

Price Waterhouse Chartered Accountants LLP

Independent Auditors' report on special purpose consolidated financial information prepared for consolidation purposes

To L B Jha & Co ("LBJ") – Advaya Chemical Industries Limited Group Audit Team

1. As requested in your instructions dated April 04, 2024 and additional instructions dated May 21, 2024 (the "audit instructions"), we have audited, for purposes of your audit of the consolidated financial statements of Advaya Chemical Industries Limited (the "Group"), the accompanying special purpose consolidated financial information of Aquapharm Chemicals Private Limited (the "Company" or "Component") as of March 31, 2024 and for the 2 months period then ended (the "special purpose consolidated financial information"). These special purpose consolidated financial information have been prepared solely to enable the Group to prepare its consolidated financial statements.

Management's responsibility for the special purpose consolidated financial information

2. Management is responsible for the preparation of these special purpose consolidated financial information in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 (the "Act"), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "applicable financial reporting framework") and for such internal control as management determines is necessary to enable the preparation of special purpose consolidated financial information that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3. Our responsibility is to express an opinion on these special purpose consolidated financial information based on our audit. We conducted our audit in accordance with Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Companies Act, 2013. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the special purpose consolidated financial information is free from material misstatement. As requested by you, we planned and performed our audit using the materiality level specified in your audit instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose consolidated financial information of the component alone.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the special purpose consolidated financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose consolidated financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, made by management, as well as evaluating the overall presentation of the special purpose consolidated financial information.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the Group.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership) with LLP identity no: LLPIN AAC - 5001 with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/1800016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

Opinion

6. In our opinion, the accompanying special purpose consolidated financial information for Aquapharm Chemicals Private Limited as of March 31, 2024 and for the 2 months then ended have been prepared, in all material respects in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Emphasis of matters

7. These special purpose consolidated financial information have been prepared for purposes of providing information to the Group to enable it to prepare the consolidated financial statements of the Group. The special purpose consolidated financial information may, therefore, not be suitable for another purpose.
8. The following emphasis of matter paragraph was included by the auditors of Unique Solutions for Chemical Industries Company - a mixed LLC, a subsidiary of the Holding Company, who issued an unmodified opinion vide audit report dated May 20, 2024. Refer note 46 to the Consolidated Financial information for an extract of component's financial information with respect to paragraph below:

"The Group of Companies incurred cumulative losses amounted to SR. 21,867,983 which exceeded 50% of its capital. Accordingly, the Article 182 of the Company Laws is applicable. The accompanying Consolidated Financial Statements were prepared on the basis of going concern."

Other Matters

9. We did not audit the financial information of one subsidiary, whose financial information reflect total assets of INR 1,151.99 Lakhs and net assets of INR 373.60 Lakhs as at March 31, 2024, total revenue of INR 368.96 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of INR 8.01 Lakhs and net cash outflows amounting to INR 50.26 Lakhs for the period of 2 months ended on that date, as considered in the special purpose consolidated financial information. These financial information have been audited by other auditors whose report have been furnished to us by the Management, and our opinion in so far as it relates to the balances and affairs of this subsidiary located outside India, including other information, is based on the report of other auditors.
10. The consolidated financial information of two subsidiaries located outside India, included in these special purpose consolidated financial information, which constitute total assets of INR 7,759.44 Lakhs and net assets of INR (3,627.68) Lakhs as at March 31, 2024, total revenue of INR 75.02 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of INR (289.04) Lakhs and net cash outflows amounting to INR 14.86 Lakhs for the 2 months period then ended; have been prepared in accordance with accounting principles generally accepted in their country of incorporation and have been audited by other auditors under generally accepted auditing standards applicable in their country of incorporation. The Holding Company's management has converted the consolidated financial information of such subsidiaries located outside India from the accounting principles generally accepted in their country of incorporation to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.



11. Our opinion on the special purpose consolidated financial information is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Restriction on use

12. This report is intended solely for L B Jha & Co and should not be used by or distributed to other parties.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Amit Borkar
Partner
Membership Number: 109846
UDIN: 24109846BKGXSQ3212
Place: Pune
Date: May 21, 2024

Aquapharm Chemicals Private Limited
Consolidated Balance Sheet as at March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31st March 2024
ASSETS		
Non-current Assets		
Property, plant and equipment	4	39,805.06
Capital work-in-progress	4	13,177.63
Right of use assets	4	3,742.14
Goodwill	5a	2,196.96
Intangible assets	5	97.64
Financial assets		
Investments	6	1.00
Other financial assets	7	451.80
Other non-current assets	8	1,439.05
Income Tax assets	21	522.83
		<u>61,434.11</u>
Current Assets		
Inventories	9	28,745.85
Financial assets		
Investments	10	3,685.41
Trade receivables	11	26,207.80
Cash and cash equivalents	12	8,180.44
Other Bank balances	13	1,526.73
Other financial assets	14	54.76
Other current assets	15	2,997.48
		<u>71,398.47</u>
Total Assets		<u><u>1,32,832.58</u></u>
EQUITY AND LIABILITIES		
Equity		
Equity share capital	16	212.17
Other equity	17	1,03,081.92
Equity attributable to owners of the parent company		<u>1,03,294.09</u>
Non-controlling interests	47	<u>(562.17)</u>
Total Equity		<u>1,02,731.92</u>
Liabilities		
Non-current Liabilities		
Financial liabilities		
Borrowings	18	-
Lease Liabilities	4	1,104.55
Employee benefit obligations	19	435.04
Deferred tax liabilities (net)	20	2,930.91
		<u>4,470.50</u>
Current Liabilities		
Financial liabilities		
Borrowings	22	6,311.86
Lease Liabilities	4	350.45
Trade Payables		
(i) Micro enterprises & small enterprises	23	615.94
(ii) Other than micro enterprises & small enterprises	23	13,842.41
Other financial liabilities	24	2,854.33
Employee benefit obligations	25	523.02
Current tax liabilities (net)	21	242.82
Other current liabilities	26	889.33
		<u>25,630.16</u>
Total Equity & Liabilities		<u><u>1,32,832.58</u></u>

Summary of material accounting policy information 2
The accompanying notes are an integral part of Consolidated Financial Statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.: 012754N/N500016

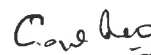
For and on behalf of the Board of Directors of
Aquapharm Chemicals Private Limited



Amit Borkar
Partner
Membership No.: 109846
Place: Pune
Date: May 21, 2024



Kaushik Roy
Director
DIN: 06513489



Gopal Rath
Director
DIN: 00553066



Ganesh Vishwanathan
Chief Financial Officer
Date: May 21, 2024

Aquapharm Chemicals Private Limited**Consolidated Statement of Profit and Loss for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the period 2023-24 (2M)
Revenue from operations	27	23,908.21
Other income	28	200.62
Total revenue		24,108.83
Expenses		
Cost of raw materials consumed	29	16,533.70
Purchases of Stock-in-Trade		173.94
Changes in inventories of finished goods & work-in-progress	30	(1,740.77)
Employee benefit expense	31	2,474.71
Finance costs	32	101.11
Depreciation and amortization expense	33	554.32
Other expenses	34	3,735.72
Total expenses		21,832.73
Profit before tax		2,276.10
Income tax expense:		
Current tax	21	647.16
Deferred tax	20	249.56
Total tax expense		896.72
Profit for the period		1,379.38
Other Comprehensive Income (OCI)		
Items that will not be reclassified to profit or loss (A)		
Remeasurements of post-employment benefit obligations		8.41
Income tax relating to above		3.17
Total (A)		11.58
Items that may be reclassified to profit or loss (B)		
Net movement on cash flow hedges		(22.43)
Income tax relating to above		5.65
Exchange differences on translation of foreign operations		101.28
Total (B)		84.50
Other comprehensive income for the period, net of tax (A+B)		96.08
Total comprehensive Income for the period		1,475.46



Aquapharm Chemicals Private Limited

Consolidated Statement of Profit and Loss for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note No.	For the period 2023-24 (2M)
Profit for the period attributable to:		
Owners of the Parent		1,421.94
Non-controlling interests		(42.56)
Total (C)		1,379.38
Other comprehensive income attributable to:		
Owners of the Parent		98.10
Non-controlling interests		(2.02)
Total (D)		96.08
Total comprehensive income attributable to :		
Owners of the Parent		1,520.04
Non-controlling interests		(44.58)
Total Comprehensive Income, net of tax (C+D)		1,475.46
Basic Earnings Per Share (EPS) (in INR) (refer note 41)		670.18
Diluted Earnings Per Share (EPS) (in INR) (refer note 41)		670.18
(Nominal value per share: INR 100)		

Summary of material accounting policy information

2

The accompanying notes are an integral part of Consolidated Financial Statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No.: 012754N/N500016

For and on behalf of the Board of Directors of
Aquapharm Chemicals Private Limited



Amit Borkar

Partner

Membership No.: 109846

Place: Pune

Date: May 21, 2024



Kaushik Roy

Director

DIN: 06513489



Gopal Rath

Director

DIN: 00553066



Ganesh Vishwanathan

Chief Financial Officer

Date: May 21, 2024

Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Consolidated Statement of Changes in Equity for the 2 months period ended March 31, 2024

Equity Share Capital	Note no	No. of shares (Units)	Amount	Reserves and surplus				Total	Non Controlling interests (NCI)
				Capital reserve	Capital redemption reserve	General reserve	Retained earnings		
As at February 01, 2024		2,12,172	212.17						
Change in equity share capital	16	-	-						
As at March 31, 2024		2,12,172	212.17						
Other Equity									
As at January 31, 2024		87.83	3,597.17	988.16			95,075.84	1,800.18	1,01,561.88
Profit for the period		-	-	-	-	-	1,421.94	-	1,421.94
Other Comprehensive Income		-	-	-	-	-	11.58	103.30	98.10
Transferred to Statement of Profit and Loss (Net)		-	-	-	-	-	-	(0.00)	(2.02)
As at March 31, 2024		87.83	3,597.17	988.16			96,509.36	1,903.48	1,03,081.92
								(4.08)	(562.17)

There are no transactions with Owners in their capacity as Owners.

