

INDEPENDENT AUDITOR’S REPORT

To the Partners of Anaven LLP Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Anaven LLP (“the LLP”), which comprise the Statement of Assets and Liabilities as at March 31, 2021, the Statement of Income and Expenditure, and the Statement of Cash Flows 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 financial statements gives the information required by the Limited Liability Partnership Act, 2008 (“the Act”) in the manner so required, and gives a true and fair view in conformity with the Accounting Standards issued by the Institute of Chartered Accountants of India (the ICAI) (“the Accounting Standards”) and other accounting principles generally accepted in India, of the state of affairs of the LLP as at March 31, 2021, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) issued by the ICAI. Our responsibilities under those standards are further described in the Auditor’s Responsibility for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the Code of Ethics issued by the ICAI, and we have fulfilled our other ethical responsibilities in accordance with 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 financial statements.

Management’s responsibility for the financial statements

The LLP’s management (designated partners) is responsible for the preparation of the financial statements that give a true and fair view of the financial position and financial performance of the LLP in accordance with the Accounting Standards, the Limited Liability Partnership Act, 2008 (‘the Act’) 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 LLP and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the LLP'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 the Designated Partners either intends to liquidate the LLP or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the LLP's financial reporting process.

Auditor's responsibility for the audit of the financial statements

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

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

- a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LLP to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the LLP to express an opinion on the Financial Statements.

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

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

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

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Samir R. Shah
Partner
(Membership No. 101708)
UDIN No. 21101708AAAACA7609

Place: MUMBAI
Date: April 29, 2021

ANAVEN LLP

Balance Sheet as at March 31, 2021



(₹)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
A CONTRIBUTION AND LIABILITIES			
1 Partners' funds			
a) Partners' contribution	2	1,34,00,00,000	1,28,87,50,800
b) Reserves and surplus	3	(10,33,36,506)	(4,15,50,491)
Total capital		1,23,66,63,494	1,24,72,00,309
2 Non-current liabilities			
a) Long-term borrowing	4	1,09,95,66,411	81,87,54,910
b) Other long-term liabilities	5	3,86,42,160	-
Total non-current liabilities		1,13,82,08,571	81,87,54,910
3 Current liabilities			
a) Trade payables other than micro and small enterprises	6	9,87,72,561	2,70,000
b) Total outstanding dues of micro and small enterprises	6	1,620	-
c) Other current liabilities	7	31,27,28,842	32,45,44,802
Total current liabilities		41,15,03,023	32,48,14,802
Total liabilities		1,54,97,11,594	1,14,35,69,712
Total contribution and liabilities		2,78,63,75,088	2,39,07,70,021
B ASSETS			
1 Non-current assets			
a) Property, plant and equipment	8	2,26,74,53,422	2,48,38,098
b) Capital work-in-progress	8	-	2,01,72,16,196
c) Long-term loans and advances	9	67,48,597	73,52,807
d) Other non-current asset	10	27,72,41,746	28,35,25,670
Total non-current assets		2,55,14,43,765	2,33,29,32,771
2 Current assets			
a) Inventories	11	7,24,85,300	-
b) Investments	12	65,85,397	2,11,55,414
c) Trade receivables	13	8,43,08,393	-
d) Cash and bank balance	14	93,92,653	52,21,481
e) Short-term loans and advances	15	16,95,790	15,69,681
f) Other current assets	16	6,04,63,790	2,98,90,674
Total current assets		23,49,31,323	5,78,37,250
Total assets		2,78,63,75,088	2,39,07,70,021

The accompanying Notes 1 to 28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Partners of ANAVEN LLP

T R Gopi Kannan
Body Corporate DP Nominee

Samir R. Shah
Partner

Sobers Sethi
Body Corporate DP Nominee

Mumbai
April 29, 2021

April 29, 2021

ANAVEN LLP

Statement of Profit and Loss

for the year ended March 31, 2021



(₹)

