

LAPOX POLYMERS LTD

Directors' Report

Dear Members,

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

01. Financial results

	2020-21	2019-20
Revenue from operations	16.01	13.31
Other income	0.10	0.10
Total revenue	16.11	13.41
Profit before tax	1.09	0.70
Tax	0.32	0.18
Profit for the year	0.76	0.52

02. Performance

During 2020-21 the Company generated revenue from operations of ₹ 16.01 cr. The Company has made profit of ₹ 0.76 cr.

03. Dividend

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

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 has taken 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 has made investment in a group company and did not give any loans, provide guarantees.

11. Subsidiary, associate and joint venture company

The Company have following subsidiary, associate companies.

- Atul Ayurveda Ltd
- Atul Clean Energy Ltd
- Atul Crop Care Ltd
- Atul Polymer Products Ltd
- Atul (Retail) Brands Ltd
- Osia Infrastructure Ltd

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 19. 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.	16.6	Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.
14.	Annual Return Annual Return for 2020-21 is available for inspection at the registered office of the Company for inspection.	17.	Directors
15.	Auditors GR Parekh & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the 9 th Annual General Meeting (AGM) until the conclusion of the 14 th AGM. 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.	17.1	Appointments Reappointments Cessations
16.	Directors' responsibility statement Pursuant to Section 134(5) of the Act, the Directors confirm that, to the best of their knowledge and belief:	17.1.1	According to the Articles of Association of the Company, Mr Satyanarayan Mundra retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM.
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.	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 Companies Act, 2013.
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.	18.	Key Managerial Personnel and other employees The provision of section 203 of the Companies Act, 2013 are not applicable to the Company.
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.	19.	Board Meetings and Secretarial standards The Board met four times during 2020-21. Secretarial standards as applicable to the Company were followed and complied with.
16.4	The attached annual accounts for the year ended March 31, 2021 were prepared on a going concern basis.	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 .
16.5	Adequate Internal Financial Controls to be followed by the Company were laid down; and same were adequate and operating effectively.	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

G R Parekh

B. Sc., F C A, A C S

Ghanshyam Parekh & Co.

Chartered Accountants

203, Akar Complex 1

Tithal Road,

Valsad 396001

INDEPENDENT AUDITOR'S REPORT

To the Members of Lapox Polymers Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

01. We have audited the accompanying Standalone Ind AS financial statements of Lapox Polymers Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in equity and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

02. 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 Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS Financial Statements

03. The Company's Board of Directors 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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

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 Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

04 In preparing the Standalone Ind AS 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. Board of Directors is also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

05 Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

06 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, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

07 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 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 the written representations received from the directors as on March 31, 2021 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 A".

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 has no pending litigations on March 31, 2021;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For GHANSHYAM PAREKH & CO.
Chartered Accountants
(Firm's Registration No. 131167W)

G. R. Parekh
Proprietor
(Membership No. 030530)
UDIN **21030530AAAACF7288**

Atul,
Dated: April 6, 2021

Annexure A to the Independent Auditor's Report

Referred to in paragraph 7(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date.

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

01. We have audited the Internal Financial Controls over financial reporting of Lapox Polymers Ltd (the Company) as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

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

Auditor's responsibility

03. 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 issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. These 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.
04. 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.
05. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over financial reporting

06. The Internal Financial Control over financial reporting of a 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. Internal Financial Control over financial reporting of a Company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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

07. 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

08. In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 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 issued by the Institute of Chartered Accountants of India.

For Ghanshyam Parekh & Co.

Chartered Accountants
Firm Registration Number: 131167W

G. R. Parekh

Proprietor

Membership Number: 030530

UDIN **21030530AAAACF7288**

Place: Atul

Date: April 6, 2021

Annexure B to Independent Auditors' Report:

Referred to in paragraph 10 of the Independent Auditors' Report of the even date to the members of LAPOX POLYMERS LIMITED for the year ended March 31, 2021.

- i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets, according to the practice of the Company, are physically verified by the management at reasonable intervals, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. According to the information and explanations given to us, discrepancies noticed on physical verification have been adjusted in the books of account;
- (c) The Company does have any immovable property, therefore the Clause is not applicable..
- ii. The Company does not hold any inventory, therefore Clause 3(ii) of the Order is not applicable..
- iii. The Company has not granted any loan secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans, or made any investments or provided guarantee or security to parties covered under Section 185 and 186 of the Companies Act, 2013, therefore the provisions of clause 3(iv) of the said order are not applicable to the Company.
- v. The company has not accepted any deposits from public within the meaning of sections 73, 74,.75 and 76 of the Act and the Rules framed thereunder.
- vi. The Central Government has not prescribed maintenance of Cost Records under Section 148(1) of the companies Act, 2013.
- 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 undisputed statutory dues including Provident Fund, Income tax, Sales tax, wealth tax, service tax, duty of Customs, duty of Excise, value added tax, cess, GST and other statutory Dues as applicable with the appropriate authorities.
(b) According to the explanation given to us there are no arrears of statutory dues which have remained outstanding at the last date of financial year, for a period of more than six month from the date they became payable;
(c) According to the information and explanation given to us, there are no dues of sales tax, income tax, duty of customs, wealth tax, service tax, duty of excise, value added tax, GST or cess which have not been deposited on account of any dispute.
- viii .According to the record of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution or bank or government or debenture holders as at the Balance Sheet date.

- ix The Company has not raised any money by way of public issue/ follow-on offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the order are not applicable.
- 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 fraud by the Company or on 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. No managerial remuneration has been paid / provided;
- xii. The Company is not a Nidhi Company therefore the clause 3(xii) of the Order is not applicable.
- xiii. All the transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by the accounting standards and Companies Act, 2013.
- xiv. The company has not made preferential allotment / private placement of shares during the year under review.
- xv. The company has not entered into any non-cash transactions with 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.

Atul

For Ghanshyam Parekh & Co.
Chartered Accountants
(Firm Registration No. 131167W)

Date : April 6, 2021

(G. R. Parekh)
Proprietor
Membership No.: 030530
UDIN **21030530AAAACF7288**

Lapox Polymers Limited

Balance Sheet as at March 31, 2021

		₹	
Particulars		As at March 31, 2021	As at March 31, 2020
A	ASSETS		
1	Non-current assets		
a)	Property, plant and equipment	3,591	5,448
		3,591	5,448
b)	Investment in subsidiary and associates	1,48,17,237	13,17,187
c)	Deferred tax assets (net)	14,66,076	11,28,673
d)	Other non-current assets	-	12,64,887
	Total non-current assets	1,62,86,904	37,16,195
2	Current assets		
a)	Financial assets		
i)	Trade receivables	1,78,37,559	1,40,55,555
ii)	Cash and cash equivalents	18,26,509	18,36,299
iii)	Bank balances other than cash and cash equivalents above	1,18,57,873	1,48,89,279
iv)	Other financial assets	19,20,615	44,20,157
b)	Other current assets	5,27,743	6,67,573
	Total current assets	3,39,70,299	3,58,68,863
	Total assets	5,02,57,203	3,95,85,058
B	EQUITY AND LIABILITIES		
	Equity		
a)	Equity share capital	5,00,000	5,00,000
b)	Other equity	2,82,08,071	2,13,63,592
	Total equity	2,87,08,071	2,18,63,592
	Liabilities		
1	Non-current liabilities		
a)	Provisions	47,49,672	27,44,949
2	Current liabilities		
a)	Financial liabilities		
i)	Trade payables	2,51,491	7,03,235
ii)	Other financial liabilities	1,07,13,792	90,03,577
b)	Other current liabilities	47,70,044	35,40,211
c)	Provisions	10,64,133	17,29,494
	Total current liabilities	1,67,99,460	1,49,76,517
	Total liabilities	2,15,49,132	1,77,21,466
	Total equity and liabilities	5,02,57,203	3,95,85,058

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

Chairman

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2021

Director

Atul

April 06, 2021

Lapox Polymers Limited

Statement of Profit and Loss

for the year ended March 31, 2021

			₹
Particulars	Note	2020-21	2019-20
Revenue			
Revenue from operations	14	16,01,51,534	13,30,68,957
Other income	15	9,72,604	10,63,089
Total Income		16,11,24,138	13,41,32,046
Expenses			
Employee benefit expense	16	14,74,12,209	12,31,65,950
Finance costs	17	7,224	2,906
Depreciation and amortisation expense	2	1,857	2,787
Other expenses	18	28,20,365	39,63,865
Total expenses		15,02,41,655	12,71,35,508
Profit before tax		1,08,82,483	69,96,538
Tax expense			
Current tax	20	35,72,323	19,28,373
Deferred tax	20	(3,37,403)	(2,61,901)
Total tax expense		32,34,920	16,66,472
Profit for the year		76,47,562	53,30,066
Other comprehensive income			
A) Items that will not be reclassified to profit and loss			
Remeasurement gains on defined benefit plans		(10,73,182)	(62,292)
Income tax on above		2,70,099	15,678
Total other comprehensive income		(8,03,083)	(46,614)
Total comprehensive income		68,44,479	52,83,452
Basic and diluted earning ₹ per Equity share of ₹ 10 each	22	152.95	106.60
The accompanying Notes form an integral part of the Financial Statements			

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2021

For and on behalf of the Board of Directors

Chairman

Director

Atul

April 06, 2021

Lapox Polymers Limited

Notes to the Financial Statements

Background

Lapox Polymers Limited (the 'Company') is a limited company incorporated and domiciled in India. It is a subsidiary company of Atul Ltd (Holding company). The Company is providing the business auxiliary service to its Holding company. The registered office of the Company is located at Anand Darshan, Near Atul Post Office, Atul 396020, Valsad, Gujarat.

Note 1 Significant Accounting Policies

1 Basis of preparation:

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements have been prepared on a historical cost basis, except financial assets.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2 Fixed Assets & Depreciation Amortizations :

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation / amortization. The company capitalized all cost relating to the acquisition, installation and construction of fixed assets.

Depreciation on addition to fixed Assets is calculated on pro-rata basis from the month of such addition. The company provides depreciation on SLM Methods at the rates specified under Schedule II of the Companies Act, 2013.

3 Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost.

4 Revenue Recognition:

Service Income is recognised, net of service tax, when the related service are provided.

5 Employee Benefits:

Leave Encashment:

Provision for future liabilities on account of Leave Encashment has been made on the basis of Actuarial Valuation and the same has been charged as current year's expenses.

Gratuity:

The Company has taken a policy with LIC and contributed for future gratuity liability and the same has been charged to Profit & Loss statement for the year.

6 Taxation:

Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.

Lapox Polymers Limited

Notes to the Financial Statements

7 Earning Per Share :

The company reports basic and diluted Earnings per share in accordance with accounting standard 20 "Earning per share". Basic earnings per share are computed by dividing the net profit or loss after tax for the year by the number of Equity Shares outstanding during the year.

8 Critical estimates and judgments:

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

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

Lapox Polymers Limited

Statement of changes in Equity for the year ended March 31, 2021

A. Equity share capital

	Notes	Amount
As at March 31, 2019		5,00,000
Changes in Equity share capital		-
As at March 31, 2020		5,00,000
Changes in Equity share capital		-
As at March 31, 2021	9	5,00,000

B. Other equity

	Notes	Reserves and surplus
		Retained earnings
As at March 31, 2019		1,60,80,140
Profit for the year		53,30,066
Other comprehensive income		(46,614)
Total comprehensive income for the year		52,83,452
As at March 31, 2020		2,13,63,592
Profit for the year		76,47,562
Other comprehensive income		(8,03,083)
Total comprehensive income for the year		68,44,479
As at March 31, 2021		2,82,08,071

