

ATUL FIN RESOURCES LIMITED

Directors' Report

Dear Members,

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

01. Financial results

	2021-22	2020-21
Revenue from operations	1,04,72,194	52,74,675
Other income	1,69,736	70,850
Total revenue	1,06,41,930	53,45,525
Profit before tax	77,63,002	40,84,376
Tax	18,81,876	11,84,044
Profit for the year	58,81,126	29,00,332

02. Performance

During 2021-22 the Company generated operating income of ₹ 1.04 cr mainly from bill discounting and investments. The Company made net profit of ₹ 0.59 cr. Profit was lower in the current year majorly due to higher employee cost compared to previous year.

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

03. Dividend

The Board does not recommend any dividend on the equity shares for the financial year ended March 31, 2022 in order to conserve resources.

09. Risk Management

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

04. Prospects and Developments

Company enhanced bill discounting and loan disbursement business during the year. Company also made fresh investment in equity shares of other listed companies and equity mutual funds for long term investment. Company will endeavour to further expand its client base to increase its bill discounting business and loan portfolio.

10. 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.

05. Products

The product portfolio consists of four main categories: i) Bill discounting ii) business loan iii) personal loan and iv) loan against property.

11. Fixed deposits

During 2021-22, the Company did not accept any fixed deposits. The Board passed a resolution for non-acceptance of deposit from public.

06. Ratings

The Company is not required to obtain credit rating at present, therefore no credit rating is obtained.

12. Prevention of Sexual Harassment of Women at Workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company framed a Policy on Prevention of Sexual Harassment of Women at Workplace and constituted Internal Complaints Committee. No complaint was received during 2021-22.

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

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

13. Loans, guarantees, investments and security

Since the Company is a Non-Banking Financial Company registered with the RBI, the disclosures pertaining to Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are not applicable.

08. Insurance

14.	Subsidiary, associate and joint venture company Osia Infrastructure Ltd became associate company of the Company. There was no other change in the subsidiary, associate and joint venture entities.	in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
15.	Related Party Transactions All the transactions entered into with the Related Parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at note number 15. No transactions were entered into by the Company which required disclosure in Form AOC-2.	19.4 The attached annual accounts for the year ended March 31, 2022 were prepared on a going concern basis. 19.5 Adequate Internal Financial Controls to be followed by the Company were laid down; and same were adequate and operating effectively. 19.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.
16.	Corporate Social Responsibility The provision of Section 135 of the Act are not applicable to the Company.	20. Directors 20.1 Appointments Reappointments Cessations 20.1.1 According to the Articles of Association of the Company, Ms Swati Lalbhai retires by rotation and being eligible offers himself for reappointment at the forthcoming AGM.
17.	Annual Return Annual Return for 2021-22 is available for inspection at the registered office of the Company for inspection.	20.2 Policies on appointment and remuneration The Company will formulate policy on remuneration of Directors as and when it starts paying remuneration to the Directors. The Company appoints directors in accordance with the applicable provisions of the Act.
18.	Auditors GR Parekh & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company at the 2 nd Annual General Meeting (AGM) until the conclusion of the 7 th AGM. The Auditors' 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.	21. Key Managerial Personnel and other employees There were no appointments cessations of the Key Managerial Personnel of the Company during 2021-22.
19.	Directors' responsibility statement Pursuant to Section 134(5) of the Act, the Directors confirm that, to the best of their knowledge and belief:	22. Board Meetings and Secretarial standards The Board met four times during 2021-22. Secretarial standards as applicable to the Company were followed and complied with.
19.1	In preparation of the financial statement for the financial year ended March 31, 2022, the applicable accounting standards were followed and there are no material departures.	23. Analysis of remuneration There is no employee who falls within the criteria provided in Sections 134(3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 .
19.2	The Accounting Policies were selected and applied consistently and judgements and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.	24. Acknowledgements The Board expresses its sincere thanks to all the stakeholders, regulatory and Government authorities for their support.
19.3	Proper and sufficient care was taken for the maintenance of adequate accounting records	For and on behalf of the Board of Directors Atul April 21, 2022 Director Director

Annexure to the Directors' Report

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

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Atul Fin Resources Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Atul Fin Resources Limited ("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 a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 ethical requirements that are relevant to our audit of the Standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, but does not include the Standalone Financial Statement and our auditors report's thereon.

- Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 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 Standalone Financial Statements

The respective Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone 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 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- a) Identify and assess the risks of material misstatement of the Standalone 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 Act, 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Standalone Financial Statements of which we are the independent auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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 Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has not taken any loans or borrowings from financial institutions, banks and government,
 - v. The Company has not declared or paid dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

(G R Parekh)
Proprietor
(Membership No. 030530)
UDIN:XXXXXXXXXXXXXXXXXXXX

Place: Atul
Date: 21 April 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the Internal Financial Controls over Financial Reporting of Atul Fin Resources Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining Internal Financial Controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Company's Internal Financial Controls over Financial Reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Internal Financial Controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

purposes in accordance with generally accepted accounting principles. Internal financial control over financial reporting of the Company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

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

Place: Atul

Date: 21 April 2022

Annexure B to the Independent Auditor's Report

Referred to in paragraph 2 under "Report on Other legal and regulatory requirements" section of our report of even date. In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief:

- (i) The company does not have any fixed assets and hence reporting under clause (i)(a to d) of the CARO 2020 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii)(a and b) of the CARO 2020 is not applicable.
- (iii) (a) The Company has made investments in, provided guarantee or security and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

	Loans	Advances nature of Loan	Guarantee	Amount (Rs.) Security
A. Aggregate amount granted /provided during the year:				
- Subsidiaries	-	-	-	
- Joint Venture	-	-	-	-
- Associates	-	-	-	-
- Others	3,57,05,778	-	-	1,83,09,250
B. Balance outstanding as at balance sheet date in respect of				
above cases:*		-	-	-
- Subsidiaries	-	-	-	
- Joint Venture	-	-	-	-
- Associates	-	-	-	-
- Others	3,57,05,778	-	-	1,83,09,250

*The amounts reported are at gross amounts, without considering provisions made.

*The investment amount does not include mutual fund investment purchased during the year.

*The investment amount does not include unrealized gain or loss of Equity and mutual fund investment.

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted and advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Income-tax, Goods and Service Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Goods and Service Tax or of Income Tax as on 31 March 2022 on account of disputes which have not been deposited.
- (viii) There were no transactions relating to previously unrecorded income that were surrendered disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (ix) of the Order is not applicable to the Company.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has not made preferential allotment or private placement (retain as applicable) of shares during the year.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of the holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Act are not applicable.
- (xvi) (a) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is not a Core Investment Company.
- (c) There is no Core Investment Company in the Group.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exist as on the date of the audit report indicating that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause (xx)(a) & (b) of the Order is not applicable for the year.
- (xxi) Since the company is not a holding company, no consolidated financial statements are prepared hence the reporting under clause (xxi) is not applicable.

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

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

Place: Atul
Date: 21 April 2022

Atul Fin Resources Ltd

Balance sheet as on March 31, 2022

(₹)

	Particulars	Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1)	Financial assets			
a)	Cash and cash equivalents	2	2,43,175	8,34,428
b)	Loans	4	10,83,78,464	7,26,72,686
c)	Investments	5	9,13,73,744	1,44,58,279
d)	Other financial assets	6	-	-
2)	Non-financial Assets			
a)	Current tax assets (Net)		-	-
	Total Assets		19,99,95,383	8,79,65,393
B	LIABILITIES AND EQUITY			
	LIABILITIES			
1)	Financial liabilities			
a)	Payables			
	Trade Payables	7		
	(i) total outstanding dues of micro enterprises and small enterprises		-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,35,835	6,36,161
			7,35,835	6,36,161
2)	Non-financial liabilities			
a)	Current tax liabilities (Net)		1,26,145	1,24,124
b)	Deferred tax liabilities (Net)		18,58,960	7,10,404
c)	Other non-financial liabilities	8	1,689	1,110
			19,86,794	8,35,638
3)	Equity			
a)	Equity share capital	9	15,57,56,000	7,15,37,600
b)	Other equity	10	4,15,16,754	1,49,55,994
	Total Liabilities and Equity		19,99,95,383	8,79,65,393

The accompanying Notes 1-23 form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

For and on behalf of the Board of Directors

Director

G R Parekh

Proprietor

Membership Number: 030530

Director

Company secretary

Atul

April 21, 2022

Atul

April 21, 2022

Atul Fin Resources Ltd

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

(₹)