Particulars	Note	2020-21	2019-20
INCOME			
Revenue from operations	17	6,81,51,672	-
Other income	18	7,37,592	37,43,940
Total income		6,88,89,264	37,43,940
EXPENSES			
Cost of material consumed	19	4,09,62,800	-
Change in inventory	20	(64,00,567)	-
Finance costs	21	2,51,22,382	36,39,462
Depreciation and amortisation expenses	8	2,58,05,324	24,87,406
Other expenses	22	4,51,85,340	2,99,53,131
Total expenses		13,06,75,279	3,60,79,999
Loss before tax		(6,17,86,015)	(3,23,36,059)
Tax expense			
Current tax		-	-
Deferred tax expenses (income)	24	-	(7,21,489)
Total tax expenses (income)		-	(7,21,489)
Loss for the year		(6,17,86,015)	(3,16,14,570)

The accompanying Notes 1 to 28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

For and on behalf of the Partners of ANAVEN LLP

T R Gopi Kannan
Body Corporate DP Nominee

Samir R. Shah

Partner

Sobers Sethi
Body Corporate DP Nominee

Mumbai

April 29, 2021

April 29, 2021

ANAVEN LLP

Statement of Cash Flows

for the year ended March 31, 2021



(₹)

Particulars	2020-21	2019-20
A CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(6,17,86,015)	(3,23,36,059)
Adjustments for:		
Depreciation and amortisation expenses	2,58,05,324	24,87,406
Provision for doubtful advances	-	23,43,447
Finance costs	2,51,22,382	36,39,462
Dividend income	-	(25,26,104)
Interest income	(47,193)	(1,00,575)
Unrealised loss (gain) on mutual funds	-	59,804
Realised loss (gain) on mutual funds	(6,46,291)	(11,77,065)
Unrealised loss (gain) on capital creditors	16,107	(1,00,694)
Operating loss before working capital changes	(1,15,35,686)	(2,77,10,378)
Adjustments for:		
(Increase) Decrease in current assets	(6,70,647)	(452)
(Increase) Decrease in inventories	(7,24,85,300)	-
(Increase) Decrease in trade receivable	(8,43,08,393)	-
Increase (Decrease) in trade payables	9,85,04,181	-
Increase (Decrease) in current liabilities	(5,62,10,647)	5,51,25,033
(Increase) Decrease in short term loans and advances	(3,02,71,443)	(2,96,78,182)
(Increase) Decrease in long term loans and advances	60,78,423	(9,65,69,663)
Net cash used in operations	(15,08,99,513)	(9,88,33,642)
Income tax paid (net of refund)	2,42,865	(10,007)
Net cash used in operating activities	A (15,06,56,648)	(9,88,43,649)
B CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards property, plant and equipment (including creditors for capital goods)	(20,60,16,160)	(55,99,24,206)
Interest received	47,193	1,00,575
Redemption of (Investment in) mutual funds (net)	1,52,16,308	4,99,13,932
Dividend received	-	25,26,104
Net cash used in investing activities	B (19,07,52,659)	(50,73,83,595)
C CASH FLOW FROM FINANCING ACTIVITIES		
Partners' contribution received	5,12,49,200	35,14,33,736
Proceeds from long-term borrowing	31,94,53,661	26,24,30,951
Finance costs	(2,51,22,382)	(36,39,462)
Net cash flow from financing activities	C 34,55,80,479	61,02,25,225
Net increase (decrease) in cash and bank balance	A+B+C 41,71,172	39,97,981
Cash and bank balance at the beginning of the year	52,21,481	12,23,500
Cash and bank balance as at the end of the year	93,92,653	52,21,481

i) The above Statement of Cash Flow has been prepared under the 'Indirect Method' set out in Accounting Standard 3 'Cash Flow Statements' and presents the cash flows by operating, investing and financing activities.

The accompanying Notes 1 to 28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Partners of ANAVEN LLP

Samir R. Shah
Partner

T R Gopi Kannan
Body Corporate DP Nominee

Sobers Sethi
Body Corporate DP Nominee

Mumbai
April 29, 2021

April 29, 2021

Background

ANAVEN LLP (the 'LLP') is a limited liability partnership incorporated under the Limited Liability Partnership Act, 2008 of India. The LLP is a partnership between Atul Finserv Ltd and Nouryon Chemicals International B.V. (formerly Akzo Nobel Chemicals International B.V.) with the objective of manufacturing chemical products in India.