* Amounts are below rounding off norms followed by company.

The accompanying notes are an integral part of Consolidated Financial Statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No.: 012754N/N500016

Borkar

Amit Borkar

Partner

Membership No.: 109846

Place: Pune

Date: May 21, 2024

For and on behalf of the Board of Directors of
Aquapharm Chemicals Private Limited

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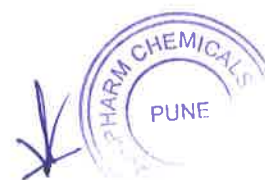
Chief Financial Officer

Date: May 21, 2024

Aquapharm Chemicals Private Limited
Consolidated Statement of Cash flows for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	For the period 2023-24 (2M)
A. Operating activities	
Profit before tax	2,276.10
Adjustments to reconcile profit before tax to net cash flows	
Depreciation and amortization of property, plant & equipment and intangible assets	554.32
(Profit) / Loss on sale of property, plant and equipment	(13.20)
Change in fair value of investments	(51.54)
Finance costs	101.11
Interest income	(23.00)
Unrealized exchange difference	(15.81)
Operating profit before working capital changes	2,827.98
Changes in operating assets and liabilities	
Increase/(Decrease) in trade payables	(2,035.92)
Increase/(Decrease) in employee benefit obligations	(146.60)
Increase/(Decrease) in other financial liabilities	(1.80)
Increase/(Decrease) in other current liabilities	(213.02)
Decrease/(Increase) in trade receivable	1,031.41
Decrease/(Increase) in inventories	(303.76)
Decrease/(Increase) in other financial assets	167.77
Decrease/(Increase) in other current assets	359.11
Cash generated from operating activities	1,685.17
Income tax paid (net of refunds)	(513.96)
Net cash inflow/ (outflow) from operating activities	1,171.21
B. Investing activities*	
Purchase of property, plant and equipments and intangible assets	(2,161.04)
Proceeds from sale of property, plant and equipments	61.21
Net movement in other bank balance	(23.92)
Interest Received	8.15
Net cash inflow/ (outflow) from investing activities	(2,115.60)
C. Financing activities*	
Proceeds from borrowings	2,081.60
Repayment of borrowings	(3,173.29)
Interest paid	(70.18)
Principal elements of lease payments	(55.36)
Net cash flow inflow/ (outflow) from financing activities	(1,217.23)
I.Net increase/(decrease) in cash and cash equivalents (a+b+c)	(2,161.62)
II.Effect of exchange rate change in cash and cash equivalents	40.93
III.Cash and cash equivalents as at beginning of the year (refer note 12)	10,301.13
IV.Cash and cash equivalents as at year end (refer note 12) (I+II+III)	8,180.44

*There are no non cash investing and financing activities during the year. For additions to Right of use of assets, refer note 4.



Aquapharm Chemicals Private Limited

Consolidated Statement of Cash flows for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Components of cash and cash equivalents:

	As at 31st March 2024
Balances with banks	8,175.45
Cash on hand	4.99
Total cash and cash equivalents	8,180.44

The accompanying notes are an integral part of Consolidated Financial Statements.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No.: 012754N/N500016

For and on behalf of the Board of Directors of
Aquapharm Chemicals Private Limited



Amit Borkar

Partner

Membership No.: 109846

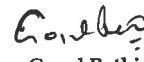
Place: Pune

Date: May 21, 2024



Kaushik Roy
Director

DIN: 06513489



Gopal Rath
Director

DIN: 00553066



Ganesh Vishwanathan
Chief Financial Officer

Date: May 21, 2024

Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Aquapharm Chemicals Private Limited (the Parent Company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2024. The Parent Company is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Parent Company is located at 9th and 10th Floor, Amar Synergy, 12B, Sadhu Vaswani Road, Pune, Maharashtra, India. The Group is primarily engaged in the business of manufacturing and sale of basic and special chemicals used in detergents, soaps and other chemical industries.

2. Accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The special purpose consolidated financial information comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The special purpose consolidated financial information have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value
- Defined benefit plans - plan assets measured at fair value

The special purpose consolidated financial information are presented in Indian Rupees Lakhs, except when otherwise indicated.

This special purpose consolidated financial information has been prepared solely to enable Advaya Chemical Industries Limited (Holding Company of Aquapharm Chemicals Private Limited) to prepare its consolidated financial statements.

Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

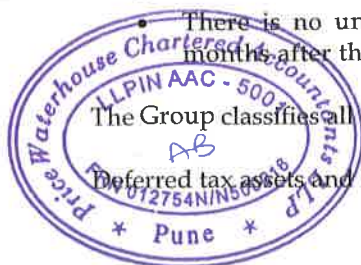
All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

2.2 Principles of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

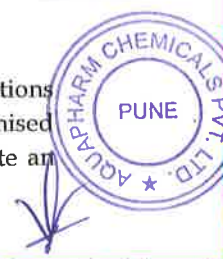
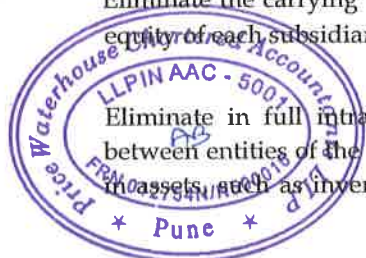
The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2024. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent company to enable the parent company to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how goodwill is accounted.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Material accounting policy information

a) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

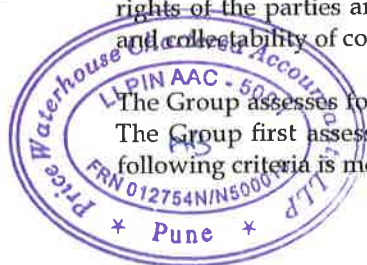
Revenue recognition policy

The Group has following streams of revenue:

(i) Revenue from sale of goods / products

The Group accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Group assesses for the timing of revenue recognition in case of each distinct performance obligation. The Group first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

- The customer simultaneously consumes the benefits as the Group performs, or
- The customer controls the work-in-progress, or
- The Group's performance does not create an asset with alternative use to the Group and the Group has right to payment for performance completed till date

If none of the criteria above are met, the Group recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Group also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time when control has been transferred.

The Group estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract.

Financing components: The Group does not expect to have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Revenue recognised at a point-in-time

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Aquapharm Chemicals Private Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses 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 profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

The Group uses forward contracts to hedge its exposure to movements in foreign exchange rates which are designated as cash flow hedges. To the extent these hedges are effective, the changes in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in cash flow hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss.

Non-monetary items that are measured at fair value 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 or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet.
- Income and expenses are translated at average exchange rates
- All resulting exchange differences are recognised in other comprehensive income or profit and loss account.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange difference are classified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rate.

c) Income Taxes

Current income tax and Deferred tax

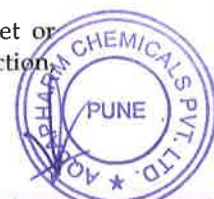
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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;



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

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

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 income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

d) Property, plant and equipment

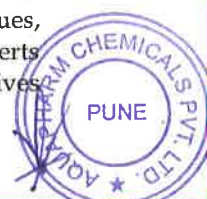
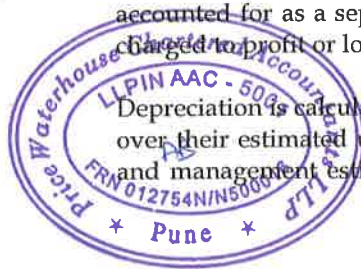
Freehold land and Capital work in progress are carried at historical costs. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. Such historical cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met.

When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected to be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Subsequent costs are included in the asset's carrying amount 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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Group, based on technical assessments made by technical experts and management estimates, depreciates the certain items of tangible assets over estimated useful lives.



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which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provide the details of the useful lives considered by Management with comparison with useful lives prescribed under Schedule II of the Companies Act, 2013:

Asset Category	Useful Life considered#	Useful life (Schedule II)
Factory Building ("Buildings")	15-39 Years *	30 Years
Residential Building ("Buildings")	60 Years	60 Years
Factory Roads ("Buildings")	10 Years	10 Years
Plant and Machinery (Other than Glass Lined Reactors and Condenser)	5-22 Years *	Plant and Machinery for continuous process plant- 25 years
Plant and Machinery (Glass Lined Reactors and Condenser)	5 Years *	Reactors - 20 Years
Furniture and fixtures	4-10 Years *	10 Years
Computers	3-5 Years *	3 Years
Office equipment	5 Years	5 Years
Electrical installations	10 Years	10 Years
Vehicles	3-4 Years *	8 Years
Windmill ("Plant and Machinery")	22 Years	22 Years
Laboratory Equipments ("Plant and Machinery")	10 Years	10 Years

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

Residual value considered as 5% on the basis of management's estimation, supported by technical advice.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

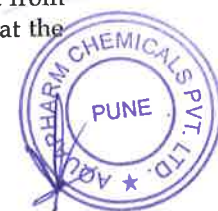
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

e) Intangible Assets

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, or is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.



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Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Group does not have any intangible assets with indefinite useful lives.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

All intangible assets (other than Goodwill) are amortised on a straight line basis over a period of three years.