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2021

For and on behalf of the Board of Directors

Chairman

Director

Atul

April 06, 2021

Cash Flow Statement

for the year ended March 31, 2021

₹

Particulars	2020-21	2019-20
A. Cash flow from operating activities		
Profit before tax	1,08,82,483	69,96,538
Add:		
Depreciation and amortisation expenses	1,857	2,787
Finance costs	8,459	2,906
	10,316	5,693
	1,08,92,799	70,02,231
Less:		
Interest received	9,72,604	9,51,589
Provisions no longer required	-	1,11,500
	9,72,604	10,63,089
Operating profit before working capital changes	99,20,195	59,39,142
Adjustments for:		
Trade receivables	(37,82,005)	1,57,726
Other current financial assets	24,99,542	(8,45,112)
Other current assets	1,39,830	(92,008)
Trade payables	(4,52,979)	(3,008)
Other current financial liabilities	2,35,158	18,51,251
Other current liabilities	15,95,668	49,804
Current provisions	(6,65,361)	5,64,387
Non-current provisions	20,04,723	5,53,586
	15,74,577	22,36,626
Cash generated from operations	1,14,94,772	81,75,768
Less:		
Direct taxes net of refund	20,01,297	20,43,609
Net cash flow from operating activities	A 94,93,475	61,32,159
B. Cash flow from investing activities		
Investments in group companies	(1,35,00,050)	(1,88,900)
Investments Fixed Deposits	30,31,406	(62,72,899)
Interest received	9,72,604	9,51,589
Net cash used in investing activities	B (94,96,040)	(55,10,210)
C. Cash flow from financing activities		
Interest paid	(7,224)	(2,906)
Net cash used in financing activities	C (7,224)	(2,906)
Net change in cash and cash equivalents	A+B+C (9,789)	6,19,043
Opening balance - cash and cash equivalents	18,36,299	12,17,256
Closing balance - cash and cash equivalents	18,26,509	18,36,299

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

As per our attached report of even date
For Ghanshyam Parekh & Co.
 Firm Registration Number: 131167W
 Chartered Accountants

For and on behalf of the Board of Directors

G R Parekh
 Proprietor
 Membership No. 030530
 Atul
 April 06, 2021

Chairman

Director
 Atul
 April 06, 2021

Notes to the Financial Statements

₹

Note 2 Property, plant and equipment

	Computers
Gross carrying amount	
As at March 31, 2019	94,379
Additions	-
Other adjustments	-
Deductions and adjustments	-
As at March 31, 2020	94,379
Additions	-
Other adjustments	-
Deductions and adjustments	-
As at March 31, 2020	94,379
Depreciation Amortisation	
Upto March 31, 2019	86,144
For the year	2,787
Deductions and adjustments	
Upto March 31, 2020	88,931
For the year	1,857
Deductions and adjustments	
Upto March 31, 2020	90,788
Net carrying amount	
As at March 31, 2020	5,448
As at March 31, 2021	3,591

Notes to the Financial Statements

₹

Note 3 Non-current investments		As at		As at	
		March 31, 2021		March 31, 2020	
		Number of shares	Value	Number of shares	Value
A	Investment in equity instruments (Fully paid-up)				
	Unquoted				
	In associate companies measured at cost				
	Atul Polymers Products Ltd	10/-	25,002	25,002	2,50,020
	Atul Clean Energy Ltd	10/-	16,667	16,667	1,66,670
	Atul (Retail) Brands Ltd	10/-	16,667	16,667	1,66,670
	Atul Crop Care Ltd	10/-	14,669	14,669	5,11,597
	Atul Ayurveda Ltd	10/-	22,223	22,223	2,22,230
	Osia Infrastructure Ltd	10/-	13,50,000		
	Atul Life Science Ltd	10/-	1		
	Atul Natural Dyes Limited	10/-	1		
	Atul Natural Foods Limited	10/-	1		
	Atul Products Limited	10/-	1		
	Atul Renewal Energy Limited	10/-	1		
	Total		1,48,17,237		13,17,187

Particulars	Book value		Market value	
	As at		As at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Quoted	-	-	-	-
Unquoted	1,48,17,237	13,17,187	-	-
Total	1,48,17,237	13,17,187	-	-

