

ATUL LIFESCIENCE LIMITED

Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Lifescience Ltd together with the audited Financial Statements for the year ended March 31, 2021.

01. Financial results

	(₹)
	2020-21
Revenue from operations	-
Other income	-
Total revenue	-
Profit before tax	(21,901)
Tax	-
Profit for the year	(21,901)

02. Performance

The Company was incorporated on February 22, 2021 and it is yet to commence its operation.

03. Dividend

The Board does not recommend any dividend on the equity shares for the financial year ended March 31, 2021.

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

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

05. Insurance

The Company took adequate insurance policies.

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, 2021, and the Board believes that the controls are adequate.

08. Fixed deposits

During 2020-21, the Company did not accept any fixed deposits.

09. 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 framed a Policy on Prevention of Sexual Harassment of Women at Workplace and constituted Internal Complaints Committee. No complaint was received during 2020-21.

10. Loans, guarantees, investments and security

During 2020-21, the Company did not give any loans, provided guarantees or made any investments during the year.

11. Subsidiary, associate and joint venture companies

The Company does not have subsidiary, associate and joint venture entities.

12. 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 note number 6. No transactions were entered into by the Company which required disclosure in Form AOC-2.

13. Corporate Social Responsibility

The provision of Section 135 of the Act are not applicable to the Company.

14. Annual Return

Annual Return for 2020-21 is available for inspection at the registered office of the Company for inspection.

15. Auditors

B R Shah & Associates, Chartered Accountants the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting (AGM) Pursuant to Section 139(1) of the Companies Act, 2013 and Rules made thereunder, the Board recommended their reappointment as the Statutory Auditors for a term of five consecutive years from 2021-

22 to 2025-26. They have given their consent to act as the Auditors, if appointed.

The Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation or adverse remark. The Report is enclosed with the Financial Statements.

16. Directors' responsibility statement

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

- 16.1 In preparation of the financial statement for the financial year ended March 31, 2021, the applicable accounting standards were followed and there are no material departures.
- 16.2 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.
- 16.3 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.
- 16.4 The attached annual accounts for the year ended March 31, 2021 were prepared on a going concern basis.
- 16.5 Adequate Internal Financial Controls to be followed by the Company were laid down; and same were adequate and operating effectively.
- 16.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

17. Directors

- 17.1 Appointments | Reappointments | Cessations
- 17.1.1 According to the Articles of Association of the Company, Mr Pranesh Mallaya retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM.
- 17.2 Policies on appointment and remuneration
The Company will formulate policy on remuneration of Directors as and when it starts paying remuneration to the Directors. The Company appoints directors in accordance with the applicable provisions of the Act.

18. Key Managerial Personnel and other employees

The provision of Section 203 of the Act are not applicable to the Company.

19. Board Meetings and Secretarial standards

The Board met one time during 2020-21. Secretarial standards as applicable to the Company were followed and complied with.

20. Analysis of remuneration

There is no employee who falls within the criteria provided in Sections 134(3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 .

21. Acknowledgements

The Board expresses its sincere thanks to all the stakeholders, regulatory and Government authorities for their support.

For and on behalf of the Board of Directors

Atul

April 06, 2021

Director

Director

Annexure to the Directors' Report

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

- 1.1 Conservation of energy
 - 1.1.1 Measures taken
nil
- 1.2 Technology absorption
No major steps were taken during the current year.
- 1.3 Total foreign exchange used and earned
nil

INDEPENDENT AUDITORS' REPORT

To the Members of Atul Lifescience Limited

Report on the Indian Accounting Standards (Ind AS) Financial Statements

Opinion

We have audited the accompanying financial statements of Atul Lifescience Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the period ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for 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 accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016' ("the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS 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 written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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 B".

- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation as disclosed in its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021.

For **B R Shah & Associates**
Firm Registration Number: 129053W
Chartered Accountants

Deval Desai
Partner
Membership Number: 132426
Place: Ahmedabad
Date: April 06, 2021
UDIN:

Annexure A to Auditors' Report

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Atul Lifescience Limited on the financial statements as of and for the period ended March 31, 2021

i) (a) The Company has no fixed assets. Hence the provisions of clause (i) of paragraph 3 of the Order are not applicable.

ii) Company does not hold any inventories and thus the provision of clause 3(ii) of the said order are not applicable.

iii) The Company has not granted any loans secured or unsecured to any parties covered in the register mentioned under Section 189 of the Act. Accordingly, the provisions of Clause 3(iii) of the order are not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the company has not given any loan, guarantee and security to and on behalf of any of its directors as stipulated under section 185 of the Act. The company is established with the object of and engaged in providing infrastructural facilities as specified in schedule VI of the companies Act, 2013 hence, the provisions of section 186 of the Act, with respect to the loans and Investment made are not applicable to the company.

v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the companies (Acceptance of deposit) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order is not applicable.

vi) As the company has not yet commenced its the commercial operation. Accordingly, the provisions of clause 3(vi) of the Order is not applicable.

vii) (a) According to the information and explanations given to us and the records of the Company examined by us, the company is not liable to pay Provident Fund, Employees' State Insurance income tax and goods and service tax.

