           | 10,902                        | 8,557           |
| b Deferred tax                                                                                  | 1,839                    | 184               | 653            |                | 2,247           | 1,382           | 2,260                         | 1,380           |
| <b>Total tax expense</b>                                                                        | <b>3,469</b>             | <b>2,654</b>      | <b>1,753</b>   |                | <b>12,497</b>   | <b>9,469</b>    | <b>13,162</b>                 | <b>9,937</b>    |
| <b>11 Net profit from ordinary activities after tax (9-10)</b>                                  | <b>6,261</b>             | <b>6,094</b>      | <b>4,486</b>   |                | <b>26,806</b>   | <b>21,742</b>   | <b>26,928</b>                 | <b>22,621</b>   |
| 12 Add: Share of profit in associate companies                                                  | -                        | -                 | -              |                | -               | -               | 17                            | 6               |
| 13 Add: Reversal of share of loss in associate company on sale of investment                    | -                        | -                 | -              |                | -               | -               | (7)                           | 1,421           |
| 14 Less: Minority interest                                                                      | -                        | -                 | -              |                | -               | -               | 6                             | (17)            |
| <b>15 Net Profit (11+12+13-14)</b>                                                              | <b>6,261</b>             | <b>6,094</b>      | <b>4,486</b>   |                | <b>26,806</b>   | <b>21,742</b>   | <b>26,932</b>                 | <b>24,065</b>   |
| 16 Paid-up Equity share capital (face value ₹ 10 per share)                                     | 2,966                    | 2,966             | 2,966          |                | 2,966           | 2,966           | 2,966                         | 2,966           |
| 17 Reserves excluding revaluation reserves                                                      |                          |                   |                |                | 1,22,121        | 98,610          | 1,24,504                      | 1,00,931        |
| 18 Earning per share (EPS)                                                                      |                          |                   |                |                |                 |                 |                               |                 |
| Basic and diluted EPS (₹ per share)                                                             | 21.11                    | 20.54             | 15.12          |                | 90.37           | 73.30           | 90.80                         | 81.13           |

(₹ lacs)



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**Segment revenue, results and capital employed**

(₹ lacs)