¹ In ₹ and fully paid

Notes to the Financial Statements

₹

Note 4 Other assets	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
a) Balances with the Government department				
i) Tax paid in advance, net of provisions	-	-	-	12,64,887
b) Others	5,27,743	-	6,67,573	-
	5,27,743	-	6,67,573	12,64,887

₹

Note 5 Trade receivables	As at March 31, 2021		As at March 31, 2020	
a) Unsecured, considered good				
i) Trade receivables		1,78,37,559		1,40,55,554
		1,78,37,559		1,40,55,554

₹

Note 6 Cash and cash equivalents	As at March 31, 2021		As at March 31, 2020	
a) Balances with banks				
i) In current accounts		18,26,509		18,36,299
		18,26,509		18,36,299

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

₹

Note 7 Bank balances other than cash and cash equivalents above	As at March 31, 2021		As at March 31, 2020	
Short-term bank deposit with original maturity between 3 to 12 months		1,18,57,873		1,48,89,279
		1,18,57,873		1,48,89,279

₹

Note 8 Other financial assets	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
f) Advances recoverable in cash	19,20,615	-	44,20,157	-
	19,20,615	-	44,20,157	-

₹

Note 9 Equity share capital	As at March 31, 2021	As at March 31, 2020
Authorised		
50,000 (50,000) Equity shares of ₹ 10 each	5,00,000	5,00,000
Issued		
50,000 (50,000) Equity shares of ₹ 10 each	5,00,000	5,00,000
Subscribed & Paid-up		
50000 (50000) Equity shares of ₹ 10 each, fully paid	5,00,000	5,00,000
	5,00,000	5,00,000

a) Movement in Equity share capital

₹

	Number of shares	Equity share capital
As at March 31, 2019	50,000	5,00,000
As at March 31, 2020	50,000	5,00,000
As at March 31, 2021	50,000	5,00,000

b) The Company has only one class of Equity shares having a par value of ₹ 10 per share. The dividend proposed by the Board of Directors is subject to approval of Shareholders in ensuing Annual General meeting.

c) Details of Shareholders holding more than 5% of Equity shares:

No	Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Bio Space Limited	20%	10,000	20%	10,000
2	Atul Corp Care Limited	20%	10,000	20%	10,000
3	Atul Seeds Ltd	20%	10,000	20%	10,000
4	Osia Dairy Ltd	20%	10,000	20%	10,000
5	Jayati Infrastructure Ltd.	20%	10,000	20%	10,000
		100%	50,000	100%	50,000

₹

Note 10 Trade payables	As at March 31, 2021	As at March 31, 2020
a) Others	2,51,491	7,03,235
	2,51,491	7,03,235

₹

Note 11 Other financial liabilities	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
a) Others	1,06,69,874	-	1,04,34,716	-
b) Employee benefits obligation (refer note 21)	43,918		(14,31,139)	
	1,07,13,792	-	90,03,577	-

₹

Note 12 Other liabilities	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
b) Statutory dues	47,34,004		35,40,211	
c) Tax payable, net of tax paid in advance	36,040		-	
	47,70,044	-	35,40,211	-

₹

Note 13 Provisions	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
a) Provision for leave entitlement	10,64,133	47,49,672	17,29,494	27,44,949
	10,64,133	47,49,672	17,29,494	27,44,949

Notes to the Financial Statements

		₹
Note 14 Revenue from operations	2020-21	2019-20
Sale of services	16,01,51,534	13,30,68,957
	16,01,51,534	13,30,68,957
		₹
Note 15 Other income	2020-21	2019-20
Interest from others	9,72,604	9,51,589
Provisions no longer required	-	1,11,500
	9,72,604	10,63,089
		₹
Note 16 Employee benefit expenses	2020-21	2019-20
Salaries, wages and bonus	13,97,94,551	11,74,41,099
Contribution to Provident and other funds	68,54,053	41,38,548
Staff welfare	7,63,605	15,86,303
	14,74,12,209	12,31,65,950
		₹
Note 17 Finance costs	2020-21	2019-20
Interest on others	7,224	2,906
	7,224	2,906
		₹
Note 18 Other expenses	2020-21	2019-20
Insurance	1,91,133	1,77,990
Payments to the Statutory Auditors		
a) Audit fees	12,500	10,000
b) Other matters	10,000	6,750
Miscellaneous expenses	26,06,732	37,69,125
	28,20,365	39,63,865