(b) According to the information and explanations given to us, there are no material disputed statutory dues payable in respect of income tax, Goods and service tax, etc. which are outstanding as at March 31, 2021.

viii) According to the information and explanations given to us, the company has not taken any loan from any financial institution or banks or debenture holder. Hence, clause (viii) of paragraph 3 of the Order is not applicable.

ix) The Company has not raised money by way of initial public offer or 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 fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year nor have we been informed of any such case by the Management.

xi) The Company has not paid or provided any managerial remuneration. Accordingly the provision of Clause 3(xii) of Order are not applicable to company.

xii) The company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii) All the transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

Annexure A to Auditors' Report

Referred to in Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Atul Lifescience Limited on the financial statements as of and for the year ended March 31, 2021

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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.

xv) According to the information and explanations given to us and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or any person connected to him.

xvi) The company is not required to be registered under sections 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 **B R Shah & Associates**

Firm Registration Number: 1129053W

Chartered Accountants

Deval Desai

Partner

Membership Number: 132426

Place: Ahmedabad

Date: April 06, 2021

UDIN:

Annexure B to Auditors' Report

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Atul Lifescience Limited on the financial statements as of and for the period ended March 31, 2021

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

We have audited the internal financial controls over financial reporting of Atul Lifescience Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

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.

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.

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.

Meaning of Internal Financial Controls over Financial Reporting

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

Annexure B to Auditors' Report

Referred to in Annexure referred to in paragraph 2 under the heading "Report on other legal and regulatory requirements" of our report of even date to the members of Atul Lifescience Limited on the financial statements as of and for the period ended March 31, 2021

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of an authorised 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

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, 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, 2021 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 B R Shah & Associates
Firm Registration Number: 129053W
Chartered Accountants

Deval Desai
Partner
Membership Number: 132426

Place: Ahmedabad
Date: April 06, 2021
UDIN:

Atul Lifescience Ltd

Balance Sheet as at March 31, 2021

(₹)

Particulars	Note	As at March 31, 2021
A ASSETS		
Current assets		
a) Financial assets		
i) Cash and cash equivalents	2	50,000
Total current assets		50,000
Total assets		50,000
B EQUITY AND LIABILITIES		
Equity		
a) Equity share capital	3	50,000
b) Other equity		(21,901)
Total equity		28,099
Liabilities		
Current liabilities		
a) Financial liabilities		
i) Trade payables	4	
Total outstanding dues of		
a) Micro enterprises and small enterprises		-
b) Creditors other than micro enterprises and small enterprises		21,901
Total current liabilities		21,901
Total liabilities		21,901
Total equity and liabilities		50,000

The accompanying Notes 1-8 form an integral part of the Financial Statements

In terms of our report attached
For B R SHAH & ASSOCIATES
Firm Registration Number: 129053W

For and on behalf of the Board of Directors

Deval Desai
Partner
Membership Number:132426

Director

Director

Ahmedabad
April 06, 2021

Atul
April 06, 2021

Atul Lifescience Ltd

Statement of Profit and Loss for the period ended March 31, 2021

(₹)		
Particulars	Note	2020-21
INCOME		
Other income		-
Total Income		-
EXPENSES		
Other expenses	5	21,901
Total expenses		21,901
Profit before tax		(21,901)
Current tax		-
Defferred tax		-
Total tax expense		-
Profit for the period		(21,901)
Basic and diluted earning ₹ per equity share of ₹ 10 each		(4.38)

The accompanying Notes 1-8 form an integral part of the Financial Statements

In terms of our report attached
For B R SHAH & ASSOCIATES
Firm Registration Number: 129053W

For and on behalf of the Board of Directors

Deval Desai
Partner
Membership Number:132426

Director

Director

Ahmedabad
April 06, 2021

Atul
April 06, 2021

Atul Lifescience Ltd

Statement of changes in equity for the period ended March 31, 2021

A. Equity share capital

(₹)

Particulars	Note	Amount
Changes in equity share capital during the period		50,000
As at March 31, 2021		50,000

B. Other equity

(₹)

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
Loss for the period	(21,901)	(21,901)
As at March 31, 2021	(21,901)	(21,901)

The accompanying Notes 1-8 form an integral part of the Financial Statements

In terms of our report attached

For B R SHAH & ASSOCIATES

Firm Registration Number: 129053W

For and on behalf of the Board of Directors

Deval Desai

Partner

Membership Number:132426

Director

Director

Ahmedabad

April 06, 2021

Atul

April 06, 2021

Atul Lifescience Ltd

Statement of Cash Flows for the period ended March 31, 2021

Particulars	2020-21
A. Cash flow from operating activities	
Profit before tax	(21,901)
Operating profit before change in operating assets and liabilities	(21,901)
Adjustments for:	
Increase (Decrease) in trade payables	21,901
	21,901
Net cash flow from operating activities	A -
B. Cash flow from investing activities	
(Increase) Decrease in Investments	-
Net cash used in investing activities	B -
C. Cash flow from financing activities	
Interest paid	
Proceeds from Issue of equity shares	50,000
Net cash used in financing activities	C 50,000
Net increase (decrease) in cash and cash equivalents	A+B+C 50,000
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	50,000

