



# A New Era of Possibilities

ANNUAL REPORT FY 2024-25

Aquapharm Chemical Limited

## AQUAPHARM CHEMICAL LIMITED

### 2<sup>nd</sup> ANNUAL REPORT- 2024-25

#### Board of Directors

Mr. Suresh Kalra	CEO & Whole-time Director	(DIN: 02833715)
Mr. Gopal Rathi	Director	(DIN: 00553066)
Mr. Kaushik Roy	Additional Director	(DIN: 06513489)
Ms. Iram Hassan	Independent Director	(DIN: 10183873)
Ms. Kusum Dadoo	Independent Director	(DIN: 06967827)
Mr. T. C. Suseelkumar	Independent Director	(DIN: 06453310)

<b>Chief Financial Officer</b>	Mr. Ganesh Vishwanathan
<b>Company Secretary</b>	Mr. Jayesh Damle

<b>Statutory Auditors</b>	L. B. Jha & Co.
<b>Secretarial Auditors</b>	Mehta & Mehta, Company Secretaries

<b>Bankers</b>	Union Bank of India The Hongkong and Shanghai Banking Corporation Ltd. Citibank N.A. HDFC Bank Ltd. IndusInd Bank ICICI Bank Limited
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<b>Registered &amp; Corporate Office R&amp;D</b>	9 <sup>th</sup> & 10 <sup>th</sup> Floor, "Amar Synergy", 12B, Sadhu Vaswani Road, Pune - 411001, India EL-24, Pimpri Industrial Area, MIDC, Bhosari, Pune - 411 026, India
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<b>Works</b>	
<b>Pirangut:</b>	At & Near Pirangut Village, Taluka - Mulshi, District: Pune - 412 108, India
<b>Mahad:</b>	K-3 /1,2 & 3 Additional Mahad Industrial Area, Taluka - Mahad, District - Raigad - 402 302, India K-2/4, Additional Mahad Industrial Area, Mahad Taluka - Mahad, District - Raigad - 402 302, India L-45/5, L-45/6, L-45/7, Additional Mahad Industrial Area, Mahad Taluka - Mahad, District - Raigad - 402 302, India

Website:	www.aquapharm-india.com
CIN:	U20299PN2024PLC227198
TEL:	at corporate office: +91 20 66090000
Fax:	at corporate office: + 912026053396

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#### Aquapharm Chemical Limited

Registered Office: 9th and 10th Floor, Amar Synergy, 12B, Sadhu Vaswani Road, Pune - 411 001, Maharashtra, India.

Branch Office: 31 Netaji Subhas Road, Kolkata - 700 001, West Bengal, India.

P: +91 20 6609 0000 | F: +91 20 2605 3396 | E: pcbl.investor@rpsg.in | W: www.aquapharm-india.com | CIN: U20299PN2024PLC227198

Note: With effect from 1 January 2025, Aquapharm Chemicals Private Limited stands amalgamated with Advaya Chemical Industries Limited  
"Aquapharm Chemical Limited" was formerly known as "Advaya Chemical Industries Limited"

## NOTICE TO THE MEMBERS

Shorter Notice is hereby given that the Second (2<sup>nd</sup>) Annual General Meeting of the Members of Aquapharm Chemical Limited (Formerly known as Advaya Chemical Industries Limited) (the “Company”) will be held on Wednesday, the 25<sup>th</sup> day of June 2025 at 03:00 P.M. through Video Conference (“VC”) / Other Audio-Visual Means (“OAVM”), to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March 2025 including the Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March 2025 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Gopal Rathi (holding DIN: 00553066), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

3. Appointment of Mr. Kaushik Roy (DIN: 06513489) as a Director (Non-Executive Director) of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modifications or re-enactment thereof), and the rules framed thereunder and pursuant to applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the provisions of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee (“NRC”) and the approval of the Board of Directors of the Company, Mr. Kaushik Roy (DIN: 06513489) who was appointed as an Additional Director (Non-Executive) of the Company with effect from 27<sup>th</sup> March, 2025, who is eligible for appointment and has consented to act as a Director of the Company and who holds office up to the date of this ensuing general meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a director be and is hereby appointed as a Director (Non-Executive) of the Company, with effect from the date of this meeting.

RESOLVED FURTHER THAT the Board (including its committee thereof) and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters

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### Aquapharm Chemical Limited

Registered Office: 9th and 10th Floor, Amar Synergy, 12B, Sadhu Vaswani Road, Pune - 411 001, Maharashtra, India.

Branch Office: 31 Netaji Subhas Road, Kolkata - 700 001, West Bengal, India.

P: +91 20 6609 0000 | F: +91 20 2605 3396 | E: pcbl.investor@rpsg.in | W: www.aquapharm-india.com | CIN: U20299PN2024PLC227198

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and things as may be considered necessary, desirable, or expedient to give effect to this Resolution.”

4. Appointment of Mr. Suresh Kalra (DIN: 02833715) as an Executive Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modifications or re-enactment thereof), and the rules framed thereunder, and pursuant to applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the provisions of the Articles of Association of the Company and on the recommendation of the Nomination and Remuneration Committee (“NRC”) and the approval of the Board of Directors of the Company, Mr. Suresh Kalra (DIN: 02833715) who was appointed as an Additional Director (Executive) of the Company with effect from 27<sup>th</sup> March, 2025 and who is eligible for appointment and has consented to act as a Director of the Company and who holds office up to the date of this ensuing general meeting of the Company, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act proposing his candidature for the office of a director be and is hereby appointed as a Director (Executive) of the Company, with effect from the date of this meeting.

RESOLVED FURTHER THAT the Directors and/or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this Resolution.”

5. Appointment of Mr. Suresh Kalra (DIN: 02833715) as a Whole time Director of the Company

To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT, in pursuance of the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to the provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee (“NRC”) and the approval of the Board of Directors of the Company, and such other approvals consents, permissions, sanctions as may be necessary, consent of the members of the Company be and is hereby accorded for the appointment of Mr. Suresh Kalra (DIN: 02833715) as a Whole Time Director and Key

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Managerial Personnel of the Company for a period of 3 years effective from 27<sup>th</sup> March, 2025 to 26<sup>th</sup> March 2028 on such terms and conditions of appointment as may be decided by the Board.

RESOLVED FURTHER THAT, the Directors and/or Company Secretary of the Company, severally and jointly, be and are hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, applications and returns as, in its absolute discretion, it may be considered necessary, expedient or desirable, along with filing of necessary E-forms with the Registrar of Companies, including power to sub-delegate, in order to give effect to the foregoing resolutions or otherwise as considered by the Board to be in the best interest of the Company as it may deem fit.”

6. To consider the appointment of M/S. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, and to fix their remuneration in this regard

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number: 301003E/E300005), be and are hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s L. B. Jha & Co, Chartered Accountants for a term of 5 (five) consecutive years, commencing from the conclusion of this Annual General Meeting and continuing till the conclusion of the Annual General Meeting to be held for the Financial Year 2029-2030, at such remuneration as shall be decided and fixed by the Board of Directors of the Company.”

7. To consider the appointment of M/s. Mehta & Mehta, Company Secretaries, as Secretarial Auditor of the Company, and to fix their remuneration in this regard

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to the provisions of Section 204 , read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and any other provisions as applicable (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Mehta & Mehta, Company Secretaries ((ICSI Unique Code P1996M11007500)), and as per the recommendation of Board of Directors of the Company, the approval of members be and is hereby accorded for appointment of Secretarial Auditors of the Company for undertaking the Secretarial Audit of the Company for a term of 5 (five) consecutive financial years, commencing from the conclusion of this ensuing Annual

General Meeting and continuing till the conclusion of the Annual General Meeting to be held for the Financial Year 2029-2030, at such remuneration as shall be decided and fixed by the Board of Directors of the Company.”

8. To ratify the remuneration of the Cost Auditor for the financial year ending 31<sup>st</sup> March 2025

To Consider and, if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, for the time being in force, the Company hereby approves the aggregate remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus applicable taxes and out of pocket expenses, as approved by the Board of Directors of the Company, payable to M/s Shome & Banerjee (Firm Registration No. 000001) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2025 be and is hereby ratified.”

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Registered Office  
9<sup>th</sup> and 10<sup>th</sup> Floor,  
Amar Synergy, 12B, Sadhu Vaswani Road,  
Pune – 411001, Maharashtra  
CIN: U20299PN2024PLC227198

Place: - Pune  
Date: - 20<sup>th</sup> June 2025

By Order of the Board



Jayesh Damle  
Company Secretary & Compliance Officer  
(Membership No: A24869)

NOTES:

1. The meeting of the Members was convened at shorter notice with the consent of 100% of members entitled to vote, as per the provisions of Section 101 of the Companies Act, 2013. The necessary approvals were obtained in compliance with statutory requirements.
  2. In compliance with the provisions of the Companies Act, 2013 (“the Act”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 02<sup>nd</sup> AGM of the Company is being held through Video Conferencing (“VC”) on Wednesday, the 25<sup>th</sup> day of June 2025 at 03:00 P.M., which does not require physical presence of Members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company situated at 9<sup>th</sup> & 10<sup>th</sup> Floor, "Amar Synergy", 12B, Sadhu Vaswani Road, Pune - 411001.
  3. The Company has availed the services of Microsoft Teams platform for conducting meeting through Video Conferencing.
  4. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 02<sup>nd</sup> AGM.
  5. Since the AGM will be held through VC Facility, the route map, proxy form and attendance slip are not annexed to this Notice. The recorded transcript of the AGM shall be made available as soon as possible on the website of the Company at [aquapharm-india.com](http://aquapharm-india.com).
  6. The Members can join the AGM in the VC mode 15 minutes before the commencement of the Meeting.
  7. The attendance of the Members participating in the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  8. A Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) relating to Special Businesses to be transacted at the Annual General Meeting is attached hereto.
  9. The cut-off date for determining the eligibility of members to attend and vote at the Annual General Meeting (AGM) is 15<sup>th</sup> May 2025. Only members registered as of this date will be entitled to participate and cast their votes.
  10. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  11. Non-individual Members are required to authorize one or more person as their representative to attend the Annual General Meeting through a resolution of its Board of Directors or other Governing Body.
  12. Nomination facility as per the provisions of Section 72 of the Act is available to individuals holding shares in the Company. Members can nominate a person in respect of all the shares held by them singly or jointly. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be.
  13. Members are requested to:
    - a) Notify immediately any change in their address to the Company.
    - b) Quote their Folio Numbers in all correspondence with the Company.
    - c) Furnish Bank Account particulars, in case not sent earlier or want any updation thereto.
    - d) Update their PAN number / Aadhaar Number / any other Registration Number in the Register of Members of the Company.
  14. Members may also note that the Notice of the Annual General Meeting and the Annual Report for Financial Year 2024-25 will also be available on the Company’s website: [aquapharm-india.com](http://aquapharm-india.com) for their download. The aforesaid documents and all the documents referred to in the
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accompanying Notice will also be available for inspection by the Members under the “Investor Relations” segment of the Company at [aquapharm-india.com](http://aquapharm-india.com)

15. Details required under Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of appointment forms an integral part of the Notice. The Director have furnished the requisite declaration for his appointment

<b>INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC ARE AS UNDER:</b>
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1. Members will be provided with the facility to attend the 02<sup>nd</sup> Annual General Meeting (AGM) via Video Conferencing (VC) through the Microsoft Teams platform. A meeting link and password for joining the AGM will be shared with members shortly before the scheduled time.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop Connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi Connection to mitigate any kind of aforesaid glitches.
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STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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ITEM NO.	3.
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Appointment of Mr. Kaushik Roy (DIN: 06513489) as a Director (Non-Executive Director) of the Company.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board has appointed Mr. Kaushik Roy (DIN: 06513489) as an Additional Director (Non-Executive) of the Company, effective from 27<sup>th</sup> March 2025, subject to the approval of shareholders of the Company. In accordance with Section 161 of the Act, Mr. Kaushik Roy shall hold office upto the date of this AGM of the Company and is eligible for appointment as a Director. Mr. Kaushik Roy is a distinguished business leader serving as the Managing Director of PCBL Chemical Limited and Sector Head of Harrisons Malayalam Limited. Additionally, he is also a member of the Group Management Board of RP-Sanjiv Goenka Group.

Mr. Roy is widely recognised for transforming PCBL, driving its diversification, and setting new benchmarks for success. Under his leadership, PCBL has become a dynamic, innovative, and customer centric organisation, committed to sustainable growth. Guided by the vision, the company continues to evolve, expand, and explore new possibilities in the chemicals sector.

Mr. Kaushik Roy has a vast multi-functional business experience, spanning over three decades, across different sectors such as tyres, cement, and chemicals. He is a Mechanical Engineer with a Post Graduate Degree from IIT Kharagpur and studied Business Administration from the University of Tokyo. He is also an Alumni of IMD, Switzerland. He is a member of the Managing Committee of The Confederation of Indian Industry (CII) and The Bengal Chamber of Commerce and Industry (BCC&I).

Mr. Roy has been conferred with Business Leader of the Year (FY'20) Award by The Economic Times and recognised with the Management Excellence Award - Corporate Leadership by Calcutta Management Association (CMA) in 2021.

The Company has received from Mr. Kaushik Roy, requisite consent in connection with his appointment as Non-Executive Director.

Mr. Kaushik Roy is not related to any other director of the Company.

A copy of the draft letter for appointment of Mr. Kaushik Roy as a Non-Executive Director setting out the terms and conditions would be available for inspection by the shareholders during business hours.

Considering Mr. Kaushik Roy's experience and expertise, the Board deems it beneficial and in the best interest of the Company to appoint him as a Director (Non-Executive). Therefore, the Board recommends his appointment as proposed in Resolution Item No. 3 of the accompanying Notice for approval of the Members as an Ordinary Resolution. Further, he has provided a declaration affirming that he is not debarred from holding the office of a director by virtue of any order passed by SEBI or any other such authority pursuant to circulars dated June 20, 2018, issued by the Stock Exchange pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

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Except Mr. Kaushik Roy, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. This Statement may also be regarded as a disclosure under the SS-2 on the General Meetings.

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ITEM NO.	4.
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Appointment of Mr. Suresh Kalra (DIN: 02833715) as an Executive Director of the Company.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board has appointed Mr. Suresh Kalra (DIN: 02833715) as an Additional Director (Executive) of the Company, effective from 27<sup>th</sup> March 2025, subject to the approval of shareholders of the Company. In accordance with Section 161 of the Act, Mr. Suresh Kalra shall hold office upto the date of this AGM of the Company and is eligible for appointment as a Director. Mr. Suresh Kalra holds a degree in Engineering and Business Management and has overall experience of more than 26 years in leading global business with expertise in business strategy, operational efficiency and building organisational capability.

The Company has received from Mr. Suresh Kalra, requisite consent in connection with his appointment as Executive Director.

Mr. Suresh Kalra is not related to any other director of the Company.

A copy of the draft letter for appointment of Mr. Suresh Kalra as a Executive Director setting out the terms and conditions would be available for inspection by the shareholders during business hours.

Considering Mr. Suresh Kalra's experience and expertise, the Board deems it beneficial and in the best interest of the Company to appoint him as a Director (Executive). Therefore, the Board recommends his appointment as proposed in Resolution Item No. 4 of the accompanying Notice for approval of the Members as an Ordinary Resolution. Further, he has provided a declaration affirming that he is not debarred from holding the office of a director by virtue of any order passed by SEBI or any other such authority pursuant to circulars dated June 20, 2018, issued by the Stock Exchange pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Except Mr. Suresh Kalra, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. This Statement may also be regarded as a disclosure under the SS-2 on the General Meetings.

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ITEM NO.	5.
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Appointment of Mr. Suresh Kalra (DIN: 02833715) as a Whole time Director of the Company.

Mr. Suresh Kalra was appointed by the Board of Directors of the Company (“the Board”) as an Additional Director (Executive) of the Company with effect from 27<sup>th</sup> March 2025. Subsequently, there was a change of designation of Mr. Suresh Kalra from Additional Director (Executive) to Whole Time Director of the Company w.e.f. 27<sup>th</sup> March 2025. Mr. Suresh Kalra holds office as a Director of the Company upto the date of this Annual General Meeting.

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The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee, at its meeting held on 27<sup>th</sup> March, 2025 recommends the appointment of Mr. Suresh Kalra, as the Whole Time Director of the Company for a term from 27<sup>th</sup> March, 2025 to 26<sup>th</sup> March 2028 on such terms and conditions including remuneration to be paid in the manner set out in the Agreement

Mr. Suresh Kalra, aged 51 years, holds a degree in Engineering and Business Management and has overall experience of more than 26 years in leading global business with expertise in business strategy, operational efficiency and building organisational capability.

The approval of the Members is being sought to the terms and conditions of appointment of Mr. Suresh Kalra as the Whole Time Director of the Company. The terms and conditions proposed are in line with what is necessary to continue to encourage good professional managers with a sound career record to important positions such as that occupied by Mr. Suresh Kalra. The proposed appointment and the terms and conditions of appointment are in accordance with the conditions specified in Schedule V to the Companies Act, 2013.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Suresh Kalra as a Whole Time Director of the Company.

Accordingly, the Board recommends the Ordinary Resolution as set out in Item No. 5 of the Notice in relation to appointment of Mr. Suresh Kalra as a Whole Time Director of the Company, for the approval by the shareholders of the Company.

Except Mr. Suresh Kalra, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. This Explanatory Statement may also be regarded as a disclosure under SS-2 on the General Meetings.

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ITEM NO.	<b>6.</b>
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To consider the appointment of M/S. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, and to fix their remuneration and in this regard, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

M/s L. B. Jha & Co, Chartered Accountants have tendered their resignation as Statutory Auditors w.e.f. 07<sup>th</sup> May 2025 with immediate effect due to pre-occupation with other assignments. This has resulted into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by Section 139(8) of the Companies Act, 2013. Casual vacancy caused by the resignation of auditor shall be approved by the shareholders in General Meeting within three months from the date of recommendation of the Board of Directors of the Company. The Board of Directors of the Company recommended the appointment of M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number: 301003E/E300005) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s L. B. Jha & Co. Accordingly, shareholders' approval by way of ordinary resolution is sought.

M/s S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number: 301003E/E300005), have conveyed their consent for being appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the members, would be within

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the limits prescribed under the Companies Act, 2013 and shall satisfy the criteria as provided under section 141 of the Companies Act, 2013 and have given a certificate in prescribed format declaring that firm complies with all eligibility norms prescribed regarding appointment of statutory auditors.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 06 of the notice as an ordinary resolution. None of the Directors or Key Managerial Persons of the Company (including their relatives), in the Company are concerned or interested in the said resolution.

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ITEM NO.	7.
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To consider the appointment of M/s. Mehta & Mehta, Company Secretaries, as Secretarial Auditor of the Company.

In accordance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (“the Act”), every listed company and certain other prescribed categories of companies are required to annex a Secretarial Audit Report, issued by a Practicing Company Secretary, to their Board’s report, prepared under Section 134(3) of the Act. Furthermore, pursuant to recent amendments to Regulation 24A of the SEBI Listing Regulations, every listed entity is required to conduct a Secretarial Audit and annex the Secretarial Audit Report to its annual report. Additionally, a listed entity must appoint a Secretarial Audit firm for a maximum of two terms of five consecutive years, with shareholder approval to be obtained at the Annual General Meeting.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors has approved the appointment of M/s. Mehta & Mehta, Company Secretaries, as the Secretarial Auditors of the Company for a period of five years, commencing from 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2030. The appointment is subject to shareholders’ approval at the Annual General Meeting.

While recommending M/s. Mehta & Mehta P for appointment, the Board and the Audit Committee evaluated various factors, including the firm’s capability to handle a diverse and complex business environment, its existing experience in the Company’s business segments, its industry standing, the clientele it serves, and its technical expertise. M/s. Mehta & Mehta was found to be well-equipped to manage the scale, diversity, and complexity associated with the Secretarial Audit of the Company. M/s. Mehta & Mehta is a peer reviewed and a well-established firm of Practicing Company Secretaries, registered with the Institute of Company Secretaries of India, New Delhi. The firm M/s. Mehta & Mehta is a 25-year-old firm promoted by Atul Mehta and Dipti Mehta. Striving for quality and excellence in legal and secretarial consultancy which covers varied areas of the corporate field and diverse avenues of corporate laws & other related areas. The firm started out as a practicing company secretaries’ firm, and today the bouquet of services includes Management, Mentoring, Strategizing, Finance, Legal, Compliance, HR, Secretarial, Marketing, Operations, Sustainability and so on.

The terms and conditions of M/s. Mehta & Mehta’s appointment include a tenure of five years, from 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2030 at such remuneration as shall be decided and fixed by the Board of Directors of the Company. The requirement for a Secretarial Audit became applicable to the Company from the financial year 2023-2024, during which M/s. Mehta & Mehta was appointed as the Secretarial Auditor. This appointment took place before the implementation of the five-year term requirement, as described above. The fee paid to M/s. Mehta & Mehta for the year 2023-2024 is same as that proposed for 2024-2025. Accordingly, there is no material change in the fee payable to M/s.

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Mehta & Mehta compared to that of the outgoing auditor, making the requirement to disclose such a change not applicable.

M/s. Mehta & Mehta has provided its consent to act as the Secretarial Auditors of the Company and has confirmed that the proposed appointment, if made, will be in compliance with the provisions of the Act and the SEBI Listing Regulations. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations. Accordingly, the consent of the shareholders is sought for the appointment of M/s. Mehta & Mehta as the Secretarial Auditors of the Company. The Board of Directors recommends the resolution for approval by the Members, as set out at Item No. 7 of the Notice.

The Board of Directors of the Company recommends the passing of the resolution in Item No. 07 of the notice as an ordinary resolution. None of the Directors or Key Managerial Persons of the Company (including their relatives), in the Company are concerned or interested in the said resolution.

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ITEM NO.	8.
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To ratify the remuneration of the Cost Auditor for the financial year ending 31<sup>st</sup> March 2025

Based on the recommendations of Audit Committee, the Board of Directors in its meeting held on 27<sup>th</sup> March 2025, has approved the appointment of M/s. Shome & Banerjee (Firm Registration No. 000001) at an aggregate remuneration of Rs. 2,50,000/- (Rupees Two Lacs Fifty Thousand only) plus applicable taxes and out of pocket expenses to conduct the audit of the cost records of the Company for the Financial year ending 31<sup>st</sup> March 2025.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought by way of an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31<sup>st</sup> March 2025.

None of the Directors of the Company and their relatives is/are in any way interested or concerned in the said resolution.

The Board of Directors of your company recommends resolution for the approval of Members as an Ordinary Resolution.

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Registered Office  
9<sup>th</sup> and 10<sup>th</sup> Floor,  
Amar Synergy, 12B, Sadhu Vaswani Road,  
Pune – 411001, Maharashtra  
CIN: U20299PN2024PLC227198

Place: - Pune  
Date: - 20<sup>th</sup> June 2025

By Order of the Board



Jayesh Damle  
Company Secretary & Compliance Officer  
(Membership No: A24869)

Details of Director as per Secretarial Standard on General Meetings – SS-2.

Sr. No.	Particulars	Mr. Kaushik Roy	Mr. Suresh Kalra	Mr. Gopal Rathi
1.	Date of birth & Age	60	51	50
2.	Qualification	Mechanical Engineer with a Post Graduate Degree from IIT Kharagpur and studied Business Administration from the University of Tokyo	holds a degree in Engineering and Business Management	ACA
3.	Date of first appointment on Board	27 <sup>th</sup> March 2025	27 <sup>th</sup> March 2025	17 December 2024
4.	Terms and conditions of appointment.	Non-Executive Director  The terms of appointment are as per the resolution set out in this Notice read with Statements therein.	Executive Whole-time Director  The terms of appointment are as per the resolution set out in this Notice read with Statements therein.	Non-Executive Director  The terms of appointment are as per the resolution set out in this Notice read with Statements therein.
5.	Experience	Please refer the Explanatory Statement as set out to Item No 3	Please refer the Explanatory Statement as set out to Item No 4 & 5	He has successfully led many acquisitions and strategic initiatives across sectors over the last 20 years and plays pivotal role in strategizing Group's expansion into new business lines and sectors, leadership role in business development, re-engineering and troubleshooting amongst Group companies. He has vast experience and expertise in areas of Investment decisions, Acquisitions, Business development, holding structure & integration,

Sr. No.	Particulars	Mr. Kaushik Roy	Mr. Suresh Kalra	Mr. Gopal Rathi
				restructuring models, strategizing for optimising efficiencies & maximising potential, Entrepreneurial decision making. Prior to RP-Sanjiv Goenka Group, he was associated with Hutchinson (now Vodafone) in Business Planning and Finance Role. His qualifications and robust experience make him a valuable asset to the Board, ensuring that his contributions will be both strategic and impactful.
6.	Shareholding in the company (If any)	NIL	NIL	NIL
7.	The number of Meetings of the Board attended during the year 2024-25	NIL	NIL	6
8.	Other Directorships	<ol style="list-style-type: none"> <li>1. Harrisons Malayalam Ltd</li> <li>2. Nanovace Technologies Limited</li> <li>3. PCBL Chemical Limited</li> <li>4. Spencer International Hotels Limited</li> <li>5. STEL Holdings Limited</li> </ol>	NIL	<ol style="list-style-type: none"> <li>1. Business Media Private Limited</li> <li>2. Digidrive Distributors Limited</li> <li>3. Editorji Technologies Private Limited</li> <li>4. Eminent Electricity Distribution Limited</li> <li>5. Herbolab India Private Limited</li> </ol>

Sr. No.	Particulars	Mr. Kaushik Roy	Mr. Suresh Kalra	Mr. Gopal Rathi
				6. Pocket Aces Pictures Private Limited 7. Purvah Green Power Private Limited 8. RPSG Sports Private Limited
	Membership/ Chairmanship of Committees of other Boards	As mentioned below	As mentioned below	As mentioned below
	No. of Directorships in Listed Entities Incl. This Listed Entity	4	1	2
	No. of Memberships in Audit/Stakeholders Committee(s) including this listed entity	1	2	0
	No. of post of Chairperson in Audit/Stakeholders Committee(s) incl/ this Listed entity	NIL	NIL	NIL
9.	Relationship with other Directors, Managers and Key Managerial Personnel (KMP) of the Company	Not related to any of the directors or KMP of the Company	Not related to any of the directors or KMP of the Company	Not related to any of the directors or KMP of the Company
10.	The remuneration last drawn by such person from the Company (if applicable) and Details of Remuneration sought to be paid	Not Applicable	Not Applicable	Not Applicable

## BOARD'S REPORT

To,  
The Members,

The Board of Directors of Aquapharm Chemical Limited (“your Company” or “the Company” or “ACL”) is pleased to present the 2<sup>nd</sup> (Second) Annual Report on the business and operations of the Company and the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31<sup>st</sup> March 2025 (“financial year under review”).

### 1. FINANCIAL PERFORMANCE

The highlights of the Company’s financial performance for the year under review, along with the previous year’s figures, are given hereunder:

(Amount in INR Crores)

Particulars	Standalone		Consolidated	
	31-03-2025	31-03-2024	31-03-2025	31-03-2024
Revenue from operations	766.99	113.19	1,419.80	240.07
PBDIT	119.73	0.00	193.68	13.32
Less: Finance Cost	104.03	19.46	107.51	20.01
PBDT	15.70	-19.46	86.17	-6.69
Less: Depreciation	114.11	19.10	128.09	21.22
PBT:	-98.41	-38.56	-41.92	-27.91
Exceptional Items	0.52	0	0.52	0
Tax Expense	-20.91	-2.23	-13.30	0.45
PAT	-78.02	-36.33	-29.14	-28.36
Earnings Per Equity Share	-1.87	-4.17	-0.69	-3.26

The financial statements for the year ended 31<sup>st</sup> March 2025 have been prepared in accordance with the 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.

### 2. OPERATIONS:

During the year, the operational performance of the Company was as follows:

(Amount in INR Crores)

	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Export Sales	540.12	78.04	446.01	67.36
Domestic Sales	226.87	35.15	973.79	172.71
Total Sales	766.99	113.19	1,419.80	240.07
Other Income	26.24	3.56	11.27	1.99
Total Revenue	793.23	116.75	1,431.07	242.06

The Company was incorporated on 11<sup>th</sup> January 2024, and hence the comparative information relevant to the previous year has been furnished for the period from 11<sup>th</sup> January to 31<sup>st</sup> March 2024. Accordingly, the figures of the comparative period ended 31<sup>st</sup> March 2024 are not comparable to the current year ended 31<sup>st</sup> March 2025.

### **3. PERFORMANCE REVIEW:**

The Company was incorporated on 11<sup>th</sup> January 2024 and is a subsidiary of PCBL Chemical Limited. It is engaged in the business of manufacturing, processing, exporting, importing, trading, buying, selling, stocking and dealing in chemicals, chemical products, specialty chemicals, water treatment chemicals with key products such as phosphonates, biodegradable chelating agents, polymers, biocides and oil field chemicals (imidazoline, quats) antiknock preparations chemical, antifreeze chemical, liquid / solid gages chemical, hydraulic transmission chemical, composite diagnostic, laboratory reagents, writing or drawing ink, all type of chemical substance & additives and other products including organic and inorganic chemicals, solvents of any mixtures derivatives and compounds thereof, and providing technical and other consultancy services to customers, industries, government and semi government bodies, industrial users for use of light and heavy chemicals of any nature to be used by the industry.

The Company has issued Listed Non-Convertible Debentures (NCDs) on 29<sup>th</sup> January 2024, and the NCDs are listed on the BSE Limited w.e.f. 31<sup>st</sup> January 2024. The Company, being a 'high value debt listed entity' as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 {"SEBI Listing Regulations"}, is required to comply with the provisions of Regulation 15 to Regulation 27 of the SEBI Listing Regulations.

### **4. AMALGAMATION OF WHOLLY OWNED SUBSIDIARY:**

During the financial year under review, the Company has received an Order from the Central Government through the office of the Regional Director, Western Region ("Regional Director"), Mumbai, dated 6<sup>th</sup> December 2024, sanctioning the Amalgamation of Aquapharm Chemicals Private Limited (Wholly Owned Subsidiary) with Advaya Chemical Industries Limited, which is currently known as Aquapharm Chemical Limited.

Considering the Order of Regional Director, Western Region, Mumbai, Aquapharm Chemicals Private Limited, i.e., Transferor Company is, amalgamated with Advaya Chemical Industries Limited, currently known as Aquapharm Chemical Limited, and the appointed date is 1<sup>st</sup> February 2024.

### **5. SHARE CAPITAL OF THE COMPANY:**

The Authorised Share Capital of the Company since incorporation is Rs. 40,00,00,00,000/- (Rupees Four Thousand Crores) divided into 4,00,00,00,000 equity shares of Rs. 10/- each.

Subsequent to incorporation, the Paid-Up Share Capital of the Company has increased from Rs. 5,00,00,000 (Rupees Five Crore) divided into 50,00,000 (Fifty Lakhs) equity shares of Rs. 10/- each to Rs. 1,00,00,00,000 (Rupees One Hundred Crore) divided into 10,00,00,000 (Ten Crores) equity shares of Rs. 10/- each.

During the financial year under review, on 18<sup>th</sup> February 2025, approval of the Board was received for the conversion of 275,00,00,000 (two hundred seventy-five crores) fully paid-up, unlisted, optionally and fully convertible debentures having a face value of INR 10 (Indian Rupees Ten) issued by the Company to PCBL Chemical Limited and PCBL

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(TN) Limited into equity shares of a face value of INR 10 (Indian Rupees Ten) each. Considering the above, the paid-up Share Capital of the Company is Rs. 28,50,00,00,000 (Rupees Two Thousand Eight Hundred and Fifty Crores).

Further, there was no issue of equity shares with differential rights, sweat equity and under any scheme of employee stock option as per the provisions of the Companies Act, 2013, and rules made thereunder.

**6. DIVIDEND:**

The Board of Directors has not recommended any dividend for the financial year 2024-25.

**7. TRANSFER TO RESERVES:**

During the year under review, no amount is proposed to be transferred to any reserve.

**8. NATURE OF COMPANY'S AFFAIRS, CHANGES AND FUTURE OUTLOOK:**

There has been no change in the nature of the business of the company.

The Company is in the business of manufacturing and sale of specialty chemicals & water treatment chemicals. The Company was incorporated on 11<sup>th</sup> January 2024, and hence the comparative information relevant to the previous year has been furnished for the period from 11<sup>th</sup> January to 31<sup>st</sup> March 2024. Accordingly, the figures for the comparative period ended 31<sup>st</sup> March 2024 are not comparable to the current year ended 31<sup>st</sup> March 2025.

**9. ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft Annual Return of the Company as of 31<sup>st</sup> March, 2025, is made available on the website of your Company and can be accessed at [www.aquapharm-india.com](http://www.aquapharm-india.com).

**10. NUMBER OF MEETINGS OF THE BOARD:**

The Board met fifteen (15) times during the year under review. The intervening gap between two consecutive board meetings did not exceed 120 days, as prescribed under the Act and the SEBI Listing Regulations.

The Board meetings were held on:

Sr. No.	Date	Sr. No.	Date
1.	02-05-2024	2.	22-05-2024
3.	31-05-2024	4.	14-06-2024
5.	14-06-2024	6.	17-07-2024
7.	01-08-2024	8.	23-10-2024
9.	17-12-2024	10.	09-01-2025
11.	03-02-2025	12.	06-02-2025
13.	18-02-2025	14.	05-03-2025
15.	27-03-2025	-	-

## 11. CHANGE IN THE COMPOSITION OF THE BOARD:

The Company was incorporated with three Directors in the Board viz.

Mr. Raj Kumar Gupta	(DIN: 07894448)
Mr. Kaushik Mukherjee	(DIN: 08897745)
Mr. Gopal Rathi	(DIN: 00553066)

The following is a list of the changes made to the Board of Directors' composition during the financial year under review.

- Appointment of Directors - 02<sup>nd</sup> May, 2024

The Company has appointed Mr. T. C. Suseel Kumar and Mrs. Kusum Dadoo as additional non-executive independent directors, w.e.f. 02<sup>nd</sup> May, 2024, subject to the approval of the Members of the Company in the ensuing General Meeting of the Company.

- Resignation of Director - 3<sup>rd</sup> May 2024

Mr. Gopal Rathi resigned from the position of Directorship w.e.f. 3<sup>rd</sup> May 2024.

- Change in Designation – 14<sup>th</sup> June 2024

Mr. Kaushik Mukherjee was appointed as a Whole-time Director of the Company for a term of 5 years from 14<sup>th</sup> June 2024 to 13<sup>th</sup> June 2029.

- Confirmation of Directors – 27<sup>th</sup> August 2024.

In the first Annual General Meeting of the members of the Company the following appointments were approved by the members.

Name of the Director	Designation
Mr. T.C. Suseel Kumar	Non-Executive Independent Director
Mrs. Kusum Dadoo	Non-Executive Independent Director
Mr. Kaushik Mukherjee	Whole time Director

- Appointment of Directors – 17<sup>th</sup> December 2024

The Company has appointed Mr. Gopal Rathi as additional non-executive director and Mrs. Iram Hassan as additional non-executive independent director, w.e.f., 17<sup>th</sup> December 2024, subject to the approval of the Members of the Company in the ensuing General Meeting of the Company.

- Confirmation of Directors – 12<sup>th</sup> March 2025

The approval of the Members of the Company was received for the appointment of Mr. Gopal Rathi as non-executive director and Mrs. Iram Hassan as non-executive independent director.

- Appointment and Resignation of Directors – 27<sup>th</sup> March 2025

- Mr. Suresh Kalra was appointed as an Additional Director and as a Whole-time Director of the Company for a period of 3 years with effect from the 27<sup>th</sup> day of March 2025, subject to the approval of the Members of the Company in the ensuing General Meeting of the Company.
- Mr. Kaushik Roy was appointed as an Additional Non-Executive Non-Independent Director of the Company with effect from 27<sup>th</sup> March 2025, subject to the approval of the Members of the Company in the ensuing General Meeting of the Company.
- Mr. Kaushik Mukherjee ceased to be a Director and Whole-time Director of the Company with effect from the end of the day on 27<sup>th</sup> March 2025.
- Mr. Raj Kumar Gupta ceased to be a Director of the Company with effect from the end of the day on 27<sup>th</sup> March 2025.

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with Articles of Association of the Company, Mr. Gopal Rathi retires by rotation and being eligible, has offered himself for re-appointment.

The Board recommends the re-appointment of Mr. Gopal Rathi as Director for your approval. Brief details as required under Secretarial Standard-2 are provided in the Notice of AGM.

## **12. DISQUALIFICATION OF DIRECTORS:**

None of the Directors of the Company have incurred any disqualification on account of non-compliance with any of the provisions of the Companies Act, 2013.

## **13. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Sections 134(3)(c) and 134(5) of the Act, the Board, to the best of their knowledge and belief, confirms that:

- i. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2025, the applicable accounting standards have been followed, and there are no material departures;
  - ii. Appropriate accounting policies have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of your Company for that period;
  - iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
  - iv. The annual accounts have been prepared on a going concern basis;
  - v. Internal financial controls laid down by the Directors have been followed by the Company and such internal financial controls are adequate and are operating effectively; and
  - vi. Proper systems to ensure compliance with the provisions of all applicable laws are in place and are adequate and operating effectively.
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#### **14. STATUTORY AUDITORS AND AUDITOR'S REPORT:**

The Company in its 1<sup>st</sup> (first) Annual General Meeting held on 27<sup>th</sup> August, 2024 had appointed M/s. L. B. Jha & Co., Chartered Accountants (ICAI Firm Registration No. 301088E), to act as Statutory Auditor of the Company for a term of 5 (five) consecutive years, in accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) from the conclusion of 1<sup>st</sup> Annual General Meeting, till the conclusion of 6<sup>th</sup> Annual General Meeting i.e., Annual General Meeting to be held for the year ended 31<sup>st</sup> March 2029, at a remuneration as may be decided and fixed by the Board of Directors of the Company.

There are no qualifications, reservations, adverse remarks, or disclaimers made by the Statutory Auditors in their report. During the financial year under review, the Auditors had not reported any matter under Section 143 (12) of the Act; therefore, no detail is required to be disclosed under Section 134 (3) (ca) of the Act.