Notes to the Financial Statements

Note 19: Related party transactions

a) Name of the related party and nature of relationship :

Sr.	Name	Relationship
	Atul Ltd	Holding Company
1	Osia Infrastructure Ltd	Subsidiary company
2	Aaranyak Urmi Ltd1	
3	Aasthan Dates Ltd	
4	Amal Ltd2	
5	Amal Speciality Ltd1	
6	Anchor Adhesives Pvt Ltd	
7	Atul Aarogya Ltd	
8	Atul Ayurveda Ltd	
9	Atul Bioscience Ltd	
10	Atul Biospace Ltd	
11	Atul Brasil Quimicos Ltda	
12	Atul China Ltd	
13	Atul Clean Energy Ltd	
14	Atul Crop Care Ltd	
15	Atul Deutschland GmbH	
16	Atul Entertainment Ltd	
17	Atul Europe Ltd	
18	Atul Fin Resources Ltd1	
19	Atul Finserv Ltd	
20	Atul Hospitality Ltd	
21	Atul Infotech Pvt Ltd1	Subsidiary companies of holding company
22	Atul Ireland Ltd	
23	Atul Lifescince Ltd	
24	Atul Middle East FZ-LLC	
25	Atul Natural Dyes Ltd	
26	Atul Natural Foods Ltd	
27	Atul Nivesh Ltd1	
28	Atul Polymers Products Ltd	
29	Atul Products Ltd	
30	Atul Rajasthan Date Palms Ltd1	
31	Atul Renewable Energy Ltd	
32	Atul (Retail) Brands Ltd	
33	Atul Seeds Ltd	
34	Atul USA Inc	
35	Biyaban Agri Ltd	
36	DPD Ltd1	
37	Gujarat Synthwood Ltd3	
38	Jayati Infrastructure Ltd	
39	Osia Dairy Ltd	
40	Raja Dates Ltd	
	Other related parties with whom transactions have taken place during the year	
41	Osia Infrastructure Ltd	Joint venture company of holding company
42	Raja Dates Ltd	Joint operation of holding company

¹ Investments held through subsidiary companies | ² Subsidiary company by virtue of control | ³ Under liquidation

b) Details of transactions with related parties

₹

Name of transaction	Enterprise by which significant influence exercised Atul Limited	
	2020-21	2019-20
Income		
- Service charges received	16,01,51,534	13,30,68,957
Other transactions		
- Reimbursement of expense received	1,87,24,442	3,10,57,527
- Service charges paid	7,00,459	7,26,242
Outstanding balances as at year end		
---Payables	-	76,351
---Receivables	1,78,16,758	1,40,34,754

Notes to the Financial Statements

Note 20 : Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

a) Income tax expense

	March 31, 2021	March 31, 2020
Current tax		
Current tax on profits for the year	34,47,860	19,28,373
Adjustments for current tax of prior periods	1,24,463	-
Total current tax expense	35,72,323	19,28,373
Deferred tax		
(Decrease) increase in deferred tax liabilities	312	64
Decrease (increase) in deferred tax assets	3,37,091	2,61,837
Total deferred tax expense (benefit)	3,37,403	2,61,901
Income tax expense	39,09,726	21,90,274

b) No deferred tax has been recorded for recognised in other comprehensive income during the years

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

	March 31, 2021	March 31, 2020
Statutory income tax rate	26.00%	26.00%
Differences due to:		
Expenses not deductible for tax purposes	7.68%	5.35%
Income exempt from income tax	0.00%	0.00%
Income tax incentives	0.00%	0.00%
Others	0.53%	-3.52%
Effective income tax rate	34.20%	27.84%