Research costs are expensed as incurred.

f) Leases

As a Lessee:

The Group leases various land parcels and plant & machinery. Rental contracts are typically made for fixed periods, but have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions. In case of lease payments made in advance for the total period of lease, the Group does not create any corresponding liability.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in a number of property and equipment leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As a Lessor:

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

g) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

h) Employee benefits obligations

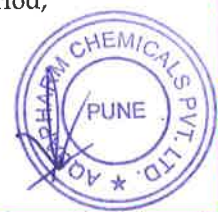
(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for privilege leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) Defined benefit plans in the nature of gratuity, and
- (b) Defined contribution plans in the nature of provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there are significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

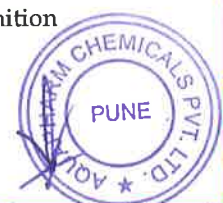
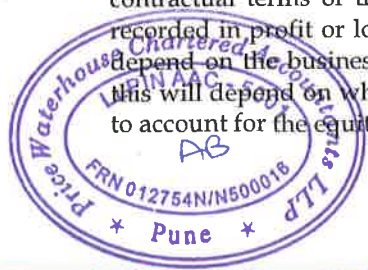
j) Investments and Other Financial assets

i) Classification & Recognition:

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commit to purchase or sell the financial asset.

ii) Measurement:

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments: Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in statement of profit and loss using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ (expenses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments: The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income / (expenses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries are carried at historical cost.

iii) Impairment of financial assets



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity considers:

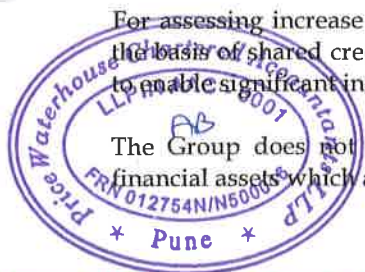
- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e. financial assets which are credit impaired on purchase/ origination.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

iv) Derecognition of financial asset

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

k) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

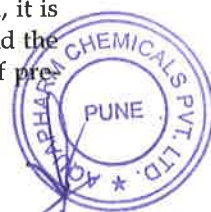
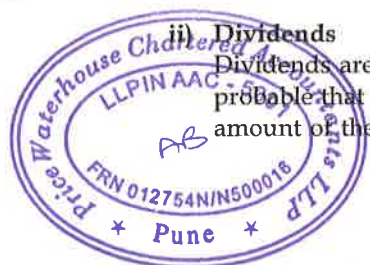
l) Other Income and other operating revenue

i) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in other income in the Statement of Profit and Loss.

ii) Dividends

Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

iii) Windmill income – wind power generation

Income from wind power generation is recognised when earned on the basis of contractual arrangement with the buyer.

iv) Export incentives

Export of goods is eligible for incentives from Government as per Import-Export policies declared by the Government from time to time. Parent Company's export products are eligible for Duty drawback and Merchandise Exports from India Scheme (MEIS). Rates for duty drawback vary according to products and destinations. The Group recognises duty drawback on receipt basis and MEIS on application basis in the year of export.

v) Material handling services

This involves charging customers for inventory handling and freight services. These are based on agreement with the customers.

m) Provisions and contingent liabilities

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

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 Group 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.

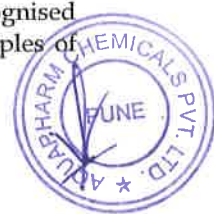
n) Cash and cash equivalents

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, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash and cash equivalent, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Group's cash management.

o) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

p) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

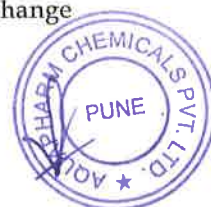
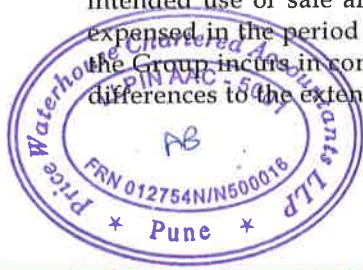
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash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

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

q) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counter party.

r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

s) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 41 for segment information presented.

2.4 Other accounting policies

a) Business Combination

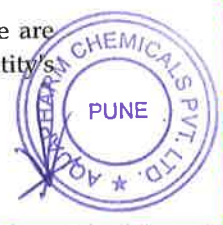
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Company and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

b) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

c) Derivatives and hedging activities

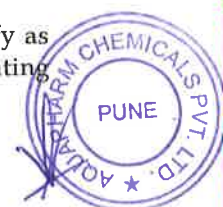
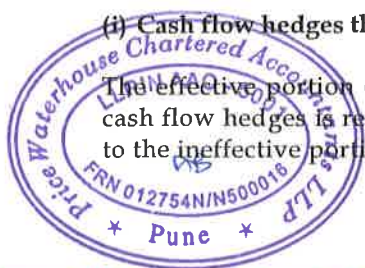
Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of assets and liabilities and highly probable forecast transactions (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

When forward contracts are used to hedge forecast transactions, the Group designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Derivatives that are not designated as hedges

The derivative contracts which are not designated as hedges are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

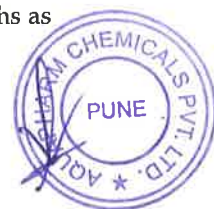
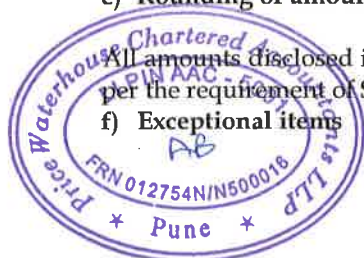
d) Dividends

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

e) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

f) Exceptional items



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

2.5 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement 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. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below.

Revenue Recognition on Contracts with Customers

The Group's contracts with customers could include promises to transfer multiple products to a customer. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods and the ability of the customer to benefit independently from such goods. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as products/services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The Group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.



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Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Group excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Group recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Group in designing and manufacturing of the good.

Ind AS 116 - Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices and equipment leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed periodically whether an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 36.



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

	Land	Buildings#	Plant and Machinery	Furniture & Fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
Gross carrying amount as at 1st February, 2024	281.40	24,723.88	29,542.77	1,361.34	736.51	643.29	2,152.03	466.40	59,907.62
Additions	-	128.00	121.60	1.96	-	-	-	0.85	252.41
Disposals/ Adjustments	-	-	-	-	(176.20)	(1.53)	-	(2.87)	(180.60)
Translation adjustments	0.64	39.89	20.79	1.73	0.10	-	-	0.75	63.90
Closing gross carrying amount as at 31st March, 2024	282.04	24,891.77	29,685.16	1,365.03	560.41	641.76	2,152.03	465.13	60,043.33
Accumulated Depreciation as at 1st February, 2024	-	4,111.73	12,467.02	905.84	326.79	496.28	1,137.02	425.88	19,870.56
Charge for the period	-	137.72	262.17	14.07	33.50	6.60	27.63	4.08	485.77
Disposals/ Adjustments	-	-	-	-	(129.87)	(0.48)	-	(2.24)	(132.59)
Translation adjustments	-	4.37	8.16	1.17	0.09	-	-	0.74	14.53
Accumulated Depreciation as at 31st March, 2024	-	4,253.82	12,737.35	921.08	230.51	502.40	1,164.65	428.46	20,238.27
Net carrying value as at 31st March, 2024	282.04	20,637.95	16,947.81	443.95	329.90	139.36	987.38	36.67	39,805.06

#Buildings include those constructed on lease hold land.

Title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease arrangements are duly executed in favour of the lessee) are held in the name of the Group.

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current period.

No proceedings have been initiated or are pending against the Group for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made there under.

Movement in capital work-in-progress

	31-Mar-24
Opening balance	10,069.81
Additions during the year (refer note 1)	3,360.24
Transfers during the year	252.41
Closing balance	13,177.63

Note 1:

During the period, the Group has capitalised the following expenses to capital work-in-progress:

Particulars	31-Mar-24
Employee benefit expense	16.32
Other expenses	10.40
Total	26.72
Add: balance brought forward from previous period	254.55
Less: capitalised during the period to property, plant & equipment	-
Balance forming part of capital work-in-progress	281.27



4 PROPERTY, PLANT & EQUIPMENT

Capital work in progress mainly comprises of amounts pertaining to buildings and plant & machinery.

Refer note 18 and 22 for information on property, plant and equipment charged as security by the Company.

Refer note 38 for disclosure of capital commitments for the acquisition of property, plant & equipment.

Ageing of capital work-in-progress (CWIP):

CWIP as at March 31, 2024	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress	9,227.76	3,814.57	135.30	13,177.63
Projects temporarily suspended	-	-	-	-

There are no material overdues compared to original plans as on March 31, 2024. The Group evaluates the completion of projects based on its original plan, which are monitored on an ongoing basis.

Details of Leases :

The note provides information for leases where the Group is a lessee. The Group leases various land parcels, buildings and plant & machinery. Rental contracts are typically made for fixed periods, but have extension options.

(i) Assets and liabilities recognised in balance sheet

	Right of Use asset
Gross carrying amount as at 1st February, 2024	4,431.80
Additions	290.09
Disposals / Adjustments	-
Translation adjustments	7.67
Closing gross carrying amount as at 31st March, 2024	4,729.56
Accumulated Depreciation as at 1st February, 2024	923.45
Charge for the period	61.02
Disposals / Adjustments	-
Translation adjustments	2.94
Accumulated Depreciation as at 31st March, 2024	987.42
Net carrying value as at 31st March, 2024	3,742.14

The balance sheet shows the following amount relating to lease (Net Book Value):

Particulars	31-Mar-24
Right of Use assets	
Leasehold land	2,374.76
Leasehold Building	786.15
Plant & Machinery	581.23
	3,742.14



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

Lease Liabilities:

The Group has made the payment for the complete period of lease with respect to the leasehold land. Therefore, the Group does not require to create any corresponding liability for the leasehold land. The lease liability has been created for the buildings and plant & machinery taken on lease.

Particulars	31-Mar-24
Lease liabilities	
Non-current	1,104.55
Current	350.45
	1,455.00
Movement of lease liabilities	
Particulars	31-Mar-24
At the beginning of the period	1,510.36
Accretion of interest (refer note 32)	6.43
Payment/adjustments of lease liabilities	(61.79)
At the end of the period	1,455.00

The table below provides details regarding the contractual maturities of lease liabilities as at the period end on an undiscounted basis :

Particulars	31-Mar-24
Less than one year	350.45
One to five years	1,104.55
At the end of the period	1,455.00

(ii) Amount recognised in the Statement of Profit and Loss:

Particulars	Note No.	31-Mar-24
Depreciation charge on right of use assets		
Leasehold Land	4.25	
Leasehold Building	35.87	
Plant & machinery	20.90	
		61.02
Particulars	Note No.	31-Mar-24
Interest expenses (included in finance cost)*	32	6.43
Expenses related to short term leases, low value assets (included as rent in other expenses)	34	11.22

*The total lease payment for the period of the lease with respect to leasehold land has already been paid. Refer note above.

Extension and Termination option :

Extension and termination options are included in lease agreements. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.



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Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

5 INTANGIBLE ASSETS

	Computer software	Goodwill (Refer note 5a)	Total
Gross carrying amount as at 1st February, 2024	523.39	2,189.23	2,712.62
Additions	-	-	-
Disposals/ Adjustments	(0.01)	-	(0.01)
Translation adjustments	-	7.73	7.73
Closing gross carrying amount as at 31st March, 2024	523.38	2,196.96	2,720.34
Accumulated Amortisation as at 1st February, 2024	418.21	-	418.21
Charge for the period	7.53	-	7.53
Disposals/ Adjustments	-	-	-
Translation adjustments	-	-	-
Accumulated Amortisation as at 31st March, 2024	425.74	-	425.74
Net carrying value as at 31st March, 2024	97.64	2,196.96	2,294.60



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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

5a Goodwill

Impairment test of Goodwill

The Group has only one CGU i.e. Chemicals. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount to exceed the recoverable amount.

Summary of Goodwill as given below-

	As at 31st March 2024
Balance at the end of the year (Refer note 5)	2,196.96

Key assumptions used in the value in use calculations

- The recoverable amount of Goodwill is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by senior management and a pre-tax discount rate of 17.2% per annum. The discount rate commensurate with the risk specific to the projected cash flow and reflects the rate of return required by an investor.
- The Group has considered long term terminal growth rate of 3%.
- The Group has considered EBITDA margin in the range of 20% to 24%

Sensitivity to changes in assumptions

Discount rates

A rise in pre-tax discount rate to 22.90% would result in impairment.



Aquapharm Chemicals Private Limited

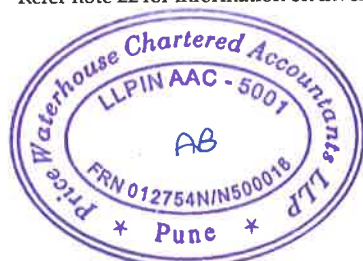
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
6 INVESTMENTS - NON-CURRENT	
Investment in Equity instrument (measured at cost)	
Investment in subsidiaries (Unquoted, fully paid up)	
Aquapharm Foundation, India*	1.00
9,999 equity shares of INR 10 each fully paid up	
	1.00
Carrying value and market value of quoted and unquoted investments are as below:	
Aggregate carrying value of quoted investments & market value thereof	-
Aggregate carrying value of unquoted investments	1.00
Aggregate amount of impairment in value of investments	-
The Group has complied with the number of layers prescribed under the Companies Act, 2013.	
* Aquapharm Foundation is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only.	
	As at 31st March 2024
7 OTHER FINANCIAL ASSETS	
Non-current (Unsecured, considered good)	
Deposits with maturity of more than 12 months	8.76
Security Deposits	443.04
	451.80
	As at 31st March 2024
8 OTHER NON-CURRENT ASSETS	
Unsecured, considered good	
Capital Advances	1,439.05
	1,439.05
	As at 31st March 2024
9 INVENTORIES	
Raw Materials	8,926.98
In transit	829.38
	9,756.36
Work-in-progress	1,174.55
	1,174.55
Finished goods	14,074.03
In transit	3,080.46
	17,154.49
Stores and spares	660.45
	28,745.85

Write-down of inventories amounted to INR 1,065.32 Lakhs. These were recognised as an expense in Statement of Profit and Loss of respective year.

Refer note 22 for information on inventories hypothecated as security by the Group.



Aquapharm Chemicals Private Limited
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
10 INVESTMENTS - CURRENT	
In mutual funds (quoted; at fair value through profit or loss)	
14,20,700.9 Units of ABSE Corporate Bond Fund Direct Growth Plan	1,466.81
23,04,350.54 Units of HDFC Short Term Debt Fund Direct Growth Plan	684.21
63,773.80 Units of HSBC Cash Fund Direct Growth Plan	1,534.39
	3,685.41
Aggregate amount of quoted investments and market value thereof*	3,685.41
Aggregate amount of unquoted investments	-
Aggregate amount of impairment in value of investments	-
*Includes INR 3,685.41 lakhs pledged in favour of bank to secure ECB and SBLC Limits.	
The Group has not traded or invested in crypto currency or virtual currency during the current year.	
Refer note 18 and 22 for information on investments pledged as security by the Group.	

	As at 31st March 2024
11 TRADE RECEIVABLES	
Current	
Trade receivables from contract with customers-billed	26,245.61
Trade receivables from contract with customers-unbilled	-
Less: Loss allowance	(37.81)
	26,207.80
Break-up of security details	
Trade receivables considered good - Secured	-
Trade receivables considered good - Unsecured	26,245.61
Trade receivables which have significant increase in credit risk	-
Trade receivables - credit impaired	-
Less: Loss allowance	26,245.61
	(37.81)
Total trade receivables	26,207.80

No trade or other receivables are due from directors or other officers of the Parent Company either severally or jointly with any other person.
Refer note 22 for information on trade receivables hypothecated as security by the Group.

Particulars	Not due	Ageing of trade receivables as on 31st March 2024:				Total Receivables
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years
Undisputed Trade receivables - considered good	21,168.84	4,278.86	51.65	431.37	314.71	26,245.61
	21,168.84	4,278.86	51.65	431.37	314.71	26,245.61



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
12 CASH AND CASH EQUIVALENTS	
Balances with banks:	
In Current Accounts	5,098.49
In EEFC Accounts	2,106.65
Deposits with original maturity of less than 3 months	970.31
Cash on Hand	4.99
	8,180.44
There are no repatriation restrictions with regards to cash & cash equivalents.	
	As at 31st March 2024
13 OTHER BANK BALANCES	
Deposits with original maturity of more than 3 months but less than 12 months	1,526.73
	1,526.73
*Includes INR 1,400 Lakhs lien marked in favour of the bank to secure SBLC Facility.	
	As at 31st March 2024
14 OTHER FINANCIAL ASSETS	
Unsecured, considered good	
Interest accrued on Bonds and Deposits	44.07
Others	10.69
	54.76
	As at 31st March 2024
15 OTHER CURRENT ASSETS	
Unsecured, considered good	
Prepaid expenses	398.84
Advances to suppliers	1,125.17
Balances with Government Authorities	1,409.99
Others	63.48
	2,997.48



Aquapharm Chemicals Private Limited
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
16 EQUITY SHARE CAPITAL	
Authorized share capital	
5,01,000 Equity Shares of INR 100 each	501.00
Issued share capital	
2,12,172 Equity Shares of INR 100 each fully paid up	212.17
Subscribed & fully paid up share capital	
2,12,172 Equity Shares of INR 100 each fully paid up	212.17
Total issued, subscribed & fully paid up equity share capital	212.17

a Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	31st March 2024 (No. of Shares)	31st March 2024 (INR lakhs)
At the beginning of the period	2,12,172	212.17
Shares issued during the period	-	-
Shares bought back during the period	-	-
At the end of the year	2,12,172	212.17

b Equity shares bought back and extinguished in the last five years:

Financial year	No of Shares
2023-24	-
2022-23	23,500
2021-22	17,710
2020-21	8,000
2019-20	-

c Terms and rights attached to equity shares:

The company has only one class of equity shares. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the Shareholders of equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

e Shares held by Holding Company and its subsidiaries/associates:

	As at 31st March 2024	
	No. of Shares held	% of Holding
Immediate Holding Company		
Advaya Chemical Industries Limited	2,12,172	100.00%

e Details of shareholders holding more than 5% shares in the Company:

	As at 31st March 2024	
	No. of Shares held	% of Holding
Advaya Chemical Industries Limited	2,12,172	100.00%

During the year on 31st January 2024, the erstwhile promoters of the Company, Desai Family and Mangwani Family, sold their entire shareholding of 2,12,172 shares to Advaya Chemical Industries Limited (subsidiary of PCBL Limited).

f Details of shareholding of promoters:

	As at 31st March 2024		
	No. of Shares held	% of Holding	% Change
Advaya Chemical Industries Limited	2,12,172	100%	100%
Desai Family, their relatives and concerns	-	0%	100%
Mangwani Family, their relatives and concerns	-	0%	100%

'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013. The Schedule III disclosures requirement regarding bonus shares and forfeited shares are not applicable to the Company.



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Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

17 OTHER EQUITY

	As at 31st March 2024
Capital Reserve	
Opening balance	988.16
Transferred during the year	-
	988.16
Capital Redemption Reserve	
Opening balance	87.83
Created during the year	-
	87.83
General Reserve	
Opening balance	3,597.17
Less: Transferred to Capital Redemption Reserve	-
	3,597.17
Foreign Currency Translation Reserve	
Opening balance	1,819.56
Exchange differences on translation of foreign operations for the period	101.28
Closing Balance#	1,920.84
#This also includes allocation to Non controlling interests. Refer Consolidated Statement of Changes in Equity for further details.	
Retained Earnings*	
Opening Balance	94,669.19
Profit for the period	1,379.38
Remeasurements of post-employment benefit obligations, net of tax	11.58
Total Retained earnings	96,060.15
*Retained earnings include an amount of INR 27.50 Lakhs which is restricted for distribution of dividend. The total retained earnings also includes allocation to Non controlling interests. Refer Consolidated Statement of Changes in Equity for further details.	
Cash flow hedge reserve	
Opening balance	12.70
Transferred during the period to Statement of Profit and Loss	(0.00)
Created during the year	(16.78)
Closing Balance	(4.08)
Total Other equity	1,02,650.07
Less: Allocation to Non-controlling interests	(431.83)
Other equity attributable to owners	1,03,081.92
Non-controlling interests	(562.17)
Total Other equity	1,02,519.75

Nature & purpose of reserves, other than retained earnings:**Capital Reserve** - Includes receipt on account of arbitration award. It is not available for distribution of dividend.**Capital Redemption Reserve** - As per provisions of Companies Act 2013, the Group has recognised Capital Redemption Reserve on buy-back of equity shares. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.**General reserve** - General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes.**Foreign Currency Translation Reserve** - Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.**Cash flow hedge reserve** - The Group uses forward contracts to hedge its exposure to movements in foreign exchange rates which are designated as cash flow hedges. To the extent these hedges are effective, the changes in fair value of the hedging instruments are recognised in the cash flow hedging reserve. Amounts recognised in cash flow hedging reserve are reclassified to profit or loss when the hedged item affects profit or loss.


Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
18 BORROWINGS	
Non-current borrowings	
Term Loans	
Foreign currency loans from banks (secured)*	751.70
Other foreign currency loan (unsecured)	-
	751.70
The above amount includes:	
Secured borrowings	751.70
Unsecured borrowings	-
Total Non-current borrowings	751.70
Less: Current maturities of long term borrowings disclosed under the head Current Borrowing (refer note 22)	(751.70)
Net Amount	-

*The amount is net of fees and charges paid upfront of INR Nil.

Note:**Unique Solutions For Chemical Industries Co., Saudi Arabia:**

a) Term loan of INR 751.70 Lakhs is repayable in FY 2024-25. The term loan is secured by Corporate guarantee issued by the Parent Company.

	As at 31st March 2024
19 EMPLOYEE BENEFIT OBLIGATIONS	
Non-current	
Provision for Gratuity	179.06
Provision for Employee benefit obligations of Unique Solutions for Chemical Industries Co., Saudi Arabia	255.98
	435.04



Aquapharm Chemicals Private Limited
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
20 DEFERRED TAX LIABILITIES (NET)	
Deferred Tax Liabilities (A)	3,417.19
Property, plant & equipment (including ROU and Intangible assets) : Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	161.39
Impact of fair valuation of mutual funds and bonds	3,578.58
Total (A)	
Deferred Tax Assets (B)	13.41
Expected credit loss	200.71
Expenditure allowed for tax purposes on payment basis	430.37
Expenses deductible for tax purposes in future period	3.18
Others	647.67
Total (B)	
Deferred Tax Liabilities (Net) (A-B)	2,930.91
Reconciliation of deferred tax liability	As at 31st March 2024
Opening deferred tax liability, net	2,688.24
Deferred tax (credit) / charge recorded in statement of profit and loss	249.56
Deferred tax (credit) / charge recorded in OCI	(8.81)
Others	1.92
Closing deferred tax liability, net	2,930.91
The major components of income tax expense for the periods ended 31 March 2024 are:	As at 31st March 2024
Profit and loss section	
Current tax	647.16
Deferred Tax	249.56
Income tax expenses reported in the Statement of Profit and Loss	896.72
OCI Section	
Deferred tax related to items recognised in OCI during in the year:	
Net movement on cash flow hedges	(5.65)
Re-measurement of post employment benefit plans	(3.17)
Income tax charge / (credit) through OCI	(8.82)
Reconciliation of tax expense	As at 31st March 2024
Accounting profit before income tax	2,276.10
Tax at India's statutory income tax rate of 25.17%	572.85
Tax rate difference	78.54
Subscriptions and donations	251.68
Corporate social responsibility	16.90
Deferred tax assets not recognised on losses	(56.42)
Other adjustments	33.17
Income tax expense	896.72
Income tax expense reported in the statement of profit and loss	896.72



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
21 CURRENT TAX LIABILITIES	
Opening Current tax liabilities/(assets)	(414.11)
Add: Current tax charge for the period	647.16
Less: Tax paid	513.06
Total Current Tax Liabilities / (Assets)	(280.01)
Disclosed as Current Tax Liabilities	242.82
Disclosed as Income Tax Assets	(522.83)
TAX EXPENSES	
Current tax	647.16
Increase / (Decrease) in deferred tax liability	249.56
Total tax expenses	896.72
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.	
Amounts recognised directly in equity	
Amount of Rs. Nil paid as tax on buy-back of equity shares during the year is directly recognised in equity.	
Unused tax losses for which no deferred tax asset has been recognised	283.72
Potential tax benefit @ 25.17% (March 31, 2023: 25.17%)	71.41

Certain subsidiaries of the group have undistributed earnings of INR 29,409.72 Lakhs which, if paid out as dividends, would be subject to tax in the hands of the Parent Company. An assessable temporary difference exists, but no deferred tax liability has been recognised as the Group is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

	As at 31st March 2024
22 BORROWINGS	
Current borrowings	
Working capital loans from Banks (secured)	5,560.16
Current maturities of long term borrowings (secured)	751.70
	6,311.86
The above amount includes:	
Secured borrowings	6,311.86
Unsecured borrowings	-

a Working capital loans from banks are secured by:**Aquapharm Chemicals Private Limited (Parent Company):**

(i) Pari passu first charge by way of hypothecation of stocks of inventories and book debts/receivables of the Parent Company, both present and future.

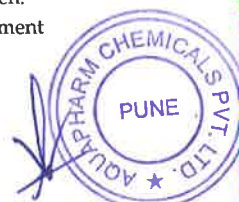
(ii) Pari passu first charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company (both present and future) related to Pirangut plant of the Parent company.

(iii) Pari passu second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Parent Company (both present and future) related to Mahad plant of the Parent company.

(iv) Repayment & interest rate- Working capital loans are repayable on demand and carry interest rate ranging from 6.25% to 6.35%.

Unique Solutions for Chemical Industries Co., Saudi Arabia:

(v) SBLC issued by the Hong Kong and Shanghai Banking Corporation Limited, India. The Loan is repayable on demand and carries interest @ SAIBOR + 1.50%.

b The Group has borrowings from banks secured against current assets. The Monthly/quarterly statements of current assets filed by the company with banks are in agreement with the books of account.**c The borrowings obtained by the Group from banks have been applied for the purposes for which such loans were taken.****d The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.**

Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Calculation of net debt

	As at 31st March 2024
Cash and cash equivalents	8,180.44
Liquid investments	5,212.14
Lease Liabilities	1,455.00
Current Borrowings (including interest accrued but not due)	(6,353.43)
Non-current borrowings (including interest accrued but not due)	-
	8,494.15

Liquid investments includes current investments that are traded in an active market and also includes bank deposits classified as other bank balances.

Movement of non-current borrowings

	As at 31st March 2024
Opening balance	-
Cash flows	-
Interest expense	-
Interest paid	-
Forex adjustment	-
	-

Movement of current borrowings

	As at 31st March 2024
Opening balance	7,385.39
Cash flows	(1,091.69)
Interest expense	67.94
Interest paid	(67.94)
Forex adjustment	59.72
	6,353.43

Movement of lease liabilities

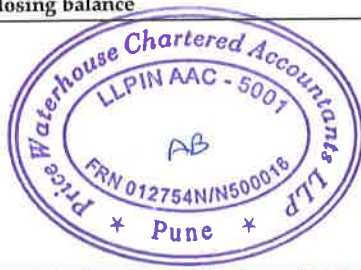
	As at 31st March 2024
Opening balance	1,510.36
Accretion of interest	6.43
Payment/adjustments of lease liabilities	(61.79)
	1,455.00

Movement of cash and cash equivalents

	As at 31st March 2024
Opening balance	10,301.14
Cash flows	(2,161.62)
Forex adjustment	40.93
Closing balance	8,180.45

Movement of liquid investments

	As at 31st March 2024
Opening balance	5,136.67
Net Cash flows from investments	23.93
Net fair value gain/(loss) on financial assets measured at FV through profit or loss	51.54
Closing balance	5,212.14



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31st March 2024
23 TRADE PAYABLES	
Trade payables: micro enterprises & small enterprises (refer note 35)	615.94
Trade payables: others	-
Trade payables to related parties (refer note 40)	13,842.41
Trade payables: others	
	14,458.35