| Particulars                                               | For the quarter ended on |                   |                 |                 | Year ended on   |                 |                 |                 | Consolidated accounts for the year ended on |                 |                 |                 |
|-----------------------------------------------------------|--------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------------------------------------|-----------------|-----------------|-----------------|
|                                                           | March 31, 2016           | December 31, 2015 | March 31, 2015  | March 31, 2016  | March 31, 2015  | March 31, 2016  | March 31, 2015  | March 31, 2016  | March 31, 2015                              | March 31, 2016  | March 31, 2015  | March 31, 2016  |
|                                                           | Unaudited                | Unaudited         | Unaudited       | Unaudited       | Unaudited       | Unaudited       | Audited         | Audited         | Audited                                     | Audited         | Audited         | Audited         |
| <b>1 Segment revenue</b>                                  |                          |                   |                 |                 |                 |                 |                 |                 |                                             |                 |                 |                 |
| Life Science Chemicals                                    | 17,364                   | 19,117            | 15,127          | 74,846          | 67,597          | 78,679          | 70,021          | 78,679          | 70,021                                      | 78,679          | 70,021          | 70,021          |
| Performance and Other Chemicals                           | 46,183                   | 43,154            | 49,474          | 1,79,658        | 2,00,840        | 1,89,523        | 2,07,991        | 1,89,523        | 2,07,991                                    | 1,89,523        | 2,07,991        | 2,07,991        |
| Others                                                    | -                        | -                 | -               | -               | -               | 451             | 477             | 451             | 477                                         | 451             | 477             | 477             |
| <b>Sub total</b>                                          | <b>63,547</b>            | <b>62,271</b>     | <b>64,601</b>   | <b>2,54,504</b> | <b>2,68,437</b> | <b>2,68,653</b> | <b>2,78,489</b> | <b>2,68,653</b> | <b>2,78,489</b>                             | <b>2,68,653</b> | <b>2,78,489</b> | <b>2,78,489</b> |
| Less:                                                     |                          |                   |                 |                 |                 |                 |                 |                 |                                             |                 |                 |                 |
| Inter-segment revenue                                     | 2,900                    | 3,053             | 4,020           | 13,782          | 17,395          | 13,782          | 17,395          | 13,782          | 17,395                                      | 13,782          | 17,395          | 17,395          |
| <b>Total sales</b>                                        | <b>60,647</b>            | <b>59,218</b>     | <b>60,581</b>   | <b>2,40,722</b> | <b>2,51,042</b> | <b>2,54,871</b> | <b>2,61,094</b> | <b>2,54,871</b> | <b>2,61,094</b>                             | <b>2,54,871</b> | <b>2,61,094</b> | <b>2,61,094</b> |
| <b>2 Segment results</b>                                  |                          |                   |                 |                 |                 |                 |                 |                 |                                             |                 |                 |                 |
| Life Science Chemicals                                    | 4,656                    | 4,051             | 2,381           | 17,258          | 11,877          | 17,522          | 12,386          | 17,522          | 12,386                                      | 17,522          | 12,386          | 12,386          |
| Performance and Other Chemicals                           | 6,222                    | 5,670             | 5,680           | 24,194          | 24,166          | 24,817          | 25,499          | 24,817          | 25,499                                      | 24,817          | 25,499          | 25,499          |
| Others                                                    | -                        | -                 | -               | -               | -               | 77              | (114)           | 77              | (114)                                       | 77              | (114)           | (114)           |
| <b>Sub total</b>                                          | <b>10,878</b>            | <b>9,721</b>      | <b>8,061</b>    | <b>41,452</b>   | <b>36,043</b>   | <b>42,416</b>   | <b>37,771</b>   | <b>42,416</b>   | <b>37,771</b>                               | <b>42,416</b>   | <b>37,771</b>   | <b>37,771</b>   |
| Less:                                                     |                          |                   |                 |                 |                 |                 |                 |                 |                                             |                 |                 |                 |
| Interest                                                  | 658                      | 768               | 549             | 2,584           | 2,364           | 2,757           | 2,569           | 2,757           | 2,569                                       | 2,757           | 2,569           | 2,569           |
| Other unallocable expenditure (net of unallocable income) | 490                      | 205               | 1,273           | (435)           | 2,468           | (431)           | 2,644           | (431)           | 2,644                                       | (431)           | 2,644           | 2,644           |
| <b>Total profit before tax</b>                            | <b>9,730</b>             | <b>8,748</b>      | <b>6,239</b>    | <b>39,303</b>   | <b>31,211</b>   | <b>40,090</b>   | <b>32,558</b>   | <b>40,090</b>   | <b>32,558</b>                               | <b>40,090</b>   | <b>32,558</b>   | <b>32,558</b>   |
| <b>3 Capital employed</b>                                 |                          |                   |                 |                 |                 |                 |                 |                 |                                             |                 |                 |                 |
| (Segment assets - Segment liabilities)                    |                          |                   |                 |                 |                 |                 |                 |                 |                                             |                 |                 |                 |
| Life Science Chemicals                                    | 41,103                   | 41,289            | 34,116          | 41,103          | 34,116          | 40,187          | 33,339          | 40,187          | 33,339                                      | 40,187          | 33,339          | 33,339          |
| Performance and Other Chemicals                           | 88,607                   | 88,574            | 76,771          | 88,607          | 76,771          | 86,443          | 74,738          | 86,443          | 74,738                                      | 86,443          | 74,738          | 74,738          |
| Unallocable                                               | 25,725                   | 27,454            | 18,784          | 25,725          | 18,784          | 27,342          | 21,705          | 27,342          | 21,705                                      | 27,342          | 21,705          | 21,705          |
| Others                                                    | -                        | -                 | -               | -               | -               | 5,275           | 4,568           | 5,275           | 4,568                                       | 5,275           | 4,568           | 4,568           |
| <b>Total capital employed</b>                             | <b>1,55,435</b>          | <b>1,57,317</b>   | <b>1,29,671</b> | <b>1,55,435</b> | <b>1,29,671</b> | <b>1,59,247</b> | <b>1,34,350</b> | <b>1,59,247</b> | <b>1,34,350</b>                             | <b>1,59,247</b> | <b>1,34,350</b> | <b>1,34,350</b> |



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### Audited financial results for the year ended March 31, 2016