Particulars	Note	2021-22	2020-21
I Revenue from operations			
Interest income	11	6,56,299	1,68,382
Net gain on fair value changes	12	18,57,860	14,65,790
Other operating income	13	79,58,035	36,40,503
Total revenue from operations		1,04,72,194	52,74,675
II Other income	13	1,69,736	70,850
III Total Income (I+II)		1,06,41,930	53,45,525
IV Expenses			
Finance costs	14	-	-
Fees and commission expense	15	-	-
Other expenses	16	28,78,928	12,61,149
Total expenses (IV)		28,78,928	12,61,149
V Profit before tax (III-IV)		77,63,002	40,84,376
VI Tax expense			
a) Current tax		18,81,876	11,84,044
b) Deferred tax		-	-
Total tax expense		18,81,876	11,84,044
VII Profit after tax (V-VI)		58,81,126	29,00,332
VIII Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
i) Fair value of equity instruments through other comprehensive		69,04,834	46,94,175
ii) Income tax related to items above		(11,48,556)	-7,10,404
Total other comprehensive income for the year (net of tax)		57,56,278	39,83,771
IX Total comprehensive income for the year		1,16,37,404	68,84,103
Earnings per equity share:			
Basic and diluted earnings ₹ per equity share of ₹ 10 each		0.38	0.41

The accompanying Notes 1-23 form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

For and on behalf of the Board of Directors

Director

G R Parekh

Proprietor

Membership Number: 030530

Director

Company secretary

Atul

April 21, 2022

Atul

April 21, 2022

Atul Fin Resources Ltd

Statement of Changes in Equity for the period ended March 31, 2022

A. Equity share capital

(₹)

As at March 31, 2021	7,15,37,600
Changes in equity share capital during the year	8,42,18,400
As at March 31, 2022	15,57,56,000

B. Other equity

Particulars	Reserves and Surplus			OCI	Total other equity
	Statutory reserves	Securities premium	Retained earnings	Equity Instruments through OCI	
Balance as at March 31, 2020	-	-	57,84,494	-	57,84,494
Profit for the year	-	-	29,00,332	-	29,00,332
Other comprehensive income	-	-	-	39,83,771	39,83,771
Securities Premium on issue of share	-	22,87,397	-	-	22,87,397
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	5,93,316	-	(5,93,316)	-	-
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	5,54,292	(5,54,292)	-
Balance as at March 31, 2021	5,93,316	22,87,397	86,45,801	34,29,480	1,49,55,994
Profit for the year	-	-	58,81,125	-	58,81,125
Other comprehensive income	-	-	-	57,56,278	57,56,278
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	-	-	-
Securities Premium on issue of share	-	1,49,23,356	-	-	1,49,23,356
Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	11,76,225	-	(11,76,225)	-	-
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	2,11,618	(2,11,618)	-
Balance as at March 31, 2022	17,69,541	1,72,10,753	1,35,62,320	89,74,140	4,15,16,754

The accompanying Notes 1-23 form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

For and on behalf of the Board of Directors

Director

G R Parekh

Proprietor

Membership Number: F-030530

Director

Company secretary

Atul

April 21, 2022

Atul

April 21, 2022

Atul Fin Resources Ltd

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

Particulars	2021-22	2020-21
(I) Operating activities		
Profit before tax	77,63,002	40,84,376
Adjustments for:		
Interest income	(6,56,299)	1,68,382
Finance costs	-	-
Net gain on fair value changes	(18,57,860)	-
Service fees for management of assigned portfolio of loans	-	-
Dividend income	-	-
	(25,14,159)	1,68,382
	1,02,77,161	39,15,994
Cash inflow from interest on loans		
Cash outflow towards finance costs	-	-
Cash generated from operation before working capital changes	1,02,77,161	39,15,994
Working capital changes		
(Increase) decrease in trade receivables	-	-
(Increase) decrease in loans	(3,50,49,479)	(5,83,99,745)
(Increase) decrease in other financial assets	-	50,00,000
Increase (decrease) in trade payables	99,674	5,20,157
Increase (decrease) in other non-financial liabilities	579	7,11,514
	(2,46,72,065)	(4,82,52,080)
Income tax paid (net of refunds)	(7,31,299)	(11,25,786)
Net cash used in operating activities (I)	(2,54,03,364)	(4,93,77,866)
(II) Investing activities		
Proceeds from sale of investments measured under amortised cost		
Purchase of investments measured under FVOCI		
Proceeds from sale of equity investment measured at FVOCI (net)		
Purchase of investments measured under fair value through profit or loss (FVTPL)		
Proceeds from redemption (Purchase) of current investment	(3,53,02,671)	5,98,56,724
Sale (Purchase) of equity investment measured at FVOCI (net)	(2,20,09,207)	(1,01,42,806)
Dividend received		
Interest received on investments measured under FVTPL and FVOCI	-	1,68,382
Investment in subsidiaries	(1,70,17,767)	-
Net cash used in investing activities (II)	(7,43,29,645)	4,98,82,300
(III) Financing activities		
Issue of equity share capital (including securities premium)	9,91,41,756	-
Net cash generated from financing activities (III)	9,91,41,756	-
Net increase in cash and cash equivalents (I+II+III)	(5,91,253)	5,04,434
Cash and cash equivalents at the beginning of the year	8,34,428	3,29,994
Cash and cash equivalents at the end of the year	2,43,175	8,34,428