The report given by M/s. L. B. Jha & Co., Chartered Accountants, on the financial statement of the Company for the year 2024-2025 is a part of the annual report. The notes on the financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

#### **15. SECRETARIAL AUDITORS & THEIR REPORT:**

The Board had appointed M/s. Mehta & Mehta, Company Secretaries, Pune, as the Secretarial Auditor for conducting the Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report has been annexed to this report as Annexure-V.

There are no qualifications, reservations, adverse remarks, or disclaimers made by the Secretarial Auditors in their report.

Further, pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and subject to the approval of the Members of the Company, the Board proposed to appoint M/s. Mehta & Mehta, Company Secretaries, Pune, for a period of 5 consecutive years to hold the office from the conclusion of the 02<sup>nd</sup> (Second) Annual General Meeting till the conclusion of the 07<sup>th</sup> (Seventh) Annual General Meeting of the Company to be held for the year ended 31<sup>st</sup> March 2030, subject to approval by the Members by way of an ordinary resolution in the ensuing Annual General Meeting.

#### **16. COST AUDITORS:**

The financial statements for the financial year 2023-24 were re-casted considering the amalgamation of the Aquapharm Chemicals Private Limited (the transferor company) with the Company. After taking into consideration the re-casted financials and pursuant to the Companies (Cost Record & Audit) Amendment Rules 2014, the provisions of cost audit are applicable to the Company for the financial year 2024-25.

Accordingly, the Board has appointed M/s. Shome & Banerjee, Cost Accountants, Kolkata, in the Board meeting held on 27<sup>th</sup> March 2025 as the Cost Auditor for

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conducting the audit of cost records of the Company for the financial year 2024-25, at the remuneration approved by the Board of Directors of the company, which will be subsequently ratified by members in the ensuing Annual General Meeting.

Accordingly, pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board seeks the ratification by the members for remuneration payable to M/s. Shome and Banerjee, Cost Accountants, Kolkata, for financial year 2024-25.

**17. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:**

There are no frauds reported by auditors under Sub-Section (12) of Section 143 other than those which are reportable to the Central Government.

**18. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149:**

Your Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI Listing Regulations, and there has been no change in the circumstances which may affect their status as an Independent Director. The Independent Directors have also given a declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their names appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Further, in the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Listing Regulations 2015 and are independent of the management of the Company. Further, the Board also states that Independent Directors are the persons of integrity and have adequate experience to serve as Independent Directors of the Company

**19. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:**

Pursuant to the provisions of Section 178(3) of the Act, your Company has framed a policy on Directors' appointment and remuneration and other matters, which is available on the website of the Company at [www.aquapharm-india.com](http://www.aquapharm-india.com).

**20. SECRETARIAL STANDARDS:**

The Company has devised proper systems to ensure compliance with respect to all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) under the provisions of Section 118(10) of the Companies Act, 2013. The Board hereby reports that during the financial year under review, the Company has complied with applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to "Meetings of the Board of Directors" and "General Meetings," respectively.

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**21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

Details of Loans, Guarantees and Investments made during the year under review are briefly noted under Note No. 6, Note No 7, and Note No. 38, respectively to the standalone financial statements.

**22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES UNDER SECTION 188(1) OF COMPANIES ACT, 2013:**

All transactions with related parties entered into during the year under review were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the rules made thereunder.

The particulars relating to contracts or arrangements which are in the ordinary course of business and at arm's length with related parties are provided in Annexure-I (AOC 2) to this report.

Further, the Disclosure as per point A of Schedule V of the SEBI (LODR) Regulations, 2011, has been briefly noted under Note no. 41 to the standalone financial statements and Note no. 40 to the consolidated financial statement.

**23. INTERNAL FINANCIAL CONTROL:**

The Board of Directors of the Company has developed an Internal Financial Control System as referred to under Section 134(3)(q) of the Act read with Rule 8(5)(c)(viii) of Companies (Accounts) Rules, 2014. The Company has an internal financial control system commensurate with the size, scale, and complexity of its operations. The Board of Directors has laid down standard processes and procedures for implementing the internal financial controls across the organization.

After considering the framework of existing internal financial controls and compliance systems; work performed by the Internal, Statutory and External Consultants; reviews performed by the Management, the Board of Directors is of the opinion that the Company's internal financial controls with reference to the financial statements pursued by the Directors are considered sufficient, and no reportable material weakness in the design or operation was observed.

Based on the internal control over financial reporting criteria established by the Company and considering the essential components of internal control and also considering its inherent limitations with reference to financial statements, the Auditors of the Company have certified that the internal financial controls system with reference to financial statements were adequate in all material respect and operating effectively.

**24. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There are no material changes or commitments affecting the financial position of the Company occurred between the close of the financial year ended 31<sup>st</sup> March 2025 and the date of this Board's Report.

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Further, the details with respect to contingencies have been briefly noted under Note no. 38 to the standalone financial statements and Note no. 37 to the consolidated financial statement.

**25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Account) Rules, 2014, with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, is provided in **Annexure-II** to this report.

**26. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:**

Risk Management is the process of identification, assessment, and prioritization of risks followed by coordinated efforts to minimize, monitor, and mitigate/control the probability and/or impact of unfortunate events or to maximize the realization of opportunities.

Your Company has laid down a comprehensive risk assessment and minimization procedure in accordance with the requirements of the Act and the SEBI Listing Regulations, which is reviewed and approved by the Board from time to time. This procedure is reviewed to ensure that the executive management controls risk through means of a properly defined framework.

The Company has taken and ensured all the necessary care with respect to threats which may affect the existence of the Company. A risk management policy/system in this regard is in place. In the opinion of the Board, risks that may threaten the existence of the Company are minimal.

**27. CORPORATE SOCIAL RESPONSIBILITY INITIATIVE:**

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken various programs and projects. The amount required to be spent on CSR activities by Aquapharm Chemicals Private Limited, the transferor company, for the financial year 2024-25 was INR 3.77 crore. As per the recommendation of the CSR Committee of the Transferor Company, i.e., Aquapharm Chemicals Private Limited, the Transferor Company had transferred INR 0.30 crore and on the recommendation of the CSR Committee of the Company, i.e., Aquapharm Chemical Limited (*formerly known as Advaya Chemical Industries Limited*), had transferred INR 0.03 crore to Aquapharm Foundation for development and renovation of the Senior Citizen Community Centre and other charitable purposes during the year.

The Company has transferred an unspent amount of Rs. 3.44 crore to the Unspent CSR Account towards its ongoing project.

The project is in accordance with Schedule VII of the Companies Act, 2013, and the details of the same have been provided in Annexure-III to this report.

**28. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AND THEIR POSITION & FINANCIAL PERFORMANCE:**

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Your Company is a subsidiary of PCBL Chemical Limited. Your Company had 1 unlisted, wholly owned private subsidiary, namely M/s. Aquapharm Chemicals Private Limited, which was merged with the company with effect from 1<sup>st</sup> January 2025. Considering the said merger, the Company has the following subsidiaries:

- i. The Company has a wholly owned subsidiary in the Netherlands, named “Aquapharm Europe B.V.,” which was established in February 2015.
- ii. The Company has a wholly owned subsidiary in the United States of America named “Aquapharm Chemicals LLC,” which was established in July 2017. This is a Delaware Limited Liability Company. This subsidiary is a holding company of “Aquapharm PChem LLC” with 100% holding and “Aquapharm Specialty Chemicals, LLC” with 100% holding.
- iii. The Company holds 95% shares in a company based in Saudi Arabia named “Unique Solutions for Chemical Industries Company.” Further, “Unique Solutions for Chemical Industries Company” has a subsidiary named USCI LLC in Sharjah Media City, Sharjah.
- iv. The Company has another wholly owned subsidiary Company named “Aquapharm Foundation,” a Section 8 company.

There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act.

Pursuant to the provisions of Sections 129, 134, and 136 of the Act read with rules made thereunder and Regulation 53 of the SEBI Listing Regulations, your Company has prepared consolidated financial statements of your Company and a separate statement containing the salient features of financial statement of its Subsidiaries, Joint Ventures and Associates are given in Annexure-IV (in Form AOC -1), which forms part of this Annual Report.

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and subsidiary companies seeking such information on all working days during business hours till the date of the AGM of the Company. The financial statements of the subsidiary companies shall also be kept open for inspection by any shareholder during working hours at your Company’s registered office and that of the respective subsidiary companies concerned. In accordance with Section 136 of the Act, the audited financial statements, including consolidated financial statements and related information of your Company and audited accounts of each of its subsidiaries, are available on the website of your Company at [www.aquapharm-india.com](http://www.aquapharm-india.com).

## **29. PUBLIC DEPOSITS:**

The Company has not invited and/ or accepted any deposits from the public during the year under review.

## **30. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES:**

Your Company has adopted a Vigil Mechanism Policy / Whistle Blower Policy and has established the necessary vigil mechanism for Directors and Employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate

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reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of your Company provides for adequate safeguards against victimisation of whistle blowers who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The said policy is uploaded on your Company's website and may be accessed at the following link: [www.aquapharm-india.com](http://www.aquapharm-india.com).

During the financial year ended on 31<sup>st</sup> March 2025, your Company has not received any complaint under the vigil mechanism / whistle blower policy.

**31. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at the workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder and all employees are aware of it.

The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment where employees feel secure.

During the period under review, no cases were filed pursuant to the Sexual harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Further, the Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**32. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:**

No significant and material order has been passed by the Regulators, Courts or Tribunals impacting the going concern status and the Company's operations in future.

**33. INSOLVENCY AND BANKRUPTCY CODE UPDATE:**

No application has been made / No proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year under review.

**34. VALUATION FOR ONE TIME SETTLEMENT WITH BANK AND FINANCIAL INSTITUTION:**

The Company has not made any valuation for one-time settlement with Banks and Financial Institutions. Hence, there is no reason for elaboration on the said aspect.

**35. CREDIT RATINGS:**

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During the year under review, the Company has received its credit ratings from CRISIL Ratings. The CRISIL Ratings, after due consideration has assigned the rating of CRISIL AA/Stable (Reaffirmed) for the Bank loan facilities of Rs. 1100 Crore (enhanced from Rs. 450 crore) and CRISIL AA/Stable (pronounced as CRISIL double A rating with Stable outlook) on the Rs. 550 crore Non-Convertible Debentures of your Company.

### 36. LISTING:

The Company has listed its Non-Convertible Debentures on 31<sup>st</sup> January 2024 on the BSE Limited (BSE). The Company has paid the requisite listing fees to the Stock Exchange for FY 2024-25.

### 37. NON-CONVERTIBLE DEBENTURES (NCDs):

Your Company had allotted rated, listed, secured, redeemable 55,000 non-convertible debentures of the face value of Rs. 1,00,000/- each for a total sum of Rs. 550 Crores on private placement basis on 29<sup>th</sup> January 2024. The NCD's are listed on the BSE Limited.

### 38. KEY MANAGERIAL PERSONNEL:

The following changes occurred to your company's Key Managerial Personnel (KMPs) during the financial year under review:

Sr. No.	Name	Change	Date
1.	Mrs. Sangeeta Gupta	Appointment as Company Secretary and Compliance Officer	31 <sup>st</sup> May 2024
2.	Mr. Kaushik Mukherjee	Change of designation from Director to Whole Time Director of the Company	14 <sup>th</sup> June 2024
3.	Mr. Amit Basu	Appointment as the Chief Financial Officer of the Company	14 <sup>th</sup> June 2024
4.	Mrs. Sangeeta Gupta	Resigned as Company Secretary and Compliance Officer	6 <sup>th</sup> February 2025
5.	Mr. Amit Basu	Resigned as the Chief Financial Officer of the Company	6 <sup>th</sup> February 2025
6.	Mr. Ganesh Vishwanathan	Appointment as the Chief Financial Officer of the Company	6 <sup>th</sup> February 2025
7.	Mr. Jayesh Damle	Appointment as Company Secretary and Compliance Officer	6 <sup>th</sup> February 2025
8.	Mr. Suresh Kalra	Appointment as Chief Executive Officer	5 <sup>th</sup> March 2025
9.	Mr. Suresh Kalra	Change of designation from Chief Executive Officer to Chief Executive Officer & Whole Time Director of the Company	27 <sup>th</sup> March 2025

Company had the following KMPs as on March 31, 2025, as per Section 2(51) of the Act:

<b>Sr. No.</b>	<b>Key Managerial Personnel</b>	<b>Designation</b>
1.	Mr. Suresh Kalra	Chief Executive Officer & Whole-time Director
2.	Mr. Ganesh Vishwanathan	Chief Financial Officer
3.	Mr. Jayesh Damle	Company Secretary and Compliance Officer

**39. DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES:**

The statement containing particulars of employees, as required under Section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms a part of this Annual Report. However, in terms of Section 136 of the Act, the Annual Report is being sent to the shareholders and others entitled thereto, excluding the said annexure. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to your Company Secretary in this regard at damle.jayesh@aquapharm.net.

**40. BOARD EVALUATION:**

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the performance of Independent Directors and other Directors individually, as well as the evaluation of the working of its committees for the financial year 2024 - 25. The evaluation has been carried out based on the criteria defined by the Nomination & Remuneration Committee.

Based on the evaluation, Company expects the Board and the Directors to continue to play a constructive and meaningful role in creating value for all the stakeholders in the ensuing years.

**41. KEY FINANCIAL RATIOS:**

Key Financial Ratios for the financial year ended 31<sup>st</sup> March 2025, forms part of the Financial Report.

**42. CORPORATE GOVERNANCE:**

The Company is committed to maintain the highest standards of Corporate Governance and adheres to the Corporate Governance requirements set out by the SEBI. The Company has duly complied with the Corporate Governance requirements as set out under Regulation 27 of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**43. COMPOSITION OF THE COMMITTEES:**

Following is the composition of the various committees as on 31<sup>st</sup> March 2025:

A) Composition of the Audit Committee:

Name	Capacity	Designation
Mr. T C Suseel Kumar	Non-Executive - Independent Director	Chairman
Ms. Kusum Dadoo	Non-Executive - Independent Director	Member
Mr. Suresh Kalra	Executive Director	Member

B) Composition of the Nomination & Remuneration Committee:

Name	Capacity	Designation
Mr. T. C. Suseel Kumar	Non-Executive - Independent Director	Chairperson
Ms. Kusum Dadoo	Non-Executive - Independent Director	Member
Mr. Kaushik Roy	Non-Executive - Non-Independent Director	Member

C) Composition of the Stakeholders Relationship Committee:

Name	Capacity	Designation
Mr. T C Suseel Kumar	Non-Executive - Independent Director	Chairperson
Ms. Kusum Dadoo	Non-Executive - Independent Director	Member
Mr. Suresh Kalra	Executive Director	Member

D) Composition of the Risk Management Committee:

Name	Capacity	Designation
Mr. T. C. Suseel Kumar	Non-Executive - Independent Director	Chairperson
Mr. Suresh Kalra	Executive Director	Member
Mr. Kaushik Roy	Non-Executive - Non-Independent Director	Member

E) Composition of the Corporate Social Responsibility Committee:

Name	Capacity	Designation
Ms. Kusum Dadoo	Non-Executive - Independent Director	Member
Mr. Suresh Kalra	Executive Director	Member
Mr. Kaushik Roy	Non-Executive - Non-Independent Director	Chairperson

**44. GENERAL:**

Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

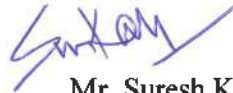
- The company did not undergo any change in the nature of its business during the financial year.
- There were no complaints relating to child labour, forced labour or involuntary labour during the financial year 2024-25.

**45. ACKNOWLEDGEMENTS:**

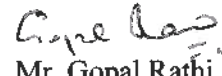
Directors wish to take the opportunity to place on record their sincere appreciation and gratitude for the continued assistance, support, and cooperations extended by all Government Authorities, Banks, Purchasers, Customers, Suppliers, Auditors and other business associates, and last but not the least the members of the Company.

Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's Executives and Employees without whose help, cooperation and hard work the Company would not have been able to achieve the results.

For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited



Mr. Suresh Kalra  
CEO & Whole-time Director  
DIN: 02833715



Mr. Gopal Rathi  
Director  
DIN: 00553066

Date: 23<sup>rd</sup> April 2025

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Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

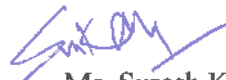
Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Not Applicable							

2. Details of material contracts or arrangement or transactions at arm's length basis:


Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value (INR in Crore), if any	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
(a)	(b)	(c)	(d)	(e)	(f)
Aquapharm PChem LLC, USA (Subsidiary of Aquapharm Chemical LLC, USA, which is a wholly owned subsidiary of the Company)	Procurement of Services & Services rendered	N.A.	0.02  16.07	06/02/2025	N.A.
Aquapharm Specialty Chemicals LLC, USA (Subsidiary of Aquapharm Chemical LLC, USA, which is a wholly owned subsidiary of the Company)	Services rendered	N.A.	2.22	06/02/2025	N.A.
Aquapharm Europe B.V. (Subsidiary of the company)	Services rendered	N.A.	0.93	06/02/2025	N.A.
RPSG Resources Private Limited	License fees	5 Years	10.00	06/02/2025	N.A.
PCBL (TN) Limited	Sale of services	N.A.	3.00	06/02/2025	N.A.

*All the transactions were in the ordinary course of business and at arm's length basis. There were no specific contracts executed.*

For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited



Mr. Suresh Kalra  
CEO & Whole-time Director  
DIN: 02833715



Mr. Gopal Rathi  
Director  
DIN: 00553066

Date: 23<sup>rd</sup> April 2025

## Annexure II to Board's Report

The particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo required under the Companies (Accounts) Rules, 2014, are as follows:

### A. CONSERVATION OF ENERGY:

#### (i.) The steps taken to Conserve Energy-

The Company is committed to reducing Natural Resource Utilization through a program of Energy Conservation via structured & sustainable improvement process. The units, of Mahad, Pirangut & Bhosari, have undertaken several programs. Key programs are listed below:

##### ✓ Mahad Plant:

- Installation of Variable Frequency Drive for ID & FD fan of Coal fire boiler for power saving.
  - Year 2023-24 = 3,09,000 Units.
  - Year 2024-25 = 3,14,000 Units.
- Rainwater harvesting to reduce specific water consumption.
  - Year 2022-23 = 21,614 Cu. M
  - Year 2023-24 = 28,600 Cu. M.
  - Year 2024-25 = 34,494 Cu. M.
- Reduction in coal consumption by using clinked fuel additive. Around 3% efficiency improvement.
  - Year 2023-24 = 275 MT – Coal Saved.
  - Year 2024-25 = 326 MT – Coal Saved
- Temperature transmitter installed to interlock cooling tower fan to optimize power consumption in winter & monsoon season.
- Specific power consumption reduced from.
  - Year 2023-24 = 168 to 153 kWh/MT of product.
  - Year 2024-25 = 153 to 150 kWh/MT of product.
- Specific water consumption reduced from
  - Year 2023-24 = 2.28 to 2.03 Cub M/ MT of product.
  - Year 2024-25 = 2.03 to 1.95 Cub M/ MT of product

##### ✓ Pirangut Plant:

- Process optimized to reduce the batch cycle time & specific utility consumption of each product.
  - Switched from old CFL (Compact Fluorescent Lamp) bulbs to LED (Light Emitting Diode) bulbs.
  - Energy saved by using the tanker's own pump to unload Furnace Oil (FO) instead of relying on facility-based unloading pumps.
  - Rainwater harvesting -
    - Year 2022-23 = 450 Cu. M.
    - Year 2023-24 = 480 Cu. M.
    - Year 2024-25 = 505 Cu. M
-

**(ii.) The steps taken by the Company for utilizing alternate sources of energy:**

- Windmill Installation - Taluka Jath, Dist. Sangali. Power generation from windmill for year as follows -
  - Year 2022-23 = 3302240 units.
  - Year 2023-24 = 3613772 units.
  - Year 2024-25 = 3466883 units.
- Solar System Installation – at HO Pune for captive consumption. The power generation from solar system is as follows.
  - Year 2022-23 = 44363 units.
  - Year 2023-24 = 40000 units.
  - Year 2024-25 = 36500 units.
- Solar System Installation – at Innovation Center Bhosari. Power generation per year as follows -
  - Year 2022-23 = 13013 units.
  - Year 2023-24 = 29158 units.
  - Year 2024-25 = 48255 units.

**(iii.) The capital investment on energy conservation equipment:**

- The Company invested in Windmill in the year 2014-15.
- The Company invested in Solar System in the year 2015-16 at Head office.
- The Company invested in Solar System in the years 2016-17 (10 KVA) & 2023-24 (28 KVA) at New Innovation Centre.

**(iv.) The overall carbon footprint (Scope I) improvement is as follows –**

- 2021-22 = 0.37 kg/MT of product.
- 2022-23 = 0.30 kg/MT of product.
- 2023-24 = 0.29 kg/MT of product.
- 2024-25 = 0.28 kg/MT of product.

<b>B. Technology Absorption and Research &amp; Development (R&amp;D):</b>
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- the efforts made towards technology absorption.
- the benefits derived like new product development, product improvement, cost reduction or import substitution.

**(i.) Technology Absorption:**

R&D has developed new products and formulations for textile applications, paper & pulp, corrosion inhibition, scale control for cooling water, detergents, power generation plants, oil field applications and home & personal care. Some of them are already commercialized and others are ready for commercialization.

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**(ii.) Research & Development (R&D):**

Focus areas for R&D are to develop future technologies for Aquapharm, targeting sustainable growth, exploring new applications and enhancing customer base with total customer satisfaction. Previous year, R&D Innovation Centre made significant progress in following technologies:

- New formulations for paper & pulp, digester & bleaching application
- New emulsion polymers for textile applications
- Backward integration of products for sustainable growth and to mitigate market inflation.
- New REACh registration of green chelant & phosphonates to increase EU customer base
- Green chelating agents and new formulations with different variants'/forms developed for detergent segment.
- As per market demand, polymer based solid products were developed for detergent/home care applications
- Several new application areas for existing products are identified with product modifications to meet specific requirements.
- Based on customer demand, new variants of existing phosphonates (salts, % actives, pH variations) were successfully developed
- Granule product line for green chelant and biodegradable polymer
- Production & current business support:
  - Six Sigma approach to enhance productivity & quality through cycle time reduction and process improvements
  - Implementation of cheaper RMs to reduce the cost of product
  - Value added use of by-products to make new products thereby utilizing waste.

Overall, this has resulted in reducing the Carbon footprint.

**(iii.)** in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

a) the details of technology imported;	N.A
b) the year of import;	N.A
c) whether the technology been fully absorbed;	N.A
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and the expenditure incurred on Research and Development.	N.A

**(iv.)** The expenditure incurred on Research and Development.

(Amount in INR Crores)

	2024-25	2023-24
[1] Capital	0.38	0.01
[2] Revenue	12.06	2.53
Total R&D Expenditure	12.44	2.54
(Percentage of total Turnover)	1.57%	2.18%

**C. Foreign Exchange Earnings and Outgo:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

	(Amount in INR Crores)	
	2024-25	2023-24
Foreign Exchange earned in terms of actual inflows	566.27	83.00
Foreign Exchange outgo in terms of actual outflows	490.19	80.43

For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited



Mr. Suresh Kalra  
CEO & Whole-time Director  
DIN: 02833715



Mr. Gopal Rathi  
Director  
DIN: 00553066

Date: 23<sup>rd</sup> April 2025

Annual Report on Corporate Social Responsibility (CSR) Activities  
*[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]*

1. A brief outline on CSR policy of the Company:

CSR Policy intends to:

Strive for economic development that positively impacts the society at large with minimal resource footprint.

Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, health and wellbeing, environmental sustainability, education, livelihood improvement, basic amenities, communities, stakeholders and the society and one or more of such other activities that may be included in future in Schedule VII to the Act.

The Key focus areas of CSR Policy are:

- i. Senior Citizens Care:  
Empower and to ensure physical, mental, and social wellbeing of senior citizens by bringing the senior citizens to the mainstream of life through setting up of 'senior citizens' community centre.'
  - ii. Health:  
Maternal and child health and nutrition, early childcare and development, adolescent health and hygiene and community health and hygiene in underserved areas and among underprivileged sections.
  - iii. Education:  
Access to quality education with level-appropriate reading and writing ability, and mainstreaming drop-out children through in-school and outside school interventions for underprivileged children. Creating a child-friendly environment in government and government- aided schools by providing infrastructure in the form of classrooms, water and sanitation facilities, libraries, playgrounds, computers, etc.
  - iv. Environment:  
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
  - v. Community development and skill development:  
Access to basic civic amenities, such as, safe drinking water, appropriate and adequate sanitation facilities for underprivileged communities. Protection of child rights, women empowerment, and skill development of youths from underprivileged communities for improving their employability.
  - vi. National Heritage, Art and Culture:
-

Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

The Company strives to be in service of the community at large and provide services that create holistic development and operate in alignment with the Company's philosophy.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	CSR Committee meetings held during the year (Numbers)	CSR Committee attended during the year (Numbers)
1.	*Mr. Raj Kumar Gupta	Chairman of Committee / Director	2	2
2.	*Mr. Kaushik Mukherjee	Member / Whole-time Director	2	2
3.	Ms. Kusum Dadoo	Member / Director	2	2
4.	Mr. Kaushik Roy	Member / Director	2	0
5.	Mr. Suresh Kalra	Member / Whole-time Director	2	0

*\*During the year, Mr. Raj Kumar Gupta and Mr. Kaushik Mukherjee has resigned from the post of Director. Due to resignation of Directors and appointment of new Directors, the CSR Committee was reconstituted on 27<sup>th</sup> March 2025.*

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:  
<https://www.aquapharm-india.com/csr/>
  4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:  
 Not Applicable
  5.
    - a) Average net profit of the Company as per sub-section (5) of section 135:  
 INR 188.44 Crore
    - b) Two percent of average net profit of the Company as per section 135(5):  
 INR 3.77 Crore
    - c) Surplus arising out of the CSR projects or programs or activities of the previous financial years:  
 Not Applicable
    - d) Amount required to be set off for the financial year, if any:  
 NIL
    - e) Total CSR obligation for the financial year [(b)+(c)-(d)]:  
 INR 3.77 Crore
-

6.

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):

- (i) Details of CSR Amount Spent against Ongoing Projects for the financial year: NIL  
(ii) Details of CSR amount spent against other than ongoing projects for the financial year:

(INR. In Crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes /No)	Location of the project. State District	Amount spent for the project.	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency Name CSR Registration Number
1.	Operation and maintenance of Senior Citizens Community Centre, Pune	Setting up old age homes, day care centers and such other facilities for senior citizens	Yes	Pune Maharashtra	0.33	No	Yes. Aquapharm Foundation  CSR00013234
<b>Total</b>					<b>0.33</b>		

- b) Amount spent in Administrative Overheads – Nil  
c) Amount spent on Impact Assessment, if applicable – Not Applicable  
d) Total amount spent for the Financial Year [(a)+(b)+(c)] – INR 0.33 Crore  
e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (INR. in Crore)	Amount Unspent (INR. in Crore): 3.44				
	Total Amount transferred to Unspent CSR Account as per section 135(6). (INR. in Crore)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
INR 0.33	INR 3.44	29 <sup>th</sup> April, 2025	-	-	-

f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (in (INR) (In Crore)
(1)	(2)	(3)
i.	Two percent of average net profit of the Company as per section 135(5)	3.77
ii.	Total amount spent for the Financial Year	0.33
iii.	Excess amount spent for the financial year [(ii)-(i)]	-
iv.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in INR Crore)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in INR Crore)	Amount Spent in the Financial Year (in INR Crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR Crore)	Deficiency, if any
					Amount (in INR Crore)	Date of Transfer		
1	2022-23	2.26	Nil	2.26	Not Applicable	Not Applicable	Nil	Nil
2	2023-24	2.60	Nil	2.60	Not Applicable	Not Applicable	Nil	Nil

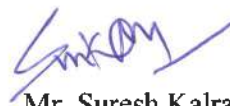
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No.

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:

The Company has an ongoing project of setting up an International School at Alipore in Kolkata launching Grade 6 to Grade 12 by RP- Sanjiv Goenka Group CSR Trust. Accordingly, the spending of CSR expenditure was not possible to be done in a span of 1 (one) year. However, the Company has transferred the amount of unspent CSR into the Unspent CSR Account within the time prescribed under the Act.

For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited



Mr. Suresh Kalra  
CEO & Whole-time Director  
DIN: 02833715



Mr. Gopal Rathi  
Director  
DIN: 00553066

Date: 23<sup>rd</sup> April 2025

Annexure IV to Board's Report

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

Sr. No.	Particulars	Details			
1.	Name of the Subsidiary	Aquapharm Europe B.V.	Aquapharm Chemicals LLC <i>(Including figures of Aquapharm Pchem LLC, USA and Aquapharm Specialty Chemicals, LLC)</i>	Unique Solutions for Chemical Industries Company <i>(including the figures of USCI LLC Sharjah Media City, Sharjah)</i>	Aquapharm Foundation
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March	April to March	April to March	April to March
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	EUR 1 EUR = INR 92.3246	USD 1 USD = INR 85.5814	SAR 1 SAR = INR 22.8217	INR
(Amount in INR Crores)					
4.	Share capital	0.01	11.71	9.78	0.01
5.	Reserves & surplus	5.36	350.65	-50.35	6.73
6.	Total assets	44.22	439.77	67.12	6.87
7.	Total liabilities	38.85	78.43	107.69	0.12
8.	Investments	-	-	-	-
9.	Turnover	35.23	691.60	45.94	0.32
10.	Profit before taxation	2.45	57.12	-2.88	-0.14
11.	Provision for taxation	-0.93	-16.43	-0.22	-
	Deferred tax	-	10.21	-	-
12.	Profit after taxation	1.52	50.90	-3.10	-0.14
13.	Proposed Dividend	-	-	-	-
14.	% of shareholding	100.00%	100.00%	95.00%	100%

The subsidiaries have been audited as per the respective financial years applicable.

- Names of Subsidiaries which are yet to commence operations:  
Not Applicable.
- Names of Subsidiaries which have been liquidated or sold during the year.  
Not Applicable.

Not Applicable.

Part "B": Associates and Joint Ventures

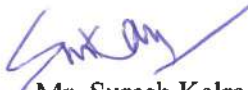
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures


Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
Number of Shares			
Amount of Investment in Associates/Joint Venture			
% Shareholding		N.A.	
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			
5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

- Names of Associates or Joint Ventures which are yet to commence operations.  
Not Applicable
- Names of Associates or Joint Ventures which have been liquidated or sold during the year.  
Not Applicable

For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited

Date: 23<sup>rd</sup> April 2025

  
Mr. Suresh Kalra  
CEO & Whole-time Director  
DIN: 02833715

  
Mr. Gopal Rathi  
Director  
DIN: 00553066

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025**  
*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies*  
*(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**  
**The Members,**  
**Aquapharm Chemical Limited**  
9th and 10th Floor, Amar Synergy,  
12B, Sadhu Vaswani Road, Pune,  
Maharashtra, India, 411001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Aquapharm Chemical Limited (Formerly Known as Advaya Chemical Industries Ltd)** (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:-

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (during the period under review not applicable to the Company)
- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (during the period under review not applicable to the Company)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (during the period under review not applicable to the Company)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
- (j) Any other Act, Regulations, Rules, Circulars, Guidelines, Notifications or Directions, as amended from time to time, issued by the Securities and Exchange Board of India and applicable to the Company, if any.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**REGISTERED OFFICE:** 201-206, SHIV SMRITI CHAMBERS, 2<sup>ND</sup> FLOOR, 49A, DR. ANNIE BESANT ROAD, ABOVE CORPORATION BANK, WORLI, MUMBAI -400018

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance as prescribed under the applicable standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period, all the decisions were taken unanimously and there was no instance of dissent found in the minutes of the Board or Committee meetings.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Acts, Laws, Rules, Regulations, Circulars, Standards and guidelines.

**We further report that** during the Audit Period, the Company has undertaken the below mentioned specific event / action have taken place, having major bearing on the Company's compliance responsibility in pursuance of the above-referred Acts, Laws, Rules, Regulations, Circulars, Standards and Guidelines, etc:

1. During the year, the wholly owned subsidiary of the listed entity, Aquapharm Chemical Private Limited, was amalgamated with the listed entity pursuant to the provisions of Section 233 of the Companies Act, 2013.
2. The listed entity has changed its name from Advaya Chemical Industries Ltd to Aquapharm Chemical Ltd. The Company has applied to BSE for updating the name change, and the process is currently underway

**For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)**

**SD/-  
Ashwini Inamdar  
Partner**

**FCS No: F9409  
CP No.: 11226**

**Place: Mumbai  
Date: 23-04-2025**

**UDIN: F009409G000509359  
PR No. 3686/2023**

**Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.**

## Annexure A

To,  
The Members,  
**Aquapharm Chemical Limited**  
9th and 10th Floor, Amar Synergy,  
12B, Sadhu Vaswani Road, Pune,  
Maharashtra, India, 411001

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in our Secretarial Audit Report in Form No. MR-3, the adherence and compliance with the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,  
Company Secretaries  
(ICSI Unique Code P1996MH007500)**

**SD/-  
Ashwini Inamdar  
Partner**

**FCS No: F9409  
CP No.: 11226**

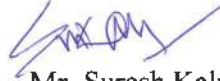
**Place: Mumbai  
Date: 23-04-2025**

**UDIN: F009409G000509359  
PR No. 3686/2023**

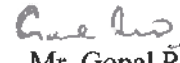
DETAILS OF THE DEBENTURE TRUSTEE

Name	Catalyst Trusteeship Limited
CIN	U74999PN1997PLC110262
Registered Office	GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune, Maharashtra - 411 038
Phone No.	+91 22 4922 0555
Fax No.	+91 (022) 49220505
Email Address	ComplianceCTL-Mumbai@ctltrustee.com
Website Address	<a href="https://catalysttrustee.com/">https://catalysttrustee.com/</a>

For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited



Mr. Suresh Kalra  
CEO & Whole-time Director  
DIN: 02833715



Mr. Gopal Rathi  
Director  
DIN: 00553066

Date: 23<sup>rd</sup> April 2025

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUAPHARM CHEMICAL LIMITED.  
(FORMERLY KNOWN AS "ADVAYA CHEMICAL INDUSTRIES LIMITED")**

**Report on the Audit of the Standalone Ind AS Financial Statements**

**Opinion**

1. We have audited the accompanying Standalone Ind AS financial statements of Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")(the "Company"), which comprise the Balance Sheet as at 31st March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows ,the Statement of Changes in Equity and notes to the standalone Ind AS financial statement for the year then ended on that date including a summary of material accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its losses (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

3. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matter described below to be the key audit matters to be communicated in our report:



Key Audit Matter	Procedures Performed
<b><u>Impairment Testing of Goodwill</u></b>	
<p>The Company has Goodwill of Rs 606.76 crores as at March 31, 2025, arising out of acquisition of Aquapharm Chemicals Private Limited (ACPL), which has been amalgamated with Aquapharm Chemical Limited (formerly known as Advaya Chemical Industries Limited) (ACIL) during the current year. The said Goodwill has an indefinite useful life and as required by Ind AS 36 “Impairment of Assets”, are tested for impairment annually.</p> <p>For assessment, the Company has engaged a valuer to determine the recoverable value of related goodwill based on discounted cash flow method which is complex and is sensitive to underlying assumptions especially those relating to cash flow forecasts including future business growth and the application of an appropriate discount rate, which are inherently subjective.</p> <p>Accordingly, impairment testing of Goodwill is determined to be a key audit matter in our audit of the standalone financial statements.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the report of the management’s expert to evaluate the reasonableness of the methodology and key assumptions used by management and its expert used for impairment testing of Goodwill. Evaluated the competence and objectivity of the management’s expert.</li> <li>• Obtained suitable management representations on projections of future cash flows and the various assumptions used in the valuation.</li> <li>• Assessed the disclosures made in the standalone financial statements.</li> </ul>

**Other Information**

4. The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board’s Report but does not include the standalone Ind AS financial statements and our auditor’s report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor’s report.
5. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. If based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.



**Management's Responsibility for the Standalone Ind AS Financial Statements**

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
16. Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS financial statements.

### **Report on Other Legal and Regulatory Requirements**

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



18. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and the records of the company examined by us the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act,

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclose the impact of pending litigations on the financial position of the Group – Refer Note 38 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 50 to the standalone financial statements , no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind



of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 50 to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E



A handwritten signature in blue ink, appearing to read 'D N Roy', written over a faint circular stamp.

(D N Roy)  
Partner

Membership No. 300389  
**UDIN: 25300389BMHWLV8758**

Place: Kolkata  
Date: 23.04.2025

**ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AQUAPHARM CHEMICAL LIMITED.  
(FORMERLY KNOWN AS ADVAYA CHEMICAL INDUSTRIES LIMITED  
[Referred to in paragraph 17 of the Auditors' Report of even date]**

- i. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets
- (b) The Company has a program of physical verification of fixed assets to cover all its major items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties of the Company are held in the name of the Company other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee.
- (d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year.
- (e) According to the information and explanations given to us, no proceeding has been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventory (excluding inventory with third parties) has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
- (b) During the year, the Company has been sanctioned working capital limits in excess of INR 5 crores in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks which are in agreements with the unaudited books of accounts. (Also, refer Note 23 of the Financial Statements)
- iii. (a) The Company has made investments and granted unsecured loan to a subsidiary. The aggregate amount during the year, and balance outstanding as at the Balance Sheet date with respect to such loan, securities and guarantees to subsidiary and to parties on behalf of the subsidiary are as per the table given below:



Particulars	Loans	Guarantees	Securities
Aggregate amount granted/ provided during the year:			
- Subsidiaries	-	-	-
- Others	-	-	-
Balance outstanding as at balance sheet date in respect of the above case:			
- Subsidiaries	INR 26.93 Crores	INR 56.51 Crores	-
- Others	-	-	-

- (b) In respect of the aforesaid investments, guarantees, securities and loan, the terms and conditions under which such loan was granted, investments were made and guarantees and securities were provided are not prejudicial to the Company's interest.
- (c) In respect of the loan, the schedule of repayment of principal and payment of interest has been stipulated and accordingly there was no principal and interest amount that has fallen due in the current year.
- (d) In respect of the loan, there is no amount which is overdue for more than ninety days.
- (e) There were no loans or advances in nature of loans which have fallen due during the year and were renewed or extended except for a loan given to a subsidiary which was extended during the year. Further, no fresh loans were granted to same parties to settle the existing overdue loans or advances in nature of loan.
- (f) There were no loans or advances in nature of loans which were granted during the year, including to promoters or related parties that were repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and the records of the Company examined by us, the Company has not given any loans, given guarantees or provided any securities to others during the year as per the provisions of section 185 and 186 of the Companies Act, 2013. The Company has complied with the provisions of section 185 and 186 of the Act in respect of investments made during the year.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.



- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 in respect of the Company's product to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, income-tax, goods and service tax, duty of customs, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) There are no statutory dues of provident fund, employees' state insurance, profession tax, labor welfare fund and sales tax, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2025 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount (INR Cr)	Payment under protest	Net Amount (INR Cr)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	0.01	-	0.01	AY 2014-15	CPC (Centralized Processing Centre)
	Income Tax	4.05	1.1	2.95	AY 2016-17	Hon'ble Income Tax Appellate Tribunal (ITAT)
	Income Tax	1.24	-	1.24	AY 2020-21	CIT (Appeal) NFAC
	Income Tax	0.20	-	0.20	AY 2021-22	CIT (Appeal), NFAC
	Income Tax	0.11	-	0.11	AY 2022-23	CIT (Appeal) NFAC
	Income Tax	18.75	-	18.75	AY 2023-24	CPC
Central Excise Act, 1944	Excise Duty	0.14	0.01	0.14	March-2015 to December-2016	CESTAT, Mumbai
	Excise Duty	0.05	0	0.05	January 2017 to July 2017	CESTAT, Mumbai



Finance Act 1994	Service Tax	3.62	0.18	3.44	April 2011 to March 2016	CESTAT, Mumbai
	Service Tax	0.06	0	0.06	December 2011 to March 2016	CESTAT, Mumbai
	Service Tax	2.2	-	2.2	April 2017 to June 2017	Deputy Director Cost GST & Central Excise, Raigad
Goods and Service tax, 2017	Goods and Service tax, 2017	1.4	0.35	1.05	Feb-2018	Assistant Commissioner, CGST Audit-I Committee, Pune
Customs Act, 1962	Customs-MEIS	48.66	2.22	46.44	January 2017 to May 2022	Commissioner of Customs (Port), Kolkata

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or in the payment of interest to lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has used the term loans for the purpose for which loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statement of the company, the Company has not taken funds from an entity or person on account of or to meet the obligations of its subsidiaries. Hence, reporting under this clause is not applicable.



- (f) According to the information and explanation given to us and procedure performed by us, the Company has not raised loans during the year on the pledge of securities held in its subsidiary company. Further, the company has not defaulted in repayment of such loans raised. The details of the aforesaid is as given below.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle- blower during the year (and upto the date of this report) and hence reporting under this clause is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- xiii. According to the information and explanations given to us and the records of the Company examined by us, the Company has complied with the requirements of sections 188 and 177 of the Act with respect to the transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 41 of the financial statements for the year under audit.
- xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi) (a) & (b) is not applicable.
- (b) & (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
- xvii. According to the information and explanation given to us and records of the company examined by us, the Company has not incurred cash losses during the current financial year and Immediate previous year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) The Company has not undertaken any “other than ongoing projects” in pursuance of its Corporate Social Responsibility Policy. Accordingly, reporting under clause 3(a) Of the Order is not applicable to the Company.
- (b) The Company is yet to transfer the amount remaining unspent in respect of CSR expenditure on ongoing projects, to a Fund specified in Schedule VII to the Companies Act, 2013 till the date of our report. However, the time period for such transfer i.e., thirty days of the expiry of the financial year as permitted under the second proviso to sub-section (5) of section 135 of the Act, has not elapsed till the date of our report.

Place: Kolkata  
Date: 23.04.2025



For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301988E

(D N Roy)  
Partner

Membership No. 300389  
**UDIN: 25300389BMHWLV8758**

**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT****To the Members of Aquapharm Chemical Limited.****(Formerly known as “Advaya Chemical Industries Limited”)**

[Referred to in paragraph 18 (f) of the Independent Auditor's Report of even date]

**Report on the Internal Financial Control under Clause (i) of Sub –sections 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls over financial reporting of **Aquapharm Chemical Limited (Formerly known as “Advaya Chemical Industries Limited”)**. (“the Company”) as of 31<sup>st</sup> March, 2025 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Control**

2. The Company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the “Guidance Note” and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



**Meaning of Internal Financial Control over Financial Reporting**

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
- 1) Pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
  - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
  - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Control over Financial Reporting**

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

**Opinion**

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the company considering, the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.



Place: Kolkata  
Date: 23.04.2025

For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

A handwritten signature in blue ink, appearing to read "D N Roy".

(D N Roy)

Partner


Membership No. 300389  
**UDIN: 25300389BMHWLV8758**

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Standalone Ind AS Balance Sheet as at March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

Particulars	Note No.	As at	
		31st March 2025	31st March 2024
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4a	355.35	302.08
Capital work-in-progress	4b	286.48	112.50
Goodwill	5a	606.57	1,161.29
Intangible assets	5b	2,072.28	2,164.20
Right of use assets	4c	56.79	56.90
<b>Financial assets</b>			
Investments	6	273.90	270.00
Loans	7	8.14	7.44
Other financial assets	8	5.75	4.58
Non current tax assets (net)	22	4.98	0.18
Other non-current assets	9	0.94	11.92
<b>Total Non-current Assets</b>		<b>3,671.18</b>	<b>4,091.09</b>
<b>Current Assets</b>			
Inventories	10	223.51	154.26
<b>Financial assets</b>			
Investments	11	-	36.85
Trade receivables	12	195.18	198.81
Cash and cash equivalents	13	38.54	83.53
Other Bank balances	14	7.93	14.00
Other financial assets	15	16.13	10.31
Other current assets	16	35.82	23.96
<b>Total Current Assets</b>		<b>517.11</b>	<b>521.72</b>
<b>Total Assets</b>		<b>4,188.29</b>	<b>4,612.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17a	2,850.00	100.00
Instruments entirely equity in nature	17b	-	2,750.00
Other equity	18	(114.06)	(36.38)
<b>Total Equity</b>		<b>2,735.94</b>	<b>2,813.62</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	823.64	848.29
Lease Liabilities	4d	0.29	-
Other financial liabilities	25	-	36.41
Provisions	20	1.35	1.79
Deferred tax liabilities (net)	21	2.56	577.55
<b>Total Non-current Liabilities</b>		<b>827.84</b>	<b>1,464.04</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	23	279.62	178.78
Lease Liabilities	4d	0.22	-
Trade Payables			
(i) Micro enterprises & small enterprises	24	3.84	6.16
(ii) Other than micro enterprises & small enterprises	24	146.37	78.99
Other financial liabilities	25	178.86	55.21
Provisions	26	5.79	5.23
Current tax liabilities (net)	22	-	2.34
Other current liabilities	27	9.81	8.44
<b>Total Current Liabilities</b>		<b>624.51</b>	<b>335.15</b>
<b>Total Liabilities</b>		<b>1,452.35</b>	<b>1,799.19</b>
<b>Total Equity &amp; Liabilities</b>		<b>4,188.29</b>	<b>4,612.81</b>

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

This is Standalone Balance Sheet referred to in our report of even date  
 For L B Jha & Co  
 Chartered Accountants  
 Firm Registration No.: 301088E

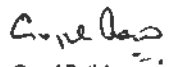
  
 D.N. Roy  
 Partner  
 Membership No.: 300389  
 Place: Kolkata  
 Date: 23rd April, 2025



For and on behalf of the Board of Directors of  
 Aquapharm Chemical Limited (Formerly known as  
 "Advaya Chemical Industries Limited")

  
 Suresh Kalra  
 CEO and Whole time Director  
 DIN: 02833715

  
 Ganesh Vishwanathan  
 Chief Financial Officer

  
 Gopal Rathi  
 Director  
 DIN: 00553066  
 Date: 23rd April, 2025

  
 Jayesh Damle  
 Company Secretary

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Standalone Ind AS Statement of Profit and Loss for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
Revenue from operations	28	766.99	113.19
Other income	29	26.24	3.56
<b>Total income</b>		<b>793.23</b>	<b>116.75</b>
<b>Expenses</b>			
Cost of raw materials consumed	30	458.73	72.98
Changes in inventories of finished goods & work-in-progress	31	0.36	(11.55)
Employee benefit expense	32	64.79	9.51
Finance costs	33	104.03	19.46
Depreciation and amortization expense	34	114.11	19.10
Other expenses	35	149.62	45.79
<b>Total expenses</b>		<b>891.64</b>	<b>155.29</b>
<b>Profit / (Loss) before tax and exceptional items</b>		<b>(98.41)</b>	<b>(38.56)</b>
<b>Exceptional items (refer note 49) :</b>			
Impairment of Goodwill		554.72	-
Reversal of deferred tax liability pursuant to restructuring		(554.20)	-
<b>Total exceptional items</b>		<b>0.52</b>	<b>-</b>
<b>Profit / (Loss) before tax</b>		<b>(98.93)</b>	<b>(38.56)</b>
<b>Income tax expense:</b>			
Current tax	22	-	5.12
Deferred tax	21	(20.91)	(7.35)
<b>Total tax expense / (gain)</b>		<b>(20.91)</b>	<b>(2.23)</b>
<b>Profit / (Loss) for the year</b>		<b>(78.02)</b>	<b>(36.33)</b>
<b>Other Comprehensive Income / (Loss) (OCI)</b>			
<b>Items that will not be reclassified to profit or loss (A)</b>			
Remeasurements of post-employment benefit obligations		0.22	0.14
Income tax relating to above		(0.05)	(0.03)
<b>Total (A)</b>		<b>0.17</b>	<b>0.11</b>
<b>Items that will be reclassified to profit or loss (B)</b>			
Net movement on cash flow hedges		0.22	(0.22)
Income tax relating to above		(0.06)	0.06
<b>Total (B)</b>		<b>0.16</b>	<b>(0.16)</b>
<b>Other comprehensive income / (loss) for the year, net of tax (A+B)</b>		<b>0.33</b>	<b>(0.05)</b>
<b>Total comprehensive Income / (Loss) for the year</b>		<b>(77.69)</b>	<b>(36.38)</b>
Basic Earnings Per Share (EPS) (in INR)	42	(1.87)	(4.17)
Diluted Earnings Per Share (EPS) (in INR)	42	(1.87)	(4.17)
(Nominal value per share: INR 10)			

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

This is Statement of Standalone Profit and Loss referred to in our report of even date

For **L B Jha & Co**  
 Chartered Accountants  
 Firm Registration No.: 301088E



D.N. Roy  
 Partner  
 Membership No.: 300389  
 Place: Kolkata  
 Date: 23rd April, 2025



For and on behalf of the Board of Directors of  
**Aquapharm Chemical Limited (Formerly known as**  
**"Advaya Chemical Industries Limited")**



Suresh Kalra  
 CEO and Whole time Director  
 DIN: 02833715



Ganesh Vishwanathan  
 Chief Financial Officer



Gopal Rathi  
 Director  
 DIN: 00553066  
 Date: 23rd April, 2025

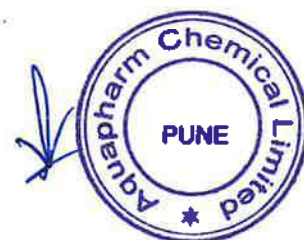


Jayesh Damle  
 Company Secretary

Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
 Standalone Ind AS Statement of Cash flows for the year ended March 31, 2025  
 (All amounts are in INR Crores, unless otherwise stated)

Particulars	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>A. Operating activities</b>		
Profit/ (Loss) before tax	(98.93)	(38.56)
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expense	114.11	19.10
Net movement in exceptional items (refer note 49)	0.52	-
(Profit) / Loss on sale of property, plant and equipment	(0.09)	(0.13)
(Profit) / Loss on sale of investments	(3.18)	-
Change in fair value of investments	-	(0.63)
Finance costs	104.03	19.46
Interest income	(3.12)	(0.45)
Unrealized foreign exchange difference (net)	(5.07)	(1.22)
<b>Operating profit before working capital changes</b>	<b>108.27</b>	<b>(2.43)</b>
<b>Changes in operating assets and liabilities</b>		
Decrease/(Increase) in trade receivable	7.34	(1.13)
Decrease/(Increase) in inventories	(69.25)	(1.02)
Decrease/(Increase) in loans given to related parties	0.21	0.07
Decrease/(Increase) in other financial assets	(5.15)	4.67
Decrease/(Increase) in other current assets	(11.86)	0.84
Increase/(Decrease) in trade payables	65.19	(23.57)
Increase/(Decrease) in employee benefit obligations	0.34	(1.85)
Increase/(Decrease) in other financial liabilities	6.93	24.35
Increase/(Decrease) in other current liabilities	1.37	(2.54)
<b>Cash generated from operating activities</b>	<b>103.39</b>	<b>(2.61)</b>
Income tax paid (net of refunds)	(7.14)	(0.06)
<b>Net cash flows generated from / (used in) operating activities (A)</b>	<b>96.25</b>	<b>(2.67)</b>
<b>B. Investing activities*</b>		
Purchase of property, plant and equipments and intangible assets	(156.22)	(17.29)
Proceeds from sale of property, plant and equipments	1.44	0.61
Purchase of current investments	(191.19)	(24.88)
Payment towards acquisition of a subsidiary acquired in a business combination	-	(3,730.09)
Proceeds from sale of current investments	231.23	24.99
Net movement in other bank balances	6.07	0.11
Investment in Subsidiaries	(3.91)	-
Interest Received	1.28	0.05
<b>Net cash flows used in investing activities (B)</b>	<b>(111.30)</b>	<b>(3,746.50)</b>
<b>C. Financing activities*</b>		
Proceeds from Issue of Equity Shares	-	100.00
Proceeds from Issue of Optionally Convertible Debenture (OCD)	-	2,750.00
Proceeds from current borrowings	230.16	20.82
Proceeds from non-current borrowings	148.00	997.89
Repayment of current borrowings	(150.61)	(24.96)
Repayment of non-current borrowings	(151.93)	-
Interest paid	(105.72)	(11.34)
Payment of principal portion of lease liabilities	(0.12)	-
<b>Net cash flows (used in) / generated from financing activities (C)</b>	<b>(30.22)</b>	<b>3,832.41</b>
<b>I. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(45.27)</b>	<b>83.24</b>
<b>II. Effect of exchange rate change in cash and cash equivalents</b>	<b>0.28</b>	<b>0.29</b>
<b>III. Cash and cash equivalents as at beginning of the year (refer note 13)</b>	<b>83.53</b>	<b>-</b>
<b>IV. Cash and cash equivalents as at year end (refer note 13) (I+II+III)</b>	<b>38.54</b>	<b>83.53</b>

\*There are no non cash investing and financing activities during the year. For additions to Right of use of assets, refer note 4(c). Refer note 23 for changes in liabilities arising from financing activities.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Standalone Ind AS Statement of Cash flows for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

Components of cash and cash equivalents:

	As at 31st March 2025	As at 31st March 2024
Balances with banks	38.51	83.48
Cash on hand	0.03	0.05
<b>Total cash and cash equivalents</b>	<b>38.54</b>	<b>83.53</b>

The accompanying notes are an integral part of the financial statements.

This is Statement of Standalone Cash flows referred to in our report of even date

For L B Jha & Co  
Chartered Accountants  
Firm Registration No.: 301088E



D.N. Roy  
Partner  
Membership No.: 300389  
Place: Kolkata  
Date: 23rd April, 2025



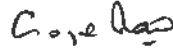
For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited (Formerly known as  
"Advaya Chemical Industries Limited")



Suresh Kalra  
CEO and Whole time Director  
DIN: 02833715



Ganesh Vishwanathan  
Chief Financial Officer



Gopal Rathi  
Director  
DIN: 00553066  
Date: 23rd April, 2025



Jayesh Damle  
Company Secretary

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Standalone Ind AS Statement of Changes in Equity for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**A Equity Share Capital**

	Note no	No. of shares (Units)	Amount
As at January 11, 2024		-	-
Shares issued during the period	17a	10,00,00,000	100.00
As at March 31, 2024		10,00,00,000	100.00
Shares issued during the year	17a	2,75,00,00,000	2,750.00
As at March 31, 2025		2,85,00,00,000	2,850.00

**B Instruments Entirely Equity In Nature**

**0.1% Optionally and Fully Convertible Debentures (OCDs")**

	Note no	No. of shares (Units)	Amount
As at January 11, 2024		-	-
OCDs issued during the period	17b	2,75,00,00,000	2,750.00
As at March 31, 2024		2,75,00,00,000	2,750.00
OCDs converted to equity shares in the ratio 1:1	17b	(2,75,00,00,000)	(2,750.00)
As at March 31, 2025		-	-

**C Other Equity**

	Reserves and surplus	Other reserves	Total
	Retained earnings	Cash flow hedge reserve	
Profit / (Loss) for the period	(36.33)	-	(36.33)
Other Comprehensive Income / (Loss)	0.11	(0.16)	(0.05)
As at March 31, 2024	(36.22)	(0.16)	(36.38)
Profit / (Loss) for the year	(78.02)	-	(78.02)
Other Comprehensive Income	0.17	-	0.17
Transferred to Statement of profit and loss (Net)	-	0.16	0.16
As at March 31, 2025	(114.06)	-	(114.06)

The accompanying notes are an integral part of Financial Statements.

This is Statement of Changes in Equity referred to in our report of even date

For L B Jha & Co  
 Chartered Accountants  
 Firm Registration No.: 301088E

For and on behalf of the Board of Directors of  
 Aquapharm Chemical Limited (Formerly known as  
 "Advaya Chemical Industries Limited")



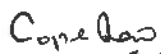
D.N.Roy  
 Partner  
 Membership No.: 300389  
 Place: Kolkata  
 Date: 23rd April, 2025




Suresh Kalra  
 CEO and Whole time Director  
 DIN: 02833715



Ganesh Vishwanathan  
 Chief Financial Officer



Gopal Rath  
 Director  
 DIN: 00553066  
 Date: 23rd April, 2025



Jayesh Damle  
 Company Secretary

## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### 1. Corporate information

Aquapharm Chemical Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at 9<sup>th</sup> and 10<sup>th</sup> Floor, Amar Synergy, 12B, Sadhu Vaswani Road, Pune, Maharashtra, India. The Company is primarily engaged in the business of manufacturing and sales 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 standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

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

The standalone Ind AS financial statements 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 standalone Ind AS financial statements are presented in Indian Rupees in Crores, except when otherwise indicated.

#### Current versus non-current classification

The Company 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 Company classifies all other liabilities as non-current.

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

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



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### 2.2 Material accounting policies

#### 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 Company has following streams of revenue:

##### (i) Revenue from sale of products

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

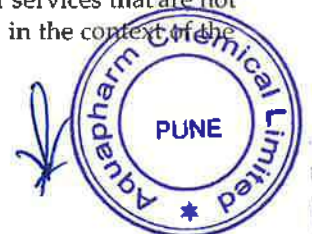
- The customer simultaneously consumes the benefits as the Company performs, or
- The customer controls the work-in-progress, or
- The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

If none of the criteria above are met, the Company 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 Company also considers its present right to payment, alternative use, 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 Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company 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 Company 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.



## **Aquapharm Chemical Limited**

Notes to standalone financial statements for the year ended March 31, 2025

**Financing components:** The Company 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 Company 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 right to payment, delivery terms, alternative use of goods, 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 company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

#### **Transactions and balances**

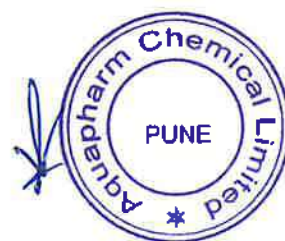
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign 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.

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 a net basis within other gains/(losses).

The Company 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. 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.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### 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 and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. 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;
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company 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.

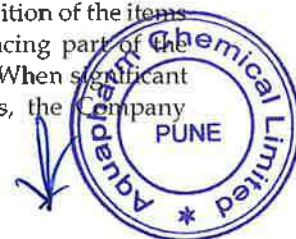
Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

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 Company



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

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 and 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 Company 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 Company, based on technical assessments made by technical experts and management estimates, depreciates certain items of tangible assets over estimated useful lives 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:

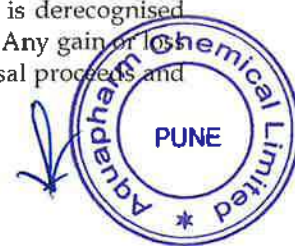
Asset Category	Useful Life considered#	Useful life (Schedule II)
Factory Building ("Buildings")	30 Years	30 Years
Residential Building ("Buildings")	60 Years	60 Years
Factory Roads ("Buildings")	10 Years	10 Years
Plant and Machinery (Other than Glass Lined Reactors and Condenser)	10-22 Years *	Plant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

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 along with consideration of the climate related matters.

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



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

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 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.

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 Company 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 and loss when the asset is derecognised.

Computer software are amortised on a straight-line basis over a period of three years.

Customer-related intangibles are amortised on a straight-line basis over a period of twenty five years.

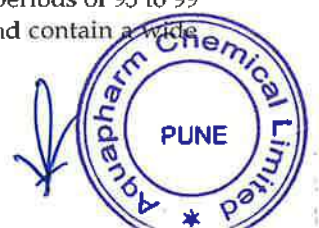
Product-related intangibles are amortised on a straight-line basis over a period of twenty years.

Research costs are expensed as incurred.

### f) Leases

#### As a Lessee:

The Company leases various land parcels. Rental contracts are typically made for fixed periods of 95 to 99 years, but have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

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 company. 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 company 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 company does not create any corresponding liability.

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

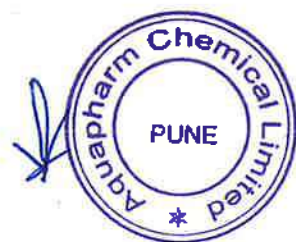
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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 company. 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 company and not by the respective lessor.

### As a Lessor:

Lease income from operating leases where the company 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.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### 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 benefit 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.

#### (iii) Post-employment obligations

The Company operates the following post-employment schemes:

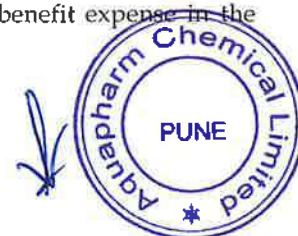
- (a) Defined benefit plans in the nature of gratuity, and
- (b) Defined contribution plans in the nature of provident fund.

#### 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.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

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 company pays provident fund contributions to publicly administered provident funds as per local regulations. The company 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 rendered 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 company 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 company 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 company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company 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 company commit to purchase or sell the financial asset.

#### ii) Measurement:

At initial recognition, the Company 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 company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

**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 statement.

**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 gains/ (losses). 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 gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments:** The company subsequently measures all equity investments at fair value. Where the company'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 company'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 gain/ (losses) 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 as per the accounting policy choice given by Ind AS 27.

### iii) Impairment of financial assets

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

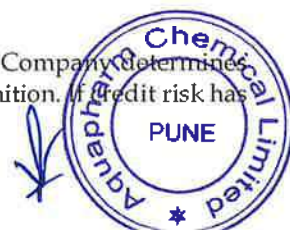
- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- Lease receivables under Ind AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions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

The Company 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 Company 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 Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has



## **Aquapharm Chemical Limited**

Notes to standalone financial statements for the year ended March 31, 2025

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 Company 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 uses 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 Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company 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 Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### **iv) Derecognition of financial asset**

A financial asset is derecognised only when the Company 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 Company 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 Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### v) Reclassification of financial assets

The Company 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 Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company 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 Company 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 Company, and the amount of the dividend can be measured reliably. This applies even if they are paid out of pre-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. 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 Company recognises duty drawback on receipt basis and MEIS on application basis in the year of export.



## **Aquapharm Chemical Limited**

Notes to standalone financial statements for the year ended March 31, 2025

### **m) Provisions and contingent liabilities**

#### **General**

Provisions are recognised when the Company 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 Company 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 and 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 company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle 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 Company'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.

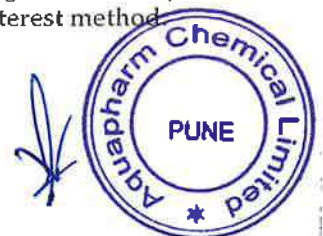
The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for 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 Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



## **Aquapharm Chemical Limited**

Notes to standalone financial statements for the year ended March 31, 2025

### **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 and loss under other gains/(losses).

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 company 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 a qualifying 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 Company 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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

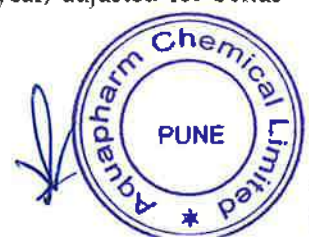
#### **q) Offsetting of financial instruments**

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 Company 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 Company 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.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### 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.

## 2.3 Other accounting policies

### a) 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 company 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.

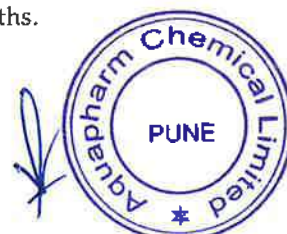
When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and 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.

### b) 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 company 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 company 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 company 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.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

### (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.

When forward contracts are used to hedge forecast transactions, the company designates 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. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, 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.

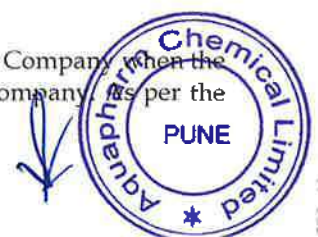
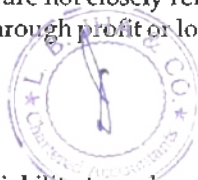
#### Embedded derivatives

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.

### c) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### d) Rounding of amounts

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

### e) Exceptional items

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 Company for the period, the nature and amount of such items are disclosed separately as exceptional item by the Company.

## 2.4 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## 3. Significant accounting judgements, estimates and assumptions

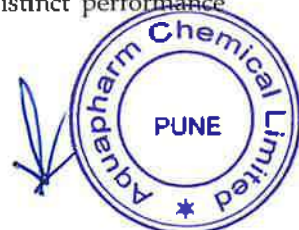
The preparation of financial statements requires the use of accounting estimates. Management exercises judgement in applying the company's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future 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 Company's contracts with customers could include promises to transfer multiple products to a customer. The Company 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 Company 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 Company uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Company 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 Company uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.



## Aquapharm Chemical Limited

Notes to standalone financial statements for the year ended March 31, 2025

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company 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.

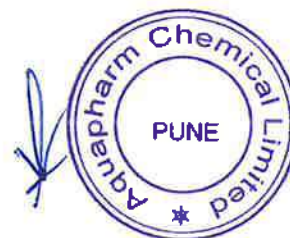
Revenue for fixed-price contract is recognised using the input method for measuring progress. The company uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate 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 .

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 Company 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 Company 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 Company in designing and manufacturing of the products.

### Defined benefit plans

The cost of the defined benefit plan and the present value of such obligations 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 37.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

**4 (a) PROPERTY, PLANT & EQUIPMENT**

Particulars	Land	Buildings#	Plant and Machinery	Furniture & Fixtures	Vehicles	Office equipment	Electrical Installation	Computers	Total
Gross carrying amount as at 1st April, 2024	25.15	125.67	136.25	2.92	3.65	1.46	10.15	0.39	305.65
Additions	-	67.34	8.08	0.05	-	0.03	0.24	0.14	75.88
Disposals/Adjustments	-	-	(0.67)	-	(2.00)	(0.00)	-	-	(2.68)
Closing gross carrying amount as at 31st March, 2025	25.15	193.01	143.66	2.97	1.65	1.49	10.39	0.53	378.85
Accumulated Depreciation as at 1st April, 2024	-	0.85	1.89	0.09	0.34	0.07	0.28	0.04	3.54
Charge for the year	-	5.62	11.67	0.56	1.29	0.39	1.68	0.18	21.39
Disposals/Adjustments	-	-	(0.52)	-	(0.91)	(0.00)	-	-	(1.43)
Accumulated Depreciation as at 31st March, 2025	-	6.47	13.04	0.65	0.72	0.45	1.96	0.22	23.49
Net carrying value as at 31st March, 2025	25.15	186.53	130.61	2.32	0.93	1.03	8.43	0.31	355.35

Particulars	Land	Buildings#	Plant and Machinery	Furniture & Fixtures	Vehicles	Office equipment	Electrical Installation	Computers	Total
Gross carrying amount as at 11th January, 2024	-	-	-	-	-	-	-	-	-
On account of scheme of amalgamation (refer note 49)	25.15	125.56	135.65	2.90	4.10	1.47	10.15	0.38	305.35
Additions	-	0.11	0.60	0.02	-	-	-	0.01	0.74
Disposals/Adjustments	-	-	-	-	(0.45)	(0.01)	-	(0.01)	(0.47)
Closing gross carrying amount as at 31st March, 2024	25.15	125.67	136.25	2.92	3.65	1.46	10.15	0.39	305.62
Accumulated Depreciation as at 11th January, 2024	-	-	-	-	-	-	-	-	-
Charge for the period	-	0.85	1.89	0.09	0.34	0.07	0.28	0.04	3.54
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at 31st March, 2024	-	0.85	1.89	0.09	0.34	0.07	0.28	0.04	3.54
Net carrying value as at 31st March, 2024	25.15	124.83	134.36	2.83	3.31	1.39	9.87	0.35	302.08

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

# Gross Carrying amount and accumulated depreciation includes Rs. 165.73 Crores (31 March 2024 - Rs. 98.39 Crores) and Rs. 5.86 Crores (31 March 2024 - Rs. 0.76 Crores), respectively in respect of Buildings on Leasehold Land.

Aggregate amount of depreciation has been included under depreciation and amortization expenses in the Statement of Profit and Loss [Refer Note 34 for details]

Refer note 19 and 23 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.

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



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

**4 (b) Movement in capital work-in-progress**

	31-Mar-25	31-Mar-24
Opening balance	112.50	-
On account of scheme of amalgamation (refer note 49)	-	89.67
Additions during the period (refer note 1)	250.55	23.57
Transfers during the period	(76.57)	(0.74)
Closing balance	286.48	112.50

**Note 1:**

During the year, the Company has capitalised the following expenses to capital work-in-progress:

Particulars	31-Mar-25	31-Mar-24
Employee benefit expense	0.91	0.16
Interest cost	3.69	-
Other expenses	1.61	0.10
<b>Total</b>	<b>6.21</b>	<b>0.26</b>
Add: balance brought forward from previous year	2.81	2.55
Less: capitalised during the year to property, plant & equipment	-	-
<b>Balance forming part of capital work-in-progress</b>	<b>9.02</b>	<b>2.81</b>

Capital work in progress mainly comprises of amounts pertaining to plant and machinery, electrical installation and others relating to set-up of new manufacturing facility.

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

CWIP as at March 31, 2025	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	246.95	35.76	2.60	1.17
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>246.95</b>	<b>35.76</b>	<b>2.60</b>	<b>1.17</b>

CWIP as at March 31, 2024	Amount in CWIP for a period of			Total
	Less than 1 year	1-2 years	2-3 years	
Projects in progress	82.10	29.05	1.35	-
Projects temporarily suspended	-	-	-	-
<b>Total</b>	<b>82.10</b>	<b>29.05</b>	<b>1.35</b>	<b>112.50</b>

There are no material overdues compared to original plans as on March 31, 2025 and March 31, 2024. The Company evaluates the completion of projects based on its original plan, which are monitored on an ongoing basis.

There has been no projects that has been temporarily suspended during the period ended 31 March 2025.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

**4 (c) Right of use assets:**

The note provides information for leases where the Company is a lessee. The Company has taken on lease various land parcels. Rental contracts are typically made for fixed periods, but have extension options.

**(i) Assets and liabilities recognised in balance sheet**

Particulars	Right of Use assets
Gross carrying amount as at 1st April, 2024	57.00
Additions	0.69
Disposals/Adjustments	-
Closing gross carrying amount as at 31st March, 2025	57.69
Accumulated Depreciation as at 1st April, 2024	0.10
Charge for the year	0.80
Disposals/Adjustments	-
Accumulated Depreciation as at 31st March, 2025	0.90
Net carrying value as at 31st March, 2025	56.79

Particulars	Right of Use assets
Gross carrying amount as at 11th January, 2024	-
On account of scheme of amalgamation (refer note 49)	54.10
Additions	2.90
Disposals/Adjustments	-
Closing gross carrying amount as at 31st March, 2024	57.00

Accumulated Depreciation as at 11th January, 2024	-
Charge for the period	0.11
Disposals/Adjustments	(0.01)
Accumulated Depreciation as at 31st March, 2024	0.10
Net carrying value as at 31st March, 2024	56.90

The balance sheet shows the following amount relating to lease:

Particulars	Gross Block			Net Block	
	31-Mar-25	31-Mar-24	31-Mar-24	31-Mar-25	31-Mar-24
Right of Use assets					
Leasehold land	57.00	57.00	57.00	56.29	56.90
Leasehold building	0.69	-	-	0.50	-



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**4 (d) Lease Liabilities:**

The Company has made the payment for the complete period of lease with respect to the leasehold land. Therefore, the Company does not require to create any corresponding liability for the leasehold land. The lease liability pertains to buildings taken on lease.

Particulars	31-Mar-25	31-Mar-24
<b>Lease liabilities</b>		
Non-current	0.29	-
Current	0.22	-
	<b>0.51</b>	-

**Movement of lease liabilities**

Particulars	31-Mar-25	31-Mar-24
At the beginning of the period	-	-
Addition to lease liability during the year	0.61	-
Accretion of interest (refer note 33)	0.02	-
Payment/ adjustments of lease liabilities	(0.12)	-
<b>At the end of the period</b>	<b>0.51</b>	-

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

Particulars	31-Mar-25	31-Mar-24
Less than one year	0.22	-
One to five years	0.34	-
<b>At the end of the period</b>	<b>0.56</b>	-

**(ii) Amount recognised in the Statement of Profit & Loss**

Particulars	31-Mar-25	31-Mar-24
<b>Depreciation charge on right of use assets</b>		
Leasehold Land	0.69	0.11
Leasehold building	0.11	-
<b>Particulars</b>	<b>Note No.</b>	<b>31-Mar-25</b>
Interest expenses (included in finance cost)*	33	0.02
Expenses related to short term leases, low value assets (included as rent in other expenses)	35	-

\*The total lease payment for the period of the lease 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 Company and not by the respective lessor.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**5 (a) Goodwill**

Goodwill represents the purchase consideration in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Particulars	As at	As at
	31st March 2025	31st March 2024
Opening carrying amount	1,161.29	1,161.29
Impairment	(554.72)	-
Closing carrying amount	606.57	1,161.29

**Impairment test of Goodwill**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

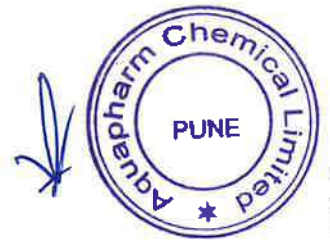
Goodwill of Rs. 1,161.29 Crores had arisen on acquisition of Aquapharm Chemicals Private Limited ("ACPL") during the year ended 31 March, 2024 (Refer Note 49). The Group assesses the goodwill for any indication of impairment at annual basis.

Pursuant to amalgamation of ACPL into Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited") ("ACL") (Refer Note 49) and consequent change in tax base of the assets, deferred tax liability of Rs. 554.20 crores has been reversed through statement of Profit & Loss and ACL has performed impairment assessment of goodwill arisen on acquisition of ACPL and has accounted for impairment loss of Rs. 554.72 crores based on calculation of value in use performed by external valuer.

The impairment assessment was triggered by aforesaid reversal of deferred tax liability and consequent increase in carrying amount of Cash Generating Unit, on account of amalgamation.

Key Assumptions used for value in use calculations are as follows:

Particulars	As at
	31st March 2025
Earnings before Interest Tax Depreciation, and Amortisation % in forecast period	21% - 24%
Profit before tax % in forecast period	18% - 22%
Growth rate used for extrapolation perpetuity rate	4%
Discount rate (post tax)	18.50%



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

5 (b) INTANGIBLE ASSETS

Particulars	Computer software	Customer relationship	Knowhow and IP	Total
Gross carrying amount as at 1st April, 2024	1.05	1,710.80	467.80	2,179.65
Additions	-	-	-	-
Impairment	-	-	-	-
Disposals / Adjustments	-	-	-	-
Closing gross carrying amount as at 31st March, 2025	1.05	1,710.80	467.80	2,179.65
Accumulated amortization as at 1st April, 2024	0.07	11.48	3.90	15.45
Amortisation during the year	0.42	68.17	23.33	91.92
Disposals / Adjustments	-	-	-	-
Accumulated amortization as at 31st March, 2025	0.49	79.65	27.23	107.37
Net carrying value as at 31st March, 2025	0.56	1,631.15	440.57	2,072.28
Particulars	Computer software	Customer relationship	Knowhow and IP	Total
Gross carrying amount as at 11th January, 2024	-	-	-	-
On account of scheme of amalgamation (refer note 49)	1.05	1,710.80	467.80	2,179.65
Additions	-	-	-	-
Disposals / Adjustments	-	-	-	-
Closing gross carrying amount as at 31st March, 2024	1.05	1,710.80	467.80	2,179.65
Accumulated amortization as at 11th January, 2024	-	-	-	-
Amortisation during the period	0.07	11.48	3.90	15.45
Disposals / Adjustments	-	-	-	-
Accumulated amortization as at 31st March, 2024	0.07	11.48	3.90	15.45
Net carrying value as at 31st March, 2024	0.98	1,699.32	463.90	2,164.20

Aggregate amount of amortization has been included under depreciation and amortization expenses in the Statement of Profit and Loss [Refer Note 34 for details]



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>6 INVESTMENTS - NON-CURRENT</b>		
<b>Investment in Equity instruments (fully paid up) (measured at cost)</b>		
<b>Investment in subsidiaries (Unquoted)</b>		
Aquapharm Europe B.V., Netherlands	2.94	2.94
1,000 (31 March 2024: 1,000) equity shares of Euro 1 each fully paid up		
Aquapharm Chemicals LLC, USA	267.05	267.05
18,00,000 (31 March 2024: 18,00,000) equity shares of USD 1 each fully paid up		
Unique Solutions for Chemical Industries Co., Saudi Arabia*	25.12	21.21
50,294 (31 March 2024: 45,000) equity shares of SAR 100 each fully paid up		
Aquapharm Foundation, India	0.01	0.01
9,999 (31 March 2024: 9,999) equity shares of INR. 10 each fully paid up		
	<b>295.11</b>	<b>291.21</b>
<b>Carrying value and market value of quoted and unquoted investments are as below:</b>		
Aggregate carrying value of quoted investments & market value thereof	-	-
Aggregate carrying value of unquoted investments	273.90	270.00
Aggregate amount of impairment in value of investments	21.21	21.21

The list of subsidiaries along with the proportion of ownership interest held are disclosed in note 39.