Note 1 Significant accounting policies

a) Basis of preparation:

The Financial Statements of ANAVEN LLP ('the LLP') have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) and comply in all material aspects with the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI).

The Financial Statements have been prepared on accrual basis and under historical cost convention.

b) Use of estimates:

The preparation of Financial Statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities, on the date of Financial Statement and the result of operations during the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

c) Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive payment is established; It is probable that the economic benefits associated with the dividend will flow to the LLP and the amount of dividend can be measured reliably.

d) Property, plant and equipment:

All items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one year.

Capital work-in-progress:

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

e) Depreciation and amortisation

Depreciation is provided on pro-rata basis as per straight-line method, from the date of acquisition | installation till the date the assets are sold or disposed on the cost of assets, net of their residual values, over their estimated useful lives.

Asset Category	Estimated useful life
Building	10 to 30 years
Plant and machinery ¹	3 to 15 years
Office equipment and furniture ¹	3 to 10 years
Computer equipment	3 to 6 years

¹The useful lives have been determined based on technical evaluation done by the Management experts, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

f) Intangible assets:

Computer software includes enterprise resource planning project and other cost relating to such software which provides significant future economic benefits. These costs comprise license fees and system integration services.

Technical know-how expenditure qualifying as an intangible asset, is amortised over an economic life of the plant using the straight-line method.

Computer software cost is amortised over a period of 3 years using the straight-line method.

g) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

h) Foreign currency transactions:

Functional and presentation currency:

Items included in the Financial Statements of the LLP are measured using the currency of the primary economic environment in which the LLP operates ('functional currency'). The Financial Statements of the LLP are presented in Indian currency (₹), which is also the functional currency of the LLP.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss.

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

i) Provisions and contingent liabilities:

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

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

j) Income tax:

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred tax reflects changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred tax assets and deferred tax liabilities are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets, representing unabsorbed depreciation or carried forward losses are recognised, if and only if there is virtual certainty supported by convincing evidence that there will be adequate future taxable income against which such deferred tax assets can be realised. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.

k) Borrowing costs:

Borrowing costs include interest and amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the year from commencement of activities relating to construction | development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

l) Cash and cash equivalents:

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

m) 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. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Current investments not intended to be held for a period more than one year, are stated at lower of cost and fair value.

n) Lease

The LLP assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the LLP assesses whether: i) the contract involves the use of an identified asset ii) the LLP has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the LLP has the right to direct the use of the asset.

At the commencement date of the lease, the LLP recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At commencement date, lease liability is measure at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

o) Inventories:

Raw materials, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to effect the sale. Engineering inventory cost is arrived on moving weighted average basis.

'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.

Items such as spare parts, stand-by equipment and servicing equipment which are not plant and machinery gets classified as inventory.

p) Revenue recognition:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the LLP or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the consideration to which the LLP expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 30 days. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

q) Trade receivables:

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, less provision for impairment based on expected credit loss.

Note 8 Property, plant and equipment

(₹)