The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.

The accompanying Notes 1-23 form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

G R Parekh

Proprietor

Membership Number: 030530

Company secretary

Atul

April 21, 2022

For and on behalf of the Board of Directors

Director

Director

Atul

April 21, 2022

1 Corporate information

Atul Fin Resources Ltd ('the Company', 'AFRL') is a company limited by shares, incorporated on September 08, 2016 and domiciled in India. The Company is in the business of non-financial banking financial institution without accepting public. The company mainly engaged in activities primarily comprise of bill discounting, investing in listed shares, loans, debt instruments of companies in a wide range of industries and in mutual funds. The Company is registered with Reserve Bank of India as NBFC (Non Banking Financial Company) - Type II (loan company). The Company has its registered office at East site, Atul, Valsad, Gujarat, India - 396 020. The parent of the Company is Atul Finserv Ltd which is a subsidiary company of Atul Ltd.

The Company is a not-deposit taking non-banking financial company (NBFC) registered with the Reserve Bank of India (RBI) with effect from January 18, 2019, with Registration No. B.01.00603. RBI, vide the circular - 'Harmonisation of different categories of NBFCs' issued on 22 February 2019, with a view to provide NBFCs with greater operational flexibility and harmonisation of different categories of NBFCs into fewer categories based on the principle of regulation by activity, merged the three categories of NBFCs viz. Asset Finance Companies (AFC), Loan Companies (LCs) and Investment Companies (ICs) into a new category called NBFC - Investment and Credit Company (NBFC-ICC). Accordingly, the Company has been reclassified as NBFC-Investment and Credit Company (NBFC-ICC).

2 Basis of preparation and presentation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI. The Company uses accrual basis of accounting except in case of significant uncertainties.

The standalone financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources. The outbreak of COVID-19 has not affected the going concern assumption of the Company.

2.2 Basis of measurement

The financial statements have been prepared on a historical cost basis, except for following assets and liabilities which have been measured at fair value:

- i) fair value through other comprehensive income (FVOCI) instruments,
- ii) derivative financial instruments
- iii) other financial assets held for trading
- iv) financial assets and liabilities designated at fair value through profit or loss (FVTPL)

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA).

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only when Ind AS specifically permits the same or it has an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event. Similarly, the Company offsets incomes and expenses and reports the same on a net basis when permitted by Ind AS specifically unless they are material in nature.

2.3 Functional and presentation currency

The financial statements are presented in Indian Rupees (INR) which is also its functional currency and all values are rounded to the nearest crores, except when otherwise indicated.

3 Significant accounting policies

3.1 Revenue recognition

i) Net gain on fair value changes

The Company designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVOCI). The Company recognises gains on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

ii) Other operating income

The Company recognises income on recoveries of financial assets written off on realisation or when the right to receive the same without any uncertainties of recovery is established.

3.2 Expenditures

i) Finance costs

Borrowing costs on financial liabilities are recognised using the EIR

ii) Fees and commission expense

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as commission/incentive incurred on value added services and products distribution, recovery charges and fees payable for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

iii) Other expenses

Expenses are recognised on accrual basis net of the goods and services tax, except where credit for the input tax is not statutorily permitted.

3.3 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

3.4 Financial instruments

Classification

A Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instruments of another entity. Financial assets, other than equity, are classified into, Financial assets at fair value through other comprehensive income (FVOCI) or fair value through profit and loss account (FVTPL) or at amortised cost. Financial assets that are equity instruments are classified as FVTPL or FVOCI. Financial liabilities are classified as amortised cost category and FVTPL.

A. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value when the parties become party to the contractual provisions of the financial asset. In case of financial assets which are not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets, are adjusted to the fair value on initial recognition.

Subsequent measurement

The Company classifies its financial assets into various measurement categories. The classification depends on the contractual terms of the financial assets' cash

i) Financial assets measured at amortised cost

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii) Financial assets measured at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

B. Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The company's financial liabilities include trade and other payables, non-convertible debentures, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities are subsequently carried at amortised cost using the effective interest method.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.5 Investment in subsidiaries and associates

The company does not have any investments in associates and subsidiaries.

3.6 Other equity investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the changes in fair value through other comprehensive income (FVOCI).

3.7 Taxes

Income tax expense represents the sum of current tax and deferred tax

i) Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws.

The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities used in the computation of taxable profit and their carrying amounts in the financial statements for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business
- b) In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., either in other comprehensive income or in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the diluted earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

5 Segment reporting

The Company is primarily engaged in the business of investment in Companies. As such the Company's financial statements are largely reflective of the investment business and there is no separate reportable segment.

Pursuant to Ind AS 108 - Operating Segments, no segment disclosure has been made in these financial statements, as the Company has only one geographical segment and no other separate reportable business segment.

6 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

6.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

6.2 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, probable fluctuations in collateral value as well as expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

6.3 Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Atul Fin Resources Ltd

Notes to the Financial Statements

(₹)		
Note 2 Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
a) Cash on hand		
b) Balances with banks		
i) In current accounts	2,43,175	8,34,428
ii) In fixed deposit (maturity of less than three months)	-	-
	2,43,175	8,34,428

(₹)		
Note 3 Loans	As at March 31, 2022	As at March 31, 2021
i) Bills purchased and Bills discounted	7,22,85,405	6,99,54,853
ii) Others (consumer loan to third parties)	3,60,93,059	27,17,833
	10,83,78,464	7,26,72,686

(₹)		
Note 4 Investments	As at March 31, 2022	As at March 31, 2021
A) At amortised cost	-	-
B) At fair value through other comprehensive income		
(ii) In equity instruments		
Equity shares	5,34,85,254	1,44,58,279
Add: Fair value losses		
Total (B)	5,34,85,254	1,44,58,279
C) At fair value through profit or loss		
(i) In mutual funds	3,78,88,491	-
Add: Fair value gains		
Sub-total (i)	3,78,88,491	-
Total (C) = (i+ii+iii+iv)	3,78,88,491	-
Total (A+B+C)	9,13,73,744	1,44,58,279

(₹)		
Note 5 Other financial assets	As at March 31, 2022	As at March 31, 2021
Prepayment to suppliers	-	-
	-	-

(₹)		
Note 6 Payables	As at March 31, 2022	As at March 31, 2021
I) Trade payables		
Creditors other than micro enterprises and small enterprises	7,35,835	6,36,161
II) Other payables		
Creditors other than micro enterprises and small enterprises		
	7,35,835	6,36,161

(₹)		
Note 7 Other non-financial liabilities	As at March 31, 2022	As at March 31, 2021
Statutory dues	1,689	1,110
Others		
	1,689	1,110

(₹)

Note 8 Equity share capital	As at March 31, 2022	As at March 31, 2021
Authorised		
1,25,00,000 (March 31, 2020: 1,25,00,000 equity shares of ₹ 10 each)	12,50,00,000	12,50,00,000
	12,50,00,000	12,50,00,000
Issued		
71,53,760 (March 31, 2020: 71,53,760 equity shares of ₹ 10 each)	7,15,37,600	7,15,37,600
	7,15,37,600	7,15,37,600
Subscribed and paid up		
71,53,760 (March 31, 2020: 71,53,760 equity shares of ₹ 10 each)	15,57,56,000	7,15,37,600
	15,57,56,000	7,15,37,600

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	Number of shares	Equity share capital
As at March 31, 2020	25,00,000	2,50,00,000
Add : Share issue to Atul Ltd	46,53,760	
As at March 31, 2021	71,53,760	7,15,37,600
Add : Share issue to Atul Ltd	84,21,840	
As at March 31, 2022	1,55,75,600	15,57,56,000

(b) Terms | rights | restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by Holding Company