\*Gross of impairment provision of INR 21.21 Crores (31 March 2024: INR 21.21 Crores)

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

	As at 31st March 2025	As at 31st March 2024
<b>7 LOANS</b>		
<b>Non-current</b>		
Loans to related parties (refer note 41)	26.93	26.23
Less : Loss allowance	(18.79)	(18.79)
	<b>8.14</b>	<b>7.44</b>
<b>Break-up of security details:</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	8.14	7.44
Loans which have significant increase in credit risk	18.79	18.79
Loans - Credit impaired	-	-
	26.93	26.23
Less : Loss allowance	(18.79)	(18.79)
<b>Total</b>	<b>8.14</b>	<b>7.44</b>

**Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties as at March 31, 2025:**

Type of Borrower	Amount Outstanding	Percentage to the total Loans and Advances in the nature of Loans
<b>Related party:</b>		
Unique Solutions for Chemicals Industries Co.	26.93	100%
	<b>26.93</b>	<b>100%</b>



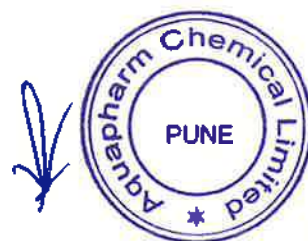
**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

**Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties as at March 31, 2024:**

Type of Borrower	Amount Outstanding	Percentage to the total Loans and Advances in the nature of Loans
<b>Related party:</b>		
Unique Solutions for Chemicals Industries Co.	26.23	100%
	<b>26.23</b>	<b>100%</b>
	As at 31st March 2025	As at 31st March 2024
<b>8 OTHER FINANCIAL ASSETS</b>		
<b>Non-current (Unsecured, considered good)</b>		
Deposits with maturity of more than 12 months	0.65	0.09
Security Deposits	5.10	4.49
	<b>5.75</b>	<b>4.58</b>
	As at 31st March 2025	As at 31st March 2024
<b>9 OTHER NON-CURRENT ASSETS</b>		
<b>Unsecured, considered good</b>		
Capital Advances	0.82	11.92
Prepaid expenses	0.12	-
	<b>0.94</b>	<b>11.92</b>
	As at 31st March 2025	As at 31st March 2024
<b>10 INVENTORIES</b>		
Raw Materials	55.81	32.94
(includes packing material of Rs. 2.52 Crores (31 March 2024 : Rs. 1.75 Crores)		
In transit	54.06	8.29
	<b>109.87</b>	<b>41.23</b>
Work-in-progress	20.96	11.75
	<b>20.96</b>	<b>11.75</b>
Finished goods	39.89	45.64
In transit	46.23	50.06
	<b>86.12</b>	<b>95.70</b>
Stores and spares	6.56	5.58
	<b>223.51</b>	<b>154.26</b>

Write-down of inventories amounted to INR 2.42 Crores (31 March 2024 - INR 0.51 Crores). These were recognised as an expense in Statement of standalone profit and loss of respective year.

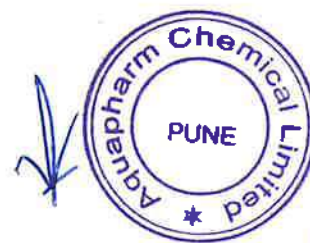
Refer note 23 for information on inventories hypothecated as security by the Company.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>11 INVESTMENTS</b>		
<b>In mutual funds (quoted; at fair value through profit or loss)</b>		
Nil (31 March 2024: 14,20,700.9) Units of ABSL Corporate Bond Fund Direct Growth Plan	-	14.67
Nil (31 March 2024: 23,04,350.54 ) Units of HDFC Short Term Debt Fund Direct Growth Plan	-	6.84
Nil (31 March 2024: 63,773.80) Units of HSBC Cash Fund Direct Growth Plan	-	15.34
	-	<b>36.85</b>
<b>Additional information:</b>		
Aggregate amount of quoted investments and market value there of*	-	36.85
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
*Includes INR Nil pledged in favour of bank to secure SBLC Limits (31 March 2024: INR 36.85 Crores pledged in favour of bank to secure secure ECB and SBLC Limits)		

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.  
 Refer note 44 for associated credit and market risk.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>12 TRADE RECEIVABLES</b>		
Current		
Trade receivables from contract with customers-billed	131.35	138.12
Trade receivables from contract with customers-unbilled	-	-
Trade receivables from contract with customers - related parties (refer note 41)	64.15	61.07
Less: Loss Allowance	(0.32)	(0.38)
	<b>195.18</b>	<b>198.81</b>
<b>Break-up of security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	195.50	199.19
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<b>195.50</b>	<b>199.19</b>
Less: Loss allowance	(0.32)	(0.38)
<b>Total trade receivables</b>	<b>195.18</b>	<b>198.81</b>

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.  
Refer note 23 for information on trade receivables hypothecated as security by the Company.

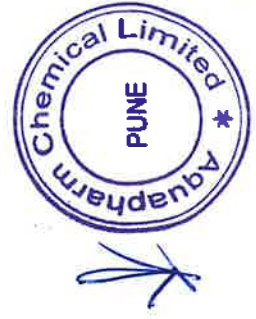
The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in note 44.

**Ageing of trade receivables as on 31st March 2025:**

Particulars	Not due	Outstanding for following periods from due date of payment			Total Receivables
		Less than 6 months	1-2 years	More than 3 years	
Undisputed Trade receivables - considered good	133.45	36.10	25.28	-	195.50

**Ageing of trade receivables as on 31st March 2024:**

Particulars	Not due	Outstanding for following periods from due date of payment			Total Receivables
		Less than 6 months	1-2 years	More than 3 years	
Undisputed Trade receivables - considered good	133.92	36.88	4.35	0.17	199.19



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>13 CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
In Current Accounts	23.04	52.71
In EEFC Accounts	14.53	21.07
Deposits with original maturity of less than 3 months	0.94	9.70
Cash on Hand	0.03	0.05
	<b>38.54</b>	<b>83.53</b>

There are no repatriation restrictions with regards to cash & cash equivalents.

	As at 31st March 2025	As at 31st March 2024
<b>14 OTHER BANK BALANCES</b>		
Deposits with original maturity of more than 3 months but less than 12 months*	7.93	14.00
	<b>7.93</b>	<b>14.00</b>

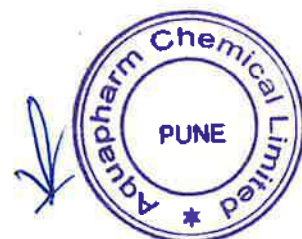
\*Includes INR Nil (31 March 2024: INR 14 Crores) lien marked in favour of the bank to secure SBLC Facility.

	As at 31st March 2025	As at 31st March 2024
<b>15 OTHER FINANCIAL ASSETS</b>		
Unsecured, considered good		
Interest accrued on Bonds and Deposits	0.23	0.44
Others - receivable from related parties (refer note 41)	13.10	9.76
Others	2.80	0.11
	<b>16.13</b>	<b>10.31</b>

	As at 31st March 2025	As at 31st March 2024
<b>16 OTHER CURRENT ASSETS</b>		
Unsecured, considered good		
Export incentives receivable #	0.76	-
Prepaid expenses	0.96	1.07
Advances to suppliers	4.11	9.79
Balances with Government Authorities *	29.72	12.74
Others	0.27	0.36
	<b>35.82</b>	<b>23.96</b>

\* Balances with Government Authorities primarily includes amounts realisable, if any, from the GST Authorities and customs authorities of India and the unutilised GST input credits on purchases to be utilised against future GST liabilities. These are generally realised within one year and hence these balances have been classified as current assets.

# Includes export Benefit Receivables primarily consist of amounts receivable from government authorities of India towards incentives on export sales made by the Company.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>17 (a) EQUITY SHARE CAPITAL</b>		
<b>Authorized share capital</b>		
4,00,00,00,000 (31 March 2024 : 4,00,00,00,000 ) Equity Shares of INR 10 each	4,000.00	4,000.00
<b>Issued share capital</b>		
2,85,00,00,000 (31 March 2024 : 10,00,00,000) Equity Shares of INR 10 each fully paid up	2,850.00	100.00
<b>Subscribed &amp; fully paid up share capital</b>		
2,85,00,00,000 (31 March 2024 : 10,00,00,000) Equity Shares of INR 10 each fully paid up	2,850.00	100.00
<b>Total issued, subscribed &amp; fully paid up equity share capital</b>	<b>2,850.00</b>	<b>100.00</b>

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

	31st March 2025 (No. of Shares)	31st March 2025 (INR Crores)	31st March 2024 (No. of Shares)	31st March 2024 (INR Crores)
At the beginning of the year	10,00,00,000	100.00	-	-
Shares issued during the year	2,75,00,00,000	2,750.00	10,00,00,000	100.00
<b>At the end of the year</b>	<b>2,85,00,00,000</b>	<b>2,850.00</b>	<b>10,00,00,000</b>	<b>100.00</b>

On 11 January, 2024, the Company has issued and allotted 50,00,000 equity shares of Rs 10 each at an issue price of Rs 10 per equity share to PCBL Chemical Limited (Holding Company), being the subscriber to the Memorandum, aggregating to Rs 5.00 Crores. Further on 22nd January 2024, the Company issued and allotted 7,50,00,000 and 2,00,00,000 equity shares of Rs 10 each at an issue price of Rs 10 per equity share to PCBL Chemical Limited (Holding company) and PCBL (TN) Limited (Wholly Owned Subsidiary of PCBL Chemical Limited), aggregating to Rs 75 Crores and Rs 20 Crores respectively. The allotment was made through preferential basis as per the provisions of the Companies Act, 2013 with the consent from the shareholders of the Company obtained at the Extraordinary General Meeting held on 19 January 2024 and all other applicable provisions of Companies Act, 2013 (including any statutory modification, or re-enactment thereof or any regulations, rules and guidelines, if any, related thereto for the time being in force), and the relevant provisions of the Memorandum of Association and Articles of Association of the Company. Pursuant to the allotment of equity shares on preferential basis, the paid up share capital of the Company has been increased from Rs 5 Crores comprising of 50,00,000 Equity share to Rs 100 Crores comprising of 10,00,00,000 Equity share for the period ending 31st March 2024.

Pursuant to the terms and conditions of unlisted optionally and fully convertible debentures ("OCDs"), the Company has converted all 275,00,00,000 OCDs into one equity shares of Rs. 10 each during the year ended 31st March 2025. Accordingly, the Company has issued 220,00,00,000 and 55,00,00,000 equity shares of Rs. 10 each to PCBL Chemical Limited and PCBL (TN) Limited respectively.

**b Terms and rights attached to equity shares:**

The Company has only one class of equity shares having par value of Rs. 10/- per share and each shareholder is entitled for one vote per share held. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**c Shares held by Holding Company and its subsidiaries/associates:**

	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCBL Chemical Limited (Immediate Holding Company)	2,28,00,00,000	80.00%	8,00,00,000	80.00%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	57,00,00,000	20.00%	2,00,00,000	20.00%

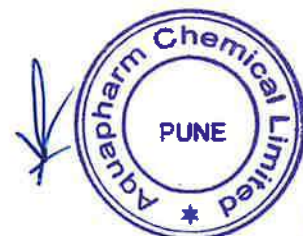
**d Details of shareholders holding more than 5% shares in the Company:**

	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCBL Chemical Limited (Immediate Holding Company)	2,28,00,00,000	80.00%	8,00,00,000	80.00%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	57,00,00,000	20.00%	2,00,00,000	20.00%

**e Details of shareholding of promoters:**

	As at 31st March 2025		
	No. of Shares held	% of Holding	% Change
PCBL Chemical Limited (Immediate Holding Company)	2,28,00,00,000	80.00%	0%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	57,00,00,000	20.00%	0%
	As at 31st March 2024		
	No. of Shares held	% of Holding	% Change
PCBL Chemical Limited (Immediate Holding Company)	8,00,00,000	80.00%	0%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Che	2,00,00,000	20.00%	0%

'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. There are no calls unpaid by Directors / Officers of the Company.



17 (b) INSTRUMENTS ENTIRELY EQUITY IN NATURE  
0.1% Optionally and Fully Convertible Debentures (OCDs)

Fully paid up	As at	As at
	31st March 2025	31st March 2024
2,75,00,00,000 0.1% optionally and fully convertible debentures ("OCDs") of ₹ 10/- each fully paid-up .	-	2,750.00

(i) During the period 11 January 2024 to 31 March 2024, the Company has issued and allotted 2,20,00,00,000 and 55,00,00,000 OCDs of Rs 10 each at an issue price of Rs. 10 per equity share to PCBL Chemical Limited (Formerly known as "PCBL Limited" ) (Holding Company) and PCBL (TN) Limited (Wholly Owned Subsidiary of PCBL Chemical Limited (Formerly known as "PCBL Limited" )) aggregating to Rs 2,200.00 Crores and Rs 550 Crores on 29 January 2024. The issue was made through private placement basis as per provision of the Companies Act, 2013 with the consent from the shareholders of the Company obtained at the Extraordinary General Meeting held on 19 January 2024 and all applicable provisions of Companies Act, 2013 (including any statutory modification, or re-enactment thereof or any regulations, rules and guidelines, if any, related thereto for the time being in force), the relevant provisions of the Memorandum of Association and Articles of Association of the Company.

Pursuant to the terms and conditions of unlisted optionally and fully convertible debentures ("OCDs"), the Company has converted all 275,00,00,000 OCDs into one equity shares of Rs. 10 each during the year ended 31st March 2025. Accordingly, the Company has issued 220,00,00,000 and 55,00,00,000 equity shares of Rs. 10 each to PCBL Chemical Limited and PCBL (TN) Limited respectively.

(ii) Details of OCDs held by the shareholders holding more than 5% of the OCDs in the Company :-

	As at	As at
	31st March 2025	31st March 2024
	Number of OCDs	Number of OCDs
	(Holding %)	(Holding %)
PCBL Chemical Limited (Formerly known as "PCBL Limited" ) - Holding Company	-	2,20,00,00,000
	-	(80%)
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited (Formerly known as "PCBL Limited" ))	-	55,00,00,000
	-	(20%)

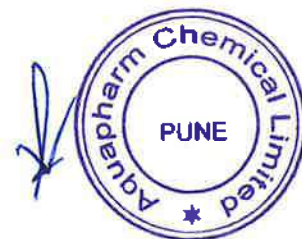
(iii) Reconciliation of number of optionally and fully convertible debentures (OCDs) outstanding	Number of OCDs	Amount
As at January 11, 2024	-	-
Add: OCDs issue during the period [ Refer Note (i) ]	2,75,00,00,000	2,750.00
As at 31st March 2024	2,75,00,00,000	2,750.00
Less: OCDs converted to equity shares in the ratio 1:1	(2,75,00,00,000)	(2,750.00)
As at 31st March 2025	-	-

(iv) Details of OCDs held by

S.No	Name	As at 31st March 2025		As at 31st March 2024	
		No. of OCD	% of total OCD	No. of OCD	% of total OCD
1	PCBL Chemical Limited (Formerly known as "PCBL Limited" ) - Ultimate Holding Company	-	-	2,20,00,00,000	80%
2	PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited (Formerly known as "PCBL Limited" ))	-	-	55,00,00,000	20%

(v) Terms/ Rights attached to OCDs

Unlisted optionally and fully convertible debentures ("OCDs") will be Convertible only at the option of the issuer at any time within 10 years from the date of allotment. The conversion ratio of each OCD shall be 1:1 (i.e. one OCD shall be converted into 1 equity share of the Company). The conversion ratio of the OCDs shall be suitably modified in case of any split and / or bonus issuance and / or any other restructuring, including but not limited to merger / demerger, involving the Issuer. No partial redemption of OCDs is permitted. Maturity Period is 10 years. The right to redeem the OCD will be solely at the option and discretion of the Issuer. If the OCDs are not converted by the Issuer into equity shares by the 10th anniversary of the date of allotment, the Company will have an option either to redeem at par or convert in 1:1 ratio. No investor shall have a right to exercise the option to seek redemption of OCDs. The fixed interest rate at 0.1% per annum on each OCD ("Coupon"), shall be applicable if and only if the Company exercises the option of redemption in relation to the OCDs. No Coupon shall accrue on the OCDs until the option of redemption is exercised by the Company and such Coupon shall become due and payable on from the date of redemption.



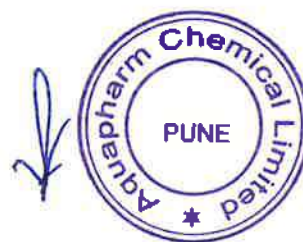
Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

**18 OTHER EQUITY**

	As at 31st March 2025	As at 31st March 2024
<b>Retained Earnings*</b>		
Opening Balance	(36.22)	-
Profit for the period	(78.02)	(36.33)
Remeasurements of post-employment benefit obligations (net of tax)	0.17	0.11
	<b>(114.06)</b>	<b>(36.22)</b>
*Retained earnings include an amount of INR 0.28 Crores (31 March 2024 : INR 0.28 Crores) which is restricted for distribution of dividend.		
<b>Cash flow hedge reserve</b>		
Opening balance	(0.16)	-
Transferred during the period (net of tax)	0.16	-
Created during the period (net of tax)	-	(0.16)
	-	<b>(0.16)</b>
<b>Total Other equity</b>	<b>(114.06)</b>	<b>(36.38)</b>

**Nature & purpose of reserves, other than retained earnings:**

**Cash flow hedge reserve** - The Company 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 Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>19 BORROWINGS</b>		
<b>Non-current borrowings (secured)</b>		
<b>Term Loans*</b>		
Indian rupee loan from banks	146.20	-
Term loan from Non-Banking Financial Company ("NBFC")	381.10	447.89
Non-Convertible Debentures ("NCD")	467.50	550.00
	<b>994.80</b>	<b>997.89</b>
<b>The above amount includes:</b>		
Secured borrowings	994.80	997.89
Unsecured borrowings	-	-
<b>Total Non-current borrowings</b>	<b>994.80</b>	<b>997.89</b>
Less: Current maturities of long term borrowings disclosed under the head- Current borrowings (refer note 23)	(171.16)	(149.60)
<b>Net Amount</b>	<b>823.64</b>	<b>848.29</b>

\*The amount is net of fees and charges paid upfront of INR 3.19 Crores (31 March 2024: INR 2.11 Crores).

**Notes:**

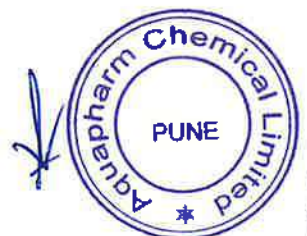
a) Indian rupee term loan from bank of INR 146.2 Crores (31 March 2024: INR Nil ) carries fixed interest rate. Loan amount is repayable in 22 quarterly instalments of INR 6.73 Crores starting from Jul'25. The term loan is secured by way of first charge on movable fixed assets of the Company, both present and future.

b) Loan from NBFC Rs 211.73 Crore (31 March 2024 : INR 248.83 Crores) is secured by way of 1st ranking pari-paasu charge on all movable fixeds and current assets, negative lien on immovable properties of the Company, Hypothecation on investments/loans and advances made in foreign subsidiaries by the Company and Non-Disposal Undertaking on equity shares of the foreign subsidiaries to the lenders of the Company to the extent of the security cover of 1x in terms of the Deed of Hypothecation dated 20th March 2025. Loan amount is repayable in a bullet repayment of INR 37.50 Crores in Jan'25, 8 quarterly instalments of INR 9.38 Crores starting from Apr'25 and 8 quarterly installments of 17.19 Cr starting from Apr'27. The term loan carries fixed interest rate.

c) Loan from NBFC Rs 169.37 Crore (31 March 2024 : INR 199.06 Crores) is secured by way of 1st ranking pari-paasu charge on all movable fixed and current assets, negative lien on immovable properties of the Company, Hypothecation on investments/loans and advances made in foreign subsidiaries by the Company and Non-Disposal Undertaking on equity shares of the foreign subsidiaries to the lenders of the Company to the extent of the security cover of 1x in terms of the Deed of Hypothecation dated 20th March 2025. Loan amount is repayable in a bullet repayment of INR 30.00 Crores in Jan'25, 8 quarterly instalments of INR 7.50 Crores starting from Apr'25 and 8 quarterly installments of 13.75 Cr starting from Apr'27. The term loan carries floating interest rate.

d) The Non-Convertible Debentures of INR 467.50 Crores (31 March 2025 : INR 550 Crores) are secured by way of 1st ranking pari-paasu charge on all movable fixed and current assets, negative lien on immovable properties of the Company, Hypothecation on investments/loans and advances made in foreign subsidiaries by the Company and Non-Disposal Undertaking on equity shares of the foreign subsidiaries to the lenders of the Company to the extent of the security cover of 1x in terms of the Deed of Hypothecation dated 20th March 2025 executed with the debenture trustee. NCD carries fixed interest rate and is repayable in 3 annual instalments of INR 82.50 Crores starting from Jan'25 and 2 annual installments of INR 151.25 Crores starting from Jan'28.

	As at 31st March 2025	As at 31st March 2024
<b>20 PROVISIONS</b>		
<b>Non-current</b>		
<b>Employee benefit obligations</b>		
Provision for Gratuity (refer note 37)	1.35	1.79
	<b>1.35</b>	<b>1.79</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>21 DEFERRED TAX LIABILITIES / (ASSETS) (NET)</b>		
<b>Deferred Tax Liabilities (A)</b>		
Property, plant & equipment (including ROU) and intangible assets : Impact of difference between tax depreciation and depreciation/amortization for financial reporting	199.62	592.88
Impact of fair valuation of mutual fund and bonds	-	1.61
<b>Total (A)</b>	<b>199.62</b>	<b>594.49</b>
<b>Deferred Tax Assets (B)</b>		
Expected credit loss	0.10	0.13
Provision for impairment of investment made and loans given	10.07	10.07
Expenditure allowed for tax purposes on payment basis	2.03	2.01
Brought forward losses and depreciation	184.50	64.83
Lease liability	0.13	-
Others	0.23	(60.10)
<b>Total (B)</b>	<b>197.06</b>	<b>16.94</b>
<b>Deferred Tax Liabilities/(Assets) (A-B)</b>	<b>2.56</b>	<b>577.55</b>

**Reconciliation of deferred tax liability**

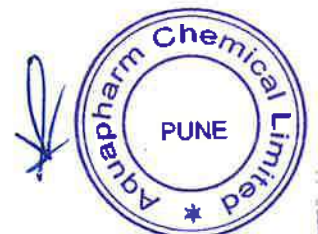
	As at 31st March 2025	As at 31st March 2024
Opening deferred tax liability, net	577.55	-
On account of scheme of amalgamation (refer note 49)	-	584.92
Deferred tax (credit) / charge recorded in Statement of profit and loss	(20.91)	(7.35)
Reversal of deferred tax liability pursuant to restructuring	(554.20)	-
Deferred tax (credit) / charge recorded in OCI	0.11	(0.03)
<b>Closing deferred tax liability, net</b>	<b>2.56</b>	<b>577.55</b>

**The major components of income tax expense for the years ended 31 March 2025 and 31 March 2024 are:**

	As at 31st March 2025	As at 31st March 2024
<b>Profit and loss section</b>		
Current tax	-	5.12
Deferred Tax	(20.91)	(7.35)
<b>Income tax expenses reported in the Statement of profit and loss</b>	<b>(20.91)</b>	<b>(2.23)</b>
<b>OCI Section</b>		
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Net movement on cash flow hedges	0.06	(0.06)
Re-measurements of post employment benefits	0.05	0.03
<b>Income tax charge / (credit) through OCI</b>	<b>0.11</b>	<b>(0.02)</b>

**Reconciliation of tax expense**

	As at 31st March 2025	As at 31st March 2024
<b>Accounting profit before income tax</b>	<b>(98.41)</b>	<b>(38.56)</b>
Tax at India's statutory income tax rate of 25.17% (31 March 2024: 25.17%)	(24.77)	(9.70)
Corporate social responsibility	0.95	0.17
Subscriptions and donations	2.39	2.52
Other adjustments	0.52	4.79
<b>Income tax expense</b>	<b>(20.91)</b>	<b>(2.23)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>(20.91)</b>	<b>(2.23)</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>22 CURRENT TAX LIABILITIES/(ASSETS)</b>		
Opening Current tax liabilities/ (assets)	2.16	-
Add: Current tax	-	5.12
Less: Tax paid	(7.14)	(2.96)
	<b>(4.98)</b>	<b>2.16</b>
Disclosed as Current Tax Liabilities	-	2.34
Disclosed as Income Tax Assets	(4.98)	(0.18)
<b>TAX EXPENSES</b>		
Current tax	-	5.12
Deferred tax	(20.91)	(7.35)
<b>Total tax expenses</b>	<b>(20.91)</b>	<b>(2.23)</b>

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.

	As at 31st March 2025	As at 31st March 2024
<b>23 BORROWINGS</b>		
<b>Current borrowings</b>		
Working capital loans from Banks (secured)	40.00	29.18
Working capital loans from Banks (unsecured)	68.46	-
Current maturities of long term borrowings (secured)	20.60	-
Current maturities of long term debts from NBFC (secured)	68.06	67.10
Current maturities of Non-Convertible Debentures (secured)	82.50	82.50
	<b>279.62</b>	<b>178.78</b>
<b>The above amount includes:</b>		
Secured borrowings	211.16	178.78
Unsecured borrowings	68.46	-

**a Working capital loans from banks are secured by:**

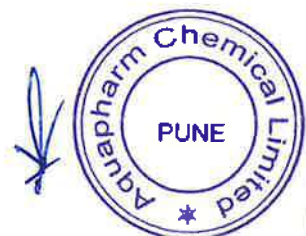
- (i) Pari passu first charge by way of hypothecation of stocks of inventories and book debts/receivables of the Company, both present and future.
- (ii) Pari passu first charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company (both present and future) related to Pirangut plant of the Company.
- (iii) Pari passu second charge on movable properties and immovable properties forming part of the property, plant and equipment of the Company (both present and future) related to Mahad plant of the Company.
- (iv) Repayment & interest rate- Working capital loans are repayable on demand and carry variable interest rate.

**b** The Company 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 accounts.

**c** The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken.

**d** The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**e** There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the Statutory period.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, 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 2025	As at 31st March 2024
Cash and cash equivalents	38.54	83.53
Liquid investments	7.93	50.85
Current Borrowings (including interest accrued but not due)	(115.34)	(37.30)
Non-current borrowings (including interest accrued but not due)	(994.80)	(997.89)
	<b>(1,063.67)</b>	<b>(900.81)</b>

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

**Movement of non-current borrowings**

	As at 31st March 2025	As at 31st March 2024
Opening balance	997.89	-
Cash flows	(3.93)	997.89
Interest expense	95.30	16.36
Interest paid	(94.46)	(16.36)
Forex adjustment	-	-
	<b>994.80</b>	<b>997.89</b>

**Movement of current borrowings**

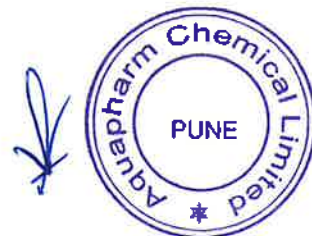
	As at 31st March 2025	As at 31st March 2024
Opening balance	37.30	33.23
Cash flows	79.55	(4.14)
Interest expense	7.39	2.24
Interest paid	(8.63)	5.88
Forex adjustment	(0.27)	0.09
	<b>115.34</b>	<b>37.30</b>

**Movement of cash and cash equivalents**

	As at 31st March 2025	As at 31st March 2024
Opening balance	83.53	-
Cash flows	(45.27)	83.24
Forex adjustment	0.28	0.29
Closing balance	<b>38.54</b>	<b>83.53</b>

**Movement of liquid investments**

	As at 31st March 2025	As at 31st March 2024
Opening balance	50.85	50.45
Net Cash flows from investments	(46.10)	(0.23)
Net gain on sale of investments	3.18	-
Net fair value gains/(loss) on financial assets measured at FV through profit or loss	-	0.63
Closing balance	<b>7.93</b>	<b>50.85</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at	
	31st March 2025	31st March 2024
<b>24 TRADE PAYABLES</b>		
Total outstanding of dues to Micro and small enterprises (refer note 36)	3.84	6.16
Total outstanding dues of creditors other than Micro and Small Enterprises	146.37	78.99
	<b>150.21</b>	<b>85.15</b>

**Trade Payables ageing as on March 31, 2025**

Particulars	Not Due	Outstanding for the following periods from due date of payment			Total Trade Payables
		Less than 1 year	1-2 years	2-3 years	
(i) Micro and small enterprises - undisputed	3.84	-	-	-	3.84
(ii) Other than Micro and Small Enterprises - undisputed	74.68	71.37	0.31	0.01	146.37
	<b>78.52</b>	<b>71.37</b>	<b>0.31</b>	<b>0.01</b>	<b>150.21</b>

**Trade Payables ageing as on March 31, 2024**

Particulars	Not Due	Outstanding for the following periods from due date of payment			Total Trade Payables
		Less than 1 year	1-2 years	2-3 years	
(i) Micro and small enterprises - undisputed	4.39	1.77	-	-	6.16
(ii) Other than Micro and Small Enterprises - undisputed	62.03	16.82	0.07	0.03	78.99
	<b>66.42</b>	<b>18.59</b>	<b>0.07</b>	<b>0.03</b>	<b>85.15</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>25 OTHER FINANCIAL LIABILITIES</b>		
<b>Non-current</b>		
Purchase consideration payable (refer note 49)	-	36.41
	-	<b>36.41</b>
<b>Current</b>		
<b>Derivative instruments</b>		
Foreign Exchange Forward Contracts (refer note 44)	-	0.05
<b>Others -</b>		
Deposits from customers	0.53	0.43
Interest accrued but not due on borrowings	6.88	8.12
Employee benefits payable	6.43	3.79
Payables for purchase of property, plant & equipment	92.17	13.89
Amount payable to Holding Company (refer note 41)	28.56	24.23
Purchase consideration payable (refer note 49)	44.29	4.62
Others	(0.00)	0.08
	<b>178.86</b>	<b>55.21</b>
	As at 31st March 2025	As at 31st March 2024
<b>26 PROVISIONS</b>		
<b>Current</b>		
Provision for Gratuity (refer note 37)	0.78	0.31
Provision for Compensated absences (refer note 37)	5.01	4.92
	<b>5.79</b>	<b>5.23</b>
	As at 31st March 2025	As at 31st March 2024
<b>27 OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	5.28	4.58
Advance from customers (contract liabilities)*	4.36	3.72
Others	0.17	0.14
	<b>9.81</b>	<b>8.44</b>

\*Contract liabilities have increase in the current year mainly on account of advances received from customers during the year against invoices raised.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>28 REVENUE FROM OPERATIONS</b>		
<b>Revenue from contracts with customers</b>		
<b>Sale of products</b>		
Finished goods	755.57	111.84
	<b>755.57</b>	<b>111.84</b>
<b>Sale of services</b>		
Income from Windmill	2.82	0.24
Material Handling Services	5.40	1.00
	<b>8.22</b>	<b>1.24</b>
<b>Other operating revenue</b>		
Scrap sales	0.16	0.03
Export incentives	3.04	0.08
	<b>3.20</b>	<b>0.11</b>
	<b>766.99</b>	<b>113.19</b>

Revenue disaggregation in terms of nature and products has been included above. The Company has only one segment (refer note 40).

Refer note 2 and 3 for accounting policy and significant judgements, respectively.

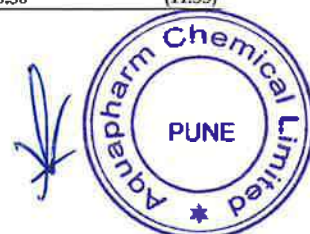
The total contract price of INR 755.57 Crores (31 March 2024: INR 111.84 Crores) is reduced by consideration of INR Nil (31 March 2024: INR Nil) towards variable components.

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>29 OTHER INCOME</b>		
<b>Interest Income</b>		
Bank Deposits	1.10	0.21
On Financial assets carried at cost	2.02	0.24
Net gain on sale of Investments	3.18	-
Net fair value gains on financial assets measured at FV through profit or loss	-	0.63
Profit on sale of assets (net)	0.09	0.13
Management Fees	13.45	1.55
Miscellaneous income	6.40	0.81
	<b>26.24</b>	<b>3.56</b>

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>30 COST OF RAW MATERIALS CONSUMED*</b>		
Raw material at the beginning of the year	41.23	50.52
Add : Purchases	527.37	63.70
	<b>568.60</b>	<b>114.21</b>
Less : Raw material at the end of the year	(109.87)	(41.23)
	<b>458.73</b>	<b>72.98</b>

\*Includes packing materials of INR 29.82 Crores (31 March 2024: INR 5.09 Crores).

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>31 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	20.96	11.75
Finished goods	86.12	95.70
	<b>107.08</b>	<b>107.45</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	11.75	12.52
Finished goods	95.70	83.38
	<b>107.44</b>	<b>95.90</b>
	<b>0.36</b>	<b>(11.55)</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>32 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages & Bonus	59.22	8.73
Contribution to Provident & other funds*	3.56	0.60
Staff welfare expenses	2.01	0.18
	<b>64.79</b>	<b>9.51</b>

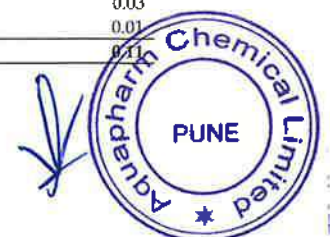
\* This includes contribution of INR 1.68 Crores (31 March 2024: INR 0.11 Crores) towards provident fund (Defined contribution plan) in current year. The Company has a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government of India for employees at the rate of 12% of basic salary as per local regulations. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>33 FINANCE COSTS</b>		
Interest	102.69	18.60
Interest on lease liabilities	0.02	-
Other borrowing costs	1.32	0.86
<b>Total</b>	<b>104.03</b>	<b>19.46</b>

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>34 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of property, plant & equipment	21.39	3.54
Amortization of intangible assets	91.92	15.45
Depreciation of right of use assets	0.80	0.11
	<b>114.11</b>	<b>19.10</b>

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>35 OTHER EXPENSES</b>		
Consumption of stores and spares	5.40	0.62
Power & fuel	42.78	6.41
Water charges	1.24	0.22
Repairs and Maintenance- Building	0.32	0.05
Repairs and Maintenance- Plant and Machinery	2.73	0.46
Repairs and Maintenance- Others	1.20	0.15
Insurance	2.44	0.52
Rates and taxes	0.48	3.06
Payment to Auditor (refer note below)	0.29	0.11
Legal and professional fees	11.47	0.03
Subscriptions and donations (refer note 51)	9.50	10.00
Marketing expenses	3.55	0.99
Travelling and conveyance expenses	4.34	0.74
Clearing and forwarding expenses	59.64	7.87
Sales commission	0.08	0.08
Bank charges	0.77	0.18
Corporate Social Responsibility expenditure (refer note 43)	3.77	0.67
Security charges	2.18	0.38
Miscellaneous expenses	7.35	14.55
Less : Net gain on foreign currency transactions	9.91	1.30
	<b>149.62</b>	<b>45.79</b>

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>PAYMENT TO AUDITOR</b>		
<b>As Auditor:</b>		
Audit fee	0.23	0.07
Tax Audit fee	0.02	0.00
<b>In other capacity:</b>		
Other Services (including certification fees)	0.03	0.03
Reimbursement of expenses	0.01	0.01
<b>Total</b>	<b>0.29</b>	<b>0.11</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
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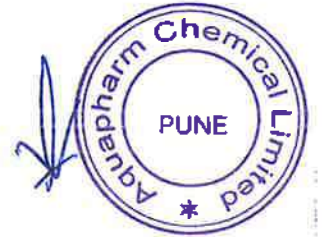
**36 Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006:**

The Company 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 2025	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#	3.94	8.61
Interest amount due to supplier	-	-
(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);	0.06	0.04
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.27	0.21
(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	0.27	0.21

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

#Includes INR 0.10 Crores (31st March 2024; INR 2.45 Crores) with respect to Payables for purchase of property, plant & equipment.  
 Refer Note 44 for market risk on trade payables



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

37 Employee Benefit Obligation

	March 31, 2025	March 31, 2024
<b>Non Current</b>		
Provision for Gratuity	1.35	1.79
<b>Total non-current employee benefit obligations</b>	<b>1.35</b>	<b>1.79</b>
<b>Current</b>		
Provision for Gratuity	0.78	0.31
Provision for Compensated absences	5.01	4.92
<b>Total current employee benefit obligations</b>	<b>5.79</b>	<b>5.23</b>

**i) Compensated Absences**

The compensated absences cover the Company's liability for privilege leave. The entire amount of provision is classified as current since Company does not have an unconditional right to defer settlement for any of these obligations. The expense of INR 1.02 Crores (March 31, 2024 : INR 0.10 Crores) is included under employee benefit expense in the Statement of profit & loss account.

