DORF KETAL ENERGY SERVICES LLC
TRANSLATED VERSION OF BALANCE SHEET AS AT MARCH 31, 2023

Particulars	Note No	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	74,44,265	61,20,67,468
(b) Right-of-Use Assets	2	31,88,105	26,21,25,993
(c) Other Intangible Assets	3	2,000	1,64,440
(d) Financial Assets			
(i) Loans	4	33,06,996	27,19,01,211
(ii) Other Non Current Financial Assets	5	82,556	67,87,754
Total Non Current Assets		**1,40,23,922**	**1,15,30,46,867**
(2) Current Assets			
(a) Inventories	6	1,20,46,356	99,04,51,390
(b) Financial Assets			
(i) Cash and Cash Equivalents	7	5,80,845	4,77,57,076
(c) Other Current Assets	8	3,19,887	2,63,01,109
Total Current Assets		**1,29,47,088**	**1,06,45,09,575**
TOTAL ASSETS		**2,69,71,011**	**2,21,75,56,442**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	2,91,000	2,40,81,239
(b) Other Equity	10	-4,61,622	-3,81,09,862
Total Equity		**-1,70,622**	**-1,40,28,623**
Liabilities			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	40,00,000	32,88,80,000
(ii) Lease Liabilities	12	15,31,713	12,59,37,443
(b) Other Non-current Liabilities	13	24,18,896	19,88,81,629
Total Non Current Liabilities		**79,50,609**	**65,36,99,072**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	1,70,00,000	1,39,77,40,000
(ii) Lease Liabilities	15	16,56,392	13,61,88,550
(iii) Other Current Financial Liabilities	16	1,00,000	82,22,000
(b) Other Current Liabilities	17	4,34,632	3,57,35,443
Total Current Liabilities		**1,91,91,024**	**1,57,78,85,993**
TOTAL EQUITY AND LIABILITIES		**2,69,71,011**	**2,21,75,56,442**

The accompanying notes form an intergral part of the Financial Statements.

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

MANIAN & RAO ★ Bangalore ★ Chartered Accountants

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors

Bradley Howell, President

Lisan Bayable Gessesse

Lisan Bayable, CFO

Date : November 14, 2024

DORF KETAL ENERGY SERVICES LLC
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2023

Sr. No	Particulars	Note No	(Amount in USD) For the period ended from Oct 20, 2022 to March 31, 2023	(Amount in INR) For the period ended from Oct 20, 2022 to March 31, 2023
I	**INCOME**			
	Revenue From Operations (Net)	18	-	-
	Other Income	19	-	-
II	**TOTAL INCOME**		-	-
III	**EXPENSES**			
	Cost of Materials Consumed	20	-	-
	Employee Benefit Expense	21	52,188	43,04,816
	Finance Costs	22	-	-
	Depreciation And Amortisation Expense	23	-	-
	Other Expenses	24	4,09,434	3,37,72,860
	TOTAL EXPENSES		4,61,622	3,80,77,675
IV	**Profit Before Exceptional Items And Tax**		(4,61,622)	(3,80,77,675)
V	Exceptional Items		-	-
VI	**Profit Before Tax**		(4,61,622)	(3,80,77,675)
VII	**Tax Expenses :**			
	1) Current Tax	25	-	-
	2) Deferred Tax	25	-	-
VIII	**Profit For The Period**		(4,61,622)	(3,80,77,675)
IX	**OTHER COMPREHENSIVE INCOME**			
	(i) Items That Will Not Be Reclassified To Profit and Loss Account			
	Remeasurement of Defined Benefit Plan		-	-
	Income Tax Relating to Items that will not be Reclassified to Profit or Loss		-	-
	(ii) Items That Will Be Reclassified To Profit and Loss Account			
	Effective Portion of Losses/(Gains) on Hedging Instruments in Cash Flow Hedges		-	-
	Income Tax Relating to Items that will be Reclassified to Profit and Loss		-	-
	Exchange differences on translation of foreign operations		-	(32,187)
X	**Total Comprehensive Income For The Period**		(4,61,622)	(3,81,09,862)
	Earning Per Equity Share Of Face Value Of USD 1 Each	26		
	Basic And Diluted		$ (1.59)	-₹ 130.85

The accompanying notes form an intergral part of the Financial Statements.