Particulars	Buildings	Plant and equipment	Leased Asset #	Laboratory equipment	Office equipment and furniture	Roads	Computer equipment	Total	Capital work-in-progress 1
Gross Block									
As at March 31, 2019	1,51,04,635	40,82,836	-	-	48,75,650	-	45,75,144	2,86,38,265	1,50,91,41,379
Additions	-	-	-	-	-	-	-	-	50,80,74,817
Disposal, transfer and adjustments	-	6,73,969	-	-	-	-	(5,35,693)	1,38,276	-
As at March 31, 2020	1,51,04,635	47,56,805	-	-	48,75,650	-	40,39,451	2,87,76,541	2,01,72,16,196
Additions	5,02,57,954	2,13,16,03,042	4,62,98,164	1,32,86,120	54,33,998	2,11,05,224	4,36,146	2,26,84,20,648	20,49,06,289
Disposal, transfer and adjustments	-	-	-	-	-	-	-	-	2,22,21,22,485
As at March 31, 2021	6,53,62,589	2,13,63,59,847	4,62,98,164	1,32,86,120	1,03,09,648	2,11,05,224	44,75,597	2,29,71,97,189	-
Depreciation Amortisation									
Up to March 31, 2019	2,92,416	2,06,758	-	-	3,84,661	-	5,67,202	14,51,037	-
For the year	4,78,313	4,17,068	-	-	6,16,584	-	9,75,441	24,87,406	-
Disposal and transfer	-	2,97,123	-	-	-	-	(2,97,123)	-	-
Up to March 31, 2020	7,70,729	9,20,949	-	-	10,01,245	-	12,45,520	39,38,443	-
For the year	7,43,561	2,18,49,897	7,71,636	4,62,599	6,59,601	3,34,166	9,83,864	2,58,05,324	-
Disposal, transfer and adjustments	-	-	-	-	-	-	-	-	-
Up to March 31, 2021	15,14,290	2,27,70,846	7,71,636	4,62,599	16,60,846	3,34,166	22,29,384	2,97,43,767	-
Net Block									
As at March 31, 2020	1,43,33,906	38,35,856	-	-	38,74,405	-	27,93,931	2,48,38,098	2,01,72,16,196
As at March 31, 2021	6,38,48,299	2,11,35,89,001	4,55,26,528	1,28,23,521	86,48,802	2,07,71,058	22,46,213	2,26,74,53,422	-

Refer Note 4 for information on property, plant and equipment hypothecated | mortgaged as security by the LLP.

The LLP has entered into finance lease arrangements for certain equipment, which provide the LLP an option to purchase the assets at the end of the lease period.

Notes to the Financial Statements



(₹)

Note 2 Partners' contribution		As at March 31, 2021	As at March 31, 2020
a)	Atul Finserv Ltd	67,00,00,000	61,87,50,800
b)	Nouryon Chemical International B.V (formerly Akzo Nobel Chemicals International B.V.)	67,00,00,000	67,00,00,000
		1,34,00,00,000	1,28,87,50,800

The partners has contributed ₹ 67,00,00,000 each, on piecemeal basis with mutual understanding as per requirement.

(₹)

Note 2A Partners' contribution movement		Atul Finserv Ltd	Nouryon Chemical International B.V (formerly Akzo Nobel Chemicals International B.V.)
a)	Balance at as March 31,2019	46,87,50,000	46,85,67,064
b)	Add: Contribution received during the year	15,00,00,800	20,14,32,936
c)	Balance at as March 31,2020	61,87,50,800	67,00,00,000
d)	Add: Contribution received during the year	5,12,49,200	-
e)	Balance at as March 31,2021	67,00,00,000	67,00,00,000

(₹)

Note 3 Reserves and surplus		As at March 31, 2021	As at March 31, 2020
a)	Balance at the beginning of the year	(4,15,50,491)	(99,35,921)
b)	Loss for the year	(6,17,86,015)	(3,16,14,570)
	Balance at the end of the year	(10,33,36,506)	(4,15,50,491)

(₹)

Note 4 Long term borrowing		As at March 31, 2021	As at March 31, 2020
a)	Secured loan from bank (refer note 4.1)		
	Secured rupee term loan from a bank	1,21,50,26,411	81,87,54,910
	Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 7)	24,40,00,000	-
		97,10,26,411	81,87,54,910
b)	Unsecured loan from others (refer note 4.2)		
	Atul Ltd	6,85,40,000	-
	Nouryon Chemical India Pvt Ltd	6,00,00,000	-
		12,85,40,000	-
		1,09,95,66,411	81,87,54,910

4.1. Secured Loan from bank

i) Security:

The Loan is secured by exclusive charge on moveable and immovable assets of the project, mortgage of lease hold right of land located at Revenue Survey no. 33,P1, Village-Atul, District- Valsad and lien over Debt Service Reserve Account (DSRA) with the bank.

ii) Terms of repayment of loan:

Loan is repayable in 20 equal quarterly installment of ₹ 6.10 crores each starting from April 2021 till jan 2026..

iii) Interest:

The rate of interest is 6 months MCLR + 0.75% i.e. 8.10% (P.Y. 8.20 %) as at Balance Sheet date.