**ii) Post employment benefit - Gratuity**

The 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 Company makes contributions to fund managed by Life Insurance Corporation of India. The 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, 2025	March 31, 2024
Defined benefit obligation at the beginning of the year	5.89	-
On Acquisition of Business Combination	-	6.17
Current service cost	0.41	0.14
Interest cost	0.70	0.08
Actuarial (gain)/loss	(0.18)	(0.08)
Benefits paid	(0.50)	(0.42)
<b>Defined benefit obligation, at the end of the year</b>	<b>6.33</b>	<b>5.89</b>

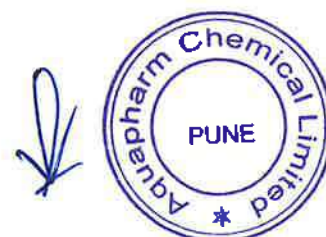
**Changes in the fair value of plan assets are as follows:**

	March 31, 2025	March 31, 2024
Fair value of plan assets at the beginning of the year	3.79	-
On Acquisition of Business Combination	-	3.60
Expected return on plan assets	0.28	0.06
Contribution by employer	0.53	-
Benefits paid	(0.43)	(0.11)
Actuarial gain / (loss)	0.03	0.24
<b>Fair value of plan assets, at the end of the year</b>	<b>4.20</b>	<b>3.79</b>

The Company expects to contribute INR 0.78 Crores (Actual contribution for year ended March 31, 2025: INR 0.53 Crores) 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, 2025	March 31, 2024
	%	%
Insurance Fund with Life Insurance Corporation of India	100	100



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
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The fair value of planned assets represents the amount as confirmed by the fund.

**Details of defined benefit obligation**

	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	6.33	5.89
Fair value of plan assets	(4.20)	(3.79)
<b>Benefit liability (net)</b>	<b>2.13</b>	<b>2.10</b>

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

	March 31, 2025	March 31, 2024
Present value of funded obligations	6.33	5.89
Fair value of plan assets	(4.20)	(3.79)
<b>Deficit of funded plan (A)</b>	<b>2.13</b>	<b>2.10</b>
Unfunded plans (B)	-	-
<b>Total net obligation (A+B)</b>	<b>2.13</b>	<b>2.10</b>

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Company intends to continue to contribute the defined benefit plans as per the demand from LIC of India. Refer note above for details on expected contribution for FY 2025-26.

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

	March 31, 2025	March 31, 2024
Current service cost	0.41	0.14
Interest cost on benefit obligation	0.43	0.02
<b>Net benefit expense</b>	<b>0.84</b>	<b>0.16</b>

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

	March 31, 2025	March 31, 2024
Actuarial (gain)/loss on Obligation For the Period	(0.18)	(0.08)
Return on Plan Assets, Excluding Interest Income	(0.04)	(0.06)
<b>Net (income)/expense for the period recognized in OCI</b>	<b>(0.22)</b>	<b>(0.14)</b>

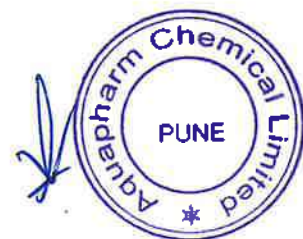
**Amounts for the current and previous periods are as follows:**

	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligation	6.33	5.89	5.52	4.84	3.68
Plan assets	(4.20)	(3.79)	(3.40)	(2.93)	(2.35)
(Surplus) / deficit	2.13	2.10	2.12	1.91	1.34
Experience adjustments on plan liabilities	(0.35)	(0.03)	0.12	0.39	(0.34)
Experience adjustments on plan assets	(0.04)	0.01	(0.01)	(0.05)	(0.04)

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

	March 31, 2025	March 31, 2024
Discount rate	6.70%	7.20%
Expected rate of return on plan asset	7.20%	7.40%
Expected rate of salary increase	10.00%	10.00%
Employee turnover	9.00%	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 Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**Sensitivity Analysis:**

	March 31, 2025	March 31, 2024
+1% Change in discount rate	(0.32)	(0.29)
-1% Change in discount rate	0.35	0.32
+1% Change in rate of salary increase	0.27	0.24
-1% Change in rate of salary increase	(0.25)	(0.23)
+1% Change in rate of employee turnover	(0.04)	(0.04)
-1% Change in rate of employee turnover	0.05	0.04

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 Company 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 management's discretion may lead to uncertainties in estimating this risk.

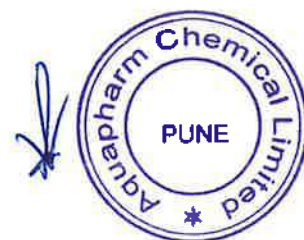
**Life expectancy:**

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 7.55 years (March 31, 2024 - 7.51 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2025 (Funded)	March 31, 2024 (Funded)
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	1.33	1.24
Between 1 to 2 years	1.11	0.66
Between 2 to 3 years	0.79	1.04
Between 3 to 4 years	0.73	0.76
Between 4 to 5 years	0.77	0.74
Over 5 years	4.25	4.26



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

**38 Contingent Liabilities and Commitments**

**A) Contingent Liabilities-**

	March 31, 2025	March 31, 2024
<b>1. Disputed liabilities</b>		
a) Service Tax	5.90	5.97
b) Excise Duty	0.20	0.20
c) Goods and Services Tax	1.05	0.99
d) Income Tax	5.60	7.30
e) Customs - MEIS	48.66	48.66
	<b>61.40</b>	<b>63.12</b>
<b>2. Guarantees given*</b>	56.51	55.06
	<b>117.91</b>	<b>118.18</b>

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

Contingent liability disclosed above includes an amount of INR 61.26 crores (31 March 2024: INR 62.98 crores) which is jointly and severally indemnified by the erstwhile promoters as per the Share Purchase Agreement dated November 28, 2023 (refer note 49).

The Company 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 Company 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 Company's financial position. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

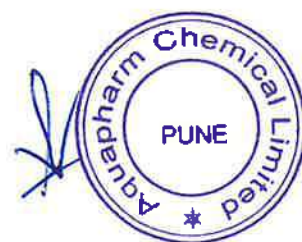
\*The Company has issued financial guarantees to banks in respect of loan facilities availed by its subsidiary.

**B) Capital Commitments**

Estimated amounts of contracts remaining to be executed on Capital account and not recognised for (net of advances) is INR 19.27 Crores (31 March 2024 : INR 49.52 Crores).

**39 The Company's interest in Subsidiaries:**

Name of the Subsidiaries	Principal place of business	Proportion of interest held by the Company as at	
		March 31, 2025	March 31, 2024
Aquapharm Europe B.V.	Netherlands	100%	100%
Aquapharm Chemicals LLC	USA	100%	100%
Aquapharm PChem LLC	USA	100%	100%
Aquapharm Specialty Chemicals LLC	USA	100%	100%
Unique Solutions for Chemical Industries Co.	Saudi Arabia	95%	85%
USCI LLC	UAE	95%	85%
Aquapharm Foundation	India	100%	100%



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**40 Segment reporting**

**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 Company has only one operating segment which is 'Chemical' and does not operate in any other reportable segment as per Ind AS 108 : Operating segments. Accordingly, separate segment information is not required to be disclosed.

**Information about revenue from operations and geographical distribution of revenue**

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

Revenue from two customers (Export) amounted to INR 154.22 Crores for the year ended March 31, 2025 (March 31, 2024: two customers (Export) amounted to INR 28.01 Crores).

**i) Revenue from operations**

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

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>Revenue from customers</b>		
Within India	226.87	35.15
Outside India	540.12	78.04
<b>Total Revenue as per Statement of profit and loss</b>	<b>766.99</b>	<b>113.19</b>

**ii) Non Current operating assets**

Particulars	March 31, 2025	March 31, 2024
Within India	2,771.71	2,647.60
Outside India	0.00	0.00
<b>Total</b>	<b>2,771.71</b>	<b>2,647.60</b>

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.

**iii) Total assets**

Particulars	March 31, 2025	March 31, 2024
Within India	4,188.29	4,612.81
Outside India	0.00	0.00
<b>Total</b>	<b>4,188.29</b>	<b>4,612.81</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

**41 Particulars of the related parties covered under the IND-AS 24:**

**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 Chemical Limited (Formerly known as "PCBL Limited" )

**(c) Related parties where control exists:**

**Subsidiaries**

Aquapharm Europe B.V., Netherlands  
Aquapharm Chemicals LLC, USA  
Aquapharm Speciality Chemicals LLC, USA  
Aquapharm PChem LLC, USA  
Unique Solutions for Chemicals Industries Co., Saudi Arabia  
USCI LLC, UAE  
Aquapharm Foundation, India

**(d) Key management personnel (KMP) of the Company :**

Suresh Kalra	Chief Executive Officer and Whole time director (With effect from 05 March 2025)
Ganesh Vishwanathan	Chief Financial Officer (With effect from 06 February 2025)
Jayesh Damle	Company Secretary and Compliance Officer (With effect from 06 February 2025)
Iram Hassan	Non Executive Independent Directors (With effect from 17 December 2024)
Tharavanat Chandrasekharan	Non-executive independent directors (With effect from 02 May 2024)
Kusum Dadoo	Non-executive independent directors (With effect from 02 May 2024)
Mr. Gopal Rathi	Additional Director (from 17 December 2024)
Mr. Kaushik Roy	Additional Non-Executive Non-Independent Director (With effect from 27 March 2025)
Mr. Kaushik Mukherjee	Additional Director (from 11 January 2024 to 27 March 2025)
Mr. Raj Kumar Gupta	Additional Director (from 11 January 2024 to 27 March 2025)

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

PCBL (TN) Limited	Company under common control
RPSG Resources Private Limited	Company under common control



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
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(All amounts are in INR Crores, unless otherwise stated)

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

Nature of Transaction	Subsidiaries	Holding Company	KMP	Other related parties
CSR Contribution	0.33 (0.15)	-	-	-
Remuneration to Key Managerial person	-	-	0.79	-
Reimbursement of expenses paid	-	4.33 (24.23)	-	-
License fees	-	-	-	10.00
Sale of services	-	-	-	3.00 (1.00)
Interest received	-	0.00	-	-
Loan given	-	2.00	-	-
Loan recovered	-	2.00	-	-
Interest on Loans to Subsidiaries	2.02 (0.24)	-	-	-
Revenue (Sale of goods)	139.78 (11.70)	-	-	-
Guarantee Commission	0.24 (0.06)	-	-	-
Services Rendered (Management Fees)	19.23 (1.55)	-	-	-
Purchase of services	0.02	-	-	-
Issue of equity shares	-	2,200.00 (80.00)	-	550.00 (20.00)
Issue of fully optionally convertible debentures	-	(2,200.00)	-	(550.00)
Sitting fees	-	-	0.02	-
<b>Closing balances</b>	<b>Subsidiaries</b>	<b>Holding Company</b>	<b>KMP</b>	<b>Other related parties</b>
Other payable	-	28.56 (24.23)	-	-
Share capital	-	2,280.00 (80.00)	-	570.00 (20.00)
Optionally and Fully Convertible Debentures (OCDs")	-	(2,200.00)	-	(550.00)
Trade Receivables	64.15 (61.07)	-	-	-
Loan given	26.93 (26.23)	-	-	-
Interest receivable	6.70 (4.65)	-	-	-
Other receivable	6.40 (5.14)	-	-	-

\*Amount below rounding off norms followed by the Company

**Notes**

1. Previous year numbers are disclosed in brackets.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

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

	Relationship	For the year ended 31 March 2025	For the period 11 January, 2024 to 31 March, 2024
<b>CSR contributions</b>			
Aquapharm Foundation, India	Subsidiary	0.33	0.15
<b>Reimbursement of expenses paid</b>			
PCBL Chemical Limited	Holding company	4.33	24.23
<b>License fees</b>			
RPSG Resources Private Limited	Other related parties	10.00	-
<b>Sale of services</b>			
PCBL (TN) Limited	Other related parties	3.00	1.00
<b>Interest received</b>			
PCBL Chemical Limited	Holding company	0.00*	-
<b>Loan given</b>			
PCBL Chemical Limited	Holding company	2.00	-
<b>Loan recovered</b>			
PCBL Chemical Limited	Holding company	2.00	-
<b>Interest on loans to subsidiaries</b>			
Unique Solutions for Chemicals Industries Co.	Subsidiary	2.02	0.24
<b>Revenue (sale of goods)</b>			
Aquapharm PChem LLC	Subsidiary	21.04	-
Aquapharm Europe B.V.	Subsidiary	37.57	-
Unique Solutions for Chemicals Industries Co.	Subsidiary	1.10	-
Aquapharm Speciality Chemicals LLC	Subsidiary	80.07	11.70
<b>Guarantee commission</b>			
Unique Solutions for Chemicals Industries Co.	Subsidiary	0.24	0.06
<b>Services rendered (management fees)</b>			
Aquapharm PChem LLC	Subsidiary	16.07	1.40
Aquapharm Speciality Chemicals LLC	Subsidiary	2.22	0.13
Aquapharm Europe B.V.	Subsidiary	0.93	0.02
<b>Purchase of services</b>			
Aquapharm PChem LLC	Subsidiary	0.02	-
<b>Issue of equity shares</b>			
PCBL Chemical Limited	Holding company	2,200	80
PCBL (TN) Limited	Other related parties	550	20
<b>Issue of fully optionally convertible debentures</b>			
PCBL Chemical Limited	Holding company	-	2,200
PCBL (TN) Limited	Other related parties	-	550
<b>Director's sitting fees</b>			
Iram Hassan	KMP	0.01	-
Tharavanat Chandrasekharan	KMP	0.01	-

\*Amount below rounding off norms followed by the Company



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
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42 Earnings Per Share :

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

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
a) Profit for the year (in INR Crores)	(78.02)	(36.33)
b) Weighted average number of equity shares (units)	41,64,38,356	8,70,98,765
c) Basic and Diluted Earnings per share (INR) (a/b)	(1.87)	(4.17)

43 Corporate Social Responsibility

The Company has spent an amount of INR 5.11 Crores (March 31, 2024: INR 0.63 Crores) during the year as required under section 135 of the Companies Act, 2013. The amount was spent by way of Donation to Aquapharm Foundation of INR 0.33 Crores (March 31, 2024: INR 0.15 Crores) for senior citizens community center, INR 4.78 Crores (March 31, 2024 : Nil) towards construction of School Building and other CSR activities INR Nil (March 31, 2024: INR 0.48 Crores) towards constructing village roads.

(a) Details of CSR expenditure:

Particulars	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
Amount required to be spent during the year	3.77	0.67
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Brought forward from last period	(4.78)	(4.74)
Short fall for pervious year spent now	4.78	-
Spent during the year for current year	0.33	0.63
Carried forward to next year (short)/ excess	(3.44)	(4.78)
Amount of cumulative shortfall at the end of the year	(3.44)	(4.78)

(b) Details of ongoing CSR projects under Section 135(6) of the Act:

Balance as at April 01, 2024	Amount spent during the year			Balance as at 31 March 2025	
	In separate CSR Account	Amount required to be spent during the year	From the Company's bank account	From Separate CSR Unspent account	With the Company* In Separate CSR Unspent Account
-	4.78	3.77	0.33	4.78	3.44

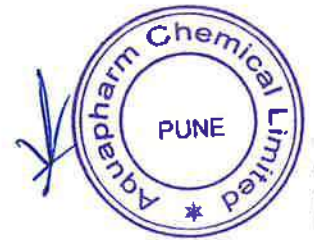
\*The Company has subsequently transferred the amount to a separate Unspent CSR Bank account on 29th April 2025.

(c) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

Balance unspent as at 1st April 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 2025
				N.A.

(d) Details of excess/(short) CSR expenditure under Section 135(5) of the Act

Balance excess/(short) spent as at 1 April 2024	Amount required to be spent during the year	Amount spent during the year	Balance (short)/excess spent as at 31 March 2025
(4.78)	3.77	5.11	(3.44)



#### 44 Financial Risk Management

##### Financial risk factors

The Company'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 Company, derivative financial instruments, such as foreign exchange forward contracts, Exchange Earners' Foreign Currency Account 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 Company is exposed to and how the Company manages the risk and the impact of hedge accounting on the financial statements.

The Company's risk management is carried out by the Company'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 Company's exposure to financial risks and how these risks could affect the Company'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 loans given and 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 31 March 2025 and 31 March 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 31 March 2025 and 31 March 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 Company's exposure to the risk of changes in interest rate primarily relates to the Company's debt obligations with floating interest rates.

The Company is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Company's main interest rate risk arises from borrowings with variable interest rates, which exposes the Company to cash flow interest rate risk. The Company tries to manage its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings to the highest extent possible. The Company may enter into borrowings at variable interest rates and swap them into fixed rates that are lower than those available if the Company borrowed at fixed rate directly. During year ended 31 March 2025 and 31 March 2024 the Company's borrowings at variable rates were mainly denominated in INR, USD and EUR.

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

	March 31, 2025	March 31, 2024
Variable rate borrowings	277.83	228.24
Fixed rate borrowings	825.43	798.83
<b>Total borrowings</b>	<b>1,103.26</b>	<b>1,027.07</b>

##### 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 Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

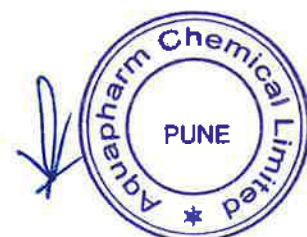
	Increase/ Decrease in Basis Points	Effect on profit before tax - Decrease / (increase)
<b>March 31, 2025</b>		
Base Rate	+50	1.39
Base Rate	-50	(1.39)
<b>March 31, 2024</b>		
Base Rate	+50	1.14
Base Rate	-50	(1.14)

##### ii. Foreign Exchange Risk (Currency risk)

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

The Company 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 31 March 2025 and 31 March 2024, the Company 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 Company 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.



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

March 31, 2025			
Financial Assets	USD	EURO	SAR
Trade Receivables	100.98	36.68	-
Cash and cash equivalents	10.70	3.83	-
Loans	-	-	8.14
Other Financial Assets	2.19	0.91	9.99
<b>Derivative Assets</b>			
Foreign exchange forward contracts	-	-	-
Net Exposure to foreign currency risk (Assets)	113.86	41.42	18.13
March 31, 2025			
Financial Liabilities	USD	EURO	SAR
Borrowings	68.47	-	-
Trade Payables (including Payables for purchase of property, plant & equipment)	63.98	6.83	-
Net Exposure to foreign currency risk (Liabilities)	132.45	6.83	-
Net Exposure to foreign currency risk (Assets - Liabilities)	(18.59)	34.59	18.13
March 31, 2024			
Financial Assets	USD	EURO	SAR
Trade Receivables	125.11	23.45	-
Cash and cash equivalents	10.27	10.80	-
Loans	-	-	7.44
Other Financial Assets	2.53	0.02	7.20
<b>Derivative Assets</b>			
Foreign exchange forward contracts	(41.69)	(9.02)	-
Net Exposure to foreign currency risk (Assets)	96.22	25.25	14.64
March 31, 2024			
Financial Liabilities	USD	EURO	SAR
Borrowings	29.18	-	-
Trade Payables (including Payables for purchase of property, plant & equipment)	18.23	4.00	-
Net Exposure to foreign currency risk (Liabilities)	47.41	4.00	-
Net Exposure to foreign currency risk (Assets - Liabilities)	48.81	21.25	14.64

#### Foreign currency sensitivity

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

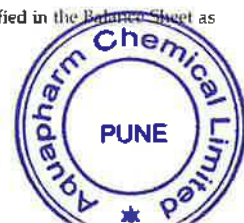
	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in SAR rate	Effect on profit before tax / pre-tax equity
March 31, 2025	+5%	(0.93)/(0.93)	+5%	1.73/1.73	+5%	0.91/0.91
	-5%	0.93/0.93	-5%	(1.73)/(1.73)	-5%	(0.91)/(0.91)
March 31, 2024	+5%	2.44/4.52	+5%	1.06/1.51	+5%	0.73/0.73
	-5%	(2.44)/(4.52)	-5%	(1.06)/(1.51)	-5%	(0.73)/(0.73)

#### iii. Security Price risk

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments), certain quoted equity instruments and bank fixed deposits. To manage its price risk arising from investments in mutual funds and equity instruments, the Company diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Company's exposure to securities price risk arises from investments in mutual funds and equity instruments held by the Company and classified in the Balance Sheet as fair value through profit or loss is disclosed under Note 11.



**Financial Risk Management**

**(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 Company 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 Company 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 Company has a detailed review mechanism of overdue customer receivables at various levels within the organisation. The Company 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 Company made write-offs of INR Nil (31 March 2024 : 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 12.

The Company's customer profile for customer contracts include large private corporates. Accordingly, the Company's customer credit risk is low. General payment terms include advances and payments with a credit period ranging from 30 to 180 days.

The Company 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 12 for further details).

**Reconciliation of loss allowance provision - Trade receivables is as follows :**

Particulars	March 31, 2025	March 31, 2024
Opening balance	0.38	-
Loss allowance addition on account of scheme of	-	0.38
Charge / (reversal) in allowance during the period (net)	(0.06)	-
<b>Loss allowance at the end of the period</b>	<b>0.32</b>	<b>0.38</b>

**ii. Financial assets and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's Treasury department in accordance with the Company'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 Company 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 Company 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 Company charges interest on such loans at arms length rate considering counterparty's credit rating. Based on the assessment performed, the Company 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 Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2025 and 31 March 2024 is the carrying amounts of each class of financial assets.

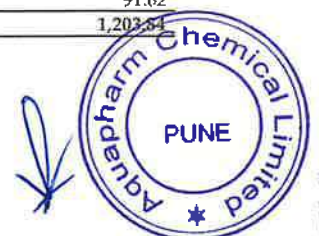
**(c) Liquidity Risk**

Liquidity risk is the risk that the Company 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 Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Company 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 Company's financial liabilities based on contractual undiscounted payments:

	Within 1 year	1-3 years	3-5 years	More than 5 years	Total
<b>As at 31st March 2025</b>					
Borrowings	279.62	475.41	328.18	20.05	1,103.26
Trade Payables	150.21	-	-	-	150.21
Lease Liabilities	0.22	0.34	-	-	0.56
Other Financial Liabilities	178.86	-	-	-	178.86
<b>Total</b>	<b>608.91</b>	<b>475.75</b>	<b>328.18</b>	<b>20.05</b>	<b>1,432.89</b>
<b>As at 31st March 2024</b>					
Borrowings	178.78	298.67	549.62	-	1,027.07
Trade Payables	85.15	-	-	-	85.15
Other Financial Liabilities	55.21	36.41	-	-	91.62
<b>Total</b>	<b>319.14</b>	<b>335.08</b>	<b>549.62</b>	<b>-</b>	<b>1,203.84</b>



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**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 EURO and USD. 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 31 March 2025 and 31 March 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 INR 0.23 Crores, with a deferred tax asset of INR 0.05 Crores relating to the hedging instruments, is included in OCI.

**Impact of hedging activities**

**(a) Disclosure of effects of hedge accounting on financial position:**

**March 31, 2025**

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)							
<b>Cash flow hedge</b>							
Foreign exchange risk							
(i) Foreign exchange forward contracts	-	-	-	-	-	0.22	(0.22)

**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)							
<b>Cash flow hedge</b>							
Foreign exchange risk							
(i) Foreign exchange forward contracts	41.69	(0.07)	Apr 2024- Oct 2024	1:1	USD:INR- 83.3739	(0.24)	0.24
(ii) Foreign exchange forward contracts	9.02	0.02	Apr 2024- Aug 2024	1:1	EUR:INR- 90.2178	0.02	(0.02)

\*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, 2025

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
<b>Cash flow hedge</b>				
Foreign exchange risk	-	-	0.16	Other income

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
<b>Cash flow hedge</b>				
Foreign exchange risk	(0.06)	-	-	Other income

The Company'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 Company 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 Company 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. noninal 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.

45 Fair value measurements

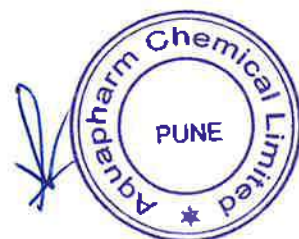
a) Financial Instruments by Category

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

Particulars	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments	-	-	273.90	36.85	-	270.00
Trade receivables	-	-	195.18	-	-	198.81
Loans	-	-	8.14	-	-	7.44
Cash and cash equivalents (including other bank balances)	-	-	46.47	-	-	97.53
Other financial assets (including derivative instruments)	-	-	21.88	-	-	14.89
<b>Total financial assets</b>	-	-	<b>545.57</b>	<b>36.85</b>	-	<b>588.67</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,103.26	-	-	1,027.07
Trade Payables	-	-	150.21	-	-	85.15
Other financial liabilities (including derivative instruments)	-	-	178.86	-	0.05	91.57
<b>Total Financial Liabilities</b>	-	-	<b>1,432.33</b>	-	<b>0.05</b>	<b>1,203.78</b>

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 Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



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There are no financial instruments which are remeasured at fair value as on 31st March 2025. Accordingly, fair value measurement hierarchy is not disclosed.

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

	Fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>				
Investments	36.85	-	-	36.85
<b>Financial Liabilities</b>				
Derivative Instruments-Foreign Exchange Forward Contracts	-	0.05	-	0.05

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 Company 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) Financial assets and liabilities measured at amortised cost**

The management assessed that cash and cash equivalents, other bank balances, 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.



46 Capital Management

a) Risk Management:

For the purpose of the Company's capital management, capital includes issued equity capital, issued optionally convertible debentures and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company'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 Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio optimum. The Company 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 increased from 33% to 39% as a result of increase in the working capital borrowing which has resulted in increase in borrowings as at year end.

	As at 31st March 2025	As at 31st March 2024
Long Term Borrowings (including current maturities of long term debt)	1,001.68	1,006.01
Short Term Borrowings	108.46	29.18
Less: Cash and Cash equivalents and other bank balances	(46.47)	(97.53)
<b>Net Debt</b>	<b>1,063.67</b>	<b>937.66</b>
Equity share capital	2,850.00	100.00
Instruments entirely equity in nature	-	2,750.00
Other equity	(114.06)	(36.38)
<b>Total equity</b>	<b>2,735.94</b>	<b>2,813.62</b>
<b>Net debt to equity ratio</b>	<b>39%</b>	<b>33%</b>



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47 Financial Performance Ratios

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance	Reason for variance for change in ratio by more than 25%
Debt-Equity Ratio	Total Debt	Total Equity	0.40	0.37	8.11%	
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service ( Interest+ Principal Loan repayment)	0.50	0.08	525.00%	Refer note 52 to the FS
Interest Service Coverage Ratio	EBIT (Profit Before Tax +Finance Costs)	Finance Costs	(0.04)	(1.12)	-96.31%	Refer note 52 to the FS
Net Worth (Rs Crore)	NA	NA	2,735.94	2,813.62	-2.76%	
Net Profit after tax ( Rs Crore)	NA	NA	(78.02)	(36.32)	114.83%	Refer note 52 to the FS
Earnings per share (Basic and Diluted)	NA	NA	(1.87)	(4.17)	-55.07%	Refer note 52 to the FS
Current Ratio	Total Current Assets	Total Current Liabilities	0.83	1.56	-46.81%	Increase in current liabilities
Current Liability Ratio	Total Current Liabilities	Total Liabilities	0.43	0.19	130.83%	mainly Payables for purchase of
Long Term Debt to Working Capital	Non current borrowings including current maturities of long-term debt	Current Assets (-) Current Liabilities excluding current maturities of long term debt	15.60	2.97	425.52%	property, plant & equipment and purchase consideration payable
Bad Debts to Account receivable Ratio	Bad Debt ( including Provision for Bad Debts)	Trade Receivables	NA	NA	NA	
Total Debts to Total Assets	Total Debt	Total Assets	0.26	0.22	18.31%	
Debtor Turnover-Days	Sales( Sales of Finished Goods and Traded Goods)	Trade Receivables	92.88	142.41	-34.78%	Refer note 52 to the FS
Inventory Turnover-Days	Sales( Sales of Finished Goods and Traded Goods)	Inventories	106.37	110.49	-3.73%	
Operating Margin (%)	Operating Profit	Revenue from Operations	10.90%	(4.40%)	-347.76%	Refer note 52 to the FS
Net Profit Margin (%)	Net Profit ( Profit after Tax)	Revenue from Operations	(10.17%)	(32.11%)	-68.33%	Refer note 52 to the FS
Return on Equity Ratio	Profit after tax	Average Equity	(2.81%)	(2.58%)	8.86%	
Trade Payables turnover ratio	Total Purchases	Average Trade Payables	4.48	4.85	-7.57%	
Net capital turnover ratio	Total Sales	Closing Working Capital	(7.04)	0.60	-1273.67%	Refer note 52 to the FS
Return on Capital Employed	Earning before interest and tax	Closing Capital Employed	0.15%	(0.43%)	-134.12%	Refer note 52 to the FS
Return on investment	Earning before interest and tax	Closing Total Assets	0.13%	(0.41%)	-132.41%	Refer note 52 to the FS

1 Earnings available for debt service = Net profit after tax+ Depreciation and amortization expense + Finance costs excluding interest on lease liabilities+net loss/(gain) on foreign currency transaction+loss/(gain) on disposal of property,plant and equipment

2 Finance costs = Interest expenses on debts and borrowings+Other borrowing costs+net loss/(gain) on foreign currency transaction/translation-interest on Lease rent

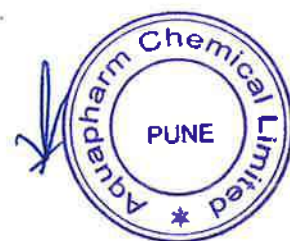
3 Inventories = Raw Materials + Finished Goods + Stores and spares parts (including packing material)

4 Operating Profit = (Profit Before Tax +Depreciation and amortization expenses+Finance Costs-Payment of Lease Liability+Net loss / (gain) on foreign currency transaction+Loss/ (gain) on disposal of property, plant and equipment -Other Income)

5 Closing Capital Employed = Total Equity + Total borrowings + Deferred tax liabilities

48 Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company 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 Company 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.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**49 Scheme of Amalgamation**

The Board of Directors of Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited") ("Transferee Company") and the Board of Directors of Aquapharm Chemicals Private Limited ("ACPL" or "Transferor Company"), a wholly owned subsidiary of ACL, at their respective meetings held on 1st August 2024 approved the Scheme of Amalgamation of ACPL with the Company and their respective shareholders under Section 233 and other applicable provisions of the Companies Act, 2013 ("Scheme"). Since, ACPL was a wholly owned subsidiary of the Company no consideration was issued pursuant to the Scheme.

The Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs ("Regional Director") vide order dated 06th December 2024 approved the Scheme. The Order was filed with ROC on 1st January 2025, which was also considered as the effective date in terms of the Scheme ("Effective Date") and consequently ACPL stands amalgamated with the Company and ACPL ceased to exist as a separate entity.

Post amalgamation, the name of Transferee Company has been changed from 'Advaya Chemical Industries Limited' to 'Aquapharm Chemical Limited'.

The aforesaid amalgamation had been accounted in the books of accounts of the Company pursuant to the 'pooling of interests method' in accordance with Appendix C of Ind AS 103 - Business Combinations, read with Ind AS 10 - Events after the reporting period and comparative figures have been restated for the said amalgamation from the Appointed Date i.e. 1st February 2024. Accordingly, the impact of the Scheme has been included in the standalone financial statements of the Company for the previous period. The effect of the amalgamation on the amount of Revenue and Profit reported in the respective previous period is as shown in the below table.

Particulars (INR crores)	Period Ended 31st Mar 2024
Revenue from Operations :	
As reported in the previous period	1.00
As restated for the effect of amalgamation	113.19
Profit/(loss) before tax:	
As reported in the previous period	(35.00)
As restated for the effect of amalgamation	(38.56)

Pursuant to aforesaid amalgamation and consequent change in tax base of the assets, deferred tax liability of INR 554.20 crores is reversed through statement of profit and loss.

The Company has further performed impairment assessment of goodwill arisen on acquisition of ACPL and has accounted for impairment loss of INR 554.72 crores based on valuation done by external valuer (refer note 5a). The impairment assessment was triggered by aforesaid reversal of deferred tax liability and consequent increase in Cash Generating Unit, on account of amalgamation.

The aforesaid reversal of deferred tax liabilities and impairment of goodwill have been recognised as Exceptional items in the standalone financial statements during the year ended 31 March 2025.

**Business Combinations**

The Board of Directors of Holding Company (PCBL Chemical Limited), at its meeting held on 28 November 2023, in-principle approved the acquisition of 212,172 shares of Aquapharm Chemicals Private Limited. Post approval, the Company, Aquapharm Chemical Limited, formerly known as Advaya Chemical Industries Limited ("ACL" or "the Company") had made acquisition of 212,172 shares of Aquapharm Chemicals Private Limited ("ACPL"), for an aggregate consideration of INR 3,851.49 crores (subject to agreed adjustments) representing 100% of the issued and paid-up share capital of ACPL ("Transaction"). In furtherance of such approval, the Holding Company executed a share purchase agreement dated 28 November 2023 ("SPA") with ACPL, and shareholders of ACPL, for undertaking the Transaction, subject to inter alia obtaining all necessary approvals and fulfilment of other customary conditions, as per the terms and conditions specified in the SPA.

The transaction was financed through a mix of internal accruals and external funds raised by the Holding Company and/or its affiliates. The Holding Company along with its Wholly Owned Subsidiary [ PCBL (TN) Limited ] invested INR 2,850.00 crores, comprising of Optionally Convertible Debenture of INR 2,750.00 crores and Equity Shares of INR 100.00 crores in the Company. The Company has also obtained external funding to the extent of INR 1,000.00 crores which includes non-convertible debenture of INR 550.00 crores. The proceeds of the non-convertible debenture have been fully utilised before 31 March 2024, for acquisition of shares of ACPL. Moreover, the funds received from Holding Company and its Wholly Owned Subsidiary Company have been fully utilised for acquisition of shares of ACPL. The acquisition of ACPL was completed on 31 January 2024. Pursuant to the acquisition, the Company has provisionally recognised identifiable assets (tangible and intangible) acquired and liabilities assumed as at acquisition date at fair value amounting to INR 3,260.12 crores, deferred tax liabilities of INR 569.92 crores on fair value gain on assets acquired and consequent goodwill amounting to INR 1,161.29 crores in accordance with Ind AS 103 "Business Combination".



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Standalone Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**Business Combinations - continued**

(a) Purchase consideration

As per the SPA, the Company owns 100% stake in ACPL. The total purchase consideration of INR 3,851.49 Crores has been recorded in the standalone financial statements as at period end.

**Identified Assets acquired and liabilities assumed**

The fair value of the identified assets acquired and liabilities assumed as at date of acquisition, 31 January 2024, were:

Assets	Amounts
Property, plant & equipment	305.35
Computer software	1.05
Customer-related intangibles (Refer Note a below)	1,710.80
Product-related intangibles (Refer Note a below)	467.80
Capital work in progress	89.67
Right of use assets	54.10
Investments in subsidiaries	270.00
Investments	36.34
Loans	7.35
Other non-current financial assets	4.50
Non current tax assets (net)	2.72
Other non-current assets	12.09
Inventories	153.24
Trade receivables (Refer Note b below)	197.40
Cash and cash equivalents	80.89
Other bank balances	14.11
Other current financial assets	15.19
Other current assets	24.56
<b>Total (A)</b>	<b>3,447.16</b>
<b>Liabilities</b>	
Borrowings	33.23
Lease liabilities	-
Deferred tax liabilities (net) (Refer Note c below)	584.92
Trade payables	109.32
Other current financial liabilities	11.05
Provisions	8.60
Other current liabilities	9.83
<b>Total (B)</b>	<b>756.96</b>
Non-controlling interests (C)	-
Fair value of net assets acquired (D) = (A) - (B) + (C)	2,690.20
Total purchase consideration (E)	3,851.49
Goodwill arising out of business combination (F) = (E-D)	1,161.29

Purchase consideration	Amounts
Purchase consideration	3,851.49
Less : Purchase consideration payable [ Refer Note 24 ]	41.03
Less : Discounting impact on purchase consideration	(0.52)
<b>Total purchase consideration paid</b>	<b>3,810.98</b>

Purchase consideration - cash outflow	Amounts
Total purchase consideration paid	3,810.98
Less: balance acquired	
Cash and cash equivalents	80.89
<b>Net cash outflows- payment towards acquisition of a subsidiary acquired in a business combination</b>	<b>3,730.09</b>

**Notes:**

- The determination of the fair value of customers related intangible assets and product-related intangible assets is based on discounted cash flow method. Key assumptions on which the management has based fair valuation includes estimated long-term growth rates, weighted average cost of capital, estimated operating margin and customer churn. The Cash flow projections take into account past experience and represent the management's best estimate about future developments. Useful life taken by the management for depreciation of customers related intangible is 25 years and product-related intangibles is 20 years.
- Represents net of provision for doubtful debts of INR 0.38 Crores.
- Includes impact of deferred tax adjustment amounting to INR 569.92 Crores on fair value gain, arising on business combination adjusted in Goodwill as per Ind AS- 12 Income Taxes.
- The goodwill comprises the value of expected synergies arising from the acquisition which is not separately recognised.
- Refer Note 38 for Contingent Liabilities



50 Additional regulatory information required by Schedule III

i Relationship with Struck off Companies

The Company has no transaction with the Companies struck off under Companies Act, 2013 or Companies Act, 1956.

ii Utilisation of borrowed funds and share premium

The Company 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 Company (Ultimate Beneficiaries), or

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

The Company 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 Company 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.

iii The Company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software.

Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

51 Subscriptions and donations

The Company has contributed INR 9.50 Crores (31 March 2024 : INR 10.00 Crores) to an electoral trust under section 182 of the Companies Act, 2013.

52 The Company was incorporated on 11th January, 2024 and hence the comparative information relevant to previous year has been furnished for the period from 11th January 2024 to 31st March 2024. Accordingly, the figures of the comparative period ended 31st March 2024 are not comparable to the current year ended 31st March 2025.

For L B Jha & Co  
Chartered Accountants  
Firm Registration No.: 301088E



D.N.Roy  
Partner  
Membership No.: 300389  
Place: Kolkata  
Date: 23rd April, 2025



For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited (Formerly known as  
"Advaya Chemical Industries Limited")



Suresh Kalra  
CEO and Whole time Director  
DIN: 02833715



Ganesh Vishwanathan  
Chief Financial Officer



Gopal Rath  
Director  
DIN: 00553066  
Date: 23rd April, 2025

Jayesh Damle  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AQUAPHARM CHEMICAL LIMITED**

**(FORMERLY KNOWN AS "ADVAYA CHEMICAL INDUSTRIES LIMITED")**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

1. We have audited the accompanying consolidated financial statements of **Aquapharm Chemical Limited (formerly known as "Advaya Chemical Industries Limited")** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2025, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and notes to the consolidated financial statements for the year ended on that date including a summary of material accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2025, of consolidated loss (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred, is sufficient and appropriate to provide a basis for our opinion.



**Key Audit Matters**

3. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matter described below to be the key audit matters to be communicated in our report:

Key Audit Matter	Procedures Performed
<b><u>Impairment Testing of Goodwill</u></b>	
<p>The Group has Goodwill of Rs 606.76 crores as at March 31, 2025, arising out of acquisition of Aquapharm Chemicals Private Limited (ACPL), which has been amalgamated with Aquapharm Chemical Limited (formerly known as Advaya Chemical Industries Limited) (ACIL) during the current year. The said Goodwill has an indefinite useful life and as required by Ind AS 36 “Impairment of Assets”, are tested for impairment annually.</p> <p>For assessment, the Group has engaged a valuer to determine the recoverable value of related goodwill based on discounted cash flow method which is complex and is sensitive to underlying assumptions especially those relating to cash flow forecasts including future business growth and the application of an appropriate discount rate, which are inherently subjective.</p> <p>Accordingly, impairment testing of Goodwill is determined to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the report of the management’s expert to evaluate the reasonableness of the methodology and key assumptions used by management and its expert used for impairment testing of Goodwill. Evaluated the competence and objectivity of the management’s expert.</li> <li>• Obtained suitable management representations on projections of future cash flows and the various assumptions used in the valuation.</li> <li>• Assessed the disclosures made in the consolidated financial statements.</li> </ul>

**Emphasis of Matter**

4. We draw attention to the following emphasis of matter paragraph included in the Audit Report of a step-down subsidiary of the Holding Company, who issued an unmodified opinion vide audit report dated April 22, 2025:

“The Group of Companies incurred cumulative losses amounted to SR. 23,326,821 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 Information**

5. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
8. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Management's Responsibility for the Consolidated Financial Statements**

9. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.



**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group have adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
17. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

#### **Report on Other Legal and Regulatory Requirements**

18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of accounts as required by law have been kept by the Holding Company so far as it appears from our examination of those books,
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.



- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary company, none of the directors is disqualified as on 31<sup>st</sup> March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the ‘Report on internal financial controls’), since in our opinion and information and explanation given to us, the said report on internal financial controls is not applicable to the foreign subsidiaries (including step down subsidiaries) of the Company .With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls of the Holding Company, refer to report in “Annexure B” attached with our report on the Standalone Financial Statements.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:  
According to the information and explanations given to us and the records of the Group examined by us, the managerial remuneration for the year ended March 31, 2025 has been paid / provided by the Holding Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act,
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 51 to the Consolidated financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 51 of the Consolidated financial Statements , no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act.
- vi. Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Place: Kolkata  
Date: 23.04.2025



For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

A handwritten signature in blue ink, appearing to read 'D.N. Roy', written over a horizontal line.

(D.N. Roy)

Partner

Membership No. 300389  
**UDIN: 25300389BMHWLW8023**

**ANNEXURE –A TO THE INDEPENDENT AUDITOR’S REPORT  
To the members of Aquapharm Chemical Limited**

**(Formerly known as “Advaya Chemical Industries Limited”)**

[Referred to in paragraph 18 of the Auditors’ Report of even date]

Based on the information and explanations sought by us and provided by the Holding Company, and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, the subsidiaries (including step-down subsidiaries) are foreign companies. Accordingly, the requirement to report under clause 3(xxi) of the Order is not applicable to the Holding Company.

Place: Kolkata  
Date: 23.04.2025



For L. B. Jha & Co.  
Chartered Accountants  
Firm Registration No: 301088E

A handwritten signature in blue ink, appearing to read "D. N. Roy".

(D. N. Roy)  
Partner

Membership No. 300389  
**UDIN: 25300389BMHWLW8023**

Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Consolidated Ind AS Balance Sheet as at March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

Particulars	Note No.	As at 31st March 2025	As at 31st March 2024
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4a	508.12	450.18
Capital work-in-progress	4b	317.95	131.78
Goodwill	5a	606.76	1,161.37
Intangible assets	5b	2,072.28	2,164.21
Right of use assets	4c	67.37	70.67
Financial assets			
Investments	6	0.01	0.01
Other financial assets	7	5.75	4.58
Non current tax assets (net)	21	8.88	2.98
Other non-current assets	8	3.25	14.39
<b>Total Non-current Assets</b>		<b>3,590.37</b>	<b>4,000.16</b>
<b>Current Assets</b>			
Inventories	9	354.93	287.45
Financial assets			
Investments	10	-	36.85
Trade receivables	11	311.47	262.08
Cash and cash equivalents	12	64.88	117.37
Other Bank balances	13	9.65	15.27
Other financial assets	14	3.03	0.55
Other current assets	15	42.11	30.21
<b>Total Current Assets</b>		<b>786.07</b>	<b>749.78</b>
<b>Total Assets</b>		<b>4,376.44</b>	<b>4,749.94</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16a	2,850.00	100.00
Instruments entirely equity in nature	16b	-	2,750.00
Other equity	17	(55.33)	(26.96)
<b>Equity attributable to owners of the parent company</b>		<b>2,794.67</b>	<b>2,823.04</b>
Non-controlling interests	49	(2.05)	(5.60)
<b>Total Equity</b>		<b>2,792.62</b>	<b>2,817.44</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	823.64	848.29
Lease Liabilities	4d	7.88	11.05
Other financial liabilities	24	-	36.41
Provisions	19	4.16	4.35
Deferred tax liabilities (net)	20	5.71	590.72
<b>Total Non-current Liabilities</b>		<b>841.39</b>	<b>1,490.82</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	311.64	212.72
Lease Liabilities	4d	3.84	3.50
Trade Payables			
(i) Micro enterprises & small enterprises	23	3.84	6.16
(ii) Other than micro enterprises & small enterprises	23	223.12	138.43
Other financial liabilities	24	181.70	65.60
Provisions	25	5.79	5.23
Current tax liabilities (net)	21	0.73	-
Other current liabilities	26	11.77	10.04
<b>Total Current Liabilities</b>		<b>742.43</b>	<b>441.68</b>
<b>Total Liabilities</b>		<b>1,583.82</b>	<b>1,932.50</b>
<b>Total Equity &amp; Liabilities</b>		<b>4,376.44</b>	<b>4,749.94</b>

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

This is Consolidated Balance Sheet referred to in our report of even date  
For L B Jha & Co  
Chartered Accountants  
Firm Registration No.: 301088E

D.N.Roy  
Partner  
Membership No.: 300389  
Place: Kolkata  
Date: 23rd April, 2025



For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited (Formerly known as  
"Advaya Chemical Industries Limited")

Suresh Kalra  
CEO and Whole time Director  
DIN: 02833715

Ganesh Vishwanathan  
Chief Financial Officer

Gopal Rathi  
Director  
DIN: 00553066  
Date: 23rd April, 2025

Jayesh Damle  
Company Secretary

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Consolidated Ind AS Statement of Profit and Loss for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
Revenue from operations	27	1,419.80	240.07
Other income	28	11.27	1.99
<b>Total income</b>		<b>1,431.07</b>	<b>242.06</b>
<b>Expenses</b>			
Cost of raw materials consumed	29	882.45	165.34
Purchases of Stock-in-Trade		3.49	1.74
Changes in inventories of finished goods & work-in-progress	30	6.08	(17.41)
Employee benefit expense	31	143.68	24.75
Finance costs	32	107.51	20.01
Depreciation and amortization expense	33	128.09	21.22
Other expenses	34	201.69	54.32
<b>Total expenses</b>		<b>1,472.99</b>	<b>269.97</b>
<b>Profit / (Loss) before tax and exceptional items</b>		<b>(41.92)</b>	<b>(27.91)</b>
<b>Exceptional items (refer note 47) :</b>			
Impairment of Goodwill		554.72	-
Reversal of deferred tax liability pursuant to restructuring		(554.20)	-
<b>Total exceptional items</b>		<b>0.52</b>	<b>-</b>
<b>Profit / (Loss) before tax</b>		<b>(42.44)</b>	<b>(27.91)</b>
<b>Income tax expense:</b>			
Current tax	21	17.59	6.47
Deferred tax	20	(30.89)	(6.02)
<b>Total tax expense / (gain)</b>		<b>(13.30)</b>	<b>0.45</b>
<b>Profit / (Loss) for the year</b>		<b>(29.14)</b>	<b>(28.36)</b>
<b>Other Comprehensive Income / (Loss) (OCI)</b>			
<b>Items that will not be reclassified to profit or loss (A)</b>			
Remeasurements of post-employment benefit obligations		0.02	0.08
Income tax relating to above		(0.05)	0.03
<b>Total (A)</b>		<b>(0.03)</b>	<b>0.11</b>
<b>Items that will be reclassified to profit or loss (B)</b>			
Net movement on cash flow hedges		0.22	(0.22)
Income tax relating to above		(0.06)	0.06
Exchange differences on translation of foreign operations		8.10	1.01
<b>Total (B)</b>		<b>8.26</b>	<b>0.85</b>
<b>Other comprehensive income / (loss) for the year, net of tax (A+B)</b>		<b>8.23</b>	<b>0.96</b>
<b>Total comprehensive Income / (Loss) for the year</b>		<b>(20.91)</b>	<b>(27.40)</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Consolidated Ind AS Statement of Profit and Loss for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

Particulars	Note No.	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>Profit / (Loss) for the year attributable to:</b>			
Owners of the Parent		(28.79)	(27.94)
Non-controlling interests		(0.35)	(0.42)
<b>Total (C)</b>		<b>(29.14)</b>	<b>(28.36)</b>
<b>Other comprehensive Income / (Loss) attributable to:</b>			
Owners of the Parent		8.38	0.98
Non-controlling interests		(0.15)	(0.02)
<b>Total (D)</b>		<b>8.23</b>	<b>0.96</b>
<b>Total comprehensive Income / (Loss) attributable to :</b>			
Owners of the Parent		(20.41)	(26.96)
Non-controlling interests		(0.50)	(0.44)
<b>Total Comprehensive Income, net of tax (C+D)</b>		<b>(20.91)</b>	<b>(27.40)</b>
Basic Earnings Per Share (EPS) (in INR)	41	(0.69)	(3.26)
Diluted Earnings Per Share (EPS) (in INR)	41	(0.69)	(3.26)
(Nominal value per share: INR 10)			

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

This is Consolidated Statement of Profit and Loss referred to in our report of even date

For L B Jha & Co  
 Chartered Accountants  
 Firm Registration No.: 301088E

For and on behalf of the Board of Directors of  
 Aquapharm Chemical Limited (Formerly known as  
 "Advaya Chemical Industries Limited")

  
 D.N.Roy

Partner

Membership No.: 300389

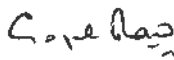
Place: Kolkata

Date: 23rd April, 2025



  
 Suresh Kalra  
 CEO and Whole time Director  
 DIN: 02833715

  
 Ganesh Vishwanathan  
 Chief Financial Officer

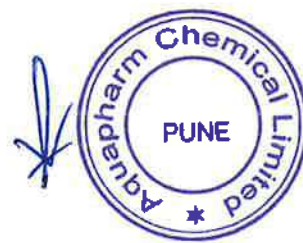
  
 Gopal Rathi  
 Director  
 DIN: 00553066  
 Date: 23rd April, 2025

  
 Jayesh Damle  
 Company Secretary

Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Consolidated Ind AS Statement of Cash flows for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

Particulars	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>A. Operating activities</b>		
Profit/(Loss) before tax	(42.44)	(27.91)
<b>Adjustments to reconcile profit before tax to net cash flows</b>		
Depreciation and amortization expense	128.09	21.22
Net movement in exceptional items (refer note 47)	0.52	-
(Profit) / Loss on sale of property, plant and equipment	(0.09)	(0.13)
(Profit) / Loss on sale of investments	(3.18)	-
Change in fair value of investments	-	(0.63)
Finance costs	107.51	20.01
Interest income	(1.17)	(0.23)
Unrealized foreign exchange difference (net)	0.54	(0.10)
<b>Operating profit before working capital changes</b>	<b>189.78</b>	<b>12.23</b>
<b>Changes in operating assets and liabilities</b>		
Decrease/(Increase) in trade receivable	(46.10)	11.26
Decrease/(Increase) in inventories	(63.83)	(8.27)
Decrease/(Increase) in other financial assets	(3.87)	-
Decrease/(Increase) in other current assets	(11.68)	10.03
Increase/(Decrease) in trade payables	79.09	(19.61)
Increase/(Decrease) in employee benefit obligations	0.33	-
Increase/(Decrease) in other financial liabilities	(0.63)	25.22
Increase/(Decrease) in other current liabilities	1.69	-
<b>Cash generated from operating activities</b>	<b>144.77</b>	<b>30.86</b>
Income tax paid (net of refunds)	(22.81)	(5.19)
<b>Net cash flows generated from operating activities (A)</b>	<b>121.96</b>	<b>25.67</b>
<b>B. Investing activities*</b>		
Purchase of property, plant and equipment and intangible assets	(179.49)	(23.17)
Proceeds from sale of property, plant and equipment	1.44	0.61
Payment towards acquisition of a subsidiary acquired in a business combination	-	(3,707.97)
Purchase of current investments	(191.19)	(24.88)
Proceeds from sale of current investments	231.23	24.99
Net movement in other bank balance	5.65	(0.24)
Interest Received	1.39	0.08
<b>Net cash flows used in from investing activities (B)</b>	<b>(130.97)</b>	<b>(3,730.58)</b>
<b>C. Financing activities*</b>		
Proceeds from current borrowings	375.66	21.02
Proceeds from non-current borrowings	148.00	997.89
Repayment of current borrowings	(291.19)	(3.38)
Repayment of non-current borrowings	(160.32)	(28.36)
Payment to non-controlling interest for acquisition	(3.91)	-
Proceeds from Issue of Equity Shares	-	100.00
Proceeds from Issue of Optional Convertible Debenture (OCD)	-	2,750.00
Interest paid	(109.43)	(11.79)
Payment of principal portion of lease liabilities	(3.44)	(3.51)
<b>Net cash flows (used in)/ generated from financing activities (C)</b>	<b>(44.63)</b>	<b>3,821.87</b>
<b>I. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(53.64)</b>	<b>116.96</b>
<b>II. Effect of exchange rate change in cash and cash equivalents</b>	<b>1.15</b>	<b>0.41</b>
<b>III. Cash and cash equivalents as at beginning of the year (refer note 12)</b>	<b>117.37</b>	<b>-</b>
<b>IV. Cash and cash equivalents as at year end (refer note 12) (I+II+III)</b>	<b>64.88</b>	<b>117.37</b>

\*There are no non cash investing and financing activities during the year. For additions to Right of use of assets, refer note 4(c).  
Refer note 22 for changes in liabilities arising from financing activities.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Consolidated Ind AS Statement of Cash flows for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

Components of cash and cash equivalents:

	As at 31st March 2025	As at 31st March 2024
Balances with banks	64.85	117.32
Cash on hand	0.03	0.05
<b>Total cash and cash equivalents</b>	<b>64.88</b>	<b>117.37</b>

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

This is Consolidated Statement of Cash flows referred to in our report of even date

For L B Jha & Co  
Chartered Accountants  
Firm Registration No.: 301068E



D.N.Roy  
Partner  
Membership No.: 300389  
Place: Kolkata  
Date: 23rd April, 2025



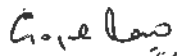
For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited (Formerly known as  
"Advaya Chemical Industries Limited")



Suresh Kalra  
CEO and Whole time Director  
DIN: 02833715



Ganesh Vishwanathan  
Chief Financial Officer



Gopal Rath  
Director  
DIN: 00553066  
Date: 23rd April, 2025



Jayesh Damle  
Company Secretary

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Consolidated Ind AS Statement of Changes in Equity for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**A Equity Share Capital**

	Note no	No. of shares (Units)	Amount
As at January 11, 2024		-	-
Shares issued during the period	16a	10,00,00,000	100.00
As at March 31, 2024		10,00,00,000	100.00
Shares issued during the year	16a	2,75,00,00,000	2,750.00
As at March 31, 2025		2,85,00,00,000	2,850.00

**B Instruments Entirely Equity In Nature**  
**0.1% Optionally and Fully Convertible Debentures (OCDs)<sup>1</sup>**

	Note no	No. of shares (Units)	Amount
As at January 11, 2024		-	-
OCDs issued during the period	16b	2,75,00,00,000	2,750.00
As at March 31, 2024		2,75,00,00,000	2,750.00
OCDs converted to equity shares in the ratio 1:1	16b	(2,75,00,00,000)	(2,750.00)
As at March 31, 2025		-	-

**C Other Equity**

	Reserves and surplus Retained earnings	Other reserves			Total	Non Controlling interests (NCI)	Grand Total
		Foreign Currency Translation reserve	Cash flow hedge reserve				
As at January 11, 2024	(27.94)	-	-	-	(27.94)	(0.42)	(28.36)
Profit / (Loss) for the period	0.11	1.03	(0.16)	-	0.98	(0.02)	0.96
Other Comprehensive Income / (Loss)						(5.16)	(5.16)
Acquisition through business combination (Refer Note 47)						(5.60)	(32.56)
As at March 31, 2024	(27.83)	1.03	(0.16)	(26.96)	(26.96)	(0.35)	(29.14)
Profit / (Loss) for the year	(28.79)	-	-	(28.79)	(28.79)	(0.15)	(30.07)
Other Comprehensive Income / (Loss)	(0.03)	8.25	-	8.22	8.07	4.05	(3.91)
Payment to non-controlling interest for acquisition*	(7.96)	-	-	(7.96)	(7.96)	-	(7.96)
Transferred to Statement of Profit and Loss (Net)	-	-	0.16	0.16	0.16	-	0.16
As at March 31, 2025	(64.61)	9.28	-	(55.33)	(55.33)	(2.05)	(57.38)

\*Transactions with Owners in their capacity as Owners.

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

This is Consolidated Statement of Changes in Equity referred to in our report of even date

For L B Jha & Co

Chartered Accountants

Firm Registration No.: 301058E



*(Signature)*  
 D.N.Roy  
 Partner

Membership No.: 300389

Place: Kolkata

Date: 23rd April, 2025

For and on behalf of the Board of Directors of  
 Aquapharm Chemical Limited (Formerly known as  
 "Advaya Chemical Industries Limited")

*(Signature)*  
 Ganesh Vishwanathan  
 Chief Financial Officer

*(Signature)*  
 Suresh Kalra  
 CEO and Whole time Director  
 DIN: 02833715

*(Signature)*  
 Gopal Rai  
 Director  
 DIN: 00553066

Jayesh Damle  
 Company Secretary

Date: 23rd April, 2025

## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

### 1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Aquapharm Chemical Limited (the Parent Company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2025. The Parent Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Parent Company is located at 9<sup>th</sup> and 10<sup>th</sup> 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 consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated Ind AS financial statements 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 consolidated Ind AS financial statements are presented in Indian Rupees Crores, except when otherwise indicated.

#### 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.

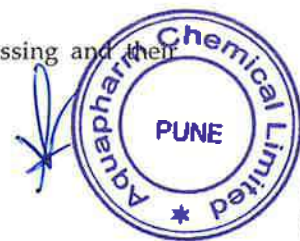
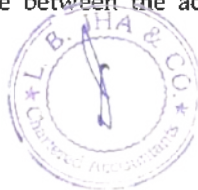
A liability is current when:

- 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.

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



## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

### 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.

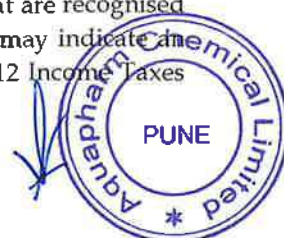
The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March 2025. When the end of the reporting period of the parent company is different from that of a subsidiary, the subsidiary prepares, 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 impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes



## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

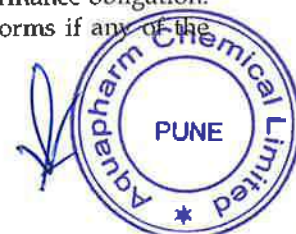
#### Revenue recognition policy

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 Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

- 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.

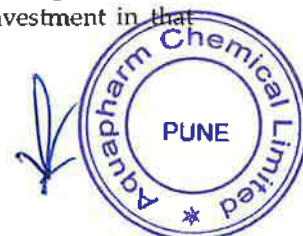
### **b) Foreign currency translation**

#### **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 Chemical 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 year ended March 31, 2025

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

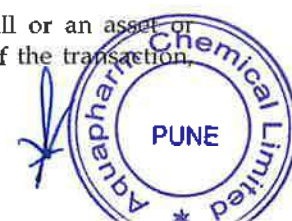
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

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 year ended March 31, 2025

- 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

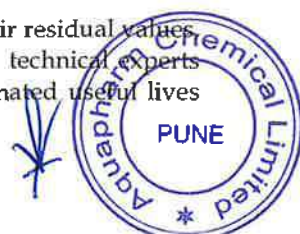
Freehold land and Capital work in progress are carried at historical costs. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to 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.

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 along with consideration of the climate related matters.

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.

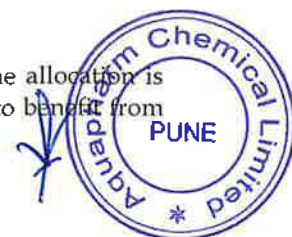
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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 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



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Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

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.

Computer software are amortised on a straight-line basis over a period of three years.

Customer-related intangibles are amortised on a straight-line basis over a period of twenty five years.

Product-related intangibles are amortised on a straight-line basis over a period of twenty years.

Research costs are expensed as incurred.

### f) Leases

#### As a Lessee:

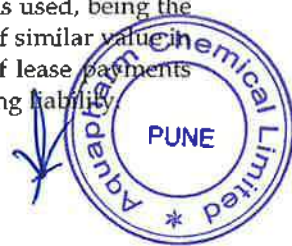
The Group leases various land parcels and plant & machinery. Rental contracts are typically made for fixed periods, but have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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.



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Notes to Consolidated Financial Statements for the year ended March 31, 2025

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
- 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.

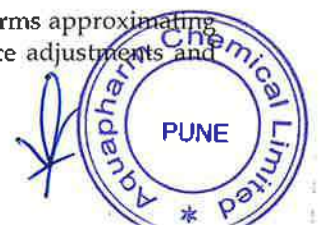
### h) Employee benefits obligations

#### (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.



## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

### (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.

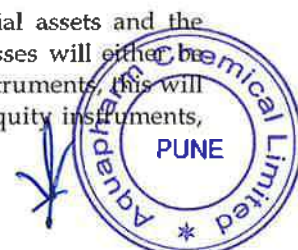
### j) Investments and Other Financial assets

#### 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,



## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

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.

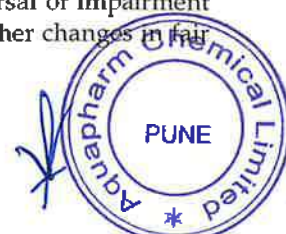
**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (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.



## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

### iii) Impairment of financial assets

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.



## **Aquapharm Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

### **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.

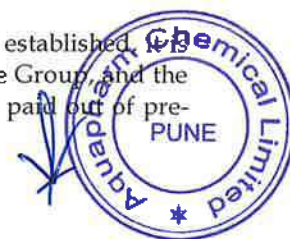
### **l) Other Income and other operating revenue**

#### **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 Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

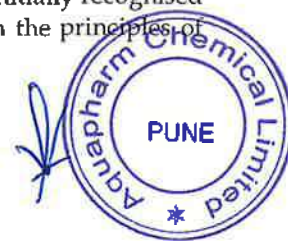
## n) Cash and cash equivalents

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 Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

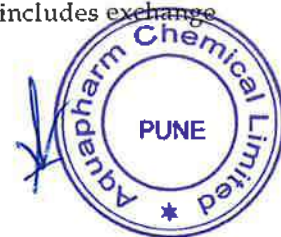
Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash 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.



## **Aquapharm Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

### **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.

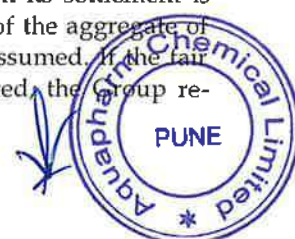
### **s) Segment Reporting**

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.

### **t) Business Combination**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. However, Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively. Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-



## **Aquapharm Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that it may be impaired. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### **2.4 Other accounting policies**

#### **a) 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.

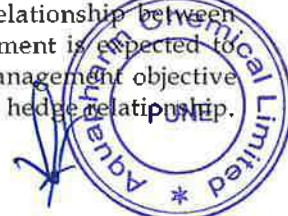
When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and 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.

#### **b) 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.



## **Aquapharm Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

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.

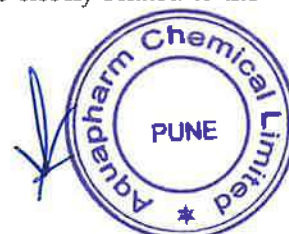
### **(ii) Derivatives that are not designated as hedges**

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.



## **Aquapharm Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

### **c) 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.

### **d) Rounding of amounts**

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

### **e) Exceptional items**

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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

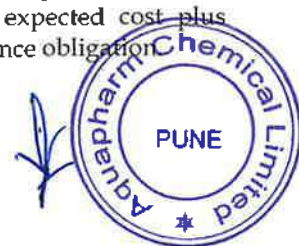
## **3. Significant accounting judgements, estimates and assumptions**

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.



## Aquapharm Chemical Limited

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.

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:

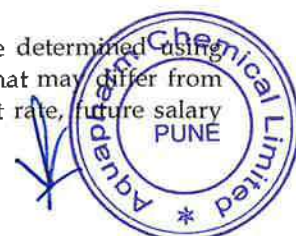
- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, 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

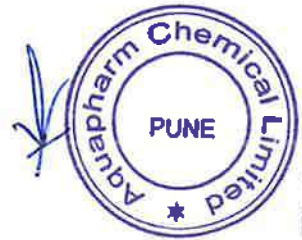
The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary



**Aquapharm Chemical Limited**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

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.



Aquapharm Chemical Limited (Formerly known as "Adivya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

4 (a) PROPERTY, PLANT & EQUIPMENT

Particulars	Land	Buildings#	Plant and Machinery	Furniture & Fixtures	Vehicles	Office equipment	Electrical Installations	Computers	Total
Gross carrying amount as at 1st April, 2024	60.74	202.23	172.18	4.59	3.62	1.48	10.15	0.39	455.39
Additions	-	77.39	9.31	0.10	-	0.03	0.24	0.18	87.25
Disposals/Adjustments	-	-	(0.67)	(0.04)	(2.00)	(0.00)	-	-	(2.71)
Translation adjustments	0.05	2.99	0.96	(0.03)	-	-	-	0.00	3.99
Closing gross carrying amount as at 31st March, 2025	60.79	282.61	181.78	4.62	1.63	1.51	10.39	0.58	543.91
Accumulated depreciation as at 1st April, 2024	-	1.63	2.71	0.15	0.34	0.07	0.28	0.05	5.23
Charge for the year	-	11.17	16.25	0.87	1.29	0.39	1.68	0.20	31.85
Disposals/Adjustments	-	-	(0.42)	(0.04)	(0.91)	(0.00)	-	-	(1.37)
Translation adjustments	-	0.07	0.07	(0.08)	-	-	-	0.00	0.08
Accumulated depreciation as at 31st March, 2025	-	12.88	18.61	0.90	0.72	0.45	1.96	0.26	35.79
Net carrying value as at 31st March, 2025	60.79	269.73	163.17	3.72	0.91	1.06	8.43	0.32	508.12

Particulars	Land	Buildings#	Plant and Machinery	Furniture & Fixtures	Vehicles	Office equipment	Electrical Installation	Computers	Total
Gross carrying amount as at 11th January, 2024	-	-	-	-	-	-	-	-	-
Acquisition through business combination (Refer Note 47)	60.73	200.55	170.76	4.55	4.10	1.47	10.15	0.41	452.72
Additions	-	1.28	1.21	0.02	-	0.01	-	-	2.52
Disposals/Adjustments	-	-	-	-	(0.47)	-	-	(0.02)	(0.48)
Translation adjustments	0.01	0.40	0.21	0.02	0.00	0.00	-	0.01	0.65
Closing gross carrying amount as at 31st March, 2024	60.74	202.23	172.18	4.59	3.62	1.48	10.15	0.39	455.40
Accumulated Depreciation as at 11th January, 2024	-	-	-	-	-	-	-	-	-
Charge for the period	-	1.59	2.63	0.14	0.34	0.07	0.28	0.04	5.09
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
Translation adjustments	-	0.04	0.08	0.01	0.00	-	-	0.01	0.14
Accumulated Depreciation as at 31st March, 2024	-	1.63	2.71	0.15	0.34	0.07	0.28	0.05	5.23
Net carrying value as at 31st March, 2024	60.74	200.60	169.47	4.44	3.29	1.42	9.87	0.34	450.18

# Gross Carrying amount and accumulated depreciation includes Rs. 174.88 Crores (31 March 2024 - Rs. 107.31 Crores) and Rs. 6.51 Crores (31 March 2024 - Rs. 0.85 Crores), respectively in respect of Buildings on Leasehold Land.

The 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.

Aggregate amount of depreciation has been included under depreciation and amortization expenses in the Statement of Profit and Loss [Refer Note 33 for details].

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

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.

4 (b) Movement in capital work-in-progress

	31-Mar-25	31-Mar-24
Opening balance	131.78	-
Acquisition through business combination (Refer Note 47)	-	100.70
Additions during the period (refer note 1)	(87.25)	(2.52)
Transfers during the period	317.95	131.78
Closing balance	-	-

Note 1: During the period, the Group has capitalised the following expenses to capital work-in-progress:

Particulars	31-Mar-25	31-Mar-24
Employee benefit expense	0.91	0.16
Interest cost	3.69	-
Other expenses	1.61	0.10
Total	6.21	0.26
Add: balance brought forward from previous year	2.81	2.55
Less: capitalised during the year to property, plant & equipment	9.02	2.81
Balance forming part of capital work-in-progress	-	-

Capital work in progress mainly comprises of amounts pertaining to plant and machinery, electrical installation and others relating to set-up of new manufacturing facility.



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

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>CWIP as at March 31, 2025</b>					
Projects in progress	269.03	35.81	11.94	1.17	317.95
Projects temporarily suspended	-	-	-	-	-
<b>CWIP as at March 31, 2024</b>					
Projects in progress	92.28	38.15	1.35	-	131.78
Projects temporarily suspended	-	-	-	-	-

There are no material overdues compared to original plans as on March 31, 2025 and March 31, 2024. The Group evaluates the completion of projects based on its original plan, which are monitored on an ongoing basis.

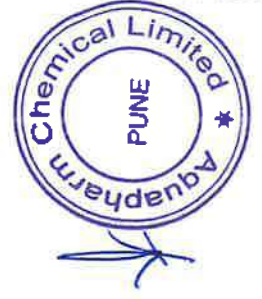
There has been no projects that has been temporarily suspended during the period ended 31 March 2025.

4 (c) Right of use assets :

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

Particulars	Right of Use assets
<b>Gross carrying amount as at 1st April, 2024</b>	<b>71.38</b>
Additions	0.69
Disposals/Adjustments	-
Translation adjustments	0.38
<b>Closing gross carrying amount as at 31st March, 2025</b>	<b>72.45</b>
<b>Accumulated depreciation as at 1st April, 2024</b>	<b>0.71</b>
Charge for the year	4.32
Disposals/Adjustments	-
Translation adjustments	0.05
<b>Accumulated depreciation as at 31st March, 2025</b>	<b>5.08</b>
<b>Net carrying value as at 31st March, 2025</b>	<b>67.37</b>
<b>Particulars</b>	<b>Right of Use assets</b>
<b>Gross carrying amount as at 11th January, 2024</b>	<b>68.40</b>
Acquisition through business combination (Refer Note 47)	2.90
Additions	-
Disposals/Adjustments	-
Translation adjustments	0.08
<b>Closing gross carrying amount as at 31st March, 2024</b>	<b>71.38</b>
<b>Accumulated Depreciation as at 11th January, 2024</b>	<b>-</b>
Charge for the period	0.68
Disposals/Adjustments	-
Translation adjustments	0.03
<b>Accumulated Depreciation as at 31st March, 2024</b>	<b>0.71</b>
<b>Net carrying value as at 31st March, 2024</b>	<b>70.67</b>



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

Particulars	Gross Block		Net Block	
	31-Mar-25	31-Mar-24	31-Mar-25	31-Mar-24
Right of Use assets				
Leasehold Land	57.00	57.00	56.29	57.00
Leasehold Building	8.99	8.08	6.86	7.86
Plant & Machinery	6.46	6.30	4.22	5.81
	<b>72.45</b>	<b>71.38</b>	<b>67.37</b>	<b>70.67</b>

4 (d) 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 pertains to buildings and plant & machinery taken on lease.

Lease liabilities	31-Mar-25		31-Mar-24	
	Non-current	Current	Non-current	Current
Leasehold Building	4.60	2.27	6.87	6.27
Plant & Machinery	3.28	1.57	4.85	4.78
<b>Total</b>	<b>7.88</b>	<b>3.84</b>	<b>11.72</b>	<b>11.05</b>

Movement of lease liabilities

Particulars	31-Mar-25	31-Mar-24
At the beginning of the period	14.55	-
Acquisition through business combination (Refer Note 47)	-	15.10
Addition to lease liability during the year	0.61	-
Accretion of interest (refer note 32)	0.37	0.06
Payment/adjustments of lease liabilities	(3.81)	(0.62)
<b>At the end of the period</b>	<b>11.72</b>	<b>14.55</b>

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

Particulars	31-Mar-25	31-Mar-24
Less than one year	3.84	3.50
One to five years	8.06	11.04
<b>At the end of the period</b>	<b>11.90</b>	<b>14.55</b>

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

Particulars	31-Mar-25	31-Mar-24
Depreciation charge on right of use assets		
Leasehold Land	0.69	0.11
Leasehold Building	1.80	0.36
Plant & machinery	1.83	0.21
	<b>4.32</b>	<b>0.68</b>

Particulars	Note No.	31-Mar-25	31-Mar-24
Interest expenses (included in finance cost)*	32	0.37	0.06
Expenses related to short term leases, low value assets (included as rent in other expenses)	34	0.65	0.11

\*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.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**5a Goodwill**

Goodwill represents the purchase consideration in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired entity. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds purchase consideration, the fair value of net assets acquired is reassessed and the bargain purchase gain is recognized in capital reserve. Goodwill is measured at cost less accumulated impairment losses.

Particulars	As at	As at
	31st March 2025	31st March 2024
Opening carrying amount	1,161.37	1,161.29
Impairment	(554.72)	-
Translation adjustments	0.11	0.08
<b>Closing carrying amount</b>	<b>606.76</b>	<b>1,161.37</b>

**Impairment test of Goodwill**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

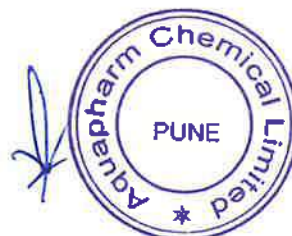
Goodwill of Rs. 1,161.29 Crores had arisen on acquisition of Aquapharm Chemicals Private Limited ("ACPL") during the year ended 31 March, 2024 (Refer Note 47). The Group assesses the goodwill for any indication of impairment at annual basis.

Pursuant to amalgamation of ACPL into Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited") ("ACL") (Refer Note 47) and consequent change in tax base of the assets, deferred tax liability of Rs. 554.20 crores has been reversed through statement of Profit & Loss and ACL has performed impairment assessment of goodwill arisen on acquisition of ACPL and has accounted for impairment loss of Rs. 554.72 crores based on calculation of value in use performed by external valuer.

The impairment assessment was triggered by aforesaid reversal of deferred tax liability and consequent increase in carrying amount of Cash Generating Unit, on account of amalgamation.

