

Dorf Ketal Chemicals FZE

**Translated Version of Statement of Financial Position
Year ended 31 March 2024**

No.	Particulars	Note	31 March	31 March	31 March	31 March	31 March	31 March
			2024	2023	2022	2024	2023	2022
			USD	USD	USD	INR	INR	INR
I.	ASSETS							
(1)	Non-current assets							
(a)	Property, plant and equipment	13	48,985	10,574	3,666	40,83,904	8,69,419	2,77,942
(b)	Other intangible assets	14	4,93,86,193	5,21,66,496	14,56,604	4,11,73,26,910	4,28,91,29,301	11,04,25,149
(c)	Financial assets							
	- Investments in subsidiaries, associates and joint venture	15	1,60,73,352	1,49,32,150	-	1,34,00,35,356	1,22,77,21,373	-
(d)	Other non-current assets	16	18,167	14,655	11,352	15,14,583	12,04,934	8,60,595
	Total non-current assets		6,55,26,697	6,71,23,875	14,71,622	5,46,29,60,754	5,51,89,25,027	11,15,63,687
(2)	Current assets							
(a)	Inventories	17	59,96,491	35,55,757	25,61,943	49,99,27,455	29,23,54,341	19,42,20,899
(b)	Financial assets							
	(i) Trade receivables	18	2,21,45,883	1,17,21,717	63,20,756	1,84,63,02,266	96,37,59,572	47,91,76,512
	(ii) Cash and cash equivalents	19	6,80,433	5,77,643	3,57,749	5,67,27,699	4,74,93,807	2,71,20,952
	(iii) Loans	24	1,64,37,271	1,68,70,903	13,52,880	1,37,03,75,283	1,38,71,25,645	10,25,61,833
	(iv) Others	18	6,10,938	32,41,848	3,77,331	5,09,33,901	26,65,44,743	2,86,05,463
(c)	Other current assets		2,05,222	1,64,854	70,076	1,71,09,358	1,35,54,296	53,12,462
	Total current assets		4,60,76,238	3,61,32,722	1,10,40,735	3,84,13,75,962	2,97,08,32,403	83,69,98,120
	TOTAL ASSETS		11,16,02,935	10,32,56,597	1,25,12,357	9,30,43,36,716	8,48,97,57,430	94,85,61,807
II.	EQUITY AND LIABILITIES							
	Equity							
(a)	Equity share capital	20	80,672	80,672	80,672	59,18,098	59,18,098	59,18,098
(b)	Other equity		2,55,46,234	95,71,639	77,68,319	2,13,05,97,080	78,76,94,938	58,91,13,933
	Total equity		2,56,26,906	96,52,311	78,48,991	2,13,65,15,178	79,36,13,036	59,50,32,031
	Liabilities							
(1)	Non-current liabilities							
(a)	Financial liabilities							
	- Borrowings	21 & 24	8,00,00,000	8,00,00,000	-	6,66,96,00,000	6,57,76,00,000	-
(b)	Provisions	22	1,63,611	1,66,231	1,29,879	1,36,40,249	1,36,67,513	98,46,127
	Total non-current liabilities		8,01,63,611	8,01,66,231	1,29,879	6,68,32,40,249	6,59,12,67,513	98,46,127
(2)	Current Liabilities							
(a)	Financial Liabilities							
	(i) Borrowings	21	(45,79,417)	31,38,590	4,74,009	(38,17,85,995)	25,80,54,870	3,59,34,622
	(ii) Trade payables	23	86,49,888	87,12,608	39,34,567	72,11,41,163	71,63,50,630	29,82,79,524
(b)	Other current liabilities	23	17,41,947	15,86,857	1,24,911	14,52,26,121	13,04,71,383	94,69,503
(c)	Provisions		-	-	-	-	-	-
	Total current liabilities		58,12,418	1,34,38,055	45,33,487	48,45,81,289	1,10,48,76,882	34,36,83,649
	TOTAL EQUITY AND LIABILITIES		11,16,02,935	10,32,56,597	1,25,12,357	9,30,43,36,716	8,48,97,57,430	94,85,61,807

The accompanying notes form an integral part of these Translated version of financial statements.

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

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024



For Dorf Ketal Chemical FZE

Pramod Menon
Authorised Signatory

Date: November 14, 2024

Dorf Ketal Chemicals FZE

**Translated version of Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 March 2024**

No.	Particulars	Note	31 March	31 March	31 March	31 March	31 March	31 March
			2024	2023	2022	2024	2023	2022
			USD	USD	USD	INR	INR	INR
1.	INCOME							
a.	Revenue from operations	5	5,44,08,614	4,41,17,016	1,79,23,239	4,50,34,00,981	3,48,25,97,243	1,33,68,04,781
b.	Other income	7	2,15,56,297	81,356	1,24,990	1,78,42,14,703	64,22,243	93,23,004
	Total income		7,59,64,911	4,41,98,372	1,80,48,229	6,28,76,15,683	3,48,90,19,486	1,34,61,27,785
2.	EXPENSES							
a.	Cost of materials consumed	6	9,56,682	7,66,300	8,91,567	7,91,84,569	6,04,91,722	7,22,55,368
b.	Purchase of stock in trade	6	4,47,58,315	3,54,17,843	1,34,21,963	3,70,46,45,733	2,79,58,84,526	1,00,11,44,220
c.	Change in inventory	6	(25,27,070)	(9,93,814)	(4,24,962)	(21,47,70,946)	(9,81,33,442)	(3,74,51,973)
d.	Employee benefits	10	23,63,580	23,69,382	22,37,084	19,56,33,517	18,70,39,015	16,68,64,096
e.	Finance cost	12	56,93,378	12,75,855	51,456	47,12,40,897	10,07,15,994	38,38,103
f.	Depreciation and amortisation	9	27,87,519	8,56,709	2,22,545	23,07,22,948	6,76,28,608	1,65,99,632
g.	Other expenses	8 - 11	59,57,912	27,02,777	10,64,540	49,31,36,366	21,33,57,216	7,94,04,060
	Total expenses		5,99,90,316	4,23,95,052	1,74,64,193	4,95,97,93,083	3,32,69,83,640	1,30,26,53,506
3.	Profit before tax		1,59,74,595	18,03,320	5,84,036	1,32,78,22,601	16,20,35,845	4,34,74,279
4.	Tax expenses							
a.	Current tax		-	-	-	-	-	-
b.	Deferred tax		-	-	-	-	-	-
5.	Profit for the period		1,59,74,595	18,03,320	5,84,036	1,32,78,22,601	16,20,35,845	4,34,74,279

The accompanying notes form an integral part of these Translated version of financial statements.

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


Paresh Daga
Partner

Membership No. 211468

Date : November 14, 2024



For Dorf Ketal Chemical FZE


Pramod Menon

Authorised Signatory

Date: November 14, 2024

Dorf Ketal Chemicals FZE

Translated version of Statement of Changes in Equity Year ended 31 March 2024

	Share capital USD	Statutory reserve USD	Retained earnings USD	Foreign currency translation reserve USD	Total USD
As at 31 March 2021	80,672	40,336	71,43,947	-	72,64,955
Profit for the year	-	-	5,84,036	-	5,84,036
As at 31 March 2022	80,672	40,336	77,27,983	-	78,48,991
As at 01 April 2022	80,672	40,336	77,27,983	-	78,48,991
Profit for the year	-	-	18,03,320	-	18,03,320
As at 31 March 2023	80,672	40,336	95,31,303	-	96,52,311
As at 01 April 2023	80,672	40,336	95,31,303	-	96,52,311
Profit for the year	-	-	1,59,74,595	-	1,59,74,595
As at 31 March 2024	80,672	40,336	2,55,05,898	-	2,56,26,906

	Share capital INR	Statutory reserve INR	Retained earnings INR	Foreign currency translation reserve INR	Total INR
As at 31 March 2021	59,18,098	29,59,049	52,40,79,952	-	53,29,57,099
Profit during the year	-	-	4,35,63,895	1,85,11,037	6,20,74,932
As at 31 March 2022	59,18,098	29,59,049	56,76,43,847	1,85,11,037	59,50,32,031
As at 01 April 2022	59,18,098	29,59,049	56,76,43,847	1,85,11,037	59,50,32,031
Profit for the year	-	-	16,20,35,845	3,65,45,160	19,85,81,005
As at 31 March 2023	59,18,098	29,59,049	72,96,79,692	5,50,56,196	79,36,13,036
As at 01 April 2023	59,18,098	29,59,049	72,96,79,692	5,50,56,196	79,36,13,036
Profit for the year	-	-	1,32,78,22,601	1,50,79,542	1,34,29,02,142
As at 31 March 2024	59,18,098	29,59,049	2,05,75,02,293	7,01,35,738	2,13,65,15,178

The accompanying notes form an integral part of these Translated version of financial statements.

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



Paresh Daga
Partner
Membership No. 211468



Date : November 14, 2024

For Dorf Ketal Chemical FZE



Pramod Menon
Authorised Signatory

Date: November 14, 2024

Dorf Ketal Chemicals FZE

**Translated Version of Statement of Cash Flows
Year ended 31 March 2024**

	Note	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Cash flows from operating activities							
Profit for the year		1,59,74,595	18,03,320	5,84,036	1,32,22,17,228	14,23,54,081	4,35,63,224
Adjustments for:							
Depreciation	9	7,216	5,022	20,321	5,97,268	3,96,437	15,15,743
Amortisation of intangible asset	9	27,80,303	8,51,687	2,02,224	23,01,25,679	6,72,32,172	1,50,83,888
Interest paid	12	56,93,378	12,75,855	51,456	47,12,40,897	10,07,15,994	38,38,103
Operating profit before changes in operating assets and liabilities		2,44,55,492	39,35,884	8,58,037	2,02,41,81,073	31,06,98,683	6,40,00,958
Increase in inventory	17	(24,40,734)	(9,93,814)	(4,24,962)	(20,20,19,553)	(7,84,51,677)	(3,16,97,916)
Increase/Decrease in prepayments	18	(77,93,256)	(82,65,478)	15,48,517	(64,50,47,799)	(65,24,76,833)	11,55,03,883
Borrowed from/(repaid to) a related party	24	(40,368)	(94,778)	55,421	(33,41,259)	(74,81,775)	41,33,852
(Reversal)/creation of provision for staff end-of-service gratuity	22	4,33,632	(1,55,18,023)	(13,52,880)	3,58,91,721	(1,22,49,92,736)	(10,09,11,319)
Increase in trade and other payables	23	(2,620)	36,352	(50,517)	(2,16,857)	28,69,627	(37,68,063)
Cash generated from operations		92,370	62,39,987	(2,72,235)	76,45,465	49,25,84,574	(2,03,06,009)
Interest paid		1,47,04,516	(1,46,59,870)	3,61,381	1,21,70,92,789	(1,15,72,50,138)	2,69,55,387
		(56,93,378)	(12,75,855)	(51,456)	(47,12,40,897)	(10,07,15,994)	(38,38,103)
Net cash generated from/(used in) operating activities (A)		90,11,138	(1,59,35,725)	3,09,925	74,58,51,892	(1,25,79,66,131)	2,31,17,284
Cash flows from investing activities							
Purchase of property, plant and equipment	13	(45,627)	(11,930)	(822)	(37,76,547)	(9,41,754)	(61,335)
Addition to intangible asset – technical know-how	14	-	(5,15,61,579)	-	-	(4,07,02,71,046)	-
Investment in subsidiaries	15	(11,41,202)	(1,49,32,150)	-	(9,44,57,290)	(1,17,87,43,921)	-
Deposit placed	16	(3,512)	(3,303)	(1,116)	(2,90,688)	(2,60,739)	(83,242)
Net cash used in investing activities (B)		(11,90,341)	(6,65,08,962)	(1,938)	(9,85,24,525)	(5,25,02,17,460)	(1,44,578)
Cash flows from financing activities							
Bank borrowings (repaid)/availed (net)	21	(77,18,007)	5,96,64,581	(31,984)	(63,88,19,439)	4,70,99,22,024	(23,85,687)
Borrowed from related parties	24	-	2,30,00,000	-	-	1,81,56,20,000	-
Net cash (used in)/generated from financing activities (C)		(77,18,007)	8,26,64,581	(31,984)	(63,88,19,439)	6,52,55,42,024	(23,85,687)
Net increase in cash and cash equivalent (A+B+C)							
Cash and cash equivalent at beginning of the year		1,02,790	2,19,894	2,76,003	85,07,928	1,73,58,432	2,05,87,020
Exchange difference on translation of foreign currency cash and cash equivalents		5,77,643	3,57,749	81,746	4,74,93,807	2,71,20,952	59,96,887
Cash and cash equivalent at end of the year	19	6,80,433	5,77,643	3,57,749	7,25,963.75	30,14,423.77	5,37,045.13
					5,67,27,699	4,74,93,807	2,71,20,952

The accompanying notes form an integral part of these Translated version of financial statements.

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



(Signature)
Paresh Daga
Partner

Membership No. 211468

Date : November 14, 2024

For Dorf Ketal Chemical FZE

(Signature)

Pramod Menon
Authorised Signatory

Date: November 14, 2024

Dorf Ketal Chemicals FZE
 Notes to the Translated Version of Financial Statements
 Year ended 31 March 2024

Property, plant and equipment (Movements schedule) - (refer Note 13 (a))

Net book values	Leasehold improvement USD	Plant and machinery USD	Furniture and fixtures USD	Computer and peripherals USD	Motor vehicle USD	Total USD
Cost	38,714	57,568	31,681	23,347	31,134	1,82,444
Accumulated depreciation	(38,714)	(58,509)	(30,982)	(21,579)	(31,134)	(1,78,788)
As at 31 March 2022	-	1,199	699	1,768	-	3,666
Cost	38,714	60,876	34,433	29,467	31,134	1,94,374
Accumulated depreciation	(38,714)	(58,120)	(31,529)	(24,453)	(31,134)	(1,83,000)
As at 31 March 2023	-	2,756	2,904	5,014	-	10,574
Cost	38,714	63,463	35,957	33,873	67,994	2,40,001
Accumulated depreciation	(38,714)	(59,797)	(32,607)	(27,454)	(32,242)	(1,91,016)
As at 31 March 2024	-	3,664	3,350	6,219	35,752	48,985

Reconciliation of net book values

As at 01 April 2021	-	9,450	441	3,627	9,647	23,165
Additions during the year	-	-	-	822	-	822
Adjustment during the year	-	(974)	574	-	-	-
Depreciation for the year	-	(7,677)	(316)	(2,681)	(9,647)	(20,321)
As at 31 March 2022	-	1,199	699	1,768	-	3,666
Additions during the year	-	3,508	2,592	6,120	-	11,920
Depreciation for the year	-	(1,751)	(397)	(2,874)	-	(5,022)
As at 31 March 2023	-	2,756	2,894	5,014	-	10,574
Additions during the year	-	2,587	1,774	4,406	-	8,767
Adjustment during the year	-	(1,679)	(1,238)	(3,201)	-	(6,118)
Depreciation for the year	-	-	-	-	-	-
Prior period error correction	-	-	2,557	(2,557)	-	-
Cost	-	-	-	1,198	-	1,198
-Accumulated depreciation	-	-	-	-	-	-
As at 31 March 2024	-	3,664	4,799	4,860	35,752	48,985



Net book values	Leasehold improvement INR	Plant and machinery INR	Furniture and fixtures INR	Computer and peripherals INR	Motor vehicle INR	Total INR
Cost	29,34,908	43,64,210	24,01,737	17,69,959	23,60,749	1,38,31,102
Accumulated depreciation	(29,34,908)	(42,73,325)	(23,48,745)	(16,58,024)	(23,60,749)	(1,38,31,102)
As at 31 March 2022	-	90,886	52,991	1,14,055	-	2,77,922
Cost	31,83,065	50,05,225	28,10,526	24,22,777	25,59,837	1,59,81,430
Accumulated depreciation	(31,83,065)	(47,78,626)	(25,79,981)	(20,10,526)	(25,59,837)	(1,51,12,036)
As at 31 March 2023	-	2,26,598	2,30,545	4,12,251	-	8,69,394
Cost	32,27,586	52,90,910	29,97,735	28,23,992	56,66,640	2,00,08,883
Accumulated depreciation	(32,27,586)	(49,85,443)	(27,18,446)	(23,05,114)	(26,88,016)	(1,59,25,003)
As at 31 March 2024	-	3,05,468	2,79,290	5,18,678	29,80,644	40,83,879

Reconciliation of net book values

As at 01 April 2021	-	6,93,252	32,252	2,66,077	7,07,704	16,99,384
Additions during the year	-	-	-	61,335	-	61,335
Adjustment during the year	-	(42,815)	42,815	-	-	-
Depreciation for the year	-	(5,72,627)	(23,570)	(1,99,976)	(7,10,570)	(15,15,743)
Translation exchange difference	-	13,085	1,395	6,619	11,806	32,966
As at 31 March 2022	-	90,896	52,991	1,14,055	-	2,77,942
Additions during the year	-	2,61,134	1,97,508	4,81,113	-	9,41,754
Adjustment during the year	-	(1,38,224)	(31,339)	(2,36,874)	-	(4,06,437)
Depreciation for the year	-	-	-	-	-	-
Prior period error correction	-	-	-	-	-	-
Cost	-	-	-	3,714	-	3,714
-Accumulated depreciation	-	-	-	-	-	-
Translation exchange difference	-	3,05,468	2,79,289	4,08,203	29,80,644	40,83,879
As at 31 March 2024	-	3,05,468	2,79,289	4,08,203	29,80,644	40,83,879

Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

1 Legal status and business activities

a) Constitution

- Name Dorf Ketal Chemicals FZE (the Establishment)
- Constitution Free Zone Establishment (FZE), a 100% subsidiary of a foreign company
- Registration Trading License No 2997; Registration No 12-FZE-1052 dated 10 May 2012
- Registered under Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of the Fujairah Free Zone Authority
- Registration authority Fujairah Free Zone Authority, Fujairah, UAE

b) Business activities

- Registered address PO Box 50132, Fujairah Free Zone, UAE
- Licensed activity Trading and supply of marine chemicals and rendering services for supply of oil additives to marine vessels
- Regulations applicable The rules and regulations of the Fujairah Free Zone
- Management The Establishment is managed by the Director, Mr Pramod Menon

c) Corporate Shareholder (Parent Company)

- Name Dorf Ketal Chemicals (India) Pvt Ltd (the Holding Company)
- Constitution Private Limited Company
- Registration Registration No 066726 dated 12 May 1992
- Registered under Registrar of Companies, India
- Registered address Dorf Ketal Tower, D'Monte Street, Orlem, Malad West, Mumbai, Maharashtra, India – 400 064

d) Subsidiaries of the Company

- i) - Name Fluid Energy Limited, Canada
 - Constitution Private Limited Company
 - Registration Registration No. 725557706 dated 20 May 2022
 - Registered address 4600, 8th Avenue Place East, 525 - Calgary, Alberta , T2P1G1, Canada
- ii) - Name Fluid USA, Inc
 - Constitution Private Limited Company
 - Registration Registration No 6341235 dated 8 March 2017
 - Registered address Corporation Trust Center, 1209 N Orange St, Wilmington, DE, 19801
- iii) - Name Dorf Ketal Energy Services LLC, USA
 - Constitution Private Limited Company
 - Registration Registration No 7095195 dated 20 October 2022
 - Registered address 108 Lakeland Ave, Dover De 19901
- iv) - Name Dorf Ketal Energy Services LLC, Canada
 - Constitution Private Limited Company
 - Registration Registration No. 795301217 dated 20 October 2022
 - Registered address 400, 3rd Avenue SW, Suite 3700 Calgary, Alberta , T2P4H2, Canada



Dorf Ketel Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

2 Basis of preparation

a) Statement of compliance

- Prepared under These Translated version of financial statements have been 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.

The Audited financial statements have been prepared under and comply with:

- The 'historical cost convention' in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRSIC) as issued or adopted by the International Accounting Standards Board (IASB),
 - The IAS (International Accounting Standards) and
 - The requirements of Implementing Regulations No 1 of 2004 pursuant to Emiri Decree 6 of 1987 of HH the Ruler of Fujairah of the Fujairah Free Zone Authority (FFZA-IR)
- Exception to 'historical cost convention' Those financial and non-financial assets that are measured at fair values at the reporting date, as explained at Note 2 (h)
 - Exception to compliance with IAS An incidental departure from the IAS, if any, is unintentional and does not materially affect the financial position of the Establishment or the performance for the reporting period

b) Specific compliance

Management confirms that the Establishment has complied with all local regulations and has not wilfully contravened any regulations applicable to it including, but not limited to, the following:

- CCL - The Establishment has complied with the requirements of the UAE Federal Law No 2 of 2015 on Commercial Companies, as amended
- FFZA-IR - The Establishment has adhered to the Implementing Regulations of Fujairah Free Zone Authority
- Licensed activity - The Establishment has not carried out any activity that it is not licensed to carry out
- ESR - The Establishment has filed the Economic Substance Regulation Report as required by the Authority
- UBO - The Establishment has declared the Ultimate Beneficial Owner as required by the Federal Tax Authority
- AML/CFT - The Establishment has not violated any regulations of the regulations on Anti-Money Laundering and Counter-terrorism Financing
- VAT - The Establishment has filed VAT returns on time and declared the appropriate information and has not defaulted on its financial obligations



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

- c) **Presentation currency**
- US Dollar rounded off to the nearest unit as this is the functional currency for international trade in the market in which the Establishment operates
 - Transactions carried out in UAE Dirhams, which is the domicile currency of the Establishment, are recorded at a fixed exchange rate of AED 3.654 per USD
 - These financial statements been translated from the functional currency i.e., United States Dollar (USD) to Indian Rupees (INR)
 - 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.
- d) **Accounting period**
- The financial year-end of 31 March is followed on a consistent basis
 - This is consistent with the Memorandum of Association (MoA)
- e) **Accrual basis of accounting**
- The financial statements, except for the statement of cash flows, are prepared using the accrual basis of accounting
 - As a result, all items of assets, liabilities, equity, income and expenses are recognised as they arise
 - Considering their immateriality, some of the administrative expenses are treated as period costs and written off when incurred without carrying them over to the next reporting period



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

2 Basis of preparation (Continued)

- f) **Going concern basis of accounting**
- The Establishment will be able to meet its payment obligations as and when they fall due for payment;
 - The financial support of the Shareholder would be available on a continuing basis;
 - The operations are profitable and the Establishment has a sound financial position.
 - Accordingly, these financial statements have been prepared on a going concern basis.

g) **Use of significant judgements, estimates and assumptions**

- Underlying concept Judgements, estimates and assumptions are made by the Management.
- Basis
 - The historical experience and
 - Reasonable expectations of future events.
- Affecting
 - The application of accounting policies;
 - The reported amounts of assets and liabilities, income and expenses and
 - Disclosure of contingencies and commitments.
- Application relates to
 - Lives of items of property, plant and equipment, their residual values and impairment in their values;
 - Investment properties, investments and provision for impairment in their values;
 - Provision for doubtful trade and contracts receivables, advances and write-down of inventories;
 - Provisions for warranties, staff end-of-service gratuity, provision for contingencies or certain uncertainties and
 - Future contract costs expected to be incurred to complete the projects.

h) **Impairment of assets**

i) **Financial assets**

- Composition
 - Non-current financial assets
 - Current financial assets
 - Trade receivables
 - Prepayments
 - Cash and cash equivalent
- Stated at Cost less impairment, if any
- Assessment of impairment Assessed to identify any evidence of impairment on the basis of:
 - Default or delinquency by a debtor,
 - The perceived creditworthiness of the debtor,
 - The age of the debts and its servicing, if any, and
 - Management's experience in dealing with him and other similar debts.

ii) **Non-financial assets**

- Composition
 - Leases
 - Intangible asset
 - Inventories
- Stated at Cost less impairment, if any
- Assessment Reviewed to determine any indication of impairment



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

2 Basis of preparation (Continued)

h) Impairment of assets (Continued)

ii) Non-financial assets (Continued)

- In the event of impairment
 - The asset is reported at the assets' recoverable amount as estimated and
 - Impairment loss (excess of carrying amount over recoverable amount) recognised in translated version of statement of profit or loss and other comprehensive income.

i) New and amended standards

- Composition
 - Standards and amendments that are effective for the first time from the current year, i.e., 01 April 2022
 - Standards and interpretations that have become effective but are not yet mandatory
- Justification for applying / selectively adopting standards that are not mandatory
 - They presently have no material impact on the Establishment's financial statements and
 - The Establishment intends to adopt these new standards, if applicable, when they become effective.

i) Amendments effective for current year – Applicable to the Establishment

- IFRS 2018 – 2020
 - Various amendments, already appropriately applied
- IAS 16
 - Property, plant and equipment: Proceeds before intended use

ii) Amendments effective for current year – Not applicable to the Establishment

- IFRS 3
 - Reference to the conceptual framework
- IFRS 16
 - COVID-19 - Related rent concession beyond 30 June 2021
- IAS 37
 - Onerous contracts - Cost of fulfilling a contract

iii) Forthcoming requirements that are not yet effective and have not been early adopted by the Establishment

- IFRS 17
 - Insurance Contracts
- IAS 1
 - Classification of liabilities as current or Non-current
- IAS 1 and IFRS
 - Disclosure of accounting policies
- IAS 8
 - Definition of accounting estimates
- IFRS 10 & IAS 28
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

j) Changes in accounting policy

There have been no intentional changes in accounting policies that would materially affect the financial position of the Establishment or its performance for the reporting period, except leases at Note 3 (f).

3 Summary of significant accounting policies adopted and consistently applied

a) Revenue recognition

- Composition
- The Establishment derives its revenue from:

- Sale of chemicals
- Service income

- Stated at

Invoiced value (net of discounts) of goods delivered, or services rendered, as significant risks and rewards relating to the ownership of goods concerned, or availing services rendered, are transferred to the customers

(Note 5)



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

a) Revenue recognition (Continued)

(Note 5)

- Recognised when
 - At a point in time when control is transferred to the customers,
 - generally at the time of delivery of goods sold,
 - with the normal credit term of 60 days upon delivery and
 - with no other promises in the contract that are separate performance obligations.

- Services may be rendered and goods may be supplied by the suppliers directly to the customers;
- Such services rendered or goods sold by the Establishment are not considered at gross value. Only the difference between the sale and purchase amounts is actually realised by the Establishment as commission, although the invoicing is done by the Establishment for the full amount.

- Test of control

There is limited judgement needed in identifying the conditions that define passing of control of goods for recognising revenue, as follows:

- For local sales:

- physical delivery of the products to the agreed location has occurred
- the Establishment no longer has physical possession
- a present right to receive payment has been established and
- none of the significant risks and rewards of the goods are retained

- For export sales control is considered as lost when:

- goods are delivered to port of departure for free on board (FOB) sales
- goods reach the port of delivery for cost, insurance & freight (CIF) sales

- Warranty – conditions

- When the Establishment is required to replace or make good the quality deficiency in a defective product,

- the defect is brought to its notice during the warranty period and
- the goods have failed to comply with agreed-upon specifications.

Recognition

- Warranties are not accounted for as separate performance obligations,
- no revenue is allocated to them and

Extended warranties

- a provision is made for the costs of satisfying them, in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets.

- Accounted as separate performance obligations and recognised on a straight-line basis over the term of the warranty.

- Currency risk

- Invoices are raised on customers in UAE Dirham, US Dollars and Euros.

- The Establishment is exposed to fluctuation of currency risk with respect to invoices raised in Euros.

b) Cost of sales

- Composition

(Note 6)

- Cost of direct materials sold or consumed,

- Custom clearance expenses

- Service cost

- Storage charges

- Consumables and stores

- Warehousing cost

- Other costs that are directly identifiable with the costs of services provