



Atul Products Ltd

Annual Report 2021-22

Reach high, for stars lie hidden in you. Dream deep, for every dream precedes the goal.
~ Rabindranath Tagore

Contents

01	Corporate identity
02	Purpose
03	Values
04	Board of Directors
05	Directors' Report
08	Annexure to the Directors' Report
09	Management Discussion and Analysis
10	Corporate Governance Report
15	Notice
19	Independent Auditor's Report
28	Financial Statements

Forward looking statements

In this annual report, we have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such statements that we make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'intend', 'plan', 'project' or words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in our assumptions. The actual results may be affected because of uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results may vary materially from those anticipated, believed, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Corporate identity



Atul Products Ltd is a wholly-owned subsidiary company of Atul Ltd. The Company will be engaged in the production of caustic and generation of power, primarily for captive use. The plants are under construction.

Purpose

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



fostering a spirit of continuous learning and innovation



adopting developments in science and technology



providing high quality product and services, thus becoming the most preferred partner



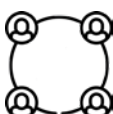
having people who practice Values and exemplify a high standard of behaviour



seeking sustained, dynamic growth and securing long-term success



taking responsible care of the surrounding environment



improving the quality of life of the communities we operate in

Values



In an environment where change is a way of life, continuity of Values provides stability and is fundamental to us. We have therefore formalised key Values and are committed to institutionalising them. We will seek to create an environment wherein these Values are consistently practised and nurtured and ensured that they are not compromised.



INTEGRITY

Working with honesty, following the highest standards of professionalism. Integrity is when our decisions and actions remain consistent with our thoughts and words, written or spoken.



UNDERSTANDING

How well we work with others depends on our ways to connect and this in turn is based on our level of Understanding of human relationships. This certainly does not mean that we accept poor performance, but that we do it the right way. Understanding is the external manifestation of internal realisation.



UNITY

Working together and taking advantage of synergy while harnessing unique abilities of each of us to achieve a larger goal. Unity is the realisation that though we may work in different areas, we are finally interconnected and that interdependence is a higher order of living than independence. Though we may be many, we share a common purpose.



RESPONSIBILITY

Delivering value and taking ownership of actions. Responsibility must also give us the realisation that what is good for the business must be in the overall good. In essence, we must work with a spirit of trusteeship for the shareholders and other stakeholders. What comes to us must be returned many times over.



EXCELLENCE

A drive that is more from inside than outside; it is about us seeking to continuously improve and develop an eye for innovation even in day to day work. Excellence is about excelling in everything we do and not giving up. Excellence is also a journey, not simply a destination in itself.

Board of Directors



Rajeev Kumar



Vasudev Koppaka



Vivek Gadre



Lalit Patni



Bharat Joshi

Directors' Report



Dear Members,

The Board of Directors (Board) presents the annual report of Atul Products Ltd together with the audited Financial Statements for the year ended March 31, 2022.

01. Financial results

(₹ lakhs)

Particulars	2021-22	2020-21
Sales	-	-
Revenue from operations	-	-
Other income	0.22	-
Total revenue	0.22	-
Loss before tax	(101.03)	(0.09)
Provision for tax	1.83	(0.01)
Loss for the year	(102.86)	(0.08)
Balance brought forward	(0.08)	-
Transfer from comprehensive income	-	-
Balance carried forward	(102.94)	(0.08)

02. Performance

The Company is setting up a facility to manufacture 300 tpd caustic and a 50 MW power plant. Despite the adverse situation, the construction work completed to date is considered satisfactory. The Company did not have operational revenue in the year 2021-22 since the projects are under implementation. Other income comprises income from investing activities.

03. Dividend

The Board did not recommend any dividend on on the equity shares for the financial year ended March 31, 2022, as the Company did not commission its business operations.

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

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

05. Insurance

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

06. Risk management

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

07. Internal financial controls

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2022, and the Board believes that the controls are adequate.

08. Fixed deposits

During 2021-22, the Company did not accept any fixed deposits.

09. Loans, guarantees, investments and security

During 2021-22, the Company did not give any loan, provide guarantee or make any investment.

10. **Subsidiary, joint venture and associate company**

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

11. **Related party transactions**

All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at page number 41. No transactions that required disclosure in Form AOC-2 were entered into by the Company.

12. **Corporate social responsibility**

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

13. **Annual return**

Annual return for 2021-22 is available for inspection at the registered office of the Company.

14. **Auditors**

B R Shah & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 1st Annual General Meeting (AGM) held on August 03, 2021, until the conclusion of the 6th AGM.

The Auditor's Report for the financial year ended March 31, 2022, does not contain any qualification, reservation or adverse remark. The report is enclosed with the Financial Statements in this annual report.

15. **Directors' responsibility statement**

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

15.1.1. In preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures.

15.1.2. The accounting policies were selected and applied consistently and judgements and estimates thus made were reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the financial year and of the profit and loss of the Company for that period.

15.1.3. Proper and sufficient care was taken for the 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 fraud and other irregularities.

15.1.4. The attached annual accounts for the year ended March 31, 2022, were prepared on a going concern basis.

15.1.5. Adequate internal financial controls to be followed by the Company were laid down and the same were adequate and operating effectively.

15.1.6. Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

16. **Directors**

16.1. Appointments | Reappointments | Cessations

16.1.1. According to the Articles of Association of the Company, Mr Vivek Gadre and Mr Vasudev Koppaka retire by rotation and being eligible offer themselves for reappointment at the forthcoming Annual General Meeting.

16.2. Policy on appointment and remuneration

16.2.1. 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.

17. **Key Managerial Personnel and other employees**

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

18. **Analysis of remuneration**

There is no employee who falls within the criteria provided in Section 134(3)(q) and Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Thus, the disclosure of the information in respect thereof is not applicable.



19. Management Discussion and Analysis

The Management Discussion and Analysis covering performance of the Company is given at page number 9.

20. Corporate Governance Report

20.1. Report

The Corporate Governance Report is given at page number 10. Details about the number of meetings of the Board held during 2021-22 are given at page number 12.

20.2. Secretarial standards

Standards as applicable to the Company were followed and complied with during 2021-22.

20.3. Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given at page number 13.

21. Acknowledgements

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

For and on behalf of the Board of Directors

	(Rajeev Kumar)	(Lalit Patni)
	Director	Director
Atul	DIN: 07731459	DIN: 02564572
April 06, 2022		

Annexure to the Directors' Report

Index

No.	Subject title	Page
1.	Conservation of energy, technology absorption and foreign exchange earnings and outgo	8
1.1	Conservation of energy	8
1.2	Technology absorption	8
1.3	Foreign exchange earnings and outgo	8

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

1.1. Conservation of energy

1.1.1. Measures taken: The Company is taking all the necessary steps to conserve the energy.

1.1.2. Additional investments and proposals, if any, being implemented: The plants will be equipped with modern energy saving electronic devices and gadgets.

1.2. Technology absorption

1.2.1. Research and Development: nil

1.2.2. Technology absorption, adaptation and innovation: Necessary steps will be taken upon commencement of operations of the Company.

1.3. Foreign exchange earnings and outgo:

(₹ cr)

Particulars	2021-22	2020-21
Earnings	-	-
Outgo		
Payment for equipment, etc	45.85	-

Management Discussion and Analysis



Atul Products Ltd (APL) is in the business of manufacturing and marketing caustic soda lye and flakes. APL is setting up a manufacturing plant for 300 tpd caustic including 100 tpd flakes and a 50 MW power plant. The Company will meet the growing demand of caustic, chlorine and hydrogen for captive use by Atul Ltd (Atul), while the balance will be sold outside. The captive power plant will primarily meet the need of power for caustic production, while the additional units will be sold to Atul and its Group companies.