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

MANIAN & RAO ★ Bangalore ★ Chartered Accountants

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors

Bradley Howell, President

Lisan Bayable Gessesse

Lisan Bayable, CFO

Date : November 14, 2024

DORF KETAL ENERGY SERVICES LLC
STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A Equity share capital (Amount in USD) (Amount in INR)

Particulars	As at March 31, 2023		As at March 31, 2023	
	No. of Share	Amount	No. of Share	Amount
Balance at the beigning of the period	-	-	-	-
Changes in Equity Share Capital during the period	2,91,000	2,91,000	2,40,81,239	2,40,81,239
Balance at the end of the period	**2,91,000**	**2,91,000**	**2,40,81,239**	**2,40,81,239**

B Other Equity

Particulars	Other equity			Other equity		
	Reserves and Surplus			Reserves and Surplus		
	Retained Earnings / Surplus	Foreign Currency Translation reserve	Total Equity	Retained Earnings / Surplus	Foreign Currency Translation reserve	Total Equity
Balance as on October 20, 2022	-	-	-	-		-
Add: Loss for the period	(4,61,622)	-	(4,61,622)	(3,80,77,675)	-	(3,80,77,675)
Add/(Less): Other Comprehensive Income for the period	-	-	-	-	(32,187)	(32,187)
Balance as on March 31, 2023	(4,61,622)	-	(4,61,622)	(3,80,77,675)	(32,187)	(3,81,09,862)

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

MANIAN & RAO ★ Bangalore ★ Chartered Accountants

Date : November 14, 2024

For and on behalf of the Board of Directors

Bradley Howell, President

Lisan Bayable Gessesse

Lisan Bayable, CFO

Date : November 14, 2024

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

1 GENERAL INFORMATION

A COMPANY OVERVIEW

Background

Dorf Ketal Energy Services LLC (DKES or the "Company"), a Delaware limited liability company formed in October 2022, is a wholly owned subsidiary of Dorf Ketal Chemicals FZE. (the "Parent Company"), an UAE-based company. The Company purchases, manufactures, blends, and sells production chemicals for the North American Oil & Gas industry supporting unconventional and conventional extraction of hydrocarbons. Delivery and application of patented technologies coupled with (digital) services ensures safe and economic production of oil and gas reserves.

B BASIS OF PREPARATION

a These Financial Statements (herein referred to as The Translated version of financial statements) is prepared from the financial statements audited by other auditor to comply with ICDR regulations for the purpose of the proposed Indian Public Offer (IPO) of the Ultimate Holding company Dorf Ketel Chemicals India Limited. These financial statements have been translated from the functional currency i.e., United States Dollar (USD) to Indian Rupees. For this purpose, assets and liabilities have been translated using exchange rates prevailing on the balance sheet date. Statement of profit and loss has been translated using average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the statement of changes in equity.

The Audited standalone Financial Statements (herein referred to as 'financial statements' or 'financial information') relate to Dorf Ketal Energy Services LLC. The Audited financial statements have been prepared in conformity with the group accounting policies of Dorf-Ketal Chemicals India Private Limited (DKCIPL), the Ultimate Holding Company, which are in accordance with the Indian Accounting Standard ('Ind AS'). The financial statements have been prepared to facilitate DKCIPL in preparation of its consolidated financial statements. These Auidted financial statements include the disclosures as required under group accounting policies to the extent it facilitates and is applicable for preparation of DKCIPL consolidated financial statements.

b The financial statements have been prepared under the historical cost convention except for the certain financial instruments, which are measured at fair values as at each reporting period, as explained in the accounting policies given below (Refer Note 1.1)

The Company's presentation and functional currency is United States Dollar (USD).

c Operating Cycle

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company, which is upto 12 months.

1.1 MATERIAL ACCOUNTING POLICIES

a Fair Value Measurement

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which The Company has access at that date.

While measuring the fair value of an asset or liability, the company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:
• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

When quoted price in active market for an instrument is available, the company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

MANIAN & RAO
Bangalore
Chartered Accountants

If there is no quoted price in an active market, then the company uses a valuation technique that maximises the use of relevant observable inputs and minimises the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The company regularly reviews significant unobservable inputs and valuation adjustments. If the third party information, such as broker quotes or pricing services, is used to measure fair values, then the company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Group Accounting Policies, including the level in the fair value hierarchy in which the valuations should be classified.