The accompanying Notes 1-8 form an integral part of the Financial Statements

In terms of our report attached
For B R SHAH & ASSOCIATES
Firm Registration Number: 129053W

For and on behalf of the Board of Directors

Deval Desai

Partner

Membership Number:132426

Director

Director

Ahmedabad
April 06, 2021

Atul
April 06, 2021

Notes to the Standalone Financial Statements

Background

Atul Lifescience Ltd (the Company) is a public company limited by shares, incorporated on February 22, 2021 and domiciled in India. The Company is a subsidiary of Atul Ltd. Its registered office is located at Atul Limited east site, Atul, Valsad, Gujarat 396020, India.

The Company is incorporated with object of dealing in pharmaceuticals, bulk drugs, active pharmaceutical ingredients and intermediates, enzymes etc.

Note 1 Significant accounting policies

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

a) Basis of preparation:

i) Compliance with Ind AS:

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

ii) The Standalone Financial Statements have been prepared on a historical cost basis.

ii) The Standalone Financial Statements have been prepared on accrual and going concern basis.

b) Income tax:

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

c) Cash and cash equivalents:

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

d) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

e) Offsetting financial instruments:

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

Notes to the Standalone Financial Statements

f) Provisions:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

g) 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 thereto for the period.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

h) Preliminary expenses

The preliminary expenses represents expenditure incurred for formation of the Company. The same were expense out in year of incorporation.

Notes to the Financial Statements

(₹)

Note 2 Cash and cash equivalents	As at March 31, 2021
a) Balances with banks	
In current accounts	50,000
	50,000

(₹)

Note 3 Equity share capital	As at March 31, 2021
Authorised	
5,000 equity shares of ₹ 10 each	50,000
	50,000
Issued	
5,000 equity shares of ₹ 10 each	50,000
	50,000
Subscribed	
5,000 equity shares of ₹ 10 each	50,000
	50,000

a) Movement in equity share capital

(₹)

Particulars	Number of shares	Equity share capital
Changes in equity share capital during the period	5,000	50,000
As at March 31, 2021	5,000	50,000

b) Rights, preferences and restrictions:

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.

i) Equity shares:

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

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

Notes to the Financial Statements

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

No	Name of the Shareholder	As at March 31, 2021	
		Holding %	Number of shares
1	Atul Ltd	99.88%	4,994

d) Details of shares hold by holding company:

No	Name of the Shareholder	As at March 31, 2021	
		Holding %	Number of shares
1	Atul Ltd	99.88%	4,994

(₹)

Note 4 Trade payables	As at March 31, 2021
Creditors other than micro enterprises and small enterprises	21,901
	21,901

(₹)

Note 5 Other expenses	2020-21
Payments to the Statutory Auditors	
a) Audit fees	20,000
Miscellaneous expenses	1,901
	21,901

Notes to the Financial Statements

Note 6 Related party disclosures

Note 6 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1	Atul Ltd	Holding company
2	Atul Ayurveda Ltd	Subsidiary companies of holding company with whom transactions have taken place during the period
3	Atul Clean Energy Ltd	
4	Atul Crop Care Ltd	
5	Atul Entertainment Ltd	
6	Lapox Polymers Ltd	
7	Osia Infrastructure Ltd	

Notes to the Financial Statements

Note 6 Related party disclosures (continued)

(₹)	
Note 6 (B) Transactions with Related Parties	2020-21
Reimbursement of expenses	1,501
Atul Ltd	1,501
Issue of Equity shares	50,000
Atul Ltd	49,940
Atul Ayurveda Ltd	10
Atul Crop Care Ltd	10
Atul Clean Energy Ltd	10
Atul Entertainment Ltd	10
Lapox Polymers Ltd	10
Osia Infrastructure Ltd	10
Outstanding balances as at year end	
Payables	1,501
Atul Ltd	1,501

Note 7 Earnings per share

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

Particulars	2020-21
Loss for the period attributable to the equity shareholders	(21,901)
Basic Weighted average number of equity shares outstanding during the period	5,000
Nominal value of equity share	10
Basic and diluted EPS	(4.38)

Note 8 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board on April 06, 2021.

In terms of our report attached

For B R SHAH & ASSOCIATES

Firm Registration Number: 129053W

For and on behalf of the Board of Directors

Director

Deval Desai

Partner

Membership Number:132426

Director

Ahmedabad

April 06, 2021

Atul

April 06, 2021