Key Assumptions used for value in use calculations are as follows:

Particulars	As at
	31st March 2025
Earnings before Interest Tax Depreciation, and Amortisation % in forecast period	21% - 24%
Profit before tax % in forecast period	18% - 22%
Growth rate used for extrapolation perpetuity rate	4%
Discount rate (post tax)	18.50%



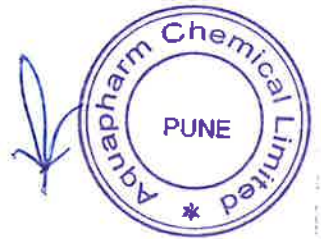
Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

5 (b) INTANGIBLE ASSETS

Particulars	Computer software	Customer relationship	Knowhow and IP	Total
Gross carrying amount as at 1st April, 2024	1.05	1,710.80	467.80	2,179.65
Additions	-	-	-	-
Disposals/ Adjustments	-	-	-	-
Impairment	-	-	-	-
Translation adjustments	-	-	-	-
Closing gross carrying amount as at 31st March, 2025	1.05	1,710.80	467.80	2,179.65
Accumulated amortization as at 1st April, 2024	0.07	11.48	3.90	15.45
Amortisation during the year	0.42	68.17	23.33	91.92
Disposals/ Adjustments	-	-	-	-
Translation adjustments	-	-	-	-
Accumulated amortization as at 31st March, 2025	0.49	79.65	27.23	107.37
Net carrying value as at 31st March, 2025	0.56	1,631.15	440.57	2,072.29

Particulars	Computer software	Customer relationship	Knowhow and IP	Total
Gross carrying amount as at 11th January, 2024	-	-	-	-
Additions	-	-	-	-
Acquisition through business combination (Refer Note 47)	1.05	1,710.80	467.80	2,179.65
Disposals/ Adjustments	-	-	-	-
Translation adjustments	-	-	-	-
Closing gross carrying amount as at 31st March, 2024	1.05	1,710.80	467.80	2,179.66
Accumulated amortization as at 11th January, 2024	-	-	-	-
Amortisation during the period	0.07	11.48	3.90	15.45
Disposals/ Adjustments	-	-	-	-
Translation adjustments	-	-	-	-
Accumulated amortization as at 31st March, 2024	0.07	11.48	3.90	15.45
Net carrying value as at 31st March, 2024	0.98	1,699.32	463.90	2,164.21

Aggregate amount of amortization has been included under depreciation and amortization expenses in the Statement of Profit and Loss [Refer Note 33 for details]



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>6 INVESTMENTS - NON-CURRENT</b>		
Investment in Equity instrument (measured at cost)		
Investment in subsidiaries (Unquoted, fully paid up)		
Aquapharm Foundation, India*	0.01	0.01
9,999 (31 March 2024: 9,999) equity shares of INR 10 each fully paid up		
	0.01	0.01
<b>Carrying value and market value of quoted and unquoted investments are as below:</b>		
Aggregate carrying value of quoted investments & market value thereof	-	-
Aggregate carrying value of unquoted investments	0.01	0.01
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 2025	As at 31st March 2024
<b>7 OTHER FINANCIAL ASSETS</b>		
Non-current (Unsecured, considered good)		
Deposits with maturity of more than 12 months	0.65	0.09
Security Deposits	5.10	4.49
	5.75	4.58
	As at 31st March 2025	As at 31st March 2024
<b>8 OTHER NON-CURRENT ASSETS</b>		
Unsecured, considered good		
Capital Advances	3.13	14.39
Prepaid expenses	0.12	-
	3.25	14.39
	As at 31st March 2025	As at 31st March 2024
<b>9 INVENTORIES</b>		
Raw Materials	116.09	89.27
(includes packing material of Rs. 3.24 Crores (31 March 2024 : Rs. 3.94 Crores)		
In transit	54.06	8.29
	170.14	97.56
Work-in-progress	20.96	11.75
	20.96	11.75
Finished goods	118.08	140.74
In transit	38.17	30.80
	156.25	171.54
Stores and spares	7.58	6.60
	354.93	287.45

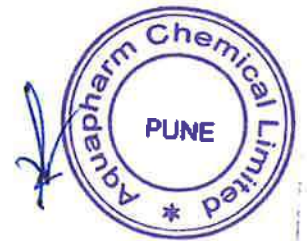
Write-down of inventories amounted to INR 7.28 Crores (31 March 2024: INR 10.65 Crores). These were recognised as an expense in Statement of Profit and Loss of respective year.

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



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>10 INVESTMENTS - CURRENT</b>		
<b>In mutual funds (quoted; at fair value through profit or loss)</b>		
Nil (31 March 2024: 14,20,700.9) Units of ABSL Corporate Bond Fund Direct Growth Plan	-	14.67
Nil (31 March 2024: 23,04,350.54 ) Units of HDFC Short Term Debt Fund Direct Growth Plan	-	6.84
Nil (31 March 2024: 63,773.80) Units of HSBC Cash Fund Direct Growth Plan	-	15.34
	-	36.85
<b>Additional information:</b>		
Aggregate amount of quoted investments and market value thereof*	-	36.85
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
*Includes INR Nil (31 March 2024: INR 36.85 Crores) 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 or previous year.		
Refer note 43 for associated market and credit risk.		



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind. AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>11. TRADE RECEIVABLES</b>		
<b>Current</b>		
Trade receivables from contract with customers-billed	311.79	262.46
Trade receivables from contract with customers-unbilled	-	-
Less: Loss allowance	(0.32)	(0.38)
	<b>311.47</b>	<b>262.08</b>
<b>Break-up of security details</b>		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	311.47	262.08
Trade receivables which have significant increase in credit risk	0.32	0.38
Trade receivables - credit impaired	-	-
	<b>311.79</b>	<b>262.46</b>
Less: Loss allowance	(0.32)	(0.38)
<b>Total trade receivables</b>	<b>311.47</b>	<b>262.08</b>

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.

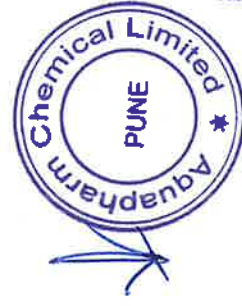
The carrying amount of trade receivables may be affected by the changes in the credit risk of the counterparties as well as the currency risk as explained in note 43.

Ageing of trade receivables as on 31st March 2025:

Particulars	Not due					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	225.60	0.32	-	4.31	3.11	311.79
	<b>225.60</b>	<b>0.32</b>	<b>-</b>	<b>4.31</b>	<b>3.11</b>	<b>311.79</b>

Ageing of trade receivables as on 31st March 2024:

Particulars	Not due					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	211.69	0.52	4.31	3.15	0.00	262.46
	<b>211.69</b>	<b>0.52</b>	<b>4.31</b>	<b>3.15</b>	<b>0.00</b>	<b>262.46</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>12 CASH AND CASH EQUIVALENTS</b>		
Balances with banks:		
In Current Accounts	49.39	86.55
In EEFC Accounts	14.52	21.07
Deposits with original maturity of less than 3 months	0.94	9.70
Cash on Hand	0.03	0.05
	<b>64.88</b>	<b>117.37</b>

There are no repatriation restrictions with regards to cash & cash equivalents.

	As at 31st March 2025	As at 31st March 2024
<b>13 OTHER BANK BALANCES</b>		
Deposits with original maturity of more than 3 months but less than 12 months*	9.65	15.27
	<b>9.65</b>	<b>15.27</b>

\*Includes INR Nil (31 March 2024: INR 14 Crores) lien marked in favour of the bank to secure SBLC Facility.

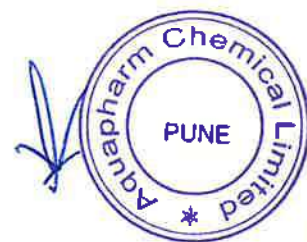
	As at 31st March 2025	As at 31st March 2024
<b>14 OTHER FINANCIAL ASSETS</b>		
Unsecured, considered good		
Interest accrued on Bonds and Deposits	0.23	0.44
Others	2.80	0.11
	<b>3.03</b>	<b>0.55</b>

	As at 31st March 2025	As at 31st March 2024
<b>15 OTHER CURRENT ASSETS</b>		
Unsecured, considered good		
Export incentives receivable#	0.76	-
Prepaid expenses	2.33	3.99
Advances to suppliers	5.51	11.25
Balances with Government Authorities**	31.32	14.33
Contract Assets*	1.68	-
Others	0.51	0.64
	<b>42.11</b>	<b>30.21</b>

\*There is no impairment allowance of the contract assets for current year.

\*\* Balances with Government Authorities primarily includes amounts realisable, if any, from the GST Authorities and customs authorities of India and the unutilised GST input credits on purchases to be utilised against future GST liabilities. These are generally realised within one year and hence these balances have been classified as current assets.

# Includes export Benefit Receivables primarily consist of amounts receivable from government authorities of India towards incentives on export sales made by the Company.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>16 (a) EQUITY SHARE CAPITAL</b>		
<b>Authorized share capital</b>		
4,00,00,00,000 (31 March 2024 : 4,00,00,00,000 ) Equity Shares of INR 10 each	4,000.00	4,000.00
<b>Issued share capital</b>		
2,85,00,00,000 (31 March 2024 : 10,00,00,000) Equity Shares of INR 10 each fully paid up	2,850.00	100.00
<b>Subscribed &amp; fully paid up share capital</b>		
2,85,00,00,000 (31 March 2024 : 10,00,00,000) Equity Shares of INR 10 each fully paid up	2,850.00	100.00
<b>Total issued, subscribed &amp; fully paid up equity share capital</b>	<b>2,850.00</b>	<b>100.00</b>

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

	31st March 2025 (No. of Shares)	31st March 2025 (INR Crores)	31st March 2024 (No. of Shares)	31st March 2024 (INR Crores)
At the beginning of the year	10,00,00,000	100.00	-	-
Shares issued during the year	2,75,00,00,000	2,750.00	10,00,00,000	100.00
At the end of the year	2,85,00,00,000	2,850.00	10,00,00,000	100.00

On 11 January, 2024, the Parent Company has issued and allotted 50,00,000 equity shares of Rs 10 each at an issue price of Rs 10 per equity share to PCBL Chemical Limited (Holding Parent Company) , being the subscriber to the Memorandum , aggregating to Rs 5.00 Crores . Further on 22nd January 2024, the Parent Company issued and allotted 7,50,00,000 and 2,00,00,000 equity shares of Rs 10 each at an issue price of Rs 10 per equity share to PCBL Chemical Limited ( Holding Parent Company) and PCBL (TN) Limited (Wholly Owned Subsidiary of PCBL Chemical Limited), aggregating to Rs 75 Crores and Rs 20 Crores respectively. The allotment was made through preferential basis as per the provisions of the Companies Act, 2013 with the consent from the shareholders of the Parent Company obtained at the Extraordinary General Meeting held on 19 January 2024 and all other applicable provisions of Companies Act,2013 (including any statutory modification, or re-enactment thereof or any regulations, rules and guidelines, if any, related thereto for the time being in force), and the relevant provisions of the Memorandum of Association and Articles of Association of the Parent Company. Pursuant to the allotment of equity shares on preferential basis, the paid up share capital of the Parent Company has been increased from Rs 5 Crores comprising of 50,00,000 Equity share to Rs 100 Crores comprising of 10,00,00,000 Equity share for the period ending 31st March 2024.

Pursuant to the terms and conditions of unlisted optionally and fully convertible debentures ("OCDS"), the Parent Company has converted all 275,00,00,000 OCDS into one equity shares of Rs. 10 each during the year ended 31st March 2025. Accordingly , the Parent Company has issued 220,00,00,000 and 55,00,00,000 equity shares of Rs. 10 each to PCBL Chemical Limited and PCBL (TN) Limited respectively.

**b Terms and rights attached to equity shares:**

The Parent Company has only one class of equity shares having par value of Rs. 10/- per share and each shareholder is entitled for one vote per share held. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

**c Shares held by Holding Parent Company and its subsidiaries/associates:**

	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCBL Chemical Limited (Immediate Holding Parent Company)	2,28,00,00,000	80.00%	8,00,00,000	80.00%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	57,00,00,000	20.00%	2,00,00,000	20.00%

**d Details of shareholders holding more than 5% shares in the Parent Company:**

	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PCBL Chemical Limited (Immediate Holding Parent Company)	2,28,00,00,000	80.00%	8,00,00,000	80.00%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	57,00,00,000	20.00%	2,00,00,000	20.00%

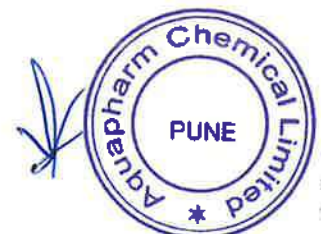
**e Details of shareholding of promoters:**

	As at 31st March 2025		
	No. of Shares held	% of Holding	% Change
PCBL Chemical Limited (Immediate Holding Parent Company)	2,28,00,00,000	80%	0%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	57,00,00,000	20%	0%

	As at 31st March 2024		
	No. of Shares held	% of Holding	% Change
PCBL Chemical Limited (Immediate Holding Parent Company)	8,00,00,000	80%	0%
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited)	2,00,00,000	20%	0%

'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 Parent Company. There are no calls unpaid by Directors / Officers of the Parent Company.



16 (b) INSTRUMENTS ENTIRELY EQUITY IN NATURE  
0.1% Optionally and Fully Convertible Debentures (OCDs)

Fully paid up

	As at 31st March 2025	As at 31st March 2024
--	--------------------------	--------------------------

2,75,00,00,000, 0.1% optionally and fully convertible debentures ("OCDs") of ₹ 10/- each fully paid-up. 2,750.00

(i) During the period 11 January 2024 to 31 March 2024, the Parent Company has issued and allotted 2,20,00,00,000 and 55,00,00,000 OCDs of Rs 10 each at an issue price of Rs 10 per equity share to PCBL Chemical Limited (Formerly known as "PCBL Limited") (Holding Parent Company) and PCBL (TN) Limited (Wholly Owned Subsidiary of PCBL Chemical Limited (Formerly known as "PCBL Limited")) aggregating to Rs 2,200.00 Crores and Rs 550 Crores on 29 January 2024. The issue was made through private placement basis as per provision of the Companies Act, 2013 with the consent from the shareholders of the Parent Company obtained at the Extraordinary General Meeting held on 19 January 2024 and all applicable provisions of Companies Act, 2013 (including any statutory modification, or re-enactment thereof or any regulations, rules and guidelines, if any, related thereto for the time being in force), the relevant provisions of the Memorandum of Association and Articles of Association of the Parent Company.

Pursuant to the terms and conditions of unlisted optionally and fully convertible debentures ("OCDs"), the Parent Company has converted all 275,00,00,000 OCDs into one equity shares of Rs. 10 each during the year ended 31st March 2025. Accordingly, the Parent Company has issued 220,00,00,000 and 55,00,00,000 equity shares of Rs. 10 each to PCBL Chemical Limited and PCBL (TN) Limited respectively.

(ii) Details of OCDs held by the shareholders holding more than 5% of the OCDs in the Parent Company :-

	As at	
	31st March 2025	31st March 2024
	Number of OCDs (Holding %)	Number of OCDs (Holding %)
PCBL Chemical Limited (Formerly known as "PCBL Limited") - Holding Parent Company	-	2,20,00,00,000
		(80%)
PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited (Formerly known as "PCBL Limited" ))	-	55,00,00,000
		(20%)

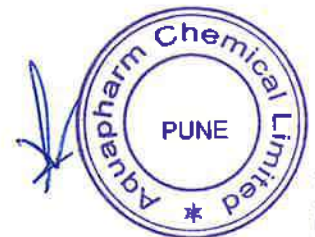
(iii) Reconciliation of number of optionally and fully convertible debentures (OCDs) outstanding	Number of OCDs	Amount
As at January 11, 2024	-	-
Add: OCDs issue during the period ( Refer Note (i) )	2,75,00,00,000	2,750.00
As at 31st March 2024	2,75,00,00,000	2,750.00
Less: OCDs converted to equity shares in the ratio 1:1	(2,75,00,00,000)	(2,750.00)
As at 31st March 2025	-	-

(iv) Details of OCDs held by

S.No	Name	As at 31st March 2025		As at 31st March 2024	
		No. of OCD	% of total OCD	No. of OCD	% of total OCD
1	PCBL Chemical Limited (Formerly known as "PCBL Limited") - Ultimate Holding Parent Company	-	-	2,20,00,00,000	80%
2	PCBL (TN) Limited ( Wholly Owned Subsidiary of PCBL Chemical Limited (Formerly known as "PCBL Limited" ))	-	-	55,00,00,000	20%

(v) Terms/ Rights attached to OCDs

Unlisted optionally and fully convertible debentures ("OCDs") will be Convertible only at the option of the issuer at any time within 10 years from the date of allotment. The conversion ratio of each OCD shall be 1:1 (i.e. one OCD shall be converted into 1 equity share of the Parent Company). The conversion ratio of the OCDs shall be suitably modified in case of any split and / or bonus issuance and / or any other restructuring, including but not limited to merger / demerger, involving the Issuer. No partial redemption of OCDs is permitted. Maturity Period is 10 years. The right to redeem the OCD will be solely at the option and discretion of the Issuer. If the OCDs are not converted by the Issuer into equity shares by the 10th anniversary of the date of allotment, the Parent Company will have an option either to redeem at par or convert in 1:1 ratio. No investor shall have a right to exercise the option to seek redemption of OCDs. The fixed interest rate at 0.1% per annum on each OCD ("Coupon"), shall be applicable if and only if the Parent Company exercises the option of redemption in relation to the OCDs. No Coupon shall accrue on the OCDs until the option of redemption is exercised by the Parent Company and such Coupon shall become due and payable on from the date of redemption.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

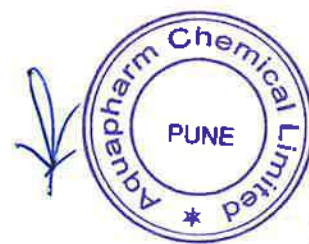
**17 OTHER EQUITY**

	As at 31st March 2025	As at 31st March 2024
<b>Foreign Currency Translation Reserve</b>		
Opening balance	1.01	-
Exchange differences on translation of foreign operations for the period	8.10	1.01
<b>Closing Balance#</b>	<b>9.11</b>	<b>1.01</b>
#This also includes allocation to Non controlling interests. Refer Consolidated Statement of Changes in Equity for further details.		
<b>Retained Earnings*</b>		
Opening Balance	(28.25)	-
Profit for the period	(29.14)	(28.36)
Payment to non-controlling interest for acquisition*	(3.90)	-
Remeasurements of post-employment benefit obligations, net of tax	(0.03)	0.11
<b>Total Retained earnings</b>	<b>(61.33)</b>	<b>(28.25)</b>
*Retained earnings include an amount of INR 0.28 Crores (31 March 2024: INR 0.28 Crores) 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.		
<b>Cash flow hedge reserve</b>		
Opening balance	(0.16)	-
Transferred during the period to Statement of Profit and Loss	0.16	-
Created during the period	-	(0.16)
<b>Closing Balance</b>	<b>-</b>	<b>(0.16)</b>
<b>Total Other equity</b>	<b>(52.22)</b>	<b>(27.40)</b>
Less: Allocation to Non-controlling interests	3.11	(0.44)
<b>Other equity attributable to owners</b>	<b>(55.33)</b>	<b>(26.96)</b>
<b>Non-controlling interests</b>	<b>(2.05)</b>	<b>(5.60)</b>
<b>Total Other equity</b>	<b>(57.38)</b>	<b>(32.56)</b>

**Nature & purpose of reserves, other than retained earnings:**

**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 Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>18 BORROWINGS</b>		
<b>Non-current borrowings</b>		
<b>Term Loans*</b>		
Indian rupee loan from banks (secured)	146.20	-
Term loan from Non-Banking Financial Company ("NBFC") (secured)	381.10	447.89
Non-Convertible Debentures ("NCD") (secured)	467.50	550.00
Foreign currency loans from banks (secured)	-	7.52
	<b>994.80</b>	<b>1,005.41</b>
<b>The above amount includes:</b>		
Secured borrowings	994.80	1,005.41
Unsecured borrowings	-	-
<b>Total Non-current borrowings</b>	<b>994.80</b>	<b>1,005.41</b>
Less: Current maturities of long term borrowings disclosed under the head Current Borrowing (refer note 22)	(171.16)	(157.12)
<b>Net Amount</b>	<b>823.64</b>	<b>848.29</b>

\*The amount is net of fees and charges paid upfront of INR 3.19 Crores (31 March 2024: INR 2.11 Crores).

**Notes:**

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited") (Parent Company):**

a) Indian rupee term loan from bank of INR 146.2 Crores (31 March 2024: INR Nil) carries fixed interest rate. Loan amount is repayable in 22 quarterly instalments of INR 6.73 Crores starting from Jul'25. The term loan is secured by way of first charge on movable fixed assets of the Company, both present and future.

b) Loan from NBFC Rs 211.73 Crore (31 March 2024 : INR 248.83 Crores) is secured by way of 1st ranking pari-paasu charge on all movable fixed and current assets, negative lien on immovable properties of the Company, Hypothecation on investments/loans and advances made in foreign subsidiaries by the Company and Non-Disposal Undertaking on equity shares of the foreign subsidiaries to the lenders of the Company to the extent of the security cover of 1x in terms of the Deed of Hypothecation dated 20th March 2025. Loan amount is repayable in a bullet repayment of INR 37.50 Crores in Jan'25, 8 quarterly instalments of INR 9.38 Crores starting from Apr'25 and 8 quarterly installments of 17.19 Cr starting from Apr'27. The term loan carries fixed interest rate.

c) Loan from NBFC Rs 169.37 Crore (31 March 2024 : INR 199.06 Crores) is secured by way of 1st ranking pari-paasu charge on all movable fixed and current assets, negative lien on immovable properties of the Company, Hypothecation on investments/loans and advances made in foreign subsidiaries by the Company and Non-Disposal Undertaking on equity shares of the foreign subsidiaries to the lenders of the Company to the extent of the security cover of 1x in terms of the Deed of Hypothecation dated 20th March 2025. Loan amount is repayable in a bullet repayment of INR 30.00 Crores in Jan'25, 8 quarterly instalments of INR 7.50 Crores starting from Apr'25 and 8 quarterly installments of 13.75 Cr starting from Apr'27. The term loan carries floating interest rate.

d) The Non-Convertible Debentures of INR 467.50 Crores (31 March 2025 : INR 550.00 Crores) are secured by way of 1st ranking pari-paasu charge on all movable fixed and current assets, negative lien on immovable properties of the Company, Hypothecation on investments/loans and advances made in foreign subsidiaries by the Company and Non-Disposal Undertaking on equity shares of the foreign subsidiaries to the lenders of the Company to the extent of the security cover of 1x in terms of the Deed of Hypothecation dated 20th March 2025 executed with the debenture trustee. NCD carries fixed interest rate and is repayable in 3 annual instalments of INR 82.50 Crores starting from Jan'25 and 2 annual installments of INR 151.25 Crores starting from Jan'28.

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

a) Term loan of INR Nil (31 March 2024: INR 7.52 Crores) is repaid during the year ended 31st March 2025. The term loan was secured by Corporate guarantee issued by the Parent Company.

	As at 31st March 2025	As at 31st March 2024
<b>19 PROVISIONS</b>		
<b>Non-current</b>		
Provision for Gratuity (refer note 36)	1.35	1.79
Provision for Employee benefit obligations of Unique Solutions for Chemical Industries Co., Saudi Arabia (refer note 36)	2.82	2.56
	<b>4.16</b>	<b>4.35</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>20 DEFERRED TAX LIABILITIES / (ASSETS) (NET)</b>		
<b>Deferred Tax Liabilities (A)</b>		
Property, plant & equipment (including ROU and Intangible assets) : Impact of difference between tax depreciation and depreciation/amortization for financial reporting	197.09	594.35
Right of use assets	-	8.75
Impact of fair valuation of mutual funds and bonds	-	1.61
<b>Total (A)</b>	<b>197.09</b>	<b>604.71</b>
<b>Deferred Tax Assets (B)</b>		
Expected credit loss	0.10	0.13
Expenditure allowed for tax purposes on payment basis	2.03	2.01
Brought forward losses and depreciation	184.50	-
Lease liabilities	0.28	2.91
Expenses deductible for tax purposes in future period	4.25	4.30
Others	0.22	4.63
<b>Total (B)</b>	<b>191.38</b>	<b>13.99</b>
<b>Deferred Tax Liabilities (Net) (A-B)</b>	<b>5.71</b>	<b>590.72</b>

**Reconciliation of deferred tax liability**

	As at 31st March 2025	As at 31st March 2024
Opening deferred tax liability, net	590.72	-
Addition on account of Business Combination	-	596.80
Reversal of deferred tax liability pursuant to restructuring	(554.20)	-
Deferred tax (credit) / charge recorded in statement of profit and loss	(30.89)	(6.02)
Deferred tax (credit) / charge recorded in OCI	0.11	(0.09)
Others	(0.03)	0.03
<b>Closing deferred tax liability, net</b>	<b>5.71</b>	<b>590.72</b>

**The major components of income tax expense for the years ended 31st March 2025 and 31st March 2024 are:**

	As at 31st March 2025	As at 31st March 2024
<b>Profit and loss section</b>		
Current tax	17.59	6.47
Deferred Tax	(30.89)	(6.02)
<b>Income tax expenses reported in the Statement of Profit and Loss</b>	<b>(13.30)</b>	<b>0.45</b>
<b>OCI Section</b>		
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Net movement on cash flow hedges	0.06	(0.06)
Re-measurement of post employment benefit plans	0.05	(0.03)
<b>Income tax charge / (credit) through OCI</b>	<b>0.11</b>	<b>(0.09)</b>

**Reconciliation of tax expense**

	As at 31st March 2025	As at 31st March 2024
<b>Accounting profit before income tax</b>	<b>(41.92)</b>	<b>(27.91)</b>
Tax at India's statutory income tax rate of 25.17% (31 March 2024: 25.17%)	(10.55)	(7.03)
Tax rate difference	(7.26)	(1.90)
Corporate social responsibility	0.95	0.17
Subscriptions and donations	2.39	2.52
Deferred tax assets not recognised on losses	0.58	0.69
Other adjustments	0.60	6.00
<b>Income tax expense</b>	<b>(13.30)</b>	<b>0.45</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>(13.30)</b>	<b>0.45</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>21 CURRENT TAX LIABILITIES</b>		
Opening Current tax liabilities/(assets)	(2.98)	-
Addition on account of Business Combination liabilities/(assets)	-	(4.26)
Add: Current tax charge for the year	17.59	6.47
Less: Tax paid	22.76	5.19
<b>Total Current Tax Liabilities / (Assets)</b>	<b>(8.15)</b>	<b>(2.98)</b>
Disclosed as Current Tax Liabilities	0.73	-
Disclosed as Income Tax Assets	(8.88)	(2.98)
<b>TAX EXPENSES</b>		
Current tax	17.59	6.47
Deferred tax	(30.89)	(6.02)
<b>Total tax expenses</b>	<b>(13.30)</b>	<b>0.45</b>
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.		
Unused tax losses for which no deferred tax asset has been recognised	3.10	8.67
Potential tax benefit @ 25.17% (31 March 2024: 25.17%)	0.78	2.18

	As at 31st March 2025	As at 31st March 2024
<b>22 BORROWINGS</b>		
<b>Current borrowings</b>		
Working capital loans from Banks (secured)	72.01	55.60
Working capital loans from Banks (unsecured)	68.47	-
Current maturities of long term borrowings (secured)	20.60	7.52
Current maturities of long term debts from NBFC (secured)	68.06	67.10
Current maturities of Non-Convertible Debentures (secured)	82.50	82.50
	<b>311.64</b>	<b>212.72</b>
<b>The above amount includes:</b>		
Secured borrowings	243.17	212.72
Unsecured borrowings	68.47	-

**a Working capital loans from banks are secured by:**

**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited") (Parent Company):**

(i) Pari passu first charge by way of hypothecation of stocks of inventories and book debts/receivables of the 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 variable interest rate.

**Unique Solutions for Chemical Industries Co., Saudi Arabia:**

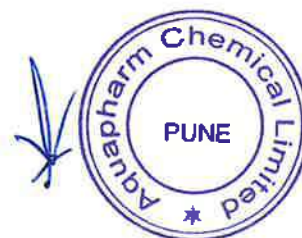
(v) SBLC issued by the Hong Kong and Shanghai Banking Corporation Limited, India. The Loan is repayable on demand and carries variable interest rate.

**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.

**e** There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the Statutory period.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, 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 2025	As at 31st March 2024
Cash and cash equivalents	64.88	117.37
Liquid investments	9.65	52.12
Lease Liabilities	(11.72)	(14.55)
Current Borrowings (including interest accrued but not due)	(147.55)	(64.05)
Non-current borrowings (including interest accrued but not due)	(994.80)	(1,005.50)
	<b>(1,079.55)</b>	<b>(914.61)</b>

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

**Movement of non-current borrowings**

	As at 31st March 2025	As at 31st March 2024
Opening balance	1,005.50	-
Cash flows	(11.56)	1,005.38
Interest expense	95.35	16.36
Interest paid	(94.51)	(16.36)
Forex adjustment	0.02	0.12
	<b>994.80</b>	<b>1,005.50</b>

**Movement of current borrowings**

	As at 31st March 2025	As at 31st March 2024
Opening balance	64.05	62.93
Cash flows	84.47	(7.33)
Interest expense	9.96	2.66
Interest paid	(11.43)	5.88
Forex adjustment	0.50	(0.09)
	<b>147.55</b>	<b>64.05</b>

**Movement of lease liabilities**

	As at 31st March 2025	As at 31st March 2024
Opening balance	14.55	-
Acquisition through business combination (Refer Note 47)	-	15.10
Addition to lease liability during the year	0.61	-
Accretion of interest	0.37	0.06
Payment/adjustments of lease liabilities	(3.81)	(0.62)
	<b>11.72</b>	<b>14.55</b>

**Movement of cash and cash equivalents**

	As at 31st March 2025	As at 31st March 2024
Opening balance	117.37	-
Cash flows	(53.64)	116.96
Forex adjustment	1.15	0.41
Closing balance	<b>64.88</b>	<b>117.37</b>

**Movement of liquid investments**

	As at 31st March 2025	As at 31st March 2024
Opening balance	52.12	51.37
Net Cash flows from investments	(45.64)	0.12
Net gain on sale of investments	3.18	-
Net fair value gain/(loss) on financial assets measured at FV through profit or loss	-	0.63
Closing balance	<b>9.65</b>	<b>52.12</b>



Aquapharm Chemical Limited (formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>23 TRADE PAYABLES</b>		
Total outstanding dues to Micro and small enterprises (refer note 35)	3.84	6.16
Total outstanding dues of creditors other than Micro and Small Enterprises	223.12	138.43
	<b>226.96</b>	<b>144.59</b>

**Trade Payables ageing as on March 31, 2025**

Particulars	Not Due	Outstanding for the following periods from due date of payment			Total Trade Payables
		Less than 1 year	1-2- years	2-3 years	
(i) Micro and small enterprises - undisputed	3.84	-	-	-	3.84
(ii) Other than Micro and Small Enterprises - undisputed	142.86	78.12	0.86	0.13	223.12
	<b>146.70</b>	<b>78.12</b>	<b>0.86</b>	<b>0.13</b>	<b>226.96</b>

**Trade Payables ageing as on March 31, 2024**

Particulars	Not Due	Outstanding for the following periods from due date of payment			Total Trade Payables
		Less than 1 year	1-2- years	2-3 years	
(i) Micro and small enterprises - undisputed	4.39	1.77	-	-	6.16
(ii) Other than Micro and Small Enterprises - undisputed	116.75	20.19	0.29	0.03	138.43
	<b>121.14</b>	<b>21.96</b>	<b>0.29</b>	<b>0.03</b>	<b>144.59</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	As at 31st March 2025	As at 31st March 2024
<b>24 OTHER FINANCIAL LIABILITIES</b>		
<b>Non-current</b>		
Purchase consideration payable (refer note 47)	-	36.41
	-	36.41
<b>Current</b>		
<b>Derivative instruments</b>		
Foreign Exchange Forward Contracts (refer note 43)	-	0.05
<b>Others</b>		
Deposits from customers	0.53	0.43
Interest accrued but not due on borrowings	7.07	8.54
Employee benefits payable	9.08	13.76
Payables for purchase of property, plant & equipment	92.17	13.89
Amount payable to Holding Company (refer note 40)	28.56	24.23
Purchase consideration payable (refer note 47)	44.29	4.62
Others	-	0.08
	<b>181.70</b>	<b>65.60</b>

	As at 31st March 2025	As at 31st March 2024
<b>25 PROVISIONS</b>		
<b>Current</b>		
Provision for Gratuity (refer note 36)	0.78	0.31
Provision for Compensated absences (refer note 36)	5.01	4.92
	<b>5.79</b>	<b>5.23</b>

	As at 31st March 2025	As at 31st March 2024
<b>26 OTHER CURRENT LIABILITIES</b>		
Statutory dues payable	7.24	6.18
Advance from customers (contract liabilities)*	4.36	3.72
Others	0.17	0.14
	<b>11.77</b>	<b>10.04</b>

\*Contract liabilities have increase in the current year mainly on account of advances received from customers during the year against invoices raised.



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>27 REVENUE FROM OPERATIONS</b>		
Revenue from contracts with customers		
<b>Sale of products</b>		
Finished goods	1,394.42	234.99
Traded goods	5.90	2.20
	<b>1,400.31</b>	<b>237.19</b>
<b>Sale of services</b>		
Income from Windmill	2.82	0.24
Material handling services	13.47	2.53
	<b>16.29</b>	<b>2.77</b>
<b>Other operating revenue</b>		
Scrap sales	0.16	0.03
Export incentives	3.04	0.08
	<b>3.20</b>	<b>0.11</b>
	<b>1,419.80</b>	<b>240.07</b>

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.

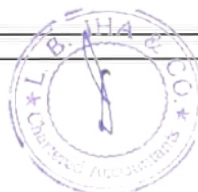
The total contract price of INR 1,400.31 Crores (31 March 2024: INR 237.19 Crores) is reduced by consideration of INR Nil (31 March 2024: INR Nil) towards variable components.

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>28 OTHER INCOME</b>		
<b>Interest Income</b>		
Bank Deposits	1.17	0.23
Net gain on sale of Investments	3.18	-
Net fair value gains on financial assets measured at FV through profit or loss	-	0.63
Profit on sale of assets (net)	0.09	0.13
Miscellaneous Income	6.82	1.00
	<b>11.27</b>	<b>1.99</b>

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>29 COST OF RAW MATERIALS CONSUMED*</b>		
Raw material at the beginning of the year	97.56	110.25
Add : Purchases	955.03	152.66
	<b>1,052.59</b>	<b>262.91</b>
Less : Raw material at the end of the year	(170.14)	(97.56)
	<b>882.45</b>	<b>165.34</b>

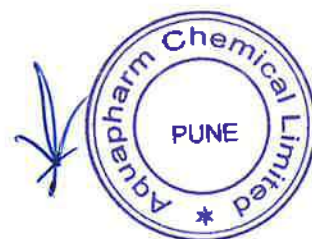
\*Includes packing materials of INR 49.75 Crores (31 March 2024: INR 9.50 Crores)

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>30 CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS</b>		
<b>Inventories at the end of the year</b>		
Work-in-progress	20.96	11.75
Finished goods	156.25	171.54
	<b>177.21</b>	<b>183.29</b>
<b>Inventories at the beginning of the year</b>		
Work-in-progress	11.75	12.52
Finished goods	171.54	153.36
	<b>183.29</b>	<b>165.88</b>
	<b>6.08</b>	<b>(17.41)</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
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	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>31 EMPLOYEE BENEFIT EXPENSE</b>		
Salaries, Wages & Bonus	136.16	22.33
Contribution to Provident & other funds*	3.74	0.63
Staff welfare expenses	3.78	1.79
	<b>143.68</b>	<b>24.75</b>
*This includes contribution of INR 1.68 Crores (31 March 2024: INR 0.11 Crores) 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 year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>32 FINANCE COSTS</b>		
Interest	105.31	19.02
Interest on lease liabilities	0.37	0.06
Other borrowing costs	1.83	0.93
<b>Total</b>	<b>107.51</b>	<b>20.01</b>
	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>33 DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation of property, plant & equipment	31.85	5.09
Amortization of intangible assets	91.92	15.45
Depreciation of right of use assets	4.32	0.68
<b>Total</b>	<b>128.09</b>	<b>21.22</b>
	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>34 OTHER EXPENSES</b>		
Consumption of stores and spares	5.40	0.62
Power & fuel	47.07	7.16
Water charges	1.26	0.22
Rent	0.65	0.11
Repairs and Maintenance- Building	0.41	0.05
Repairs and Maintenance- Plant and Machinery	7.80	1.65
Repairs and Maintenance- Others	4.24	0.67
Insurance	8.44	1.54
Rates and taxes	2.79	3.49
Payment to Auditor	0.22	0.11
Legal and professional fees	22.06	1.28
Subscriptions and donations (refer note 51)	9.50	10.00
Marketing expenses	4.85	1.16
Travelling and conveyance expenses	7.39	1.39
Clearing and forwarding expenses	66.85	8.25
Sales commission	0.08	0.08
Bank charges	1.12	0.28
Corporate Social Responsibility expenditure (refer note 42)	3.77	0.67
Security charges	2.50	0.42
Miscellaneous expenses	15.29	16.46
Less : Net gain on foreign currency transactions	9.98	1.29
	<b>201.69</b>	<b>54.32</b>



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
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**35 Details of Dues to Micro and Small Enterprises as defined under MSMED Act, 2006:**

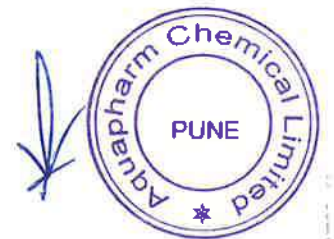
The Parent Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at 31st March 2025	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#	3.94	8.61
Interest amount due to supplier	-	-
(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);	0.06	0.04
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.27	0.21
(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	0.27	0.21

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

#Includes INR 0.10 Crores (31st March 2024: INR 2.45 Crores) with respect to Payables for purchase of property, plant & equipment.

Refer Note 43 for market risk on trade payables



36 Employee Benefit Obligation

	March 31, 2025	March 31, 2024
<b>Non Current</b>		
Provision for Gratuity	1.35	1.79
Provision for Employee benefit obligation of Unique Solutions for Chemical Industries Co., Saudi Arabia	2.82	2.56
<b>Total non-current employee benefit obligations</b>	<b>4.16</b>	<b>4.35</b>
<b>Current</b>		
Provision for Gratuity	0.78	0.31
Provision for Compensated absences	5.01	4.92
<b>Total current employee benefit obligations</b>	<b>5.79</b>	<b>5.23</b>

i) Compensated Absences

The compensated absences cover the Parent Company's liability for privilege leave. The entire amount of provision is classified as current since Parent Company does not have an unconditional right to defer settlement for any of these obligations. The expense of INR 1.02 Crores (March 31, 2024 : INR 0.10 Crores) 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.