#### Statement of assets and liabilities

( ₹ lacs)

| Particulars                         | Year ended on   |                 | Consolidated year ended on |                 |
|-------------------------------------|-----------------|-----------------|----------------------------|-----------------|
|                                     | March 31, 2016  | March 31, 2015  | March 31, 2016             | March 31, 2015  |
| <b>A Equity and liabilities</b>     |                 |                 |                            |                 |
| <b>1 Shareholders' funds</b>        |                 |                 |                            |                 |
| a Share capital                     | 2,968           | 2,968           | 2,968                      | 2,968           |
| b Reserves and surplus              | 1,22,121        | 98,610          | 1,24,504                   | 1,00,931        |
|                                     | <b>1,25,089</b> | <b>1,01,578</b> | <b>1,27,472</b>            | <b>1,03,899</b> |
| <b>2 Minority interest</b>          | -               | -               | <b>562</b>                 | <b>568</b>      |
| <b>3 Non-current liabilities</b>    |                 |                 |                            |                 |
| a Long-term borrowings              | 2,147           | 5,408           | 2,445                      | 5,857           |
| b Deferred tax liabilities (net)    | 6,688           | 4,441           | 6,867                      | 4,609           |
| c Other long-term liabilities       | 2,450           | 2,013           | 2,310                      | 1,943           |
| d Long-term provisions              | 1,723           | 1,586           | 1,745                      | 1,604           |
|                                     | <b>13,008</b>   | <b>13,448</b>   | <b>13,367</b>              | <b>14,013</b>   |
| <b>4 Current liabilities</b>        |                 |                 |                            |                 |
| a Short-term borrowings             | 24,739          | 16,414          | 25,150                     | 17,598          |
| b Trade payables                    | 29,161          | 26,263          | 30,688                     | 27,219          |
| c Other current liabilities         | 12,152          | 14,222          | 12,538                     | 14,654          |
| d Short-term provisions             | 4,270           | 4,256           | 4,403                      | 4,356           |
|                                     | <b>70,322</b>   | <b>61,155</b>   | <b>72,779</b>              | <b>63,827</b>   |
| <b>Total equity and liabilities</b> | <b>2,08,419</b> | <b>1,76,181</b> | <b>2,14,180</b>            | <b>1,82,307</b> |
| <b>B Assets</b>                     |                 |                 |                            |                 |
| <b>1 Non-current assets</b>         |                 |                 |                            |                 |
| a Fixed assets                      | 88,278          | 57,834          | 93,045                     | 62,571          |
| b Non-current investments           | 14,456          | 14,882          | 6,158                      | 6,339           |
| c Long-term loans and advances      | 4,219           | 4,482           | 3,580                      | 3,851           |
| d Other non-current assets          | 5,704           | 5,413           | 5,735                      | 5,469           |
|                                     | <b>1,12,657</b> | <b>82,611</b>   | <b>1,08,518</b>            | <b>78,230</b>   |
| <b>2 Current assets</b>             |                 |                 |                            |                 |
| a Current investments               | -               | -               | 187                        | 266             |
| b Inventories                       | 37,418          | 34,965          | 43,484                     | 41,527          |
| c Trade receivables                 | 42,012          | 43,919          | 43,477                     | 44,242          |
| d Cash and bank balances            | 518             | 629             | 2,283                      | 3,662           |
| e Short-term loans and advances     | 12,650          | 11,559          | 13,044                     | 11,823          |
| f Other current assets              | 3,164           | 2,498           | 3,187                      | 2,557           |
|                                     | <b>95,762</b>   | <b>93,570</b>   | <b>1,05,662</b>            | <b>1,04,077</b> |
| <b>Total assets</b>                 | <b>2,08,419</b> | <b>1,76,181</b> | <b>2,14,180</b>            | <b>1,82,307</b> |



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### Financial results for the year ended March 31, 2016

#### Notes:

- 1 The above results have been reviewed and recommended for adoption by the Audit Committee in its meeting held on April 28, 2016 and approved by the Board of Directors at its meeting held on April 29, 2016. The report of the Statutory Auditors contains no qualification.
- 2 The Board of Directors has recommended a dividend of ₹ 10 per share (100%) subject to approval of the shareholders.
- 3 The Board of Directors approved the Draft Scheme of merger of Amal Ltd (Amal) with the Company on December 05, 2014. The appointed date of the Scheme is April 01, 2014. The Scheme shall be subject to appropriate statutory and regulatory approvals, which Amal is in the process of obtaining. Pending such approvals, effect of the Scheme is not given in the above results.
- 4 Consequent to the capital reduction of GBP 1.05 million in Atul Europe Ltd (AEL), a wholly owned subsidiary company of Atul Ltd, impact of the following was given in the results of Q2 of 2015-16:

| Particulars                                               | Income   (Expenses) |
|-----------------------------------------------------------|---------------------|
| i) Receipt of one-time dividend                           | ₹ lacs<br>1,038     |
| ii) Adjustment in the carrying value of investment in AEL | (771)               |
| Net amount                                                | 267                 |