Above levels of fair values are applied consistently and generally, there are no transfers between the levels of fair value hierarchy unless the circumstances change warranting such transfer.

b Use of Judgment and Estimates

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

i. Estimates of Useful lives and residual value of Property, Plant & Equipment and Intangible Assets.
ii. Valuation of Inventories.
iii. Assets/Liabilities acquired in Asset Acquisition and consideration including contingent consideration.
iv. Lease Liabilities

c Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting and are based on monitoring of operating results by the the Chief Operating Decision Maker. The reporting enables the CODM to strategise decision making, resource allocation and assess performance. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of The Company as a whole.

d Property, Plant and Equipment

Recognition and Measurement

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of Property Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation

Depreciation on Property Plant and Equipment is provided on a pro-rata basis on Straight Line Method (SLM). In case of assets where the useful life was determined based on technical advice, the estimate of the useful life of the assets has been based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc

The useful lives of the various assets under Property, Plant and Equipment range as follows:
•Office Buildings: 39 years
•Plant and Machinery & lab equipment: 1 to 19.5 years
•Furniture and Fixtures: 1-10 years
•Office Equipment: 1-10 years
•Vehicles: 1-3 years
• Vehicles under finance lease: 1-5 years
•Computers: 1-10 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

MANIAN & RAO
Bangalore
Chartered Accountants

e Intangible Asset

Intangible assets other than Goodwill are carried at cost net of accumulated amortization and accumulated impairment losses, if any. Expenditure on internally generated intangibles, excluding development costs, are not capitalised and is reflected in Statement of Profit and Loss in the period in which the expenditure is incurred. Development costs are capitalised if, and only if, technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the company has an intention and ability to complete and use or sell the asset and the costs can be measured reliablv.

f Impairment of Non-Financial Assets

The carrying values of non-financial assets other than inventory and deferred tax / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. When there is an indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such impairment loss is reversed in the Statement of Profit and Loss only, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

g Financial Assets and Investments

i)Classification

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), and
• 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.

ii)Initial Recognition and Measurement

At initial recognition, in the case of a financial asset measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of such financial asset are expensed in the statement of profit or loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

iii)Subsequent Measurement

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:

• 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 finance income using the effective interest rate method.

• Fair Value Through Other Comprehensive Income(FVOCI)

Assets that are held for collection of contractual cash flows and for selling, 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 revenue 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.

MANIAN & RAO
Bangalore
Chartered Accountants

• Fair Value Through Profit and Loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of Profit and Loss.

Equity Instruments

The Company subsequently measures all equity investments except for Investments in equity instruments of Subsidiaries, Associates & Joint ventures 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 the statement of profit or loss as Other Income when the company's right to receive payments is established.

Changes in the fair value of financial assets measured at fair value through profit or loss are recognised in Other Income in the statement of profit and loss. Investments in equity instruments of Subsidiaries, Associates & Joint ventures is recognised at Cost and reviewed for impairment at each reporting date.

iv) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach for "Expected Credit Loss' model of Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

v) De-recognition of financial assets

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 and the Company has not retained control of the financial asset. In such cases, the financial asset is derecognised.

h Financial Liabilities

i) Classification

The Company classifies its financial liabilities in the following measurement categories:

• those to be measured subsequently at fair value through profit or loss, and
• those measured at amortised cost.

ii) Measurement

Initial Recognition

Financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument. Financial liability is initially measured at fair value and for an item not at fair value through profit and loss, transaction costs are directly attributed to its acquisition or issue.

Subsequent Measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities.

• Financial Liabilities at Fair Value through Profit or Loss (FVTPL)

A financial liability is classified as at Fair Value through Profit or Loss (FVTPL) if it is classified as held for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit and Loss.

MANIAN & RAO
Bangalore
Chartered Accountants

• Amortised Cost

After initial recognition, financial liabilities other than those which are classified as FVTPL are subsequently measured at amortized cost using the Effective Interest Rate(EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The amortization done using the EIR method is included as finance costs in the Statement of Profit and Loss.

iii) De-recognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability.
The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

i Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability 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 counterparty.

j Inventories

Items of inventories are measured at lower of cost and Net Realisable Value after providing for obsolescence, if any. Cost of manufactured inventory comprises of cost of conversion and manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on a weighted average basis.

k Cash and Cash Equivalent

Cash and Cash Equivalent includes cash at bank, cash, cheques/draft on hand and demand deposits with an original maturity of less than 3 months, which are subject to an insignificant risk of changes in value. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and which are readily convertible into known amounts of cash to be cash equivalents.

l Revenue Recognition

i) Revenue from Sale of Products

Revenue is recognised using the following five step model
Step 1: Identify contracts with customers
Step 2: Identify performance obligations contained in the contracts
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations
Step 5: Recognize revenue when the performance obligation is satisfied The performance obligations arising from sale of products with

The Company applies the practical expedient for shortterm advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good or service and the payment is one year or less.
Sales of products and services are recognised on satisfaction of performance obligation based on the agreed terms which coincides with the transfer of control of the goods. Control of the goods is transferred when the customer has the ability to direct the use of the asset and obtain substantially all of the remaining benefits from the goods.
Sales are net of returns, trade discounts, rebates, sales tax and goods and service tax (GST), as applicable.

ii) Interest

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For creditimpaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

m Employee Benefits

i) Short Term Employee Benefits

Short-term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered.

n Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The Company's Incremental borrowing rate is the rate of interest that lessee would have to pay to borrow over a similar term, and with the similar security, the funds necessary to obtain as asset of a similar value to the right-of-use asset in a similar economic enviroment.