The products are used in various industries, such as Pulp and paper, Alumina, Textile, Soap and detergent and Water treatment. The size of the world Chlor-alkali industry is estimated at US\$ 52.80 and is growing at about 2.90%.

APL is likely to commence commercial production in the last quarter of 2022-23. The Company has ascertained the total project cost as ₹ 817 cr, out of which it has a commitment of ₹ 264 cr against the orders placed, which is 32% of the planned project cost. The project is being financed by Atul through equity and inter-corporate loans. The payment made for the project till FY 2021-22 is ₹ 225 cr. The project will generate sales to the tune of ₹ 775 cr, once commercialised at its full capacity.

The captive consumption of bulk chemicals is expected to grow as Atul and its Group entities expand their manufacturing capacities of various products, resulting in

increased demand for caustic, chlorine, hydrogen, power and steam. The Company is strategically located in the chemical manufacturing belt of South Gujarat, and plans to target the market in its vicinity as well as in other parts of Western India.

The products manufactured by APL are commodity in nature, where prices are affected due to vagaries of market. Any such impact can be reduced through backward and forward integration at the Group level and long-term contracts with customers | suppliers.

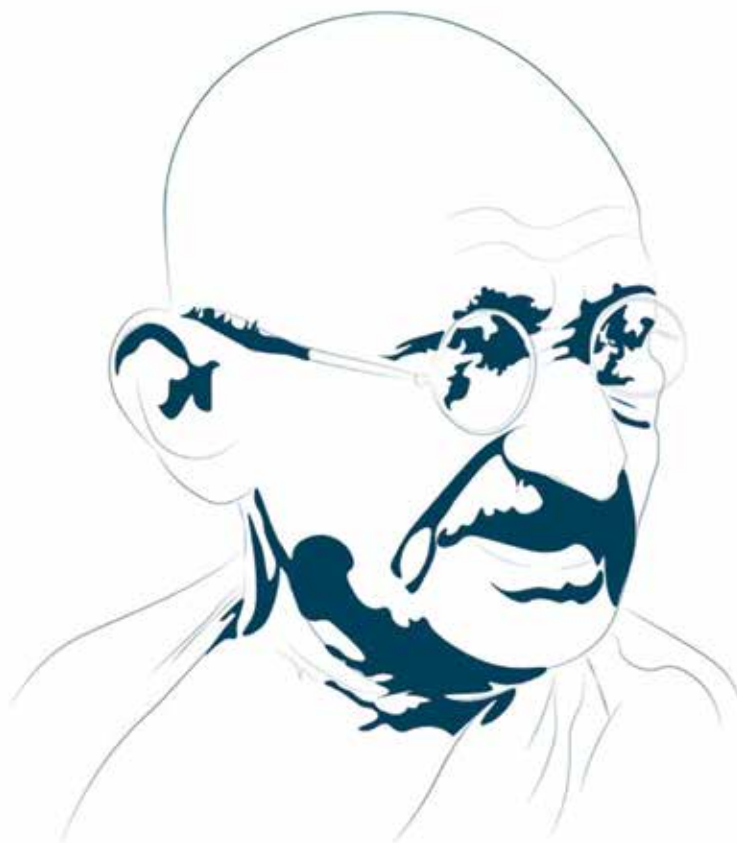
Internal control systems

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

Corporate Governance Report

Leadership is practiced not so much in words
as in attitude and in actions.

~ Mahatma Gandhi





Corporate Governance Report

1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance. Atul Products Ltd is proud to belong to a Group whose Founder lived his life with eternal Values and built the business enterprises on the foundation of good governance.

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

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

2. Board

2.1 Board business

The normal business of the Board comprises:

2.1.1 Approving:

- i) capital expenditure and operating budgets
- ii) commission payable to the Directors within the limit set by the shareholders
- iii) contracts in which the Director(s) are deemed to be interested
- iv) creation of charge on assets in favour of lenders
- v) declaration of interim dividend
- vi) joint ventures, collaborations, mergers and acquisitions
- vii) loans and investments
- viii) matters requiring statutory | Board consent
- ix) sale of investments and assets
- x) short, medium or long-term borrowings
- xi) unaudited quarterly financial results and audited annual accounts, including segments revenue, results and capital employed

2.1.2 Monitoring:

- i) effectiveness of the governance practices and making desirable changes

- ii) implementation of performance objectives and corporate performance
- iii) potential conflicts of interest of the Management, the Board Members and the shareholders, including misuse of corporate assets and abuse in related party transactions
- iv) the Board nomination process such that it is transparent and results in diversity of experience, gender, knowledge, perspective and thoughts in the Board
- v) the Management and providing strategic guidance while ensuring that encouraging positive thinking does not result in over-optimism that either leads to significant risks not being recognised or exposes the Company to excessive risk

2.1.3 Noting:

- i) general notices of interest of the Directors
- ii) minutes of the meetings of the Board and its committees and also the resolution(s) passed by circulation

2.1.4 Recommending:

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

2.1.5 Reviewing:

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

2.1.6 Setting:

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

2.1.7 Others:

- i) Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders
- ii) Aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the shareholders
- iii) Applying high ethical standards
- iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgement to items where there is a potential for conflict of interest
- v) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus for the Company
- vi) Encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept updated
- vii) Exercising objective and independent judgement on corporate affairs
- viii) Facilitating the Independent Directors to perform their role effectively as the Board Members and also as the members of Committees
- ix) Meeting the expectations of operational transparency of the stakeholders while maintaining confidentiality of information in order to foster a culture of good decision-making

2.2 Appointment and tenure

2|3rd of the Directors (other than the Independent Directors) are rotational Directors. 1|3rd of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment.

2.3 Composition, name, other directorships | committee memberships.

The Board comprises experts drawn from diverse fields | professions. It consists of five members:

No.	Name	Directorship(s) in other company(ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
1.	Rajeev Kumar	2	–	–
2.	Vasudev Koppaka	3	–	–
3.	Vivek Gadre	4	–	–
4.	Bharat Joshi	9	–	–
5.	Lalit Patni	8	–	–

¹This excludes Directorships in foreign companies and private limited companies.

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

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2021-22, the Board met four times.

No.	Day	Date	Venue
1.	Tuesday	April 06, 2021	Atul
2.	Friday	July 09, 2021	Atul
3.	Wednesday	October 06, 2021	Atul
4.	Saturday	January 05, 2022	Atul



2.5 Attendance at the Board meetings and the AGM

No.	Name	Board meetings		AGM on August 03, 2021
		Total	Attended	
1.	Rajeev Kumar	4	4	Present
2.	Vasudev Koppaka	4	4	Present
3.	Vivek Gadre	4	4	Present
4.	Bharat Joshi	4	4	Present
5.	Lalit Patni	4	4	Present

2.6 Appointment | Cessation

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

2.7 Remuneration

No.	Name	Remuneration during 2020-21			
		Sitting fees	Salary and perquisites	Commission	Total
1.	Rajeev Kumar	-	-	-	-
2.	Vasudev Koppaka	-	-	-	-
3.	Vivek Gadre	-	-	-	-
4.	Bharat Joshi	-	-	-	-
5.	Lalit Patni	-	-	-	-

Sitting fees was not paid to the Directors for attending the Board, Committee and other meetings.

3. Committees of the Board

The Board has not constituted any committee.

4. Company policies

4.1 Compliance

Compliance certificates confirming due compliance with statutory requirements are placed at the Board meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

4.2 Code of conduct

The Company follows the code of conduct adopted by Atul Ltd, holding company of the Company.

All the Directors and the Senior Management personnel have affirmed their compliance with the code of conduct.

4.3 Prevention of sexual harassment of women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. The status of complaints received during 2021-22 is as under:

Filed during 2021-22	Nil
Disposed of during 2021-22	Nil
Pending as at end of 2021-22	Nil

4.4 Related party transactions

The Company has formulated a Related Party Transactions Policy.

5. Affirmation and disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2021-22 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

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

6. Shareholders' information

6.1 General Body meetings

6.1.1 Location and time where the last three AGMs were held:

Year	Location	Date	Time
2020-21	E-7, East site, Atul 396 020, Gujarat, India	August 03, 2021	3:30 pm

6.1.2 Special resolutions passed in the previous three AGMs: yes

6.1.3 Resolutions passed through postal ballot: nil

6.2 Annual General Meeting 2022

Details of the 2nd AGM are as under:

Year	Location	Date	Time
2021-22	E-7, East site, Atul 396 020, Gujarat, India	August 02, 2022	09:00 am

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

6.3 Financial year

April 01 to March 31

6.4 Location of plant

Atul 396 020, Gujarat, India

6.5 Address for correspondence

E-7, East site, Atul 396 020, Gujarat, India

E-mail address: legal@atul.co.in

6.6 Tentative Board meeting dates for consideration of results for 2022-23

No.	Name	Date
1.	First quarter results	July 06, 2022
2.	Second quarter and half-yearly results	October 06, 2022
3.	Third quarter results	January 10, 2023
4.	Fourth quarter and annual results	April 10, 2023

For Atul Products Ltd

(Rajeev Kumar)

Director

DIN: 07731459

Atul
April 06, 2022



Notice

NOTICE is hereby given that the 2nd Annual General Meeting of the members of Atul Products Ltd will be held on Friday, August 05, 2022, at 09:00 am at E-7, East site, Atul 396 020, Gujarat, India to transact the following businesses:

Ordinary business:

1. To receive, consider and adopt the audited Financial Statements of the Company for the financial year ended March 31, 2022, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr Vivek Gadre (Director identification number: 08906935) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr Vasudev Koppaka (Director identification number: 02757983) who retires by rotation and being eligible, offers himself for reappointment.

Special business

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and any other applicable provisions (including any statutory modification(s) or re-enactment thereof), Mr Sunil Gulati (Director identification number: 07942691) in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to retirement by rotation.”

“RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 203 of the Companies Act, 2013 and any other applicable provisions for the time being in force, approval be and is hereby accorded to the appointment of Mr Sunil Gulati as a Whole-time Director of the Company, and his receiving of remuneration including minimum remuneration for a period of five years effective May 17, 2022, as per the draft agreement submitted to this meeting and for identification initialed by the Chairman.”

Notes:

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a member. A person can act as a proxy on behalf of not more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 09:00 am on August 03, 2022.
2. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ending March 31, 2022 are annexed | attached.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from July 22, 2022 to July 29, 2022 (both days inclusive).
4. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days. The members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
6. The members, desiring any information relating to the accounts, are requested to write to the Company at least seven days before the date of Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.

7. At the ensuing Annual General Meeting, Mr Vivek Gadre retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as under:

Name	Mr Vivek Gadre
Date of birth	August 26, 1962
Brief résumé	Mr Vivek Gadre is a Director of the Company since October 2020. Mr Gadre has 34 years of experience in various capacities and is currently the President, Corporate Strategy, Atul Ltd. He holds a graduate degree in Chemical Engineering from Indian Institute of Technology, New Delhi and a postgraduate diploma in Management from Indian Institute of Management, Kolkata.
Directorship in other companies	Public companies Atul Natural Dyes Ltd Atul Natural Foods Ltd Atul Renewable Energy Ltd
Membership in committees of other companies	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

8. At the upcoming Annual General Meeting, Mr Vasudev Koppaka retires by rotation and being eligible offers himself for reappointment. The information or details pertaining to him are as follows:

Name	Mr Vasudev Koppaka
Date of birth	November 21, 1963
Brief résumé	Mr Vasudev Koppaka is a Director of the Company since October 2020. Mr Koppaka has 31 years of experience in various capacities and is currently the President, Aromatic Business of Atul Ltd. He holds a graduate degree in Science (Technology) from the Institute of Chemical Technology, Mumbai and a postgraduate degree in Management from the University of Mumbai.
Directorship in other companies	Public companies Atul Natural Foods Ltd Atul Polymers Products Ltd Atul Renewable Energy Ltd
Membership in committees of other companies	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil



9. Route map for the venue of the Annual General Meeting is given separately.

Explanatory statement

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

Item number 5

The Board of Directors (the Board) appointed Mr Sunil Gulati as an additional director on May 17, 2022. Subject to the approval of the members, the Board also appointed Mr Gulati as a Whole-time Director for five years effective May 17, 2022. He is the Occupier of the Company, his brief résumé is given below:

Name	Sunil Gulati
Date of birth	August 28, 1981
Brief résumé	Mr Sunil Kumar Gulati joined the Company on May 17, 2022 and is a Whole-time Director and Occupier. Mr Gulati has 19 years of experience in various capacities and is currently the Vice President, Manufacturing, Bulk Chemicals and Intermediates, Atul Ltd. Mr Gulati holds a bachelors degree in Technology (B.Tech, Chemical) from Indian Institute of Technology (BHU) Varanasi.
Directorship in other companies	Nil
Membership in committees of other companies	Nil
Relationship with other Directors	None
Number of shares held in the Company	Nil

The terms of appointment of Mr Gulati are in accordance with applicable provisions of the Companies Act, 2013. The terms and conditions of the appointment of Mr Gulati are set out in the draft agreement, which are placed before the AGM.

The material terms of the draft agreement are as under:

I. Responsibilities:

Mr Gulati will have responsibilities of overall supervision of factory of the Company at Atul. He will also discharge the responsibilities of the Occupier. In addition, he will be responsible for any other duties as may be assigned to him by the Board.

II. Remuneration:

During tenure, he will be paid remuneration as below:

a. In addition to being a Whole-time Director, Mr Gulati is the Vice President, Bulk Chemicals and Intermediates Business, Atul from which he receives compensation. The

Company will reimburse to Atul Ltd (Atul) 1% of the remuneration (including revision thereof) drawn by him from Atul or an amount not exceeding as is allowable under Schedule V of the Companies Act, 2013 whichever is lower.

b. For the sake of abundant clarity, it is confirmed that as long as Mr Gulati draws remuneration from Atul, the payment of his remuneration by Atul Products Ltd for his services to Atul Products Ltd will be discharged only by way of reimbursement to Atul and not by way of any payments to him.

c. In case the whole-time director ceases to draw remuneration from Atul, the Company will pay him remuneration equal to 1% of his last drawn remuneration at Atul or as is allowable under Schedule V of the Companies Act, 2013 as may be decided by the Board of Directors from time to time.

- III. Mr Gulati will not be entitled to sitting fees for attending meetings of the Board and/or Committees thereof. He will, however, be reimbursed the actual travelling, lodging, boarding and out of pocket expenses incurred by him for attending meetings of the Board or Committees thereof.
- IV. The above remuneration and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under the applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Gulati will be paid minimum remuneration subject to Schedule V of the Companies Act, 2013.
- V. Mr Gulati will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- VI. The Directors are at liberty to appoint more than one Whole-time Director.
- VII. Notice period of six months will be applicable from either side.

The Board considers that his association will be of immense benefit to the Company. Accordingly, the Board recommends the resolution in item number 5 in the Notice in relation to appointment of Mr Gulati as a Whole-time Director for five years effective May 17, 2022, for the approval by the members as an ordinary resolution.

Memorandum of interest

The nature of the concern or interest of Mr Gulati, Whole-time Director, is that the above resolution pertains to his agreement with the Company and he will be receiving the remuneration as stated therein, if approved. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

Registered office: By order of the Board of Directors
E-7, East site
Atul 396 020 (Rajeev Kumar)
Gujarat **Director**
India DIN: 07731459

Corporate identity number:
U24304GJ2020PLC117189
May 17, 2022

Independent Auditor's Report



To the members of Atul Products Ltd

Report on the audit of the Financial Statements

Opinion

01. We have audited the accompanying Financial Statements of Atul Products Ltd (the Company) which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended, and notes to the Financial Statements and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report (hereinafter referred to as the Financial Statements).
02. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (the Act) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

03. We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. 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 (ICAI) together with the independence requirements that

are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information other than the Financial Statements and Auditors' Report thereon

04. The Management and the Board of Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Management Discussion and Analysis but does not include the Financial Statements and our Auditor's Report thereon.
05. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
06. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.
07. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Financial Statements

08. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect that the preparation of these 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 Ind AS and accounting principles generally

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

09. In preparing the Financial Statements, the Management is responsible for assessing ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's responsibility for the audit of the Financial Statements

11. 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 can reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.
12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain

professional skepticism throughout the audit. We also:

- a) 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.
- b) Obtain an understanding of internal financial 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.



- e) 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.

Materiality is the magnitude of misstatements in the Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and ii) to evaluate the effect of any identified misstatements in the Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter must not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

13. As required by 'the Companies (Auditor's Report) Order, 2020' (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.

14. As required by Section 143 (3) of the Act, based on our audit 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 including other comprehensive income, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Financial Statements comply with Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors as on March 31, 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022, 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) The Company has not paid any remuneration to its Directors during the current year, hence provisions of Section 197 of the Act is not applicable to the Company.

- h) 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, as amended 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 does not have any pending litigations which will impact its financial position.
 - ii. The Company did not have any material foreseeable losses on long-term contracts, including derivative contracts.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
 - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (funding parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
 - c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our or other Auditor's notice that has caused us or the other Auditors to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - d) The Company did not propose dividend for the previous year and has not declared any interim dividend during the year and until the date of this report. Hence, no reporting is applicable with regards to compliance with Section 123.

For **B R Shah and Associates**
Chartered Accountants
Firm registration number: 129053W

Deval Desai
Partner

Membership number: 132426
UDIN: 22132426AHVYT25989

Ahmedabad
April 06, 2022

Annexure A to the Independent Auditor's Report



Referred in paragraph 1 under 'Report on other legal and regulatory requirements' of our report of even date to the members of Atul Products Ltd on the Financial Statements as of and for the year ended March 31, 2022.

01. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has physically verified the fixed assets at regular intervals. In our opinion, this periodicity of physical verification is reasonable having regard to size of the Company and nature of its assets.
 - c) According to the information and explanations given by the Management, there are no immovable properties, included in fixed asset of the Company, except for lease hold land against duly executed lease deed, and accordingly the reporting requirements under Clause (i) (c) of the said order are not applicable.
 - d) The Company has not carried out any revaluation of its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year. Hence the reporting requirements under Clause (i) (d) of the said order are not applicable.
 - e) According to the information and explanations given by the Management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Hence the reporting requirements under clause (i) (e) of the said order are not applicable.
02. The Company has no inventory and has not received any working capital limit from any bank or financial institutions and hence Clause (ii) (a) & (b) of the Order is not applicable.
 03. The Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loan whether secured or unsecured to companies, firms, limited liability partnerships or other parties. Accordingly, Clause (iii) (a) to (f) of the order are not applicable for the year.
 04. 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 to the parties covered under Sections 185 and 186 of the Act during the year. Accordingly, compliance under Sections 185 and 186 of the Act is not applicable to the Company. Hence, Clause (iv) of the order is not applicable.
 05. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, Clause (v) of the Order is not applicable.
 06. The Company has not commenced its operations and currently the Company is in pre-operative stage, hence maintenance of cost records under Sub-section (1) of Section 148 of the Act is not applicable to the Company. Accordingly, Clause (vi) of the Order is not applicable.
 07. a) According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, amounts deducted | accrued in the books of account in respect of undisputed statutory dues including income tax, cess, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company does not have any on-roll employees and hence liability of provident fund and employees' state insurance does not arise. Further, as explained to us, the Company did not have any dues on account of wealth tax, sales tax, service tax, customs duty, excise duty and value added tax during the year.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of goods and

service tax, income tax, cess and other material statutory dues as at March 31, 2022, that have not been deposited on account of any dispute.

08. According to the information and explanations given to us, the Company has not disclosed any transactions which were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the provisions of the Income Tax Act, 1961. Accordingly, the provisions of Clause (viii) of the Order is not applicable.
09. a) According to the information and explanations given to us, the Company has not made any default in repayment of loan from banks or Financial Institution.
- b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us and based on the overall examination of Balance Sheet, the money raised through term loans during the year have been utilised for the purpose for which they were raised.
- d) According to the information and explanations given to us, the Company has not utilised funds raised on short-term basis for long-term purpose.
- e) According to the information and explanations given to us and based on the overall examination of Balance Sheet, the Company has not borrowed any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us and based on the overall examination of Balance Sheet, the Company has not raised loans by providing investments held in subsidiaries, joint ventures or associate companies as a security for availment of loan.
10. a) According to the information and explanations given to us and based on the examination of the records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instruments).
- b) The Company has made further issue of share capital to its holding Company during the year. The requirements of Section 42 and Section 62 of the Companies Act, 2013, to the extent applicable, have been complied with by the Company with respect to such further issue of shares.
11. a) 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 that has been noticed or reported during the year nor have we been informed of any such case by the Management.
- b) On the basis of the information and explanations given to us, no report under Sub-section (12) of Section 143 of the Companies Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year under review.
- c) The provisions of vigil mechanism as specified under Section 177(9) of the Act is not applicable to the Company. Also, as represented to us by the Management, there are no whistleblower complaints received by the Company during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company as prescribed under Section 406 of the Act. Accordingly, Clause (xii) of the Order is not applicable.
13. According to the information and explanations given by the Management, transactions with related parties are in compliance with Section 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable Indian Accounting Standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under Clause (xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.



14. In our opinion and based on our examination, the Company is not required to have an internal audit system as per provisions of the Act. Accordingly, Clause (xiv) of the Order is not applicable.
15. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not entered into any non-cash transactions with Directors or any person connected with them. Accordingly, Clause (xv) of the Order is not applicable.
16. a) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under the Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause (xvi) (a) of the Order is not applicable.
- b) In our opinion and according to the information and explanations given to us, the Company has not conducted any non-banking financial or housing finance activities.
- c) In our opinion and according to the information and explanations given to us, the Company is not a core investing company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) Based on the written representation provided to us by the Management, there is no core investment company within the Group (as defined in the core investment companies (Reserve Bank) Directions, 2016) and accordingly reporting under Clause (xvi) (d) of the Order is not applicable.
17. The Company has incurred cash losses in the financial year and in the immediately preceding financial year of ₹ 102.04 Lakhs and ₹ 0.09 Lakhs respectively.
18. There has been no resignation of the Statutory Auditors during the year and accordingly Clause (xviii) of the Order is not applicable.
19. According to the information and explanations given by the Management and audit procedures performed, we report that no material uncertainty exists as on the date of the audit report that the Company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.
20. According to the information and explanations given by the Management, the provisions of Section 135(5) of the Companies Act, 2013 are not applicable to the Company. Hence, the provisions of Clause (xx) of the Order is not applicable.
21. According to the information and explanations given by the Management and based on the information obtained from the Management and audit procedures performed, the Company does not have any subsidiary, joint venture or associate entity. Hence, the provisions of Clause (xxi) of the Order is not applicable.

For **B R Shah and Associates**

Chartered Accountants

Firm registration number: 129053W

Deval Desai

Partner

Ahmedabad
April 06, 2022

Membership number: 132426
UDIN: 22132426AHVYT25989

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' of our report of even date to the members of Atul Products Ltd on the Financial Statements as of and for the year ended March 31, 2022.

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

Opinion

We have audited the internal financial controls with reference to Financial Statements of Atul Products Ltd (the Company) as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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 (the Guidance Note).

Management's responsibility for internal financial controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal 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 (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 Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls of the Company over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 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 were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of internal financial controls over financial reporting

The internal financial controls over financial reporting of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. The internal financial controls over financial reporting of a company includes those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly



reflect the transactions and dispositions of the assets of the Company; ii) 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 iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that might 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.

For **B R Shah and Associates**

Chartered Accountants

Firm registration number: 129053W

Deval Desai

Partner

Ahmedabad

Membership number: 132426

April 06, 2022

UDIN: 22132426AHVYT25989

Balance Sheet as at March 31, 2022

(₹ lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	268.43	-
b) Capital work-in-progress	2	18,637.54	24.76
c) Other non-current assets	3	9,365.20	-
d) Deferred tax asset		-	0.01
Total non-current assets		28,271.17	24.77
2 Current assets			
a) Financial assets			
i) Cash and cash equivalents	4	40.89	1.00
b) Income tax assets (net)	13.3	8.50	-
c) Other current assets	3	1,633.39	4.46
Total current assets		1,682.78	5.46
Total assets		29,953.95	30.23
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	5	500.00	1.00
b) Other equity	6	(110.94)	(0.08)
Total equity		389.06	0.92
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	7	25,340.00	-
ii) Lease liabilities	12	250.38	-
Total non-current liabilities		25,590.38	-
2 Current liabilities			
a) Financial liabilities			
i) Trade payables			
Total outstanding dues of			
a) Micro-enterprises and small enterprises	8	-	13.68
b) Creditors other than micro-enterprises and small enterprises	8	1.21	14.70
ii) Lease liabilities		18.00	-
iii) Other financial liabilities	9	3,902.22	-
b) Other current liabilities	10	53.08	0.93
Total current liabilities		3,974.51	29.31
Total liabilities		29,564.89	29.31
Total equity and liabilities		29,953.95	30.23

The accompanying Notes 1-13 form an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

For B R Shah & Associates

Chartered Accountants

Bharat Joshi

(DIN: 02952299)

Director

Vivek Gadre

(DIN: 08906935)

Director

Ahmedabad
April 06, 2022

Atul
April 06, 2022

Statement of Profit and Loss for the year ended March 31, 2022



(₹ lakhs)

Particulars	Note	2021-22	2020-21*
INCOME			
Other income	11	0.22	-
Total income		0.22	-
EXPENSES			
Depreciation and amortisation expenses	2	0.81	-
Other expenses	12	100.44	0.09
Total expenses		101.25	0.09
Loss before tax		(101.03)	(0.09)
Tax expense			
Current tax	13.3	1.82	-
Deferred tax	13.3	0.01	(0.01)
Total tax expense		1.83	(0.01)
Loss for the year		(102.86)	(0.08)
Total comprehensive income for the year		(102.86)	(0.08)
Earnings per equity share			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	13.7	(2.09)	(0.76)

The accompanying Notes 1-13 form an integral part of the Financial Statements.

*FY 2020-21 is the period from the date of incorporation (October 10, 2020) to March 31, 2021.

In terms of our report attached

For and on behalf of the Board of Directors

For B R Shah & Associates
Chartered Accountants

Bharat Joshi
(DIN: 02952299)
Director

Vivek Gadre
(DIN: 08906935)
Director

Ahmedabad
April 06, 2022

Atul
April 06, 2022

Statement of changes in equity for the year ended March 31, 2022

A. Equity share capital

(₹ lakhs)

Particulars	Note	Amount
As at October 10, 2020		
Changes in equity share capital during the year		1.00
As at March 31, 2021		1.00
Changes in equity share capital during the year		499.00
As at March 31, 2022	5	500.00

B. Other equity

(₹ lakhs)

Particulars	Reserves and surplus	Total other equity
	Retained earnings	
As at October 10, 2020		
Loss for the year	(0.08)	(0.08)
As at March 31, 2021	(0.08)	(0.08)
Loss for the year	(102.86)	(102.86)
Share issue expenses, net of tax	(8.00)	(8.00)
As at March 31, 2022	(110.94)	(110.94)

The accompanying Notes 1-13 form an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

For B R Shah & Associates

Chartered Accountants

Bharat Joshi
(DIN: 02952299)
Director

Vivek Gadre
(DIN: 08906935)
Director

Ahmedabad
April 06, 2022

Atul
April 06, 2022



Statement of Cash Flows for the year ended March 31, 2022

(₹ lakhs)

	Particulars		2021-22	2020-21
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Loss before tax		(101.03)	(0.09)
	Adjustments for:			
	Add: Depreciation and amortisation expenses		0.81	-
	Gain on disposal of current investments measured at FVPL		0.22	-
	Operating loss before changes in operating assets and liabilities		(100.44)	(0.09)
	Adjustments for:			
	(Increase) Decrease in other assets		(3,261.18)	(4.46)
	Increase (Decrease) in trade payables		(27.17)	28.38
	Increase (Decrease) in other financial liabilities		(9.44)	-
	Increase (Decrease) in other current liabilities		52.15	0.93
			(3,245.64)	24.85
	Cash (used in) generated from operations		(3,346.08)	24.76
	Less: Income tax paid (net of refund)		10.32	-
	Net cash (used in) flow from operating activities	A	(3,356.40)	24.76
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Payments towards property, plant and equipment (including capital advances)		(22,434.93)	(24.76)
	Purchase of current investments measured at FVPL		(2,235.47)	-
	Sale of current investments measured at FVPL		2,235.69	-
	Net cash used in investing activities	B	(22,434.71)	(24.76)
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Disbursements of borrowings		25,340.00	-
	Share issue expenses		(8.00)	
	Proceeds from issue of equity shares		499.00	1.00
	Net cash from financing activities	C	25,831.00	1.00
	Net increase in cash and cash equivalents	A+B+C	39.89	1.00
	Cash and cash equivalents at the beginning of the year		1.00	-
	Cash and cash equivalents at the end of the year		40.89	1.00

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

The accompanying Notes 1-13 form an integral part of the Financial Statements.