Name of the shareholder	As at March 31, 2022	
	Holding %	Number of shares
Atul Finserv Ltd	100%	1,55,75,600

(₹)

Note 9 Other equity	As at March 31, 2022	As at March 31, 2021
a) Securities premium		
Balance as at the beginning of the year	22,87,397	-
Add: Securities Premium on issue of share	1,49,23,356	22,87,397
Balance as at the end of the year	1,72,10,753	22,87,397
b) General reserve	-	-
c) Reserve fund under the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	5,93,316	-
Add: Transfer to Reserve fund under the Reserve Bank of India Act, 1934	11,76,225	5,93,316
Balance as at the end of the year	17,69,541	5,93,316
d) Retained earnings		
Balance as at the beginning of the year	86,45,801	57,84,494
Add: Profit for the year	58,81,125	29,00,332
Less: Special reserve	(11,76,225)	(5,93,316)
Add: Remeasurement gain (loss) on defined benefit plans	-	-
Add: Transfer from OCI on disposal of FVOCI equity instruments	2,11,618	5,54,292
Balance as at the end of the year	1,35,62,320	86,45,801
e) Other reserves		
FVOCI equity instruments		
Balance as at the beginning of the year	34,29,479.56	-
Add: Equity instruments through other comprehensive income (FVOCI)	69,04,834	46,94,175
Add: Transfer from OCI on disposal of FVOCI equity instruments	(11,48,556)	(7,10,404)
Less: Transfer to retained earnings on disposal of FVOCI equity instruments	(2,11,618)	(5,54,292)
Balance as at the end of the year	89,74,140	34,29,480
TOTAL	4,15,16,754	1,49,55,994

Nature and purpose of other equity

i) Securities premium

Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

ii) Retained earnings

Retained earnings represents the surplus in Profit and Loss Account and appropriations. The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

- a) actuarial gains and losses;
- b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

iii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

iv) General reserve

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

vi) Other comprehensive income

On equity investments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

On loans

The Company recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.

Atul Fin Resources Ltd

Notes to the Financial Statements

(₹)

Note 10 Interest income	2021-22	2020-21
a) Interest on loans	4,98,887	1,68,382
b) Interest income from investments		
c) Interest on deposits with banks	1,57,412	-
	6,56,299	1,68,382

(₹)

Note 11 Net gain (loss) on fair value changes	2021-22	2020-21
A) Net gain (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
Investments	18,57,860	14,65,790
Others		
(ii) On financial instruments designated at fair value through profit or loss		
B) Others	-	-
C) Total Net gain (loss) on fair value changes (A+B=C)	18,57,860	14,65,790
Fair Value changes: Realised	16,68,511	17,97,493
Fair Value changes: Unrealised	1,89,349	(3,31,703)
D) Total Net gain (loss) on fair value changes ('D' to tally with 'C')	18,57,860	14,65,790

(₹)

Note 12 Other Income	2021-22	2020-21
Interest on income tax refund	13	3,930
Dividend income (from Trade investment)	1,08,570	50,712
Bill Discounting Income	79,58,035	36,40,503
Miscellaneous income	61,152	16,208
	81,27,771	37,11,353

(₹)

Note 13 Finance Costs	2021-22	2020-21
On financial liabilities measured at amortised cost		
Other interest expense	-	-
	-	-

(₹)

Note 14 Other expenses	2021-22	2020-21
Manpower cost	13,29,484	11,87,386
Auditor's fees and expenses	5,000	5,000
Legal and Professional charges	46,242	3,755
Others	14,98,203	65,008
	28,78,928	12,61,149

Notes to the Financial Statements

Note 15 Related party disclosures

Note 15 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
	Atul Ltd	Ultimate Holding company
01	Atul Finserv Ltd	Holding company
02	Aaranyak Urmi Ltd	
03	Aasthan Dates Ltd	
04	Amal Ltd	
05	Amal Speciality Chemicals Ltd	
06	Anchor Adhesives Pvt Ltd	
07	Atul Aarogya Ltd	
08	Atul Ayurveda Ltd	
09	Atul Bioscience Ltd	
10	Atul Biospace Ltd	
11	Atul Brasil Quimicos Ltda	
12	Atul China Ltd	
13	Atul Clean Energy Ltd	
14	Atul Crop Care Ltd	
15	Atul Deutschland GmbH	
16	Atul Entertainment Ltd	
17	Atul Europe Ltd	
18	Atul Homecare Ltd	
19	Atul Hospitality Ltd	
20	Atul Healthcare Ltd	
21	Atul Infotech Pvt Ltd ¹	
22	Atul Ireland Ltd	
23	Atul Lifescience Ltd	
24	Atul Middle East FZ-LLC	
25	Atul Natural Dyes Ltd	
26	Atul Natural Foods Ltd	
27	Atul Nivesh Ltd ¹	
28	Atul Paints Ltd	
29	Atul Polymers Products Ltd	
30	Atul Products Ltd	
31	Atul Rajasthan Date Palms Ltd ¹	
32	Atul Renewable Energy Ltd	
33	Atul (Retail) Brands Ltd	
34	Atul Seeds Ltd	
35	Atul USA Inc	
36	Biyaban Agri Ltd	
37	DPD Ltd ¹	
38	Gujarat Synthwood Ltd ²	
39	Jayati Infrastructure Ltd	
40	Osia Dairy Ltd	
41	Osia Infrastructure Ltd	
42	Raja Dates Ltd	
43	Sehat Foods Ltd	
	Other related parties with whom transactions have taken place during the year	
44	Rudolf Atul Chemicals Ltd	Joint venture company of holding company
45	Anaven LLP	Joint operation of holding company

Subsidiary companies of holding company

¹ Investments held through subsidiary companies | ² Under liquidation

(₹)

Note 15 (B) Transactions with subsidiary companies	2021-22	2020-21
Service charges paid	11,26,681	10,06,257
Atul Finserv Ltd	11,26,681	10,06,257
Reimbursement of expenses	-	1,200
Atul Infotech Pvt Ltd	-	1,200
Brand usage charges	590	500
Atul Ltd	590	500
Outstanding balances as at year end		
Acceptances	7,20,98,994	6,99,54,853
Atul Ltd	7,20,98,994	6,99,54,853
Payables	97,974	86,279
Atul Finserv Ltd	97,974	86,279

Atul Fin Resources Ltd

Notes to the Financial Statements

Note 16 Current and Deferred tax

a) Income tax expense

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax		
Current tax on profits for the year	19,77,019	11,84,044
Adjustments for current tax of prior periods	(95,143)	-
Total current tax expense	18,81,876	11,84,044
Deferred tax		
(Decrease) increase in deferred tax liabilities	(18,58,960)	7,10,404
Decrease (increase) in deferred tax assets	18,58,960	(7,10,404)
Total deferred tax expense (benefit)	-	-
Income tax expense	18,81,876	11,84,044

b) Current tax assets

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	-	(65,866)
Add: Current tax payable for the year	18,81,876	11,84,044
Less: Taxes paid	(18,81,876)	(11,18,178)
Closing balance	-	-

c) Current tax liabilities

(₹)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	(1,24,124)	-
Add: Current tax payable for the year	18,81,876	11,84,044
Less: Taxes paid	(18,83,897)	(13,08,168)
Closing balance	(1,26,145)	(1,24,124)

d) Deferred tax assets

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

Particulars	As at March 31, 2022	(Charged) Credited to 2021-22	As at March 31, 2021
Unrealised Gain on MF measured	(11,48,556)	(18,58,960)	7,10,404
Total deferred tax liabilities	(11,48,556)	(18,58,960)	7,10,404
MAT credit entitlement	-	-	-
Unused Tax losses	-	-	-
Total deferred tax assets	-	-	-
Net deferred tax liabilities (assets)	18,58,960	7,10,404	7,10,404

Note 17 Micro, Small and Medium Enterprises Development

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid | payable as required under said Act have not been given.

Note 18 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars		As at March 31, 2022	As at March 31, 2021
Net profit attributable to equity shareholders	₹	58,81,126	29,00,332
Weighted average number of equity shares for basic earnings per share	Number	1,55,75,600	71,53,760
Basic and diluted Earning per equity share	₹	0.38	0.41

Note 19 Segment information

The Company operates in a single reportable segment i.e. financing, since the nature of the loans are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e. domestic.

Note 20 Transfer of financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

Note 21 Events after reporting date

There have been no events after the reporting date that require adjustment | disclosure in these financial statements.

The accompanying Notes 1-23 form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

For and on behalf of the Board of Directors

Director

G R Parekh

Proprietor

Membership Number: 030530

Director

Company secretary

Atul

April 21, 2022

Atul

April 21, 2022