Lease payments included in the measurement of the lease liability comprise the following:

• fixed payments, including in-substance fixed payments;

• variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

• amounts expected to be payable under a residual value guarantee; and

• the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

In the case of short-term leases and leases of low-value assets:

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

o Income Taxes

The income tax expense 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 and to unused tax losses.

i) Current Tax

Income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of reporting period.

Current tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

ii) Deferred Taxes

Deferred tax is provided using the Balance Sheet method on all taxable temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income 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 standalone financial statements. However, deferred tax liabilities are not materialised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

MANIAN & RAO
Bangalore
Chartered Accountants

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where The Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not utilized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

p Earnings per Share

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

q Provisions, Contingent Liabilities and Capital Commitments

Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, 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. The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any.

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 recognized as a finance cost.

Contingent Liabilities

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is either not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

r Borrowing Costs

Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. It also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

MANIAN & RAO Bangalore Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

2 Property, Plant & Equipments and Right-of-Use Assets

(Amount in USD)

Particulars	Freehold Land	Leasehold Improvements	Building - Office	Building - Factory	Plant and Equipments	Furnitures & Fixtures	Office Equipments	Motor Vehicles	Computers	Total	Right Of Use Buildings	Right Of Use Vehicles	Total Right-Of-Use Assets
Gross Block													
Opening Balance as at October 20, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions pursuant to acquisition of Clariant Land Oil Business	16,29,884	16,66,500	49,000	10,00,000	27,03,361	33,275	1,69,340	1,92,905	-	**74,44,265**	20,83,470	11,04,635	**31,88,105**
Disposals/Capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**16,29,884**	**16,66,500**	**49,000**	**10,00,000**	**27,03,361**	**33,275**	**1,69,340**	**1,92,905**	-	**74,44,265**	**20,83,470**	**11,04,635**	**31,88,105**
Accumulated Depreciation													
Opening Balance as at October 20, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Carrying Amount													
Balance as at October 20, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**16,29,884**	**16,66,500**	**49,000**	**10,00,000**	**27,03,361**	**33,275**	**1,69,340**	**1,92,905**	-	**74,44,265**	**20,83,470**	**11,04,635**	**31,88,105**

(Amount in INR)

Particulars	Freehold Land	Leasehold Improvements	Building - Office	Building - Factory	Plant and Equipments	Furnitures & Fixtures	Office Equipments	Motor Vehicles	Computers	Total	Right Of Use Buildings	Right Of Use Vehicles	Total Right-Of-Use Assets
Gross Block													
Opening Balance as at October 20, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions pursuant to acquisition of Clariant Land Oil Business	13,44,43,753	13,74,64,086	40,41,848	8,24,86,700	22,29,91,328	27,44,745	1,39,68,298	1,59,12,097	-	**61,40,52,854**	17,18,58,565	9,11,17,696	**26,29,76,261**
Disposals/Capitalised	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation Exchange Difference	(4,34,690)	(4,44,456)	(13,068)	(2,66,700)	(7,20,986)	(8,874)	(45,163)	(51,448)	-	(19,85,385)	(5,55,661)	(2,94,606)	(8,50,268)
Balance as at March 31, 2023	**13,40,09,062**	**13,70,19,630**	**40,28,780**	**8,22,20,000**	**22,22,70,341**	**27,35,871**	**1,39,23,135**	**1,58,60,649**	-	**61,20,67,468**	**17,13,02,903**	**9,08,23,090**	**26,21,25,993**
Accumulated Depreciation													
Opening Balance as at October 20, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation Exchange Difference	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Carrying Amount													
Balance as at October 20, 2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	**13,40,09,062**	**13,70,19,630**	**40,28,780**	**8,22,20,000**	**22,22,70,341**	**27,35,871**	**1,39,23,135**	**1,58,60,649**	-	**61,20,67,468**	**17,13,02,903**	**9,08,23,090**	**26,21,25,993**

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

3 Other Intangible Assets

Particulars	Non-compete agreement, Acquired contracts (Amount in USD)	Total (Amount in USD)	Non-compete agreement, Acquired contracts (Amount in INR)	Total (Amount in INR)
Gross Carrying Amount				
Opening Balance as at October 20, 2022	-	-	-	
Additions pursuant to acquisition of Clariant Land Oil Business	2,000	**2,000**	1,64,973	**1,64,973**
Disposals	-		-	
Translation Exchange Difference				**- 533**
Balance as at March 31, 2023	**2,000**	**2,000**	**1,64,440**	**1,64,440**
Accumulated Amortisation				
Opening Balance as at October 20, 2022	-	-	-	-
Additions	-	-	-	-
Disposals	-		-	
Balance as at March 31, 2023	-	-	-	-
Net Carrying Amount				
Balance as at October 20, 2022	-	-	-	-
Balance as at March 31, 2023	**2,000**	**2,000**	**1,64,440**	**1,64,440**

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

4 Non - Current Financial Asset - Loans

Particulars	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
Loans to Related Parties:		
(i) Unsecured, Considered Good		
To Related Parties (Refer Note 29)	33,06,996	27,19,01,211
	33,06,996	**27,19,01,211**
Total	**33,06,996**	**27,19,01,211**

5 Non-Current Financials Assets - Others

Particulars	As at March 31, 2023	As at March 31, 2023
Advances Other than Capital Advances		
(i) Security Deposits	82,556	67,87,754
Total	**82,556**	**67,87,754**

6 Current Asset - Inventories

Particulars	As at March 31, 2023	As at March 31, 2023
(At Cost or Market Value whichever is lower)		
(a) Finished Goods	1,15,73,756	95,15,94,218
(b) Finished Goods in Transit	4,72,600	3,88,57,172
Total	**1,20,46,356**	**99,04,51,390**

7 Current Financial Assets - Cash & Cash Equivalents

Particulars	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
(a) Cash on Hand	-	-
(b) Balance with Banks		
(i) In Current Account	5,80,845	4,77,57,076
Total	**5,80,845**	**4,77,57,076**

8 Current Assets - Others

Particulars	As at March 31, 2023	As at March 31, 2023
(b) Others		
(i) Prepaid Expenses	61,835	50,84,074
(ii) Other Receivables*	2,58,052	2,12,17,035
Total	**3,19,887**	**2,63,01,109**

*USD 35,052/- (INR 28,81,975 /-) pertains to reimbursement of expenditure receivable from related party (Refer Note 29)

MANIAN & RAO ★ Bangalore ★ Chartered Accountants

9 Equity Share Capital

Particulars	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
Issued, Subscribed and Paid up :		
291,000 equity shares as at March 31, 2023 of USD 1 each fully paid	2,91,000	2,40,81,239
Total	**2,91,000**	**2,40,81,239**

9.1 Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2023	As at March 31, 2023
Ordinary Shares at the beginning of the period	-	-
Add : Shares issued during the period	2,91,000	2,40,81,239
Equity Shares at the end of the period	**2,91,000**	**2,40,81,239**

9.2 Details of Major Shareholding in the Company

Particulars	As at March 31, 2023	% of Holding	As at March 31, 2023
Dorf Ketal Chemicals FZE	2,91,000	100	2,40,81,239
Equity Shares at the end of the period	**2,91,000**	**100**	**2,40,81,239**

10 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2023
Retained Earnings/Surplus		
Opening balance	-	-
Add: Loss for the period	- 4,61,622	**(3,80,77,675)**
	(4,61,622)	**(3,80,77,675)**
Foreign Currency Translation reserve		
Opening balance	-	-
Add: Other Comphrehensive income for the period	-	**(32,187)**
	-	**(32,187)**
Total	**(4,61,622)**	**(3,81,09,862)**

11 Non - Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2023
Unsecured Loans		
From Group Companies (Refer Note 29)	40,00,000	32,88,80,000
Total	**40,00,000**	**32,88,80,000**

***Dorf Ketal Chemicals LLC, has provided an intercompany loan carrying an interest rate of SOFR + BPS 165 payable quarterly**

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

12 Non Current - Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2023
Lease Liabilities	15,31,713	12,59,37,443
Total	**15,31,713**	**12,59,37,443**

13 Other Non-Current Liabilities - Contingent Consideration

Particulars	As at March 31, 2023	As at March 31, 2023
Contingent Consideration Payable to Clariant	24,18,896	19,88,81,629
Total	**24,18,896**	**19,88,81,629**

14 Current Financial Liabilities - Borrowings

Particulars	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
(a) Secured Loans		
(i) From Banks		
Line of Credit	1,70,00,000	1,39,77,40,000
Total	**1,70,00,000**	**1,39,77,40,000**

