

ATUL PAINTS LIMITED

Directors' Report

Dear Members,

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

01. Financial results

	(₹)
	2021-22
Revenue from operations	-
Other income	-
Total revenue	-
Profit before tax	(4,851))
Tax	-
Profit for the year	(4,851)

02. Performance

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

03. Dividend

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

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

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

05. Insurance

The Company took adequate insurance policies.

06. Risk Management

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

07. Internal Financial Controls

The Management assessed the effectiveness of the Internal Financial Controls over financial reporting as of March 31, 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. 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.

10. Loans, guarantees, investments and security

During 2021-22, the Company did not give any loans, provided guarantees or made any investments during the year.

11. Subsidiary, associate and joint venture companies

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

12. Related Party Transactions

All the transactions entered into with the Related Parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at note number 7. No transactions were entered into by the Company which required disclosure in Form AOC-2.

13. Corporate Social Responsibility

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

14. Annual Return

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

15. Auditors

G R Parekh & Co., Chartered Accountants the Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting (AGM) Pursuant to Section 139(1) of

the Companies Act, 2013 and Rules made thereunder, the Board recommended their reappointment as the Statutory Auditors for a term of five consecutive years from 2022-23 to 2026-27. They have given their consent to act as the Auditors, if appointed.

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.

16. Directors' responsibility statement

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

- 16.1 In preparation of the financial statement for the financial year ended March 31, 2022, the applicable accounting standards were followed and there are no material departures.
- 16.2 The Accounting Policies were selected and applied consistently and judgements and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- 16.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 16.4 The attached annual accounts for the year ended March 31, 2022 were prepared on a going concern basis.
- 16.5 Adequate Internal Financial Controls to be followed by the Company were laid down; and same were adequate and operating effectively.
- 16.6 Proper systems were devised to ensure compliance with the provisions of all applicable

laws and the same were adequate and operating effectively.

17. Directors

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

18. Key Managerial Personnel and other employees

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

19. Board Meetings and Secretarial standards

The Board met two times during 2021-22. Secretarial standards as applicable to the Company were followed and complied with.

20. Analysis of remuneration

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

21. Acknowledgements

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

For and on behalf of the Board of Directors

Atul

April 06, 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 Paints Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Atul Paints 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 loss, total comprehensive loss, 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: 22030530AGWCGF8559

Place: Atul
Date: 6 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 Paints 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: 22030530AGWCGF8559

Place: **Atul**

Date: **6 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) a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
B. As the Company does not hold intangible assets reporting under clause (i)(a)(B) of the Order is not applicable.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of CARO 2016 is not applicable.
 - d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets.
- (iii) (a) The Company has not 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.
- (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) The Company has not granted any loan or advances in the nature of loans therefore reporting under the provision of iii(c) is not applicable.
- (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.
- (iii) 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.
- (iv) 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.
- (v) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vi) 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 Provident Fund, 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 Provident Fund, Income-tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at 31 March 2020 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) (a) 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 (viii)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (d) According to the information and explanations given to us clause (xi)(d) is not applicable since the company has not taken funds on short term basis.
- (e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.
- (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 and covering the period upto February 2022.
- (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) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (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) According to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries, associates and joint ventures included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report.

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

(G R Parekh)
Proprietor
(Membership No. 030530)
UDIN: 22030530AGWCGF8559

Place: Atul
Date: 6 April 2022

Atul Paints Limited

Balance Sheet as at March 31, 2022

(₹)

Particulars	Note	As at	As at
		March 31, 2022	March 31, 2021
A ASSETS			
1 Current assets			
a) Financial assets			
i) Cash and cash equivalents	2	97,649	
Total current assets		97,649	
Total assets		97,649	
B EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	3	1,00,000	
b) Other equity	4	(4,851)	
Total equity		95,149	
Liabilities			
2 Current liabilities			
a) Financial liabilities			
i) Trade payables	5	2,500	
Total current liabilities		2,500	
Total liabilities		2,500	
Total equity and liabilities		97,649	

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

Director

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2022

Director

Atul

April 06, 2022

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

(₹)

Particulars	Note	2021-22	2020-21
Revenue			
Other income		-	
Total Income		-	
Expenses			
Other expenses	6	4,851	
Total expenses		4,851	
Profit (Loss) before exceptional items and tax		(4,851)	
Exceptional items		-	
Profit (Loss) before tax		(4,851)	
Tax expense			
Current tax		-	
Deferred tax		-	
Total tax expense		-	
Profit (Loss) for the year		(4,851)	
Other comprehensive income			
A) Items that will not be reclassified to profit and loss		-	
B) Items that will be reclassified to profit and loss		-	
Total comprehensive income (Loss)		(4,851)	
No. of Shares		10,000	
Basic and diluted earning ₹ per Equity share of ₹ 10 each	8	(0.49)	
The accompanying Notes form an integral part of the Financial Statements			

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

For and on behalf of the Board of Directors

Director

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2022

Director

Atul

April 06, 2022

Atul Paints Limited

Notes to the Financial Statements

Background

Atul Paints Limited (the 'Company') is a limited company incorporated and domiciled in India. It is a subsidiary company of Atul Ltd (Holding company). The Company is mainly engaged in manufacturing, trading business of coating paints products. The registered office of the Company is located at E-7, Atul East, Atul - 396020, Valsad, Gujarat.

NOTE: 1 Significant Accounting Policies:

1 Basis of preparation:

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

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

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

2 Inventories:

The Inventory of goods bought for trading are valued at cost or net realisable value whichever is lower. The cost includes cost of goods plus transit insurance, freight, and applicable customs/excise duty paid there on. The realisable value are taken as certified by the management.

Inventories is maintained on FIFO method of valuation.

3 Investments:

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

4 Revenue Recognition :

Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer, which generally coincides with delivery.

5 Taxes of Income :

Taxes on Income are accounted in accordance with AS 22, "Taxes on Income". Taxes on Income Comprises of both Current Tax and deferred tax.

a) Provision for current tax for the year is determined considering the disallowance, exemptions and deductions and/or liabilities/credits and set-off available as laid down by the tax slabs and interpreted by various authorities.

b) Deferred Tax is recognized, subject to consideration of the prudence on timing difference, being the difference between taxable income and accounting income for the year. Deferred Tax Asset is not recognized unless there is reasonable certainty of realizing the same in near future.

6 Earning Per Share :

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

7 Critical estimates and judgments:

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

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

Atul Paints Limited

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

A. Equity share capital

	Notes	Amount
As at March 31, 2021		-
Changes in Equity share capital		1,00,000
As at March 31, 2022	3	1,00,000

B. Other equity

	Notes	Reserves and surplus Retained earnings
As at March 31, 2021		-
Profit (Loss) for the year		(4,851)
Total comprehensive income (loss) for the year		(4,851)
As at March 31, 2022		(4,851)

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

For and on behalf of the Board of Directors

Director

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2022

Director

Atul

April 06, 2022

Cash Flow Statement

for the year ended March 31, 2022

(₹)

Particulars	2021-22	2019-20
A. Cash flow from operating activities		
Profit (Loss) before tax	(4,851)	
	(4,851)	
Operating profit (loss) before working capital changes	(4,851)	
Adjustments for:		
Trade payables	2,500	
	2,500	
Cash generated from operations	(2,351)	
Net cash flow from operating activities	(2,351)	
Opening balance - cash and cash equivalents	1,00,000	
Closing balance - cash and cash equivalents	97,649	

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

As per our attached report of even date

For and on behalf of the Board of Directors

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

Director

G R Parekh

Proprietor

Membership No. 030530

Atul

April 06, 2022

Director

Atul

April 06, 2022

Notes to the Financial Statements

(₹)

Note 2 Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
a) Balances with banks		
In current accounts	97,649	

(₹)

Note 3 Equity share capital	As at March 31, 2022	As at March 31, 2021
Authorised		
10,000 (10,000) Equity shares of ₹ 10 each	1,00,000	
	1,00,000	
Issued		
10,000 (10,000) Equity shares of ₹ 10 each	1,00,000	
	1,00,000	
Subscribed & Paid-up		
10,000 (10,000) Equity shares of ₹ 10 each	1,00,000	
	1,00,000	

a) Movement in Equity share capital

(₹)

	Number of shares	Equity share capital
As at March 31, 2021	-	-
As at March 31, 2022	10,000	1,00,000

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

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

No	Name of the Shareholder	As at		As at	
		March 31, 2022		March 31, 2021	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Finserve Ltd	99.94%	9,994		
2	Atul Clean Energy Ltd	0.01%	1		
3	Atul Ayurveda Ltd	0.01%	1		
4	Atul Crop Care Ltd	0.01%	1		
5	Atul Entertainment Ltd	0.01%	1		
6	Lapox Polymers Limited	0.01%	1		
7	Osia Infrastructure Ltd	0.01%	1		
		99.99%	10,000		

(₹)

Note 4 Other equity	As at March 31, 2022	As at March 31, 2021
a) Retained Earnings		
i) Balance as at the beginning of the year	-	
Add: Profit (Loss) for the year	(4,851)	
Balance as at the end of the year	(4,851)	
	(4,851)	

(₹)

Note 5 Trade payables	As at March 31, 2022	As at March 31, 2021
a) Total outstanding dues of creditors other than micro enterprises and small enterprises		
i) Others	2,500	
	2,500	

Notes to the Financial Statements

Notes to the Financial Statements

	(₹)	
Note 6 Other expenses	2021-22	2020-21
Payments to the Statutory Auditors		
a) Audit fees	2,500	
Miscellaneous expenses	2,351	
	4,851	

Notes to the Financial Statements

Note 7 : Related Party Information

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

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

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

Note 8 : Earning per share

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

Particulars		2021-22	2020-21
Profit for the year attributable to the Equity Shareholders	₹	(4,851)	
Basic Weighted average number of Equity shares outstanding during the year	Number	10,000	
Nominal value of Equity share	₹	10	
Basic and diluted Earning per Equity share	₹	(0.49)	

Note 9 : The Financial Statements were authorised for issue by the Board of Directors on April 06, 2022

As per our attached report of even date

For Ghanshyam Parekh & Co.

Firm Registration Number: 131167W

Chartered Accountants

For and on behalf of the Board of Directors

Director**G R Parekh**

Proprietor

Membership No. 030530

Atul

April 06, 2022

Director

Atul

April 06, 2022