Trade Payables ageing as on March 31, 2024		Not Due	Outstanding for the following periods from due date of payment			Total Trade Payables
Particulars	Unbilled		Less than 1 year	1-2- years	2-3 years	
(i) Micro enterprises & small enterprises - undisputed	-	438.92	177.01	-	-	615.93
(ii) Others - undisputed	3,857.95	7,816.69	2,018.51	28.70	2.79	13,842.41
	3,857.95	8,255.61	2,195.52	28.70	2.79	14,458.34

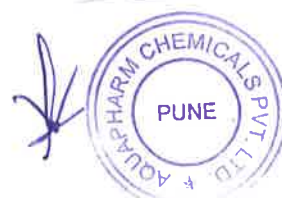


Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

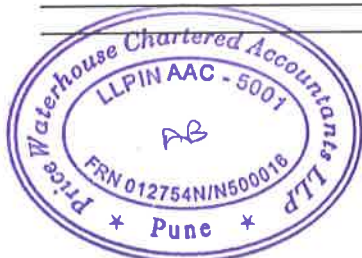
	As at 31st March 2024
24 OTHER FINANCIAL LIABILITIES	
Current	
Derivative instruments	
Foreign Exchange Forward Contracts	5.46
Others	
Deposits from customers	42.60
Interest accrued but not due on borrowings	41.56
Employee benefits payable	1,375.95
Payables for purchase of property, plant & equipment	1,388.54
Others	0.22
	2,854.33
	As at 31st March 2024
25 EMPLOYEE BENEFIT OBLIGATIONS	
Current	
Provision for Gratuity	31.00
Provision for Compensated absences	492.02
	523.02
	As at 31st March 2024
26 OTHER CURRENT LIABILITIES	
Statutory dues payable	502.83
Advance from customers (contract liabilities)*	372.38
Others	14.12
	889.33

*Contract liabilities have increased in the current period mainly on account of advances received from customers during the period. The movement also includes utilisation of advances during the period against invoices raised.



Aquapharm Chemicals Private Limited
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

	For the period 2023-24 (2M)
27 REVENUE FROM OPERATIONS	
Revenue from contracts with customers	
Sale of products	
Finished goods	23,499.27
Traded goods	220.41
	23,719.68
Other operating revenue	
Scrap sales	3.35
Export incentives	8.17
Income from Windmill	24.02
Material handling services	152.99
	188.53
	23,908.21
Revenue disaggregation in terms of nature and products has been included above. The Group has only one segment (refer note 39).	
Refer note 2 and 3 for accounting policy and significant judgements, respectively.	
The total contract price of INR 23,719.68 lakhs is reduced by consideration of INR Nil towards variable	
	For the period 2023-24 (2M)
28 OTHER INCOME	
Interest Income	
Bank Deposits	23.00
Net fair value gains on financial assets measured at FV through profit or loss	51.54
Profit on sale of assets (net)	13.20
Miscellaneous Income	112.88
	200.62
	For the period 2023-24 (2M)
29 COST OF RAW MATERIALS CONSUMED*	
Raw material at the beginning of the period	11,024.51
Add : Purchases	15,265.55
	26,290.06
Less : Raw material at the end of the period	(9,756.36)
	16,533.70
*Includes packing materials of INR 949.73 Lakhs	
	For the period 2023-24 (2M)
30 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS	
Inventories at the end of the period	
Work-in-progress	1,174.55
Finished goods	17,154.49
	18,329.04
Inventories at the beginning of the period	
Work-in-progress	1,252.47
Finished goods	15,335.81
	16,588.27
	(1,740.77)



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

	For the period 2023-24 (2M)
31 EMPLOYEE BENEFIT EXPENSE	
Salaries, Wages & Bonus	2,233.33
Contribution to Provident & other funds*	46.48
Gratuity expenses	16.29
Staff welfare expenses	178.61
	2,474.71
*This includes contribution of INR 27.43 Lakhs towards provident fund (Defined contribution plan) in current year. The Parent Company has a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government of India for employees at the rate of 12% of basic salary as per local regulations. The obligation of the Parent Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.	
	For the period 2023-24 (2M)
32 FINANCE COSTS	
Interest	67.94
Interest on lease liabilities	6.43
Other borrowing costs	26.74
Total	101.11
	For the period 2023-24 (2M)
33 DEPRECIATION AND AMORTIZATION EXPENSE	
Depreciation of property, plant & equipment	485.77
Depreciation of right of use assets	61.02
Amortisation of intangible assets	7.53
Total	554.32
	For the period 2023-24 (2M)
34 OTHER EXPENSES	
Consumption of stores and spares	62.41
Power & fuel	716.35
Water charges	21.86
Rent	11.22
Repairs and Maintenance- Building	5.16
Repairs and Maintenance- Plant and Machinery	165.44
Repairs and Maintenance- Others	66.51
Insurance	154.04
Rates and taxes	49.36
Legal and professional fees (including payment to auditors)	135.89
Subscriptions and donations	1,000.00
Marketing expenses	115.99
Travelling and conveyance expenses	138.65
Clearing and forwarding expenses	824.93
Sales commission	8.02
Bank charges	28.35
Corporate Social Responsibility expenditure	67.14
Security charges	42.00
Miscellaneous expenses	251.40
Less: Net gain on foreign currency transactions	129.00
	3,735.72



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

35 Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006:

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

	As at 31st March 2024
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	
Principal amount due to supplier#	861.03
Interest amount due to supplier	0.00*
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-
(c) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	3.84
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	20.63
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	20.63

* Amount below rounding off norms followed by the Company.

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Group regarding status of the suppliers as Micro and Small enterprises.

#Includes INR 245.09 Lakhs with respect to Payables for purchase of property, plant & equipment.



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

36 Employee Benefit Obligation

March 31, 2024

Non Current	179.06
Provision for Gratuity	255.98
Provision for Employee benefit obligation of Unique Solutions for Chemical Industries Co., Saudi Arabia	
	435.04
Total non-current employee benefit obligations	
Current	31.00
Provision for Gratuity	492.02
Provision for Compensated absences	523.02
Total current employee benefit obligations	

i) Compensated Absences

The compensated absences cover the Group's liability for privilege leave. The entire amount of provision is classified as current since Group does not have an unconditional right to defer settlement for any of these obligations. The expense of INR 39.60 Lakhs is included under employee benefit expense in the Statement of profit & loss account.

ii) Post employment benefit - End of Service Benefits (Saudi Arabia)

The Group provides for End of Service (EOS) benefit for its employees in Saudi Arabia. The End of Service Benefit Scheme is a defined benefit scheme with benefits based on last drawn salary. Employees having service period of less than 2 years are not eligible for the benefit.

iii) Post employment benefit - Gratuity

The Parent Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Parent Company makes contributions to fund managed by Life Insurance Corporation of India. The Parent Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

Changes in the present value of the defined benefit obligation are as follows:

March 31, 2024

Defined benefit obligation at the beginning of the year	617.45
Current service cost	13.97
Interest cost	8.44
Actuarial (gain)/loss	(7.80)
Benefits paid	(42.60)
Defined benefit obligation, at the end of the year	589.46

Changes in the fair value of plan assets are as follows:

March 31, 2024

Fair value of plan assets at the beginning of the year	359.50
Expected return on plan assets	6.12
Contribution by employer	-
Benefits paid	(10.56)
Actuarial gain / (loss)	24.35
Fair value of plan assets at the end of the year	379.41

The Group expects to contribute INR 31.00 Lakhs to its gratuity plan in FY 2024-25.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

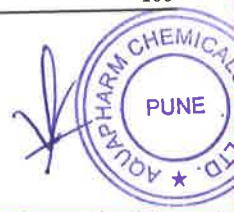
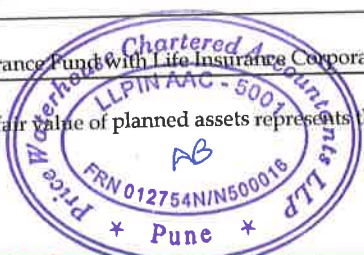
March 31, 2024

%

Insurance Fund with Life Insurance Corporation of India

100

The fair value of planned assets represents the amount as confirmed by the fund.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

Details of defined benefit obligation

	March 31, 2024
Present value of defined benefit obligation	589.46
Fair value of plan assets	379.41
Benefit liability	210.05

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

	March 31, 2024
Present value of funded obligations	589.46
Fair value of plan assets	379.41
Deficit of funded plan (A)	210.05
Unfunded plans (B)	-
Total net obligation (A+B)	210.05

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

Net employee benefit expense recognised in the statement of profit and loss:

	March 31, 2024
Current service cost	13.97
Interest cost on benefit obligation	2.32
Net benefit expense	16.29

Net employee benefit expense recognised in the other comprehensive income (OCI):

	March 31, 2024
Actuarial (gains)/losses on Obligation For the Period*	(2.44)
Return on Plan Assets, Excluding Interest Income	(5.97)
Net (income)/expense For the Period Recognized in OCI	(8.41)

*Includes loss of INR 5.32 Lakhs pertaining to Employee benefit obligations of Unique Solutions for Chemical Industries Co., Saudi Arabia.

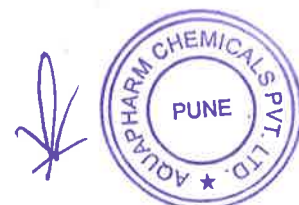
Amounts for the current and previous periods are as follows:

	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
Defined benefit obligation	589.46	552.07	484.12	368.18	364.55
Plan assets	(379.40)	(339.63)	(293.15)	(234.59)	(213.08)
(Surplus) / deficit	210.06	212.44	190.97	133.59	151.47
Experience adjustments on plan liabilities	(2.73)	12.45	38.59	(33.99)	(19.89)
Experience adjustments on plan assets	0.78	(0.61)	(5.01)	(3.50)	0.78

The principal assumptions used in determining defined benefit obligation are shown below:

	March 31, 2024
Discount rate	7.20%
Expected rate of return on plan asset	7.40%
Expected rate of salary increase	10.00%
Employee turnover	9.00%

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

Sensitivity Analysis

	March 31, 2024
+1% Change in discount rate	(29.07)
-1% Change in discount rate	32.36
+1% Change in rate of salary increase	24.40
-1% Change in rate of salary increase	(22.74)
+1% Change in rate of employee turnover	(3.56)
-1% Change in rate of employee turnover	3.89

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.

Changes in bond yields:

A decrease in bond yields will increase plan liabilities.

Future salary escalation and inflation risk:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

Life expectancy:

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The Company's assets are maintained in a trust fund managed by public sector insurance company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

The weighted average duration of the defined benefit obligation is 7.51 years. The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2024
	Funded
Projected Benefits Payable in Future Years From the Date of Reporting	
Less than 1 year	123.58
Between 1 to 2 years	65.63
Between 3 to 5 years	253.47
Over 5 years	425.55



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

37 Contingent Liabilities and Commitments**a] Contingent Liabilities-**

	March 31, 2024
1. Disputed liabilities	
a) Service tax	596.82
b) Excise Duty	19.58
c) Goods and Services Tax	98.99
d) Income Tax	730.48
e) Customs - MEIS	4,866.21
	6,312.08

a) Service Tax - Disallowance mainly for service tax credit taken on services rendered overseas and ocean freight.

b) Excise Duty - Demand on inter unit stock transfer from EOU unit to DTA unit.

c) Goods and Services Tax - Demand of GST on sale of leasehold land.

d) Income Tax - Disallowance mainly of expenses under section 14A and disallowance of expense due to non-deduction of TDS on payment made to non-residents.

e) Local Body Tax - Demand on goods purchased outside the local body tax jurisdiction.

f) Customs - MEIS - Dispute over classification of the product.

The Group has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

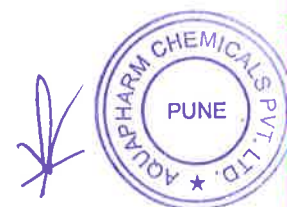
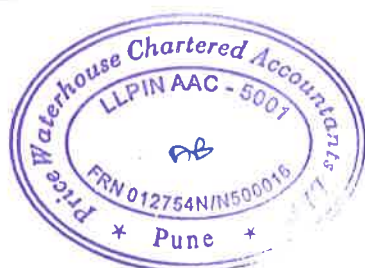
b] Capital Commitments

Estimated amounts of contracts remaining to be executed on Capital account and not recognised for (net of advances) is INR 6,879.60 Lakhs.

38 The list of subsidiaries included in consolidation and the Group's effective holding therein:

Name of the Subsidiaries	Principal place of business/Country of incorporation	Proportion of interest held as at March 31, 2024
Aquapharm Europe B.V.	Netherlands	100%
Aquapharm Chemicals LLC	USA	100%
Aquapharm PChem LLC	USA	100%
Aquapharm Specialty Chemicals LLC	USA	100%
Unique Solutions for Chemical Industries Co.	Saudi Arabia	85%
USCI LLC	UAE	85%

Note: Aquapharm Foundation is a Section 8 Company not considered for consolidation since it can apply its income for charitable purposes only.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

39 Segment reporting**(a) Description of segments and principal activities**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Board of Directors have been identified as the chief operating decision maker.

The Group has only one operating segment which is 'Chemicals'. Accordingly, separate segment information is not required to be disclosed.

(b) Information about revenue from operations and geographical distribution of revenue

The Group has only one business segment. Hence, the segment revenue, segment results, segment assets and segment liabilities are derived from this segment only.

Revenue from one customer amounted to INR 1,912.31 Lakhs for the 2 months period ending March 31, 2024.

i) Revenue from operations

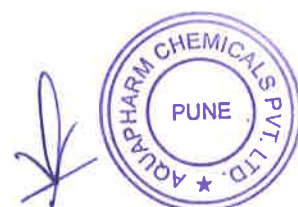
The amount of its revenue broken down by location of the customers is in the table below:

	March 31, 2024
Revenue from customers	
Domestic	17,172.25
Exports	6,735.96
Total revenue per Statement of profit and loss	23,908.21

ii) Non Current operating assets

Particulars	March 31, 2024
Within India	39,910.41
Outside India	18,351.11
Total	58,261.52

Non-current assets for this purpose consist of property, plant and equipment, right of use assets, capital work-in-progress, intangible assets and capital advances.



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

40 Particulars of the related parties:

Name of related party and nature of its relationship:

(a) Ultimate holding company - under de facto control as defined in IND-AS 110:

Rainbow Investments Limited

(b) Holding Company

PCBL Limited (Intermediate)

Advaya Chemical Industries Limited (Immediate)

(c) Related parties where control exists:

Unconsolidated Subsidiaries

Aquapharm Foundation, India

(d) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year:

(i) Key management personnel (Directors)

Mr. Kaushik Roy (Additional; from January 31, 2024)

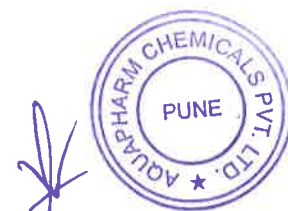
Mr. Gopal Rathie (Additional; from January 31, 2024)

Mr. Subhasis Mitra (Additional; from January 31, 2024)

(e) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year:

(i) Key management personnel (other than Directors):

Mr. Ganesh Vishwanathan- CFO



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

(f) Transactions during the year with the related parties:-

Nature of Transaction	Key Management Personnel	Subsidiaries
Remuneration	25.26	-
CSR Contribution	-	15.00

Notes

1. In case of transactions with related parties during the year, the amounts are exclusive of applicable
2. Previous year numbers are disclosed in brackets.

(g) Disclosure in respect of material related party transactions during the year:

	Relationship	for the period 2023-24
Remuneration		
Mr. Ganesh Vishwanathan-CFO	Key Management Personnel	25.26

Note - As gratuity & compensated absences are computed for all the employees in aggregate, the amounts relating to key managerial personnel cannot be individually identified.

CSR Contributions

Aquapharm Foundation, India	Subsidiary	15.00
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Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

The following table shows the computation of basic and diluted EPS.

42 Corporate Social Responsibility

The Parent Company has spent an amount of INR 67.14 Lakhs during the year as required under section 135 of the Companies Act, 2013 in the area of facilities for senior citizens. The amount was spent by way of Donation to Aquapharm Foundation of INR 15.00 Lakhs for senior citizens community center and other CSR activities and INR 47.85 Lakhs towards constructing village roads.

Details of CSR Expenditure	For the period 2023-24 (2M)
Amount required to be spent during the year	67.14
Amount spent during the year on:	
(i) Construction / acquisition of an asset	-
(ii) On purposes other than (i) above	
Brought forward from last year	(474.28)
Short fall for pervious year spent now	-
Spend during the period for current year	62.85
Carried forward to next year (short)/excess	(4.29)
Amount of cumulative shortfall at the end of the period	(478.57)

Details of ongoing CSR projects under Section 135(b) of the Act.						
Balance as at January 01, 2024		Amount spent during the year			Balance as at March 31, 2024	
With the company	In separate CSR Account	Amount required to be spent during the year	From the company's bank account	From CSR account	Separate Unspent With the company	In Separate CSR Unspent Account
248.54	225.73	67.14	62.85	-	252.84	225.73

The Parent Company has subsequently transferred the amount to a separate Unspent CSR Bank account on April 29, 2024.

Balance as at January 01, 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2024
	N.A.			

Balance excess/(short) spent as at January 01, 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess/(short) spent as at 31 March 2024
(474.28)	67.14	62.85	(478.57)



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

43 Financial Risk Management**Financial risk factors**

The Group's activities exposes it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting on the financial statements.

The Group's risk management is carried out by the Group's treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risk. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk mainly includes borrowings, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2024.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place as at March 31, 2024.

i. Interest rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group's exposure to the risk of changes in interest rate primarily relates to the Group's debt obligations with floating interest rates.

The Group is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowings. The Group's main interest rate risk arises from borrowings with variable interest rates, which exposes the Group to cash flow interest rate risk. The Group tries to manage its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings to the highest extent possible. The Group may enter into borrowings at variable interest rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rate directly. During year ended March 31, 2024 the Group's borrowings at variable rates were mainly denominated in INR, USD and SAR.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2024
Variable rate borrowings	6,311.86
Fixed rate borrowings	-
Total borrowings	6,311.86

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable interest rate. With all the other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ Decrease Basis Points	Effect on profit in before tax Decrease/ (increase)
March 31, 2024		
Base Rate	+50	31.56
Base Rate	-50	(31.56)



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

ii.Foreign Exchange Risk

The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The Group measures its risk through a forecast of highly probable foreign currency cash flows. The Group hedges its foreign exchange risk using forward exchange contracts. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a 12-month period for hedges of forecasted sales. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. During the year ended March 31, 2024, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted to the point of settlement of the resulting receivable that is denominated in the foreign currency.

The Group's exposure to foreign currency risk at the end of the year expressed in INR Lakhs are as follows:

March 31, 2024

Financial Assets	USD	EURO
Trade Receivables	9,051.04	1,754.94
Cash and cash equivalents	1,027.10	1,079.55
Derivative Assets		
Foreign exchange forward contracts	4,168.70	902.18
Net Exposure to foreign currency risk (Assets)	5,909.44	1,932.31

March 31, 2024

Financial Liabilities	USD	EURO
Borrowings	2,918.09	-
Trade Payables (Payables for purchase of property, plant & equipment)	1,950.79	399.89
Net Exposure to foreign currency risk (Liabilities)	4,868.88	399.89

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variables held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows-

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity
March 31, 2024	+5%	52.03/260.46	+5%	76.62/121.73
	-5%	(52.03)/(260.46)	-5%	(76.62)/(121.73)



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

Financial Risk Management

iii. Price risk

The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investment in subsidiaries) at fair value was INR Nil.

The Group also invests into highly liquid mutual funds and bonds which are subject to price risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds and bonds are made as a part of treasury management activities.

(b) Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

i. Trade receivables

Credit risk arises from the possibility that customer will not be able to sell their obligations as and when agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly. General payment terms include advances and payments with a credit period ranging from 60 to 90 days. The Group has a detailed review mechanism of overdue customer receivables at various levels within the organisation. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. During the period, the Group made write-offs of INR Nil with respect to trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. For expected credit loss, refer note 11.

The Group's customer profile for customer contracts include large private corporates. Accordingly, the Group's customer credit risk is low. General payment terms include advances and payments with a credit period ranging from 30 to 180 days. The Group has a detailed review mechanism of overdue customer receivables at various levels within the organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss. Refer note 11 for further details.

ii. Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's Treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The Group assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The Group charges interest on such loans at arms length rate considering counterparty's credit rating. Based on the assessment performed, the Group considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2024 is the carrying amounts of each class of financial assets.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

(c) Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities which will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	On Demand	Within 1 year	1-5 years	Total
As at 31st March 2024				
Borrowings	-	6,311.86	-	6,311.86
Trade Payables	-	14,458.34	-	14,458.34
Lease Liabilities	-	350.45	1,104.55	1,455.00
Other Financial Liabilities	42.60	2,811.73	-	2,854.33
Total	42.60	23,932.38	1,104.55	25,079.53



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

Financial Risk Management**Hedge Accounting:**

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions for sales in USD and EURO. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on March 31, 2024.

The cash flow hedges for such derivative contracts as at March 31, 2024 were assessed to be highly effective and a net unrealised loss of INR 22.43 Lakhs, with a deferred tax asset of INR 5.65 Lakhs relating to the hedging instruments, is included in OCI. The amounts retained in OCI as at March 31, 2024 are expected to mature and affect the statement of profit and loss during the year ending March 31, 2025.

Impact of hedging activities**(a) Disclosure of effects of hedge accounting on financial position:****March 31, 2024**

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted Average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets / (Liabilities)							
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts	4,168.70	(7.08)	Apr 2024- Oct 2024	1:1	USD:INR- 83.37	(24.05)	24.05
(ii) Foreign exchange forward contracts	902.18	1.62	Apr 2024- Aug 2024	1:1	EUR:INR- 90.22	1.62	(1.62)

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance**March 31, 2024**

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(5.46)	-	-	Other income

The Group's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer Statement of changes in equity for the details related to movement in cash flow hedging reserve.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

44 Fair value measurements

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of the year end.

a) Financial Instruments by Category

Particulars	March 31, 2024		
	FVTPL	FVOCI	Amortized Cost
Financial Assets			
Investments	3,685.41	-	1.00
Trade receivables	-	-	26,207.80
Cash and cash equivalents (including other bank balances)	-	-	9,707.17
Other financial assets	-	-	506.57
Total financial assets	3,685.41	-	36,422.54
Financial liabilities			
Borrowings	-	-	6,311.86
Trade Payables	-	-	14,458.34
Other financial liabilities (including derivative instruments)	-	5.46	2,848.87
Total Financial Liabilities	-	5.46	23,619.07

b) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

The following table presents the fair value measurement hierarchy of the Group's financial assets and liabilities as at March 31, 2024:

	Quoted prices in active markets (Level 1)	Fair value measurement Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial Assets				
Investments	3,685.41	-	-	3,685.41
Financial Liabilities				
Derivative Instruments- Foreign Exchange Forwards Contracts	-	5.46	-	5.46

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3.

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds and bonds are based on quoted price at the reporting date.

The fair values of the unquoted equity shares have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Valuation processes

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financial assets. Involvement of external valuers is decided by the finance team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Finance team decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

e) Financial assets and liabilities measured at amortised cost

The management assessed that cash and cash equivalents, other bank balance, loans, other investments, trade receivables, trade payables, other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.



Aquapharm Chemicals Private Limited**Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024**

(All amounts are in INR Lakhs, unless otherwise stated)

45 Capital Management**a) Risk Management:**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, healthy capital ratios in order to support its business and maximise shareholder value and optimal capital structure to reduce cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt interest bearing loans and borrowings less cash and cash equivalents excluding discontinued operations.

The net debt to equity ratio for the current year decreased to (2%) as a result of sale of current investments for repayment of borrowings which has resulted in decrease in borrowings as at year end.

	As at 31st March 2024
Interest Bearing loans and borrowings (including lease liability and interest accrued but not due)	7,808.43
Less: Cash and Cash equivalents and other bank balances	(9,707.17)
Net Debt	(1,898.74)
Equity share capital	212.17
Other equity	1,02,519.75
Total capital	1,02,731.92
Net debt to equity ratio	-2%

b) Loan covenants:

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.



Aquapharm Chemicals Private Limited
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

46 Statutory Group Information

Name of the Entity	Net Assets		Share in Profit/ (Loss) after Tax		Share in other comprehensive income/ (loss)		Share in total comprehensive income/ (loss)	
	As % of consolidated net assets	INR Lakhs	As % of consolidated Profit/Loss	INR Lakhs	As % of other comprehensive income	INR Lakhs	As % of consolidated total comprehensive income	INR Lakhs
Parent Company								
Aquapharm Chemicals Private Limited	73.77%	75,778.85	44.87%	618.96	105.42%	101.28	48.82%	720.24
Subsidiaries								
Aquapharm Europe B.V.	0.36%	373.60	0.58%	8.01	0.00%	-	0.54%	8.01
Unique Solutions for Chemicals Industries Company-Consolidated numbers of following:	-3.53%	(3,628.12)	-20.57%	(283.72)	-5.53%	(5.32)	-19.59%	(289.04)
1.Unique Solutions for Chemicals Industries Company								
2.USCI LLC								
Aquapharm Chemicals LLC-Consolidated numbers of following:	29.40%	30,207.59	75.12%	1,036.13	0.12%	0.11	70.23%	1,036.25
1.Aquapharm Specialty Chemicals LLC								
2.Aquapharm Chemicals LLC								
3.Aquapharm PCChem LLC								
Total	100.00%	1,02,731.92	100.00%	1,379.38	100.00%	96.07	100.00%	1,475.46

Note:

- 1 All elimination and adjustments are netted off against balances of Parent Company for disclosure purposes.
- 2 Aquapharm Foundation is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only.
- 3 Unique Solutions for Chemical Industries Company (consolidated) has incurred cumulative losses amounting to SAR 21,867,983 which exceeds 50% of its capital. Accordingly, the Article 182 of the Company Laws (Saudi Arabia) is applicable to it.



Aquapharm Chemicals Private Limited
Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024
(All amounts are in INR Lakhs, unless otherwise stated)

47 Disclosure for Non-Controlling Interests

This information is based on amounts before inter-company eliminations
Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests (NCI):

Name of the Company	Principal activity	Effective ownership as on March 31, 2024	Country of Incorporation
Unique Solutions for Chemical Industries Company (USCI)	Manufacturing of Chemicals	15.00%	Saudi Arabia

Summarised Statement of Profit and Loss for the 2 months period ending 31 March 2024:

	for the period 2023-24 USCI
Profit/(loss) for the period attributable to NCI	(42.56)
Other comprehensive Income attributable to NCI	(2.02)

Summarised balance sheet as at 31 March 2024 :

	March 31, 2024 USCI
Accumulated NCI	(562.17)

48 Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Group is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules are notified become effective.

49 Additional regulatory information required by Schedule III:

i Relationship with Struck off Companies:

The Group has no transactions with the Companies struck off under Companies Act, 2013 or Companies Act, 1956.

ii Utilisation of borrowed funds:

The Group has not advanced or loaned or invested funds to any other person or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries), or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries;

The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the entity shall:

i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

ii. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.



Aquapharm Chemicals Private Limited

Notes to Consolidated Financial Statements for the 2 months period ended March 31, 2024

(All amounts are in INR Lakhs, unless otherwise stated)

50 Subscriptions and donations

The Company has contributed INR 1,000.00 Lakhs (31 March 2023 : Nil) to an electoral trust under section 182 of the Companies

- 51** Advaya Chemical Industries Limited, a subsidiary of PCBL Limited (public listed company in India), acquired 100% shares of Aquapharm Chemicals Private Limited ("ACPL" or "Company") on January 31, 2024. Pursuant to this the Company shall be deemed to be a public company (being a subsidiary of a public company) as per proviso to Section 2(71) of the Companies Act, 2013 with effect from February 01, 2024. The Company has ensured compliance with the provisions of the Companies Act, 2013 as applicable to a public company with effect from February 01, 2024, however is in the process of completing the appointment of woman director.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No.: 012754N/N500016

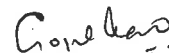


Amit Borkar
Partner
Membership No.: 109846
Place: Pune
Date: May 21, 2024

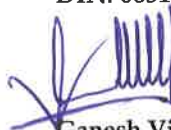
For and on behalf of the Board of Directors of
Aquapharm Chemicals Private Limited



Kaushik Roy
Director
DIN: 06513489



Gopal Rathi
Director
DIN: 00553066



Ganesh Vishwanathan
Chief Financial Officer
Date: May 21, 2024