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

e) Current tax liabilities

	March 31, 2021	March 31, 2020
Opening balance	-	-
Add: Current tax payable for the year	35,72,323	19,28,373
Less: Taxes paid	(35,36,283)	(19,28,373)
Closing balance	36,040	-

f) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

	March 31, 2021	March 31, 2020
Property, plant and equipment	-	-
Investment in associates and joint venture	-	-
Total deferred tax liabilities	-	-
Property, plant and equipment	(2,857)	(2,545)
Provision for leave encashment	14,63,218	11,26,128
Provision for doubtful debts		
Provision for doubtful advances		
Investment property		
Voluntary retirement scheme		
MAT credit entitlement		
Total deferred tax assets	14,66,075	11,28,673
Net deferred tax (asset) liability	(14,66,076)	(11,28,673)

Movement in deferred tax liabilities | assets

	Property plant and equipment	Provision for leave encashment	Provision for doubtful debts	Provision for doubtful advances	Investment property	Voluntary retirement scheme	MAT credit entitlement	Total
At March 31, 2019	2,481	8,64,291	-	-	-	-	-	8,66,772
(Charged) credited:								
- to profit or loss	64	2,61,837	-	-	-	-	-	2,61,901
At March 31, 2020	2,545	11,26,128	-	-	-	-	-	11,28,673
(Charged) credited:								
- to profit or loss	312	3,37,091	-	-	-	-	-	3,37,403
At March 31, 2021	2,857	14,63,218	-	-	-	-	-	14,66,075

Notes to the Financial Statements

Note 21 :Defined contribution plans

Balance sheet amount (Gratuity)

₹

Particulars	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2019	22,86,304	(33,38,564)	(10,52,260)
Current service cost	4,66,168		4,66,168
Interest expense (income)	1,52,268	(2,22,348)	(70,080)
Total amount recognised in profit and loss	6,18,436	(2,22,348)	3,96,088
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense (income)		(64,225)	(64,225)
(Gain) loss from change in demographic assumptions	(1,47,704)		(1,47,704)
(Gain) loss from change in financial assumptions	1,01,272		1,01,272
Experience (gains) losses	1,72,949		1,72,949
Total amount recognised in other comprehensive income	1,26,517	(64,225)	62,292
Employer contributions		(8,37,259)	(8,37,259)
Benefit payments	(1,95,889)	1,95,889	-
March 31, 2020	28,35,368	(42,66,507)	(14,31,139)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
March 31, 2020	28,35,368	(42,66,507)	(14,31,139)
Current service cost	5,01,437		5,01,437
Interest expense (income)	1,47,723	(2,22,285)	(74,562)
Total amount recognised in profit and loss	6,49,160	(2,22,285)	4,26,875
<i>Remeasurements</i>			
Return on plan assets, excluding amount included in interest expense (income)		6,672	6,672
(Gain) loss from change in demographic assumptions	14,00,067		14,00,067
(Gain) loss from change in financial assumptions	(4,43,283)		(4,43,283)
Experience (gains) losses	1,09,726		1,09,726
Total amount recognised in other comprehensive income	10,66,510	6,672	10,73,182
Employer contributions		(25,000)	(25,000)
Benefit payments	(3,88,588)	3,88,588	-
March 31, 2021	41,62,450	(41,18,532)	43,918

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

Particulars	March 31, 2021	March 31, 2020
Present value of funded obligations	41,62,450	28,35,368
Fair value of plan assets	(41,18,532)	(42,66,507)
Deficit of gratuity plan	43,918	(14,31,139)

Notes to the Financial Statements

Note 22 Earning per share

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

Particulars		2020-21	2019-20
Profit for the year attributable to the Equity Shareholders	₹	76,47,562	53,30,066
Basic Weighted average number of Equity shares outstanding during the year	Number	50,000	50,000
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	152.95	106.60

Note 23 The Financial Statements were authorised for issue by the Board of Directors on April 06, 2021

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

For and on behalf of the Board of Directors

Chairman

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2021

Director

Atul

April 06, 2021