The Company has a revolving line of credit with a financial institution. The line of credit is secured by Company assets guaranteed by the Parent Company. The line of credit shall continue until such time as the Company and the financial institution agree to terminate. The available borrowing capacity is $17,000,000 (INR 1,39,77,40,000/-) which is the total borrowed amount at March 31,2023. The interest rate at March 31, 2023 was 6.61%

15 Current - Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2023
Lease Liabilities	16,56,392	13,61,88,550
Total	**16,56,392**	**13,61,88,550**

16 Current Financial Liabilities - Others

Particulars	As at March 31, 2023	As at March 31, 2023
Other Payables*	1,00,000	82,22,000
Total	**1,00,000**	**82,22,000**

*This amount pertains to reimbursement of expenditure payable to related party (Refer Note 29)

17 Other Current Liabilities

Particulars	As at March 31, 2023	As at March 31, 2023
Trade Advance from Related Party (Refer Note 29)	4,34,632	3,57,35,443
Total	**4,34,632**	**3,57,35,443**

MANIAN & RAO Bangalore Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

18 Revenue from Operations

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023 (Amount in USD)	For the period ended from Oct 20, 2022 to March 31, 2023 (Amount in INR)
(a) Sale of Products		
Domestic	-	-
Export	-	-
(b) Sale of Services		
Domestic	-	-
Export	-	-
(c) Other Operating Income		
Scrap Sales	-	-
Total	-	-

19 Other Income

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023	For the period ended from Oct 20, 2022 to March 31, 2023
Other Non-Operating Income		
Miscellaneous Income	-	-
	-	-
Total	-	-

20 Cost of Materials Consumed

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023 (Amount in USD)	For the period ended from Oct 20, 2022 to March 31, 2023 (Amount in INR)
Opening Inventory	-	-
Add: Purchases/Acquired	1,20,46,356	99,36,64,153
Less: Closing Inventory	(1,20,46,356)	(99,36,64,153)
		-
Total	-	-

21 Employee Benefit Expenses

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023	For the period ended from Oct 20, 2022 to March 31, 2023
Salaries and Wages	52,188	43,04,816
Contribution to Provident and Other Funds	-	-
Staff Welfare Expenses	-	-
Total	**52,188**	**43,04,816**

MANIAN & RAO
Bangalore
Chartered Accountants

22 Finance Costs

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023	For the period ended from Oct 20, 2022 to March 31, 2023
Other Borrowing Costs		
Bank Charges	-	-
Other Interest	-	-
Total	-	-

23 Depreciation and Amortisation

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023	For the period ended from Oct 20, 2022 to March 31, 2023
Depreciation and Amortisation (Net)	-	-
Total	-	-

24 Other Expenses

	(Amount in USD)	(Amount in INR)
Particulars	**For the period ended from Oct 20, 2022 to March 31, 2023**	**For the period ended from Oct 20, 2022 to March 31, 2023**
Legal and Professional	4,08,959	3,37,33,678
Miscellaneous Manufacturing Expenses	475	39,181
Total	**4,09,434**	**3,37,72,860**

25 Taxation

	(Amount in USD)	(Amount in INR)
Particulars	**For the period ended from Oct 20, 2022 to March 31, 2023**	**For the period ended from Oct 20, 2022 to March 31, 2023**
Current Tax	-	-
Deferred Tax	-	-
Total	-	-

26 Earnings Per Share (EPS)

There are no potential equity shares and hence the basic and diluted EPS are the same.
Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under:

Particulars	For the period ended from Oct 20, 2022 to March 31, 2023	For the period ended from Oct 20, 2022 to March 31, 2023
(a) Profit for the year attributable to Equity Share Holders	(4,61,622)	(3,80,77,675)
(b) Weighted average number of ordinary shares outstanding during the period	2,91,000	2,91,000
(c) Basic and Diluted earnings per share (in USD) {(a)/(b)}	**$ (1.59)**	**-₹ 130.85**

MANIAN & RAO
Bangalore
Chartered Accountants

27 Capital Management

The Company's policy is to maintain a strong capital base so as to ensure that the Company is able to continue as going concern to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends to ordinary shareholders at regular interval.

Its guiding principles are:

i) Maintenance of financial strength to ensure the highest ratings;
ii) Ensure financial flexibility and diversify sources of financing;
iii) Manage Company exposure in forex to mitigate risks to earnings;
iv) Leverage optimally in order to maximise shareholders returns while maintaining strength and flexibility of the Balance Sheet.

The policy is also adjusted based on underlying macro-economic factors affecting business environment, financial and market conditions.