4.2. Unsecured Loan from others

i) Terms of repayment of loan:

Loan is repayable in 8 equal quarterly installment of ₹ 6.25 crores each starting from September 2024.

ii) Interest:

The rate of interest is 12 months Axis bank MCLR + 135 BPS i.e. 9.0% p.a. (P.Y. N.A.) as at Balance Sheet date.

Notes to the Financial Statements



(₹)

Note 5 Other long-term liabilities		As at March 31, 2021	As at March 31, 2020
a)	Long term maturities of finance lease obligation	3,86,42,160	-
		3,86,42,160	-

(₹)

Note 6 Trade payables		As at March 31, 2021	As at March 31, 2020
a)	Total outstanding dues of micro enterprises and small enterprises	1,620	-
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		
	i) Related party	1,24,51,071	-
	ii) Others	8,63,21,490	2,70,000
		9,87,74,181	2,70,000

(₹)

Note 7 Other current liabilities		As at March 31, 2021	As at March 31, 2020
a)	Capital creditors	1,96,40,485	23,78,28,580
b)	Statutory dues	3,28,264	5,65,38,911
c)	Retention money	1,56,87,373	2,03,97,044
d)	Security deposit	72,16,257	97,80,267
e)	Interest accrued but not due	1,40,43,993	-
f)	Current maturities of long-term debt (refer Note 4)	24,40,00,000	-
g)	Current maturities of finance lease obligation	71,89,043	-
h)	Others	46,23,427	-
		31,27,28,842	32,45,44,802

Notes to the Financial Statements



(₹)

Note 9 Long-term loans and advances		As at March 31, 2021	As at March 31, 2020
a)	Capital advances	23,43,447	31,53,158
	Less: Provision for doubtful advances	(23,43,447)	(23,43,447)
		-	8,09,711
b)	Prepaid expenses	67,48,597	65,43,096
		67,48,597	73,52,807

(₹)

Note 10 Other non-current asset		As at March 31, 2021	As at March 31, 2020
a)	Balance with statutory authority		
	GST receivables	27,72,41,746	28,35,25,670
		27,72,41,746	28,35,25,670

(₹)

Note 11 Inventories		As at March 31, 2021	As at March 31, 2020
a)	Raw material and packing material	4,11,73,585	-
b)	Finished goods	64,00,567	-
c)	Engineering material	2,49,11,148	-
		7,24,85,300	-

(₹)

Note 12 Current investments		As at March 31, 2021	As at March 31, 2020
Investment in mutual funds			
Unquoted:			
a)	316382.468 units (Mar 31,2020; NIL units) of Tata arbitrage fund direct plan growth fund face value of ₹ 10 each NAV per unit ₹ 11.47 (Mar 31,2020; ₹ NIL)	35,18,286	-
b)	NIL units (Mar 31,2020; 749.370 units) of Axis direct growth fund face value of ₹ 10 each NAV per unit ₹ NIL (Mar 31,2020; ₹ 14.86)	-	10,000
c)	NIL units (Mar 31,2020; 755.380 units) of Axis direct growth fund face value of ₹ 2,000 each NAV per unit ₹ NIL (Mar 31,2020; ₹ 2204.34)	-	16,54,065
d)	858.382 units (Mar 31,2020; NIL units) of Tata money market fund - direct plan growth fund face value of ₹ 10 each NAV per unit ₹ 3669.8736 (Mar 31,2020; ₹ NIL)	30,67,111	-
e)	NIL units (Mar 31,2020; 17,43,599.439 units) of Axis direct dividend fund face value of ₹ 10 each NAV per unit ₹ NIL (Mar 31,2020; ₹ 11.18)	-	1,94,91,349
		65,85,397	2,11,55,414