- 5 The results for the quarter ended March 31, 2016 are derived figures arrived at by subtracting the results for the nine months ended on December 31, 2015 from the audited results for the year ended March 31, 2016.
- 6 The Annual General Meeting of the Members will be held on July 29, 2016.
- 7 Figures of the earlier periods have been regrouped | recast | reclassified wherever necessary including in the 'Statement of assets and liabilities' and 'Segment revenue, results and capital employed'.

Mumbai  
 April 29, 2016



Lalbhai Group

For Atul Ltd

*S. Lalbhai*

(Sunil S Lalbhai)

Chairman and Managing Director

*Kh*



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## Extract of financial results for the year ended March 31, 2016

| Particulars                                                       | Standalone       |                | Consolidated     |                |
|-------------------------------------------------------------------|------------------|----------------|------------------|----------------|
|                                                                   | Quarter ended on | Year ended on  | Quarter ended on | Year ended on  |
|                                                                   | March 31, 2016   | March 31, 2016 | March 31, 2015   | March 31, 2015 |
| 1 Total income from operations (net)                              | 62,089           | 2,45,890       | 61,904           | 2,65,639       |
| 2 Net profit from ordinary activities after tax                   | 6,261            | 26,806         | 4,486            | 24,065         |
| 3 Net profit for the period after tax (after Extraordinary items) | 6,261            | 26,806         | 4,486            | 24,065         |
| 4 Equity share capital                                            | 2,966            | 2,966          | 2,966            | 2,966          |
| 5 Reserves excluding revaluation reserves                         | 1,22,121         | 1,22,121       | 98,610           | 1,00,931       |
| 6 Earning per share (EPS) :                                       |                  |                |                  |                |
| Basic and diluted EPS (₹ per share)(not annualised)               | 21.11            | 90.37          | 15.12            | 81.13          |

(₹ lacs)

### Notes:

The above is an extract of the detailed format of quarterly results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The details in prescribed format of the quarterly results are available on the websites of the Stock Exchanges ( www.bseindia.com, www.nseindia.com ) and the Company ( www.atul.co.in )



Lalbhai Group

For Atul Ltd

*S. Lalbhai*

(Sunil S Lalbhai)  
Chairman and Managing Director

*ky*

Mumbai  
April 29, 2016

# Dalal & Shah Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ATUL LIMITED

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Atul Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

2. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other accounting standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the Audit Report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. These Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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Registered office and Head office: President Plaza, 1st Floor, Plot No 36, Opp. Muktidham Derasar, Thaltej Cross Road, Ahmedabad - 380 054

Dalal & Shah (a Partnership Firm) converted into Dalal & Shah Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5906) with effect from August 14, 2014. Post its conversion to Dalal & Shah Chartered Accountants LLP, its ICAI registration number is 102020W/W-100040 (ICAI registration number before conversion was 102020W)

## Dalal & Shah Chartered Accountants LLP

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers Internal Financial Control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Directors of the Company, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



## Dalal & Shah Chartered Accountants LLP

- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its standalone financial statements;
  - ii) The Company has made provision as at March 31, 2016, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Dalal & Shah Chartered Accountants LLP  
Firm Registration Number: 102020W/W100040



S Venkatesh  
Partner

Membership Number: 037942

Mumbai  
April 29, 2016

# **Dalal & Shah Chartered Accountants LLP**

## **Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Atul Limited on the standalone financial statements for the year ended March 31, 2016

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the Internal Financial Controls over financial reporting of Atul Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## **Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, 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 Act.

## **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's Internal Financial Controls 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 (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system Over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system Over Financial Reporting.