The Capital gearing ratio (%) or Debt to Equity Ratio at the end of the reporting period are as under:

	(Amount in USD)	**(Amount in INR)**
Particulars	**Amount**	**Amount**
	As at March 31, 2023	**As at March 31, 2023**
Total Borrowings	2,10,00,000	1,72,66,20,000
Less: Cash and bank balances	5,80,845	4,77,57,076
Net debts	**2,04,19,155**	**1,67,88,62,924**
Total equity	(1,70,622)	(1,40,28,623)
Capital gearing ratio (%) or Debt to equity Ratio	-11967.48%	-11967.41%

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

28 Fair value measurement hierarchy:

	(Amount in USD)				(Amount in INR)			
Particulars	**As at March 31, 2023**				**As at March 31, 2023**			
	Carrying Amount	**Level of input used in**			**Carrying Amount**	**Level of input used in**		
		Level 1	**Level 2**	**Level 3**		**Level 1**	**Level 2**	**Level 3**
(a) Financial Assets								
(i) **At Amortised Cost**								
- Loan (Non current)	33,06,996	-	-	-	27,19,01,211	-	-	-
- Cash and cash equivalents	5,80,845	-	-	-	4,77,57,076	-	-	-
- Other Financial Assets	82,556	-	-	-	67,87,754	-	-	-
(b) Financial Liabilities								
(i) **At Amortised Cost**								
- Borrowings (Current and Non current)	2,10,00,000	-	-	-	1,72,66,20,000	-	-	-
- Lease Liabilities (Current and Non current	31,88,105	-	-	-	26,21,25,993	-	-	-
- Other Financial Liabilities	1,00,000	-	-	-	82,22,000	-	-	-

The financial instruments are categorised into three levels based on the inputs used to arrive at fair value measurements as described below:

i) **Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices.
ii) **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. In the case of the mutual funds are valued using the closing NAV. In the case of Derivative contracts, the Company has valued the same using the forward exchange rate as at the reporting date.
iii) **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

MANIAN & RAO * Bangalore * Chartered Accountants

28 Financial risk management

Risk management framework
The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations.

The Company's principal financial assets include loans, and cash and cash equivalents that derive directly from its operations.

The Company has exposure to the following risks arising from financial instruments:
A) Credit risk;
B) Liquidity risk;
C) Market risk; and

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans investment in debt securities and other financial assets. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful trade receivables and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The maximum exposure to credit risk in case of all the financial instruments covered below is restricted to their respective carrying amount.

(i) <u>Trade and other receivables</u>
The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer and including the default risk of the industry, also has an influence on credit risk assessment.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

i) Actual or expected significant adverse changes in business;
ii) Actual or expected significant changes in the operating results of the counterparty;
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
iv) Significant increase in credit risk on other financial instruments of the same counterparty;
v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

Since there no trade receivables as on March 31, 2023, the company is not exposed to any credit risk for the same.

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

(ii) <u>Cash and cash equivalents</u>

The Company held Cash and Cash Equivalents of USD 580,845/- (INR 4,77,57,076/-) as at March 31, 2023 . The Cash and Cash Equivalents comprises of Cash on Hand and Banks Balances.
The Company does not expect any losses from non-performance by these counter-parties.

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk

			(Amount in USD)			(Amount in INR)
Particulars	**As at March 31, 2023**			**As at March 31, 2023**		
	Carrying Amount	**Contractual cash flows**		**Carrying Amount**	**Contractual cash flows**	
		Upto 1 year	**> 1 year**		**Upto 1 year**	**> 1 year**
(A) Non Derivative Financial Liabilities						
(a) Non-Current Borrowings	40,00,000	-	40,00,000	32,88,80,000	-	32,88,80,000
(b) Current Borrowings	1,70,00,000	1,70,00,000	-	1,39,77,40,000	1,39,77,40,000	-
(c) Non-Current Lease Liabilities	15,31,713	-	15,31,713	12,59,37,443	-	12,59,37,443
(d) Current Lease Liabilities	16,56,392	16,56,392	-	1,39,77,40,000	13,61,88,550	-
(e) Others	1,00,000	1,00,000	-	82,22,000	82,22,000	-
TOTAL	**2,42,88,105**	**1,87,56,392**	**55,31,713**	**3,25,85,19,443**	**1,54,21,50,550**	**45,48,17,443**

MANIAN & RAO
Bangalore
Chartered Accountants

C. Market Risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity prices. Market risk comprises three types of risk: Currency risk, Interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

(a) Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities when revenue or expense is denominated in a different currency from the Company's functional currency.

The Company has no foreign currency denominated monetary assets and liabilities for year ended March 31, 2023. The Company is not exposed to this risk.

MANIAN & RAO
Bangalore
Chartered Accountants

29 Related party disclosures

(i) Name of Related Party and the nature of Relationship

(a) Parent Company

Dorf Ketal Chemicals FZE

(b) Ultimate Parent Company

Dorf Ketal Chemicals India Private Limited

(c) Fellow Subsidiary

Dorf Ketal Chemicals LLC
Dorf Ketal Brasil LTDA
Dorf Ketal B.V
Dorf Ketal Chemicals UK Private Limited
Dorf Ketal Chemicals Pte Ltd.
Khyati Chemicals Pvt. Ltd.
Dorf Ketal Chemicals Ltd.,Canada
Dorf Ketal Energy Services LLC.,Canada
Dorf Ketal Chemicals(Malaysia) SDN BHD, Malaysia
Dorf Ketal Chemicals (Shanghai) Ltd., China
Flow Chem Technology LLC, USA
Fluid USA Inc., USA
Khyati Chemicals Pvt Ltd.,Singapore
Khyati Specialty Chemicals India Pvt Ltd
Fluid Energy Ltd., Canada
Dorf Ketal Tribonds International Company LLC (JV)

(c) Key Managerial Personnel (KMP)

Bradley Howell	President
Lisan Bayable	CFO
Sudhir Menon	Director
David Johnson	Director
George Brannon	Director

MANIAN & RAO
Bangalore
Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

(ii) Transactions with Related Parties

Particulars	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
(a) Parent Company		
Equity Infusion	2,91,000	2,39,26,020
Advance Received	4,34,632	3,57,35,443
(b) Fellow Subsidiaries/JV Companies		
Unsecured Loans Received	40,00,000	32,88,80,000
Unsecured Loans Given	33,06,996	27,19,01,211
Reimbursement of Expenses	1,00,000	82,22,000
Recovery of Expenses	35,052	28,81,975
(c) Key Managerial Personnel (KMP)		
Remuneration	52,188	42,90,897

Transactions carried out with related parties referred in (i) above, in ordinary course of business

(iii) Balance Outstanding of Related Parties

Particulars	(Amount in USD) As at March 31, 2023	(Amount in INR) As at March 31, 2023
(a) Parent Company		
Advance Received	4,34,632	3,57,35,443
Equity Infusion	2,91,000	2,39,26,020
(b) Fellow Subsidiaries/JV Companies		
Unsecured Loans taken	40,00,000	32,88,80,000
Reimbursement Payable	1,00,000	82,22,000
Unsecured Loans Given	33,06,996	27,19,01,211
Reimbursement Receivable	35,052	28,81,975

MANIAN & RAO ★ Bangalore ★ Chartered Accountants

DORF KETAL ENERGY SERVICES LLC
NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2023

30 Contingent liabilities and commitments

The Company may be subject to claims and litigation arising in the normal course of its business. The Company is not aware of any claims or proceedings and believes that any potential claims proceedings arising in the normal course of its business will not have a material, adverse effect on its financial position, results of operations or cash flows.

The Company's customer concentration may impact its overall credit risk, either positively or negatively, in that these entities may be similarly affected by changes in economic or other conditions affecting the chemicals industry.

31 Acquisition of Clariant Land Oil Business (NORAM)

On March 31, 2023, Dorf Ketal Energy Services LLC acquired certain assets from Clariant Inc for a total purchase price of $ 17,165,572 (INR 1,41,13,53,330 /-). The acquisition was a part of the transfer of the NORAM oilfield chemicals business of Clariant Group.

Details	Amount (USD)	Amount (INR)
Property Plant & Equipment	74,44,265	61,20,67,468
Inventory	1,20,46,356	99,04,51,390
Deposits	93,847	77,16,100
Contingent Consideration	(24,18,896)	(19,88,81,629)
Cash Consideration Paid	**1,71,65,572**	**1,41,13,53,330**

Right-of-Use Assets of USD: 3,188,105/- (INR 26,21,25,993/-) and lease liability of USD 1,531,714/- (INR 12,59,37,443/-) (Non-Currrent) & USD 1,656,392/- (INR 13,61,88,550 /-) (Current) are recognised pertaining to security deposists of USD 82,556/- (INR 67,87,754 /-) acquired in asset acquisition

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

MANIAN & RAO
Bangalore
Chartered Accountants

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors

Lisan Bayable Gessesse

Bradley Howell, President

Lisan Bayable, CFO

Date : November 14, 2024