Notes to the Financial Statements



(₹)

Note 13 Trade receivables		As at March 31, 2021	As at March 31, 2020
	Considered good - unsecured		
	i) Trade receivable	66,948	-
	ii) Related parties	8,42,41,445	-
		8,43,08,393	-

(₹)

Note 14 Cash and bank balance		As at March 31, 2021	As at March 31, 2020
a)	Cash on hand	2,836	2,859
b)	Balances with banks		
	In current account	8,49,817	7,18,622
c)	Other bank balance		
	Demand deposits (less than 3 months maturity)	85,40,000	45,00,000
		93,92,653	52,21,481

(₹)

Note 15 Short-term loans and advances		As at March 31, 2021	As at March 31, 2020
a)	Prepaid expenses	16,95,790	15,69,681
		16,95,790	15,69,681

(₹)

Note 16 Other current assets		As at March 31, 2021	As at March 31, 2020
a)	Interest accrued on bank deposits	37,572	452
b)	Fixed deposit (with original maturity more than 3 month)	5,25,584	-
c)	Balance with statutory authority		
	i) GST receivables	5,97,00,000	2,95,54,666
	ii) Advance tax I tax deducted at source	92,691	3,35,556
d)	Others	1,07,943	-
		6,04,63,790	2,98,90,674

Notes to the Financial Statements



Note 17 Revenue from operation		2020-21	2019-20
a)	Sale of products	6,81,51,672	-
		6,81,51,672	-

Note 18 Other income		2020-21	2019-20
a)	Interest income from bank deposits	47,193	1,00,575
b)	Interest from others	21,161	-
c)	Realised gain on investment in mutual funds	6,46,291	11,17,261
d)	Exchange rate difference gain	22,947	-
e)	Dividend on current investments	-	25,26,104
		7,37,592	37,43,940

Note 19 Cost Of Material Consumed		2020-21	2019-20
	Stock at Commencement	-	-
	Add: Purchase	8,21,36,385	-
		8,21,36,385	-
	Less: Stock at close	4,11,73,585	-
		4,09,62,800	-

Note 20 Change in inventory		2020-21	2019-20
a)	(Increase) decrease in Stocks(net)	(64,00,567)	-
		(64,00,567)	-

Note 21 Finance costs		2020-21	2019-20
a)	Interest on borrowings	2,36,37,601	21,01,112
b)	Interest on intercorporate loan	6,97,286	-
c)	Other borrowing costs	7,87,495	15,38,350
		2,51,22,382	36,39,462

Note 22 Other expenses		2020-21	2019-20
a)	Manpower expenses	2,95,99,036	2,23,92,296
b)	Bank charges	26,526	12,51,818
c)	Lease rent (refer note 23)	1,22,950	1,00,000
d)	Legal and professional charges	13,43,076	5,31,750
e)	Power, fuel and water	82,81,471	5,48,902
f)	Remuneration to the Statutory Auditors		
	i) Audit fees	3,45,000	3,00,000
g)	Provision for doubtful advances	-	23,43,447
h)	Exchange rate difference loss (net)	-	13,15,488
i)	Insurance Premium	3,96,816	-
j)	Effluent disposal expenses external	31,60,181	-
k)	Freight and forwarding charges	7,58,495	-
l)	Miscellaneous expenses	11,51,789	11,69,430
		4,51,85,340	2,99,53,131

Notes to the Financial Statements



Note 23 Related party disclosures

Name of the related party and nature of relationship

Name of the related party	Description of relationship
1 Atul Finserv Ltd	Partner
2 Nouryon Chemical International B.V (formerly Akzo Nobel Chemicals	Partner
3 Atul Ltd	Holding company of partner - Atul Finserv Ltd
4 Nouryon Industrial Chemical B.V.	Subsidiary company of partner - Nouryon Chemical International B.V.
5 Nouryon Chemical India Pvt Ltd	Subsidiary company of partner - Nouryon Chemical International B.V.