# **Dalal & Shah Chartered Accountants LLP**

## **Meaning of Internal Financial Controls Over Financial Reporting**

6. A company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal Financial Control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. In our opinion, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah Chartered Accountants LLP  
Firm Registration Number: 102020W/W100040



S Venkatesh  
Partner

Membership Number: 037942

Mumbai  
April 29, 2016

# Dalal & Shah Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Atul Limited on the standalone financial statements as of and for the year ended March 31, 2016

- i.
  - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - c. The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the Company, except for the following leasehold land:
    - GIDC Plot No 297 and 297/1 at Ankleshwar in the name of the erstwhile Gujarat Aromatics Limited which by virtue of the Hon'ble Gujarat High Court Order dated July 29, 1988 vests in the name of the Atul Limited. Formalities for change of name from Gujarat Aromatics Limited to Atul Limited are in progress.
- ii. The inventory physical verification (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has granted unsecured loan to a wholly owned subsidiary company and an interest free unsecured loan to an associate company [Pursuant to an Order of the Board for Industrial and Financial Reconstruction] covered in the register maintained under Section 189 of the Act. The Company has not granted any loan, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the said register.
  - a. In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the interest of the Company.
  - b. In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest (where ever applicable) has been stipulated, and the parties are repaying the principal amounts as stipulated and are also regular in payment of interest as applicable.
  - c. In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under the Section 185 of the Act. In respect of loans granted to, guarantees or security in respect of any loan and Investments made in body corporates by the Company, the provisions of Section 186 of the Act has been complied with. The Company has given an interest free loan of ₹ 14.88 cr to an associate company pursuant to the Order of the Board for Industrial and Financial Reconstruction. (refer Note 28.10)
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.



## Dalal & Shah Chartered Accountants LLP

- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- b. According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of Income tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

| Name of the statute      | Nature of dues         | Amount (₹ cr) <sup>1</sup> | Period to which the amount relates | Forum where the dispute is pending <sup>2</sup>                                               |
|--------------------------|------------------------|----------------------------|------------------------------------|-----------------------------------------------------------------------------------------------|
| Central Excise Act, 1944 | Excise and service tax | 0.93<br>4.99<br>3.53       | 1986 to 2014<br>1992 to 2011       | Commissioner (Appeals)<br>Customs, Excise and Service Tax<br>Appellate Tribunal<br>High Court |
| Customs Act, 1962        | Customs duty           | 1.76                       | 1993-94<br>1997-98                 | Customs, Excise and Service Tax<br>Appellate<br>Tribunal                                      |
| Income Tax Act, 1961     | Income tax             | 1.83                       | 2007-08,<br>2009-11                | Commissioner of Income Tax (Appeals)                                                          |

<sup>1</sup> Net of amounts deposited. | <sup>2</sup> Necessary stay received from respective authorities.

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the Balance Sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid | provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with Related Party are in compliance with the provisions of Section 177 and Section 188 of the Act, where applicable. The details of the Related Party Transactions have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



## Dalal & Shah Chartered Accountants LLP

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal & Shah Chartered Accountants LLP  
Firm Registration Number: 102020W/W100040



S Venkatesh  
Partner

Membership Number: 037942

Mumbai  
April 29, 2016

# Dalal & Shah Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

### To the Members of Atul Limited

### Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Atul Limited ("hereinafter referred to as the Holding Company") and its Subsidiary Companies (the Holding Company and its subsidiary companies together referred to as "the Group"), its jointly controlled entity and associate companies; (refer Note 28.7, 28.8 and 28.9 to the attached Consolidated Financial Statements), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

### Management's Responsibility for the Consolidated Financial Statements

2. The Board of Directors of the Holding Company is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the Group including its associate companies and jointly controlled entity in accordance with Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the Holding Company is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate companies and jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate Accounting Policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the Audit Report.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

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## Dalal & Shah Chartered Accountants LLP

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the preparation of the Consolidated Financial Statements of the Holding 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 Board of Directors of the Holding Company, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India of the consolidated state of affairs of the Group, its associate companies and jointly controlled entity as at March 31, 2016, and their Consolidated Profit and Consolidated Cash Flows for the year ended on that date.

### Other Matter

8. We did not audit the Financial Statements of 15 subsidiary companies, and one jointly controlled entity whose Financial Statements reflect total assets of ₹189.46 crores and net assets of ₹93.35 crores as at March 31, 2016, total revenue of ₹452.21 crores, net profit ₹4.47 and net cash outflows amounting to ₹14.72 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the share of net profit of ₹0.17 crores of the Group for the year ended March 31, 2016 as considered in the Consolidated Financial Statements, in respect of 15 associate companies whose Financial Statements have not been audited by us. These Financial Statements have been audited by other Auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, jointly controlled entity and associate companies and our report in terms of Sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary companies, jointly controlled entity and associate companies, are based solely on the reports of the other Auditors.

Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.



## Dalal & Shah Chartered Accountants LLP

- (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary companies included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other Auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary companies included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to the preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies, associate companies and jointly controlled entity incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the consolidated financial position of the Group, its associate companies and jointly controlled entity.
  - ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entity incorporated in India during the year ended March 31, 2016.

For Dalal & Shah Chartered Accountants LLP  
Firm Registration Number: 102020W/W100040



S Venkatesh  
Partner

Membership Number: 037942

Mumbai  
April 29, 2016

# Dalal & Shah Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the Members of Atul Limited on the consolidated financial statements for the year ended March 31, 2016

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Financial Statements of the Company as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls over financial reporting of Atul Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. 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 (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting of the Company.



# Dalal & Shah Chartered Accountants LLP

## Meaning of Internal Financial Controls Over Financial Reporting

6. A company's Internal Financial Control over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting 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 Financial Statements in accordance with Generally Accepted Accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that could have a material effect on the Financial Statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. 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.

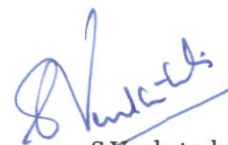
## Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting insofar as it relates to 8 subsidiary companies, 14 associate companies and 1 jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Dalal & Shah Chartered Accountants LLP  
Firm Registration Number: 102020W/W100040

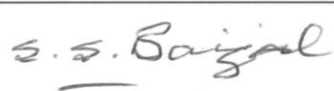


S Venkatesh  
Partner

Membership Number: 037942

Mumbai  
April 29, 2016

**FORM A****(For standalone financial results)**

|   |                                                |   |                                                                                                                                                                                                                                                                            |
|---|------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Name of the Company                            | : | Atul Ltd                                                                                                                                                                                                                                                                   |
| 2 | Annual financial statements for the year ended | : | March 31, 2016                                                                                                                                                                                                                                                             |
| 3 | Type of Audit observation                      | : | Un Modified                                                                                                                                                                                                                                                                |
| 4 | Frequency of observation                       | : | Not Applicable                                                                                                                                                                                                                                                             |
| 5 | To be signed by                                | : |                                                                                                                                                                                                                                                                            |
|   | Chairman and Managing Director                 |   | <br><b>Sunil S Lalbhai</b><br>Chairman and Managing Director                                                                                                                            |
|   | CFO                                            |   | <br><b>T R Gopi Kannan</b><br>Whole-time Director (CFO)                                                                                                                                |
|   | Auditor of the Company                         |   | <br><b>S Venkatesh</b><br>Partner<br>Membership Number: 037942<br>For Dalal & Shah Chartered Accountants LLP<br>Firm Registration Number: 102020W   W-100040<br>Chartered Accountants |
|   | Audit Committee Chairman                       |   | <br><b>Dr S S Baijal</b>                                                                                                                                                              |

**FORM A****(For consolidated financial results)**

|   |                                                |   |                                                                                                                                                                                                                                                                          |
|---|------------------------------------------------|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Name of the Company                            | : | Atul Ltd                                                                                                                                                                                                                                                                 |
| 2 | Annual financial statements for the year ended | : | March 31, 2016                                                                                                                                                                                                                                                           |
| 3 | Type of Audit observation                      | : | Un Modified                                                                                                                                                                                                                                                              |
| 4 | Frequency of observation                       | : | Not Applicable                                                                                                                                                                                                                                                           |
| 5 | To be signed by                                | : |                                                                                                                                                                                                                                                                          |
|   | Chairman and Managing Director                 |   | <br><b>Sunil S Lalbhai</b><br>Chairman and Managing Director                                                                                                                          |
|   | CFO                                            |   | <br><b>T R Gopi Kannan</b><br>Whole-time Director (CFO)                                                                                                                             |
|   | Auditor of the Company                         |   | <br><b>S Venkatesh</b><br>Partner<br>Membership Number: 037942<br>For Dalal & Shah Chartered Accountant LLP<br>Firm Registration Number: 102020W   W-100040<br>Chartered Accountants |
|   | Audit Committee Chairman                       |   | <br><b>Dr S S Baijal</b>                                                                                                                                                            |