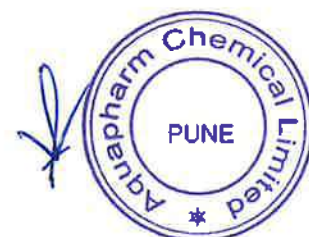
Changes in the present value of the defined benefit obligation are as follows:

	March 31, 2025	March 31, 2024
Defined benefit obligation at the beginning of the year	5.89	-
On Acquisition of Business Combination	-	6.17
Current service cost	0.41	0.14
Interest cost	0.70	0.08
Actuarial (gain)/loss	(0.18)	(0.08)
Benefits paid	(0.50)	(0.42)
<b>Defined benefit obligation, at the end of the year</b>	<b>6.33</b>	<b>5.89</b>

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

	March 31, 2025	March 31, 2024
Fair value of plan assets at the beginning of the year	3.79	-
On Acquisition of Business Combination	-	3.60
Expected return on plan assets	0.28	0.06
Contribution by employer	0.53	-
Benefits paid	(0.43)	(0.11)
Actuarial gain / (loss)	0.03	0.24
<b>Fair value of plan assets at the end of the year</b>	<b>4.20</b>	<b>3.79</b>

The Parent Company expects to contribute INR 0.78 Crores (Actual contribution for year ended March 31, 2025: INR 0.53 Crores) to its gratuity plan in FY 2024-25.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**

Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025

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

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

	March 31, 2025	March 31, 2024
	%	%
Insurance Fund with Life Insurance Corporation of India	100	100

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

**Details of defined benefit obligation**

	March 31, 2025	March 31, 2024
Present value of defined benefit obligation	6.33	5.89
Fair value of plan assets	(4.20)	(3.79)
Benefit liability net	2.13	2.10

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

	March 31, 2025	March 31, 2024
Present value of funded obligations	6.33	5.89
Fair value of plan assets	(4.20)	(3.79)
<b>Deficit of funded plan (A)</b>	<b>2.13</b>	<b>2.10</b>
Unfunded plans (B)	-	-
<b>Total net obligation (A+B)</b>	<b>2.13</b>	<b>2.10</b>

The Parent Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Parent Company intends to continue to contribute the defined benefit plans as per the demand from LIC of India. Refer note above for details on expected contribution for FY 2025-26.

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

	March 31, 2025	March 31, 2024
Current service cost	0.41	0.14
Interest cost on benefit obligation	0.43	0.02
Net benefit expense	0.84	0.16

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

	March 31, 2025	March 31, 2024
Actuarial (gains)/losses on Obligation For the Period*	0.01	(0.02)
Return on Plan Assets, Excluding Interest Income	(0.04)	(0.06)
Net (income)/expense For the Period Recognized in OCI	(0.02)	(0.08)

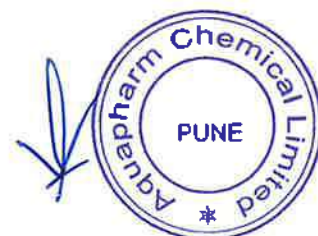
\*Includes loss of INR 0.20 Crores (March 31, 2024: gain of INR 0.06 Crores) pertaining to Employee benefit obligations of Unique Solutions for Chemical Industries Co., Saudi Arabia.

**Amounts for the current and previous periods are as follows:**

	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021
Defined benefit obligation	6.33	5.89	5.52	4.84	3.68
Plan assets	(4.20)	(3.79)	(3.40)	(2.93)	(2.35)
(Surplus) / deficit	2.13	2.10	2.12	1.91	1.34
Experience adjustments on plan liabilities	(0.35)	(0.03)	0.12	0.39	(0.34)
Experience adjustments on plan assets	(0.04)	0.01	(0.01)	(0.05)	(0.04)

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

	March 31, 2025	March 31, 2024
Discount rate	6.70%	7.20%
Expected rate of return on plan asset	7.20%	7.40%
Expected rate of salary increase	10.00%	10.00%
Employee turnover	9.00%	9.00%



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**

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

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.

**Sensitivity Analysis**

	March 31, 2025	March 31, 2024
+1% Change in discount rate	(0.32)	(0.29)
-1% Change in discount rate	0.35	0.32
+1% Change in rate of salary increase	0.27	0.24
-1% Change in rate of salary increase	(0.25)	(0.23)
+1% Change in rate of employee turnover	(0.04)	(0.04)
-1% Change in rate of employee turnover	0.05	0.04

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.

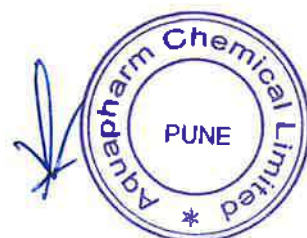
**Life expectancy:**

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 7.55 years (March 31, 2024 - 7.51 years). The expected maturity analysis of undiscounted gratuity is as follows:

	March 31, 2025 Funded	March 31, 2024 Funded
Projected Benefits Payable in Future Years From the Date of Reporting		
Less than 1 year	1.33	1.24
Between 1 to 2 years	1.11	0.66
Between 2 to 3 years	0.79	1.04
Between 3 to 4 years	0.73	0.76
Between 4 to 5 years	0.77	0.74
Over 5 years	4.25	4.26



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**37 Contingent Liabilities and Commitments**

**a) Contingent Liabilities-**

	March 31, 2025	March 31, 2024
<b>I. Disputed liabilities</b>		
a) Service tax	5.90	5.97
b) Excise Duty	0.20	0.20
c) Goods and Services Tax	1.05	0.99
d) Income Tax	5.60	7.30
e) Customs - MEIS	48.66	48.66
	<b>61.40</b>	<b>63.13</b>

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

Contingent liability disclosed above includes an amount of INR 61.26 crores (31 March 2024: INR 62.98 crores) which is jointly and severally indemnified by the erstwhile promoters as per the Share Purchase Agreement dated November 28, 2023 (refer note 47).

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. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

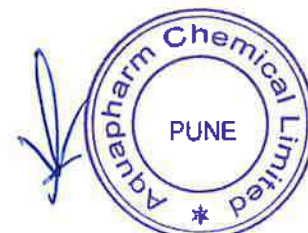
**b) Capital Commitments**

Estimated amounts of contracts remaining to be executed on Capital account and not recognised for (net of advances) is INR 21.01 Crores (31 March 2024 : INR 68.80 Crores).

**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, 2025	March 31, 2024
Aquapharm Europe B.V.	Netherlands	100%	100%
Aquapharm Chemicals LLC	USA	100%	100%
Aquapharm PChem LLC	USA	100%	100%
Aquapharm Specialty Chemicals LLC	USA	100%	100%
Unique Solutions for Chemical Industries Co.	Saudi Arabia	95%	85%
USCI LLC	UAE	95%	85%

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



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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 'Chemical' and does not operate in any other reportable segment as per Ind AS 108 : Operating segments. 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 81.44 Crores for the year ended 31 March 2025 (31 March 2024: Revenue from two customers INR 19.12 Crores).

i) Revenue from operations

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

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
<b>Revenue from customers</b>		
Domestic	973.79	172.71
Exports	446.01	67.36
<b>Total revenue per Statement of profit and loss</b>	<b>1,419.80</b>	<b>240.07</b>

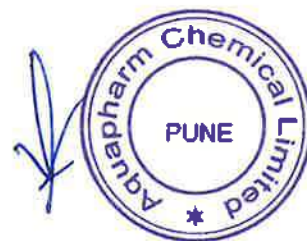
ii) Non Current operating assets

Particulars	March 31, 2025	March 31, 2024
Within India	2,771.71	2,647.60
Outside India	197.14	183.63
<b>Total</b>	<b>2,968.85</b>	<b>2,831.23</b>

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.

iii) Total assets

Particulars	March 31, 2025	March 31, 2024
Within India	3,828.96	4,262.75
Outside India	547.48	487.19
<b>Total</b>	<b>4,376.44</b>	<b>4,749.94</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
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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 Chemical Limited (Formerly known as "PCBL Limited" )

(c) Related parties where control exists:

Unconsolidated Subsidiaries

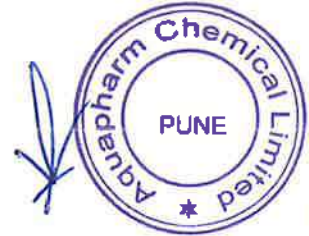
Aquapharm Foundation, India

(d) Key management personnel (KMP) of the Company :

Suresh Kalra	Chief Executive Officer and Whole time director (With effect from 05 March 2025)
Ganesh Vishwanathan	Chief Financial Officer (With effect from 06 February 2025)
Jayesh Damle	Company Secretary and Compliance Officer (With effect from 06 February 2025)
Iram Hassan	Non Executive Independent Directors (With effect from 17 December 2024)
Tharavanat Chandrasekharan	Non-executive independent directors (With effect from 02 May 2024)
Kusum Dadoo	Non-executive independent directors (With effect from 02 May 2024)
Mr. Gopal Rathi	Additional Director (from 17 December 2024)
Mr. Kaushik Roy	Additional Non-Executive Non-Independent Director (With effect from 27 March 2025)
Mr. Kaushik Mukherjee	Additional Director (from 11 January 2024 to 27 March 2025)
Mr. Raj Kumar Gupta	Additional Director (from 11 January 2024 to 27 March 2025)

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

PCBL (IN) Limited	Company under common control
RPSG Resources Private Limited	Company under common control



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

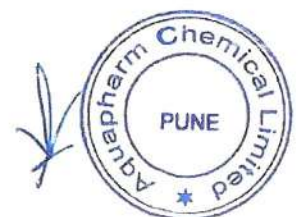
Nature of Transaction	Subsidiaries	Holding Company	KMP	Other related parties
CSR contribution	0.33 (0.15)	-	-	-
Remuneration to Key Managerial person	-	-	0.79	-
Reimbursement of expenses paid	-	4.33 (24.23)	-	-
License fees	-	-	-	10.00
Sale of services	-	-	-	3.00 (1.00)
Interest received	-	0.00	-	-
Loan given	-	2.00	-	-
Loan recovered	-	2.00	-	-
Issue of equity shares	-	2,200.00 (80.00)	-	550.00 (20.00)
Issue of fully optionally convertible debentures	-	(2,200.00)	-	(550.00)
Sitting fees	-	-	0.02	-
Closing balances	Subsidiaries	Holding Company	KMP	Other related parties
Other payable	-	28.56 (24.23)	-	-
Share capital	-	2,280.00 (80.00)	-	570.00 (20.00)
Optionally and Fully Convertible Debentures (“C.D.s”)	-	-	-	(550.00)

Note: Previous year numbers are disclosed in brackets.

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

	Relationship	For the year ended 31 March 2025	For the period 11 January 2024 to 31 March 2024
<b>CSR Contributions</b>			
Aquapharm Foundation, India	Subsidiary	0.33	0.15
<b>Reimbursement of expenses paid</b>			
PCBL Chemical Limited	Holding company	4.33	24.23
<b>License fees</b>			
RPSG Resources Private Limited	Other related parties	10.00	-
<b>Sale of services</b>			
PCBL (TN) Limited	Other related parties	3.00	1.00
<b>Interest received</b>			
PCBL Chemical Limited	Holding company	0.00 <sup>a</sup>	-
<b>Loan given</b>			
PCBL Chemical Limited	Holding company	2.00	-
<b>Loan recovered</b>			
PCBL Chemical Limited	Holding company	2.00	-
<b>Issue of equity shares</b>			
PCBL Chemical Limited	Holding company	2,200	80
PCBL (TN) Limited	Other related parties	550	20
<b>Issue of fully optionally convertible debentures</b>			
PCBL Chemical Limited	Holding company	-	2,200
PCBL (TN) Limited	Other related parties	-	550
<b>Director's sitting fees</b>			
Iram Hassan	KMP	0.01	-
Tharavani Chandrasekharan	KMP	0.01	-

<sup>a</sup>Amount below rounding off norms followed by the Company



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
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**41 Earnings Per Share :**

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

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
a) Profit for the year attributable to the Owners of the Parent Company (INR in Crores)	(28.79)	(28.36)
b) Weighted average number of equity shares (units)	41,64,38,356	8,70,98,765
c) Basic and Diluted Earnings per share (in INR)	(0.69)	(3.26)

**42 Corporate Social Responsibility**

The Parent Company has spent an amount of INR 5.11 Crores (March 31, 2024: INR 0.63 Crores) during the year as required under section 135 of the Companies Act, 2013. The amount was spent by way of Donation to Aquapharm Foundation of INR 0.33 Crores (March 31, 2024: INR 0.15 Crores) for senior citizens community center, INR 4.78 Crores (March 31, 2024 : Nil) towards construction of School Building and other CSR activities INR Nil (March 31, 2024: INR 0.48 Crores) towards constructing village roads.

**(a) Details of CSR expenditure:**

	For the year ended 31st March 2025	11th January, 2024 to 31st March, 2024
Amount required to be spent during the year	3.77	0.67
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purposes other than (i) above		
Brought forward from last year	(4.78)	(4.74)
Short fall for pervious year spent now	4.78	-
Spend during the year for current year	0.33	0.63
Carried forward to next year (short)/excess	(3.44)	(4.78)
Amount of cumulative shortfall at the end of the year	(3.44)	(4.78)

**(b) Details of ongoing CSR projects under Section 135(6) of the Act:**

Balance as at April 01, 2024		Amount spent during the year			Balance as at March 31, 2025		
With the company	In separate CSR Account	Amount required to be spent during the year	From the company's bank account	From Separate CSR account	Unspent	With the company	In Separate CSR Unspent Account
-	4.78	3.77	0.33	4.78	-	3.44	-

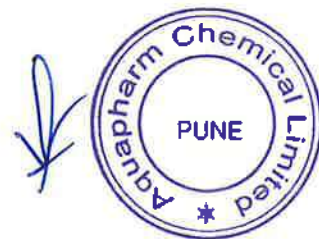
The Parent Company has subsequently transferred the amount to a separate Unspent CSR Bank account on 29th April 2025.

**(c) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:**

Balance as at April 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 2025
-	-	-	-	-
N.A.				

**(d) Details of excess/(short) CSR expenditure under Section 135(5) of the Act**

Balance excess/(short) spent as at 1 April 2024	Amount required to be spent during the year	Amount spent during the year	Balance excess/(short) spent as at 31 March 2025
(4.78)	3.77	5.11	(3.44)



#### 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, Exchange Earners' Foreign Currency Account 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 31 March 2025 and 31 March 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 31 March 2025 and 31 March 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 31 March 2025 and 31 March 2024 the Group's borrowings at variable rates were mainly denominated in INR, USD, EUR and SAR.

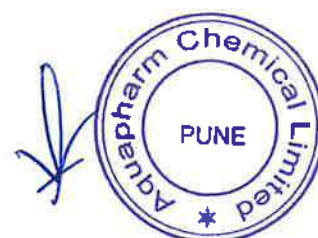
The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	March 31, 2025	March 31, 2024
Variable rate borrowings	309.85	262.18
Fixed rate borrowings	825.43	798.83
<b>Total borrowings</b>	<b>1,135.28</b>	<b>1,061.01</b>

##### 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)
<b>March 31, 2025</b>		
Base Rate	+50	1.55
Base Rate	-50	(1.55)
<b>March 31, 2024</b>		
Base Rate	+50	1.31
Base Rate	-50	(1.31)



**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 31 March 2025 and 31 March 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 Crores are as follows:

**March 31, 2025**

<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>
Trade Receivables	73.89	10.75
Cash and cash equivalents	10.70	3.83
<b>Derivative Assets</b>		
Foreign exchange forward contracts	-	-
<b>Net Exposure to foreign currency risk (Assets)</b>	<b>84.59</b>	<b>14.58</b>

**March 31, 2025**

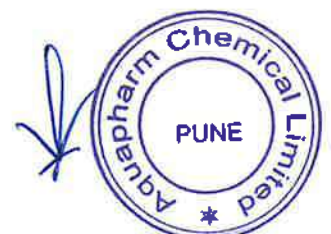
<b>Financial Liabilities</b>	<b>USD</b>	<b>EURO</b>
Borrowings	68.47	-
Trade Payables (Payables for purchase of property, plant & equipment)	64.36	6.83
<b>Net Exposure to foreign currency risk (Liabilities)</b>	<b>132.83</b>	<b>6.83</b>
<b>Net Exposure to foreign currency risk (Assets (-) Liabilities)</b>	<b>(48.24)</b>	<b>7.75</b>

**March 31, 2024**

<b>Financial Assets</b>	<b>USD</b>	<b>EURO</b>
Trade Receivables	90.51	17.55
Cash and cash equivalents	10.27	10.80
<b>Derivative Assets</b>		
Foreign exchange forward contracts	(41.69)	(9.02)
<b>Net Exposure to foreign currency risk</b>	<b>59.09</b>	<b>19.32</b>

**March 31, 2024**

<b>Financial Liabilities</b>	<b>USD</b>	<b>EURO</b>
Bank Loan	29.18	-
Trade Payables (including Payables for purchase of property, plant & equipment)	19.51	4.00
<b>Net Exposure to foreign currency risk</b>	<b>48.68</b>	<b>4.00</b>
<b>Net Exposure to foreign currency risk</b>	<b>10.41</b>	<b>15.32</b>



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**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-

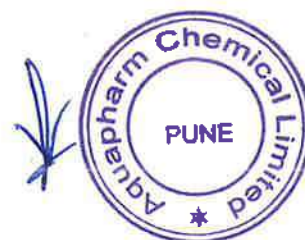
	Change in USD rate	Effect on profit before tax/ pre-tax equity	Change in Euro rate	Effect on profit before tax/ pre-tax equity
<b>March 31, 2025</b>	+5%	(2.41)/(2.41)	+5%	0.39/0.39
	-5%	2.41/2.41	-5%	(0.39)/(0.39)
<b>March 31, 2024</b>	+5%	0.52/2.61	+5%	0.77/1.22
	-5%	(0.52)/(2.61)	-5%	(0.77)/(1.22)

**iii. Security Price risk**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

The Company invests its surplus funds in various debt instruments and equity instruments. These comprise of mainly liquid schemes of mutual funds, short term debt funds & income funds (duration investments), certain quoted equity instruments and bank fixed deposits. To manage its price risk arising from investments in mutual funds and equity instruments, the Company diversifies its portfolio. Mutual fund and equity investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

The Company's exposure to securities price risk arises from investments in mutual funds and equity instruments held by the Company and classified in the Balance Sheet as fair value through profit or loss is disclosed under Note 11.



**Financial Risk Management**

**(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 (31 March 2024 : 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.

**Reconciliation of loss allowance provision - Trade receivables is as follows :**

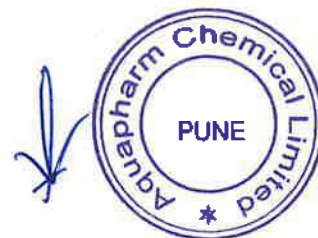
Particulars	March 31, 2025	March 31, 2024
Opening balance	0.38	-
Loss allowance addition on account of scheme of amalgamation	-	0.38
Charge / (reversal) in allowance during the period (net)	(0.06)	-
<b>Loss allowance at the end of the period</b>	<b>0.32</b>	<b>0.38</b>

**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 31 March 2025 and 31 March 2024 is the carrying amounts of each class of financial assets.



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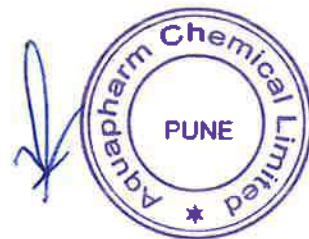
**(c) Liquidity Risk**

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:

	Within 1 year	1-3 years	3-5 years	More than 5 years	Total
<b>As at 31st March 2025</b>					
Borrowings	311.64	475.41	328.18	20.05	1,135.28
Trade Payables	226.96	-	-	-	226.96
Lease Liabilities	3.84	6.99	1.07	-	11.90
Other Financial Liabilities	181.70	-	-	-	181.70
<b>Total</b>	<b>724.14</b>	<b>482.40</b>	<b>329.25</b>	<b>20.05</b>	<b>1,555.84</b>
<b>As at 31st March 2024</b>					
Borrowings	212.72	298.67	549.62	-	1,061.01
Trade Payables	144.59	-	-	-	144.59
Lease Liabilities	3.50	7.07	3.98	-	14.55
Other Financial Liabilities	65.60	36.41	-	-	102.01
<b>Total</b>	<b>426.41</b>	<b>342.15</b>	<b>553.60</b>	<b>-</b>	<b>1,322.15</b>



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**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 EURO and USD. 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 31 March 2025 and 31 March 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 0.23 Crores, with a deferred tax asset of INR 0.05 Crores relating to the hedging instruments, is included in OCI.

**Impact of hedging activities**

**(a) Disclosure of effects of hedge accounting on financial position:**

**March 31, 2025**

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)							
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
(i) Foreign exchange forward contracts	-	-	-	-	-	0.22	(0.22)

**March 31, 2024**

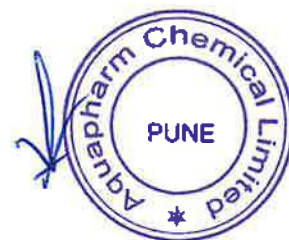
Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted Average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets / (Liabilities)							
<b>Cash flow hedge</b>							
<b>Foreign exchange risk</b>							
(i) Foreign exchange forward contracts	41.69	(0.07)	Apr 2024- Oct 2024	1:1	USD:INR- 83.3739	(0.24)	0.24
(ii) Foreign exchange forward contracts	9.02	0.02	Apr 2024- Aug 2024	1:1	EUR:INR- 90.2178	0.02	(0.02)

\*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, 2025**

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
<b>Cash flow hedge</b>				
Foreign exchange risk	-	-	0.16	Other income



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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
<b>Cash flow hedge</b>				
Foreign exchange risk	(0.06)	-	-	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.

**44 Fair value measurements**

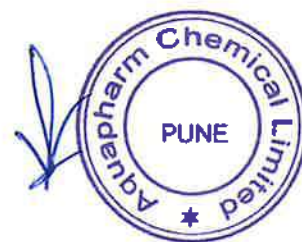
Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of the year end.

**a) Financial Instruments by Category**

Particulars	March 31, 2025			March 31, 2024		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
<b>Financial Assets</b>						
Investments	-	-	0.01	36.85	-	0.01
Trade receivables	-	-	311.47	-	-	262.08
Cash and cash equivalents (including other bank balances)	-	-	74.52	-	-	132.64
Other financial assets	-	-	8.78	-	-	5.13
<b>Total financial assets</b>	-	-	<b>394.78</b>	<b>36.85</b>	-	<b>399.86</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,135.28	-	-	1,061.01
Trade Payables	-	-	226.97	-	-	144.59
Other financial liabilities (including derivative instruments)	-	-	181.70	-	0.05	101.95
<b>Total Financial Liabilities</b>	-	-	<b>1,543.95</b>	-	<b>0.05</b>	<b>1,307.54</b>

**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.



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There are no financial instruments which are remeasured at fair value as on 31st March 2025. Accordingly, fair value measurement hierarchy is not disclosed.

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

	Fair value measurement			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial Assets</b>				
Investments	36.85	-	-	36.85
Derivative Instruments- Foreign Exchange Forwards Contracts	-	0.05	-	0.05

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:

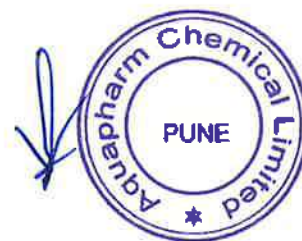
The fair values of the quoted mutual funds and bonds are based on quoted price at the reporting date.

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) 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.



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**45 Capital Management**

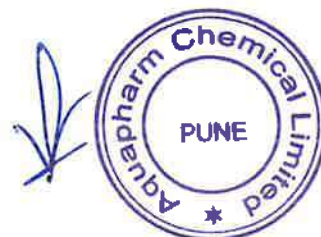
**a) Risk Management:**

For the purpose of the Group's capital management, capital includes issued equity capital, issued optionally convertible debentures 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 increased from 34% to 39% as a result of increase in the working capital borrowing which has resulted in increase in borrowings as at year end.

	As at 31st March 2025	As at 31st March 2024
Long Term Borrowings (including current maturities of long term debt)	1,013.60	1,028.50
Short Term Borrowings	140.47	55.60
Less: Cash and Cash equivalents and other bank balances	(74.52)	(132.64)
<b>Net Debt</b>	<b>1,079.55</b>	<b>951.46</b>
Equity share capital	2,850.00	100.00
Instruments entirely equity in nature	-	2,750.00
Other equity	(57.38)	(32.56)
<b>Total equity</b>	<b>2,792.62</b>	<b>2,817.44</b>
<b>Net debt to equity ratio</b>	<b>39%</b>	<b>34%</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, 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 Crores	As % of consolidated Profit/Loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of consolidated total comprehensive income	INR Crores
<b>Parent Company</b>								
Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")	88.29%	2,465.49	271.21%	(79.03)	102.41%	8.43	337.68%	(70.60)
Balance as at 31 March 2025								
Balance as at 31 March 2024	90.43%	2,547.91	126.81%	(35.96)	105.43%	1.01	127.56%	(34.95)
<b>Subsidiaries</b>								
Aquapharm Europe B.V.	0.19%	5.37	-5.21%	1.52	0.00%	-	-7.26%	1.52
Balance as at 31 March 2025								
Balance as at 31 March 2024	0.13%	3.74	-0.28%	0.08	0.00%	-	-0.29%	0.08
Unique Solutions for Chemicals Industries Company-Consolidated numbers of following:	-1.45%	(40.57)	10.64%	(3.10)	-2.37%	(0.20)	15.76%	(3.29)
Balance as at 31 March 2025								
Balance as at 31 March 2024	-1.28%	(36.28)	10.00%	(2.84)	-5.55%	(0.05)	10.55%	(2.89)
1.Unique Solutions for Chemicals Industries Company								
2.USCI LLC								
Aquapharm Chemicals LLC-Consolidated numbers of following:	12.97%	362.34	-176.64%	51.47	-0.04%	(0.00)	-246.18%	51.47
Balance as at 31 March 2025								
Balance as at 31 March 2024	10.72%	302.08	-36.53%	10.36	0.12%	0.00	-37.82%	10.36
1.Aquapharm Specialty Chemicals LLC								
2.Aquapharm Chemicals LLC								
3.Aquapharm PChem LLC								
<b>Total</b>	<b>100.00%</b>	<b>2,792.62</b>	<b>100.00%</b>	<b>(29.14)</b>	<b>100.00%</b>	<b>8.23</b>	<b>100.00%</b>	<b>(20.91)</b>
Balance as at 31 March 2025								
Balance as at 31 March 2024	<b>100.00%</b>	<b>2,817.44</b>	<b>100.00%</b>	<b>(28.36)</b>	<b>100.00%</b>	<b>0.96</b>	<b>100.00%</b>	<b>(27.40)</b>

Note:

- All elimination and adjustments are netted off against balances of Parent Company for disclosure purposes.
- Aquapharm Foundation is a Section 8 company not considered for consolidation since it can apply its income for charitable purposes only.
- Unique Solutions for Chemicals Industries Company (consolidated) has incurred cumulative losses amounting to SAR 23,326,821 which exceeds 50% of its capital. Accordingly, the Article 182 of the Company Laws (Saudi Arabia) is applicable to it.



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
(All amounts are in INR Crores, unless otherwise stated)

**47 Scheme of Amalgamation and Business combination**

**Scheme of Amalgamation**

The Board of Directors of Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited") ("Transferee Company") and the Board of Directors of Aquapharm Chemicals Private Limited ("ACPL" or "Transferor Company"), a wholly owned subsidiary of ACL, at their respective meetings held on 1st August 2024 approved the Scheme of Amalgamation of ACPL with the Parent Company and their respective shareholders under Section 233 and other applicable provisions of the Companies Act, 2013 ("Scheme"). Since, ACPL was a wholly owned subsidiary of the Parent Company no consideration was issued pursuant to the Scheme.

The Central Government through the Regional Director, Western Region, Ministry of Corporate Affairs ("Regional Director") vide order dated 06th December 2024 approved the Scheme. The Order was filed with ROC on 1st January 2025, which was also considered as the effective date in terms of the Scheme ("Effective Date") and consequently ACPL stands amalgamated with the Parent Company and ACPL ceased to exist as a separate entity.

The aforesaid amalgamation has been accounted in the books of accounts of the Parent Company pursuant to the 'pooling of interests method' in accordance with Appendix C of Ind AS 103 - Business Combinations in the current year ended 31 March 2025.

Pursuant to aforesaid amalgamation and consequent change in tax base of the assets, deferred tax liability of INR 554.20 crores is reversed through statement of profit and loss.

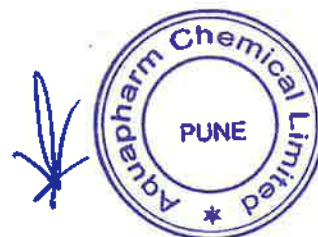
The Parent Company had further performed impairment assessment of goodwill arisen on acquisition of ACPL and has accounted for impairment loss of INR 554.72 crores based on valuation done by external valuer (refer note 5a). The impairment assessment was triggered by aforesaid reversal of deferred tax liability and consequent increase in Cash Generating Unit, on account of amalgamation.

The aforesaid reversal of deferred tax liabilities and impairment of goodwill have been recognised as Exceptional items in the consolidated financial statements during the year ended 31 March 2025.

**Business Combinations**

The Board of Directors of Holding Company (PCBL Chemical Limited), at its meeting held on 28 November 2023, in-principle approved the acquisition of 212,172 shares of Aquapharm Chemicals Private Limited. Post approval, the Company, Aquapharm Chemical Limited, formerly known as Advaya Chemical Industries Limited ("ACL" or "the Company") had made acquisition of 212,172 shares of Aquapharm Chemicals Private Limited ("ACPL"), for an aggregate consideration of INR 3,851.49 crores (subject to agreed adjustments) representing 100% of the issued and paid-up share capital of ACPL ("Transaction"). In furtherance of such approval, the Holding Company executed a share purchase agreement dated 28 November 2023 ("SPA") with ACPL, and shareholders of ACPL, for undertaking the Transaction, subject to inter alia obtaining all necessary approvals and fulfilment of other customary conditions, as per the terms and conditions specified in the SPA.

The transaction was financed through a mix of internal accruals and external funds raised by the Holding Company and/or its affiliates. The Holding Company along with its Wholly Owned Subsidiary [ PCBL (TN) Limited ] invested INR 2,850.00 crores, comprising of Optionally Convertible Debenture of INR 2,750.00 crores and Equity Shares of INR 100.00 crores in the Company. The Company has also obtained external funding to the extent of INR 1,000.00 crores which includes non-convertible debenture of INR 550.00 crores. The proceeds of the non-convertible debenture have been fully utilised before 31 March 2024, for acquisition of shares of ACPL. Moreover, the funds received from Holding Company and its Wholly Owned Subsidiary Company have been fully utilised for acquisition of shares of ACPL. The acquisition of ACPL was completed on 31 January 2024. Pursuant to the acquisition, the Group has provisionally recognised identifiable assets (tangible and intangible) acquired and liabilities assumed as at acquisition date at fair value amounting to INR 3,260.12 crores, deferred tax liabilities of INR 569.92 crores on fair value gain on assets acquired and consequent goodwill amounting to INR 1,161.29 crores in accordance with Ind AS 103 "Business Combination".



**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
**(All amounts are in INR Crores, unless otherwise stated)**

**Business Combinations - continued**

(a) Purchase consideration

As per the SPA, the group owns 100% stake in ACPL. The total purchase consideration of INR 3,851.49 Crores has been recorded in the consolidated financial statements as at period end.

**Identified Assets acquired and liabilities assumed**

The fair value of the identified assets acquired and liabilities assumed as at date of acquisition, 31 January 2024, were:

Assets	Amounts
Property, plant & equipment	452.72
Computer software	1.05
Customer-related intangibles (Refer Note a below)	1,710.80
Product-related intangibles (Refer Note a below)	467.80
Capital work in progress	100.70
Right of use assets	68.40
Investments	36.34
Other non-current financial assets	4.50
Non current tax assets (net)	4.14
Other non-current assets	20.85
Inventories	283.95
Trade receivables (Refer Note b below)	271.91
Cash and cash equivalents	103.01
Other bank balances	15.03
Other current financial assets	2.32
Other current assets	33.53
<b>Total (A)</b>	<b>3,577.05</b>
<b>Liabilities</b>	
Borrowings	73.75
Lease liabilities	15.10
Deferred tax liabilities (net) (Refer Note c below)	596.80
Trade payables	165.02
Other current financial liabilities	19.23
Provisions	11.10
Other current liabilities	11.01
<b>Total (B)</b>	<b>892.01</b>
Non-controlling interests (C)	5.16
<b>Fair value of net assets acquired (D) = (A) - (B) + (C)</b>	<b>2,690.20</b>
<b>Total purchase consideration (E)</b>	<b>3,851.49</b>
<b>Goodwill arising out of business combination (F) = (E - D)</b>	<b>1,161.29</b>

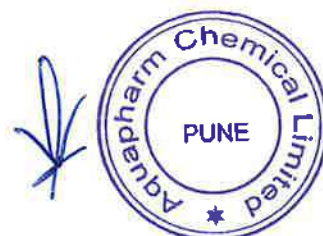
Purchase consideration	Amounts
Purchase consideration	3,851.49
Less : Purchase consideration payable [ Refer Note 24 ]	41.03
Less : Discounting impact on purchase consideration	(0.52)
<b>Total purchase consideration paid</b>	<b>3,810.98</b>

Purchase consideration - cash outflow	Amounts
Total purchase consideration paid	3,810.98
Less: balance acquired	
Cash and cash equivalents	103.01
<b>Net cash outflows- payment towards acquisition of a subsidiary acquired in a business combination</b>	<b>3,707.97</b>

From the date of acquisition, Aquapharm Chemicals Private Limited (consolidated) has contributed revenue from operation of INR 239.08 Crores and profit before tax of INR 22.76 Crore to the profit before tax of the Group. If the combination had taken place at the beginning of the year revenue from operations would have been INR 1,553.63 Crores and the profit before tax for the Group would have been INR 117.95 Crores.

**Notes :**

- The determination of the fair value of customers related intangible assets and product-related intangible assets is based on discounted cash flow method. Key assumptions on which the management has based fair valuation includes estimated long-term growth rates, weighted average cost of capital, estimated operating margin and customer churn. The Cash flow projections take into account past experience and represent the management's best estimate about future developments. Useful life taken by the management for depreciation of customers related intangible is 25 years and product-related intangibles is 20 years.
- Represents net of provision for doubtful debts of INR 0.38 Crores.
- Includes impact of deferred tax adjustment amounting to INR 569.92 Crores on fair value gain, arising on business combination adjusted in Goodwill as per Ind AS- 12 Income Taxes.
- The goodwill comprises the value of expected synergies arising from the acquisition which is not separately recognised.
- Refer Note 37 for Contingent Liabilities

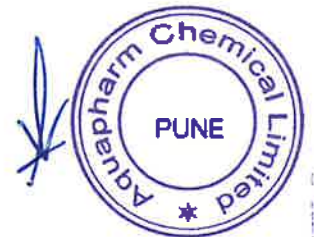


**Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")**  
**Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025**  
 (All amounts are in INR Crores, unless otherwise stated)

**48 Research And Development Expenses**

The Group's business research and development concentrates on the development of improved finished goods and better operational efficiency. Research costs are expensed as incurred. Expenditure on development that does not meet the specified criteria under Ind AS 38 'Intangible Assets' is recognised as expense as incurred.

Particulars	For the year ended 31st March 2025			11th January, 2024 to 31st March, 2024		
	Pune, India	USA	Total	Pune, India	USA	Total
Raw Materials & Stores Consumed	-	0.99	0.99	-	0.43	0.43
Salaries, Wages and Bonus	7.43	7.70	15.13	1.10	1.14	2.24
Contribution to Provident and Other Funds	0.35	-	0.35	0.05	-	0.05
Staff Welfare Expense	0.02	-	0.02	0.00	-	0.00
Miscellaneous Expenses	4.26	-	4.26	1.38	-	1.38
<b>Total</b>	<b>12.06</b>	<b>8.69</b>	<b>20.74</b>	<b>2.53</b>	<b>1.57</b>	<b>4.10</b>
Capital expenditure	0.38	0.07	0.45	0.01	-	0.01
<b>Grand Total</b>	<b>12.44</b>	<b>8.76</b>	<b>21.19</b>	<b>2.54</b>	<b>1.57</b>	<b>4.11</b>



Aquapharm Chemical Limited (Formerly known as "Advaya Chemical Industries Limited")  
Notes forming part of Consolidated Ind AS Financial Statements for the year ended March 31, 2025  
(All amounts are in INR Crores, unless otherwise stated)

**49 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, 2025	Effective ownership as on March 31, 2024	Country of Incorporation
Unique Solutions for Chemical Industries Company (USCI)	Manufacturing of Chemicals	5.00%	15.00%	Saudi Arabia

**Summarised Statement of Profit and Loss for the year ended 31 March 2025:**

Particulars	For the year ended 31st March 2025		11th January, 2024 to 31st March, 2024	
	USCI		USCI	
Profit/(loss) for the year attributable to NCI	(0.35)		(0.42)	
Other comprehensive Income attributable to NCI	(0.15)		(0.02)	

**Summarised balance sheet as at 31 March 2025 and 31 March 2024:**

Particulars	As at 31st March 2025		As at 31st March 2024	
	USCI		USCI	
Accumulated NCI	(2.05)		(5.60)	

**50 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.

**51 Additional regulatory information required by Schedule III:**

**i Relationship with Struck off Companies:**

The Group has no transaction 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.


iii. The Parent Company have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software. Additionally, the audit trail of prior year has been preserved by the Parent Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

**52 Subscriptions and donations**

The Company has contributed INR 9.50 Crores (31 March 2024 : INR 10.00 Crores) to an electoral trust under section 182 of the Companies Act, 2013.


53 The Company was incorporated on 11th January, 2024 and hence the comparative information relevant to previous year has been furnished for the period from 11th January 2024 to 31st March 2024. Accordingly, the figures of the comparative period ended 31st March 2024 are not comparable to the current year ended 31st March 2025.

For L B Jha & Co  
Chartered Accountants  
Firm Registration No.: 301088E

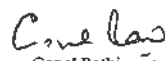
  
D.N. Roy  
Partner  
Membership No.: 300389  
Place: Kolkata  
Date: 23rd April, 2025



For and on behalf of the Board of Directors of  
Aquapharm Chemical Limited (Formerly known as  
"Advaya Chemical Industries Limited")

  
Suresh Kalra  
CEO and Whole time Director  
DIN: 02833715

  
Ganesh Vishwanathan  
Chief Financial Officer

  
Gopal Rathi  
Director  
DIN: 00553066  
Date: 23rd April, 2025

  
Jayesh Damle  
Company Secretary