(A) Transactions with related parties		2020-21	2019-20
a)	Contribution received		
1	Partners' contribution received	5,12,49,200	35,14,33,736
	Atul Finserv Ltd	5,12,49,200	15,00,00,800
	Nouryon Chemical International B.V (formerly Akzo Nobel Chemicals International B.V.)	-	20,14,32,936
b)	Sales, Purchase and expenses		
1	Sales of goods	7,18,54,552	-
	Atul Ltd	7,18,54,552	-
2	Capital goods purchased	57,65,108	1,90,33,407
	Atul Ltd	57,65,108	1,90,33,407
3	Purchase of goods and services	1,02,83,639	-
	Atul Ltd	1,02,83,639	-
	Nouryon Industrial Chemical B.V. (formerly Akzo Nobel Industrial Chemical B.V.)	39,03,925	-
4	Reimbursement of expenses	3,74,48,198	11,68,64,696
	Atul Ltd	3,62,68,198	3,96,81,820
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	11,80,000	7,71,82,876
5	Technical services	35,30,059	12,26,69,509
	Nouryon Industrial Chemical B.V. (formerly Akzo Nobel Industrial Chemical B.V.)	35,30,059	12,26,69,509
6	Interest payable	73,86,579	-
	Atul Ltd	37,17,419	-
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	36,69,160	-
7	Loan taken during the year	12,85,40,000	-
	Atul Ltd	6,85,40,000	-
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	6,00,00,000	-
8	Lease rent	13,21,124	1,00,000
	Atul Ltd	13,21,124	1,00,000

Notes to the Financial Statements



(₹)

(B) Balances as at year end		As at March 31, 2021	As at March 31, 2020
a)	Partners' contribution	1,34,00,00,000	1,28,87,50,800
	Atul Finserv Ltd	67,00,00,000	61,87,50,800
	Nouryon Chemical International B.V (formerly Akzo Nobel Chemicals	67,00,00,000	67,00,00,000
b)	Payables	2,39,66,948	17,98,67,147
	Atul Ltd	1,78,22,279	-
	Nouryon Industrial Chemical B.V. (formerly Akzo Nobel Industrial Chemical B.V.)	12,95,509	17,98,67,147
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	48,49,160	-
c)	Receivables	8,42,32,827	2,551
	Atul Ltd	8,42,32,827	2,551
d)	Unsecured Loan	12,85,40,000	-
	Nouryon Chemical India Pvt Ltd (formerly Akzo Nobel Chemicals India Pvt Ltd)	6,00,00,000	-
	Atul Ltd	6,85,40,000	-

Notes to the Financial Statements



(₹)

Note 24	Deferred tax assets	As at March 31, 2021	As at March 31, 2020
	Property, plant and equipment	(13,16,55,814)	(9,30,128)
	Total deferred tax liabilities	(13,16,55,814)	(9,30,128)
	Provision for doubtful advances	-	7,31,155
	Carried forward business losses	13,16,55,814	1,98,973
	Total deferred tax assets	13,16,55,814	9,30,128
	Net deferred tax (liabilities) assets	-	-

Recognition of deferred tax asset on carried forward losses is restricted to the extent of deferred tax liabilities, considering that there is no virtual uncertainty of its realisability.

(₹)

Note 25	Disclosures required under Section 22 of the MSMED Act, 2006	As at March 31, 2021	As at March 31, 2020
	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,620	-
	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
	Further interest remaining due and payable for earlier years	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 26 Capital Commitment

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

(₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	76,90,396	8,04,81,592

Note 27 Regrouping | reclassification

Figures for the previous year have been regrouped | reclassified wherever necessary, to conform to the presentation of current year.

Note 28 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Partners on April 29, 2021.

In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants

For and on behalf of the Partners of ANAVEN LLP

T R Gopi Kannan
 Body Corporate DP Nominee

Samir R. Shah
 Partner

Sobers Sethi
 Body Corporate DP Nominee

Mumbai
 April 29, 2021

April 29, 2021