In terms of our report attached

For and on behalf of the Board of Directors

For B R Shah & Associates

Chartered Accountants

Bharat Joshi

(DIN: 02952299)

Director

Vivek Gadre

(DIN: 08906935)

Director

Ahmedabad
April 06, 2022

Atul
April 06, 2022

Notes to the Financial Statements

Background

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

The Company is formed with an objective of setting-up manufacturing facilities for basic and speciality chemicals. Currently, the Company is setting up a manufacturing plant for 300 tpd caustic and a 50 MW power plant.

Note 1 Significant accounting policies

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

a) Statement of compliance

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

b) Basis of preparation

- i) Historical cost convention:
The Financial Statements have been prepared on a historical cost basis.
- ii) The Financial Statements have been prepared on accrual and going concern basis.
- iii) The accounting policies are applied consistently to all the periods presented in the Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.
- iv) The Company was incorporated on October 10, 2020. The statement of Profit and Loss for previous year has therefore been prepared from

October 10, 2020 to March 31, 2021. Thus, previous period figures are not comparable.

- v) Recent accounting pronouncements:
The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

c) Foreign currency transactions

- i) Functional and presentation currency:
Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.
- ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

d) 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. The 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.

The deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

The Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes, including those related to transfer pricing as per Appendix C to Ind AS 12. The Company has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments. The Company assesses whether the Appendix has an impact on its Financial Statements.

e) **Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of

foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

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

Depreciation methods, estimated useful lives and residual value

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value of the assets at the end of its useful life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Depreciation is provided on a pro-rata basis on the straight-line method from the date of acquisition | installation till the date the assets are sold or disposed of:

Asset category	Estimated useful life
Buildings	30 to 60 years
Plant and equipment	6 to 20 years
Vehicles	6 to 10 years
Office equipment and furniture	3 to 10 years
Roads	5 years

The useful lives have been determined based on technical evaluation done by the Management | experts, which are different from the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

f) 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.

g) Trade and other payables

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

h) Financial liabilities

i) Classification as debt or equity:

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) Derecognition:

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

i) Offsetting financial instruments

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

j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.

Borrowings are removed from the Standalone Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

k) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.



l) Provisions and contingent liabilities

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

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

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

m) 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 | (loss) 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.

n) Preliminary expenses

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

Critical estimates and judgements

Preparation of the Financial Statements require use of accounting estimates, judgements and assumptions, which, by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements. This Note provides an overview of the areas that involve a higher degree of judgements or complexity and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation for income tax: Note 1 (d)
- ii) Estimation of useful life of property, plant and equipment: Note 1 (e)
- iii) Fair value measurements: Note 13.4

(₹ lakhs)

Note 2 Property, plant and equipment and capital work-in-progress					
Particulars	Right - of-use - leasehold land	Office equipment	Furniture and fixtures	Total	Capital work-in-progress
Gross carrying amount					
As at October 10, 2020	-	-	-	-	-
Additions	-	-	-	-	24.76
As at March 31, 2021	-	-	-	-	24.76
Additions	277.82	5.36	4.58	287.76	18,900.54
Disposal and transfer	-	-	-	-	(287.76)
As at March 31, 2022	277.82	5.36	4.58	287.76	18,637.54
Depreciation Amortisation					
As at October 10, 2020	-	-	-	-	-
For the year	-	-	-	-	-
Disposal and transfer	-	-	-	-	-
Up to March 31, 2021	-	-	-	-	-
For the year	18.52 [#]	0.60	0.21	19.33	-
Disposal and transfer	-	-	-	-	-
Up to March 31, 2022	18.52	0.60	0.21	19.33	-
Net carrying amount					
As at March 31, 2021	-	-	-	-	24.76
As at March 31, 2022	259.30	4.76	4.37	268.43	18,637.54

Notes:

[#]March 31, 2022, include depreciation on right-of-use of assets.

Capital work-in-progress mainly comprises project in progress.

Refer Note 13.1 for disclosure of contractual commitment for acquisition of property, plant and equipment.

Capital-work-in progress ageing

(₹ lakhs)

Particulars	As at March 31, 2022					As at March 31, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	18,612.78	24.76	-	-	18,637.54	24.76	-	-	-	24.76



(₹ lakhs)

Note 3 Other assets	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
a) GST receivable	1,633.39	1,632.25	4.46	-
b) Capital advances	-	7,732.95	-	-
	1,633.39	9,365.20	4.46	-

(₹ lakhs)

Note 4 Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
a) Balances with banks		
In current accounts	40.89	1.00
	40.89	1.00

(₹ lakhs)

Note 5 Equity share capital	As at March 31, 2022	As at March 31, 2021
Authorised		
50,00,000 equity shares of ₹ 10 each, (March 31, 2021, 10,000) equity shares of ₹ 10 each	500.00	1.00
	500.00	1.00
Issued and subscribed		
50,00,000 (March 31, 2021, 10,000) equity shares of ₹ 10 each, fully paid-up	500.00	1.00
	500.00	1.00

a) Rights, preferences and restrictions:

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

i) Equity shares:

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

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

ii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

No.	Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd (holding company)	99.99988%	49,99,994	99.94%	9,994

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	₹ lakhs	Number of shares	₹ lakhs
Balance as at the beginning of the year	10,000	1.00	-	-
Add: Issue of equity shares	49,90,000	499.00	10,000	1.00
Balance as at the end of the year	50,00,000	500.00	10,000	1.00

d) Shareholding of promoters:

No.	Promoter name	As at March 31, 2021			As at March 31, 2021		
		Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
1	Atul Ayurveda Ltd	1	0.00002%	0.00%	1	0.01%	-
2	Atul Clean Energy Ltd	1	0.00002%	0.00%	1	0.01%	-
3	Atul Crop Care Ltd	1	0.00002%	0.00%	1	0.01%	-
4	Atul Entertainment Ltd	1	0.00002%	0.00%	1	0.01%	-
5	Atul Ltd	49,99,994	99.99988%	49929.96%	9,994	99.94%	-
6	Lapox Polymers Ltd	1	0.00002%	0.00%	1	0.01%	-
7	Osia Infrastructure Ltd	1	0.00002%	0.00%	1	0.01%	-

(₹ lakhs)

Note 6 Other equity	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Balance as at the beginning of the year	(0.08)	-
Less: Loss for the year	(102.86)	(0.08)
Less: Share issue expenses net of tax	(8.00)	-
Balance as at the end of the year	(110.94)	(0.08)

Nature and purpose of other reserves

a) Retained earnings

Retained earnings are the profits that the Company has earned till date, less, any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

(₹ lakhs)

Note 7 Borrowings	As at March 31, 2022	As at March 31, 2021
a) Unsecured loans from holding company	25,340.00	-
	25,340.00	-

a) The above loan is unsecured and given at 12 months MCLR+ 50 bps (currently 7.5%). Interest is payable annually by the last week of every financial year. Loan is repayable in five equal annual instalment starting from March, 2024.



b) Security details:

Term loans from banks (March 31, 2022: nil, March 31, 2021: nil) is secured by exclusive charge on the entire movable fixed assets of the Company to the extent of bank limit. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 2,098.43 lakhs (March 31, 2021: nil).

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

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Property, plant and equipment	9.13	-
ii) Capital work-in-progress	18,637.54	-
Total assets as security	18,646.67	-

d) Net debt reconciliation:

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Net debt as at the beginning of the year	-	-
Disbursement	25,340.00	-
Interest on loan	639.06	-
Interest paid	(639.06)	-
Net debt as at the end of the year	25,340.00	-

(₹ lakhs)

Note 8 Trade payables	As at March 31, 2022	As at March 31, 2021
a) Total outstanding dues of micro-enterprises and small enterprises (refer Note 13.8)	-	13.68
b) Total outstanding dues of creditors other than micro-enterprises and small enterprises	-	-
- Others	1.21	14.70
	1.21	28.38

Trade payables ageing

(₹ lakhs)

No.	Particulars	As at March 31, 2022						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	-	-	-	-	-	-	-
2.	Others	0.67	0.54	-	-	-	-	1.21
3.	Disputed dues – MSME	-	-	-	-	-	-	-
4.	Disputed dues – Others	-	-	-	-	-	-	-
	Total	0.67	0.54	-	-	-	-	1.21

(₹ lakhs)

No.	Particulars	As at March 31, 2021						Total
		Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
1.	MSME	-	13.68	-	-	-	-	13.68
2.	Others	0.09	14.61	-	-	-	-	14.70
3.	Disputed dues – MSME	-	-	-	-	-	-	-
4.	Disputed dues – Others	-	-	-	-	-	-	-
	Total	0.09	28.29	-	-	-	-	28.38

(₹ lakhs)

Note 9 Other financial liabilities		As at March 31, 2022	As at March 31, 2021
a)	Creditor for capital goods of micro-enterprises and small enterprises (refer Note 13.8)	281.61	-
b)	Creditor for capital goods other than micro-enterprises and small enterprises	-	-
	Related parties	51.71	-
	Others	3,568.90	-
		3,902.22	-

(₹ lakhs)

Note 10 Other current liabilities		As at March 31, 2022	As at March 31, 2021
a)	Statutory dues	53.08	0.93
		53.08	0.93

(₹ lakhs)

Note 11 Other income		2021-22	2020-21
	Income from investments in mutual funds measured at FVPL	0.22	-
		0.22	-

(₹ lakhs)

Note 12 Other expenses		2021-22	2020-21
	Business auxiliary services	8.65	-
	Legal and professional expenses	2.38	0.03
	Rent	0.01	-
	Rates and taxes	0.16	-
	Travelling and conveyance	0.02	-
	Audit fees	0.75	0.03
	Exchange rate difference - loss (net)	87.66	-
	Miscellaneous expenses	0.81	0.03
		100.44	0.09



Note 13.1 Commitments

Capital commitments

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

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
For purchase of property, plant and equipment	26,389.83	161.70

Note 13.2 Related party disclosures

Note 13.2 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1.	Atul Ayurveda Ltd	Subsidiary of holding company
2.	Atul Clean Energy Ltd	Subsidiary of holding company
3.	Atul Crop Care Ltd	Subsidiary of holding company
4.	Atul Entertainment Ltd	Subsidiary of holding company
5.	Atul Ltd	Holding company
6.	Lapox Polymer Limited	Subsidiary of holding company
7.	Osia Infrastructure Ltd	Subsidiary of holding company
Key Management Personnel		
1.	Rajeev Kumar	Non-executive Director
2.	Vasudev Koppaka	Non-executive Director
3.	Vivek Gadre	Non-executive Director
4.	Lalit Patni	Non-executive Director
5.	Bharat Joshi	Non-executive Director

(₹ lakhs)

Note 13.2 (B) Transactions with related parties		2021-22	2020-21
a)	Purchases and expenses		
1.	Purchase of capital goods and services:	625.44	-
	Osia Infrastructure Ltd	625.44	-
2.	Service charges:	165.89	-
	Atul Ltd	165.89	-
3.	Reimbursement of expenses:	32.73	-
	Atul Ltd	32.71	-
	Atul Bio Space Ltd	0.02	-

Note 13.2 (B) Transactions with related parties (continue)

b) Other transactions			
1.	Equity contribution:	499.00	1.00
	Atul Ayurveda Ltd	-	0.00
	Atul Clean Energy Ltd	-	0.00
	Atul Crop Care Ltd	-	0.00
	Atul Entertainment Ltd	-	0.00
	Atul Ltd	499.00	1.00
	Lapox Polymers Limited	-	0.00
	Osia Infrastructure Ltd	-	0.00
2.	Reimbursements received:	29.21	-
	Atul Ltd	29.21	-
3.	Unsecured loan taken:	25,340.00	-
	Atul Ltd	25,340.00	-
4.	Interest on unsecured loan:	639.06	-
	Atul Ltd	639.06	-

(₹ lakhs)

Note 13.2 (C) Outstanding balances as at year end		As at March 31, 2022	As at March 31, 2021
1	Loans payable:	25,340.00	-
	Atul Ltd	25,340.00	-
2	Payables:	51.71	-
	Osia Infrastructure Ltd	42.47	-
	Atul Ltd	9.24	-

Note 13.2 (D) Terms and conditions

- Sales to and purchases from related parties were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available, at cost plus margin.
- All outstanding balances are unsecured and are repayable in cash and cash equivalent.

Note 13.3 Current and deferred tax**a) Income tax expense recognised in the Statement of Profit or Loss:**

(₹ lakhs)

Particulars		2021-22	2020-21
i)	Current tax		
	Current tax on profit for the year	1.82	-
	Total current tax expense	1.82	-
ii)	Deferred tax		
	Decrease (Increase) in deferred tax assets	0.01	(0.01)
	Total deferred tax expense (benefit)	0.01	(0.01)
	Income tax expense	1.83	(0.01)

No deferred tax has arisen in the reporting periods which have been recognised in equity and not in the statement of Profit and Loss or Other Comprehensive Income.



b) Current tax assets

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	-	-
Add: taxes paid in advance	10.32	-
Less: current tax provision	1.82	-
Closing balance	8.50	-

Note 13.4 Fair value measurements

(₹ lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Cash and bank equivalents	-	-	40.89	-	-	1.00
Total financial assets	-	-	40.89	-	-	1.00
Financial liabilities						
Borrowings	-	-	25,340.00	-	-	-
Lease liabilities	-	-	268.38	-	-	-
Trade payables	-	-	1.21	-	-	28.38
Creditors for capital goods	-	-	3,902.22	-	-	-
Total financial liabilities	-	-	29,511.81	-	-	28.38

Note 13.5 Financial risk management

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. The Company has developed and implemented a comprehensive risk management system to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

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

Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents and investment in mutual funds. It believes that the current cash and cash equivalents, tied up borrowing lines are sufficient to meet the requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows including contractual interest payment, as at the Balance Sheet date:

(₹ lakhs)

Contractual maturities of financial liabilities as at March 31, 2022	Less than 1 year	More than 1 year	Total
Borrowings	-	25,340.00	25,340.00
Lease liabilities	18.00	250.38	268.38
Trade payables	1.21	-	1.21
Creditors for capital goods	3,902.22	-	3,902.22

(₹ lakhs)

Contractual maturities of financial liabilities as at March 31, 2021	Less than 1 year	More than 1 year	Total
Borrowings	-	-	-
Lease liabilities	-	-	-
Trade payables	28.38	-	28.38
Creditors for capital goods	-	-	-

Note 13.6 Segment information

The Company operates in a single business segment that is manufacturing of bulk chemicals. Further, the Company has not commenced its operation. Accordingly, there are no separate reportable segments as per Ind AS - 108 on 'Operating Segment' and no further disclosures are required.

Note 13.7 Earnings per share

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

Particulars		2021-22	2020-21
Loss for the year attributable to the equity shareholders	₹ lakhs	(102.86)	(0.08)
Basic Weighted average number of equity shares outstanding during the year	Number	49,21,781	10,000
Nominal value of equity share	₹	10	10
Basic and diluted EPS	₹	(2.09)	(0.76)

Note 13.8 Disclosure requirement under MSMED Act, 2006

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

(₹ lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount remaining unpaid to any supplier as at the end of each accounting year	281.61	13.68
The amount of interest paid by the buyer under MSMED Act, 2006 along with the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006)	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006	-	-



Above disclosures have been made based on information available with the Company, for suppliers who are registered as micro, small and medium enterprise under The Micro, Small and Medium Enterprise Development Act, 2006 as at March 31, 2022. The Auditors have relied upon in respect of this matter.

Note 13.9 Ratios[#]

No.	Ratio	Numerator	Denominator	As at March 31, 2022	As at March 31, 2021	% Variance	Reason for variance
a)	Current ratio						
b)	Debt-equity ratio						
c)	Debt service coverage ratio						
d)	Return on equity ratio						
e)	Inventory turnover ratio						
f)	Trade receivables turnover ratio						
g)	Trade payables turnover ratio						
h)	Net capital turnover ratio						
i)	Net profit ratio						
j)	Return on capital employed						
k)	Return on investment						

[#]The Company has been incorporated on October 10, 2020 and currently in execution stage, so the above ratios are not disclosed as it will not give appropriate information.

Note 13.10 Regrouping | Reclassification

Figures for previous period have been regrouped | reclassified | rearranged wherever necessary to make them comparable to those for the current year.

Note 13.11 Rounding off

All amounts are rounded off to the nearest thousand unless otherwise stated.

Note 13.12 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on April 6, 2022.

In terms of our report attached

For and on behalf of the Board of Directors

For B R Shah & Associates
Chartered Accountants

Bharat Joshi
(DIN: 02952299)
Director

Vivek Gadre
(DIN: 08906935)
Director

Ahmedabad
April 06, 2022

Atul
April 06, 2022



Atul Products Ltd

E-7, East site, Atul 396 020, Gujarat, India

Attendance slip

2nd Annual General Meeting, Friday, August 05, 2022

DP ID		Folio number Client ID	
-------	--	--------------------------	--

Full name of the shareholder | proxy attending the meeting

.....
(First name) (Middle name) (Surname)

First holder | joint holder | proxy (strike out whichever is not applicable)

Full name of the first holder (if joint holder | proxy attending)

.....
(First name) (Middle name) (Surname)

.....
Signature of the shareholder | proxy



Atul Products Ltd

Registered Office: E-7, East site, Atul 396 020, Gujarat, India

Proxy form

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

Corporate identification number: U24304GJ2020PLC117189

Name of the Company: Atul Products Ltd
Registered office: E-7, East site, Atul 396 020, Gujarat, India

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

I | We, being the member(s) of shares of the above named Company, hereby appoint:

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

as my | our proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 2nd Annual General Meeting of the Company, to be held on Friday, August 05, 2022 at 9:00 am at E-7 East site, Atul 396 020, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
1.	Adoption of the Financial Statements and reports thereon for the financial year ended on March 31, 2022
2.	Reappointment of Mr Vivek Gadre as a Director
3.	Reappointment of Mr Vasudev Koppaka as a Director
4.	Appointment of Mr Sunil Gulati as a Whole-time Director

Signed this day of 2022.

Signature of the member Signature of the proxy holder(s).....

Affix
Revenue
Stamp
here

Note:

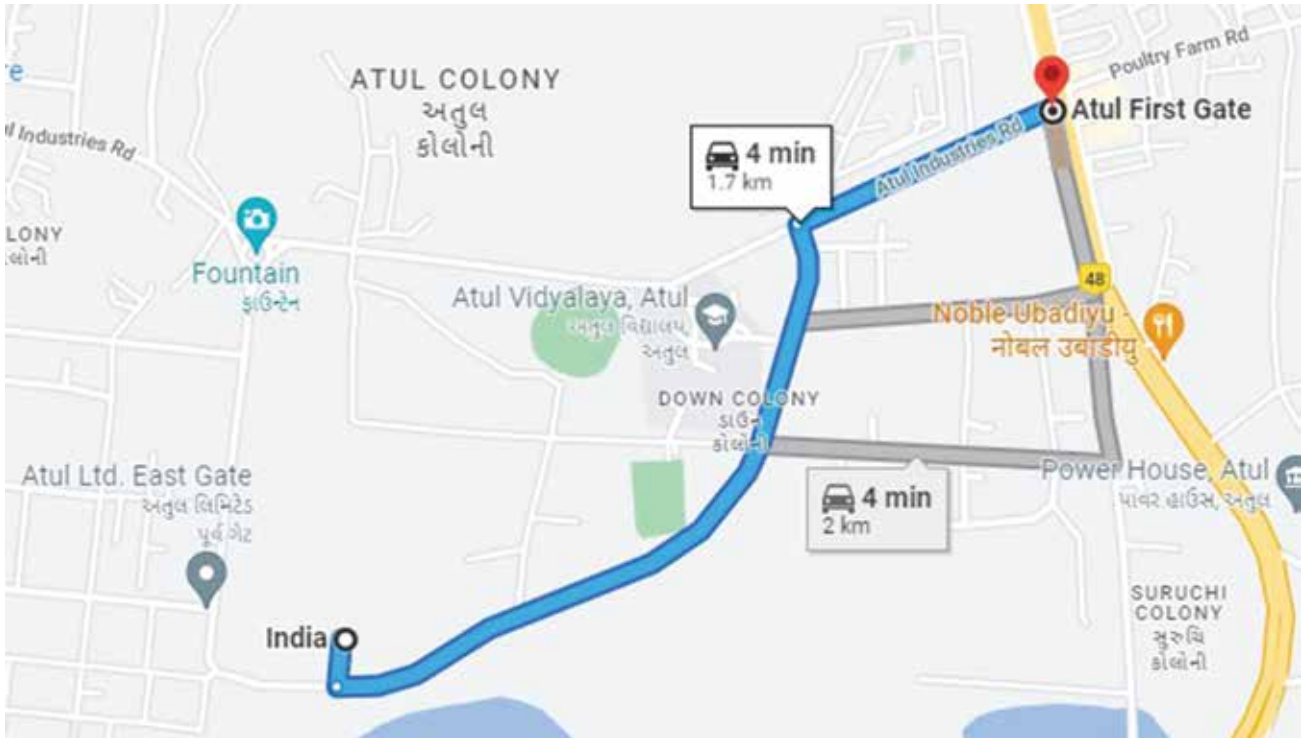
This proxy form in order to be effective must be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.



Atul Products Ltd

E-7, East site, Atul 396 020, Gujarat, India

Route map



Corporate information

Directors

Mr Rajeev Kumar

Mr Vasudev Koppaka

Mr Vivek Gadre

Mr Lalit Patni

Mr Bharat Joshi

Mr Sunil Gulati

(Whole-time Director and Occupier
effective May 17, 2022)

Auditors

B R Shah & Associates

Registered office

E-7, East site
Atul 396 020, Gujarat, India
contact@atul.co.in

Bankers

Axis Bank

Atul Products Ltd

E-7, East site, Atul 396 020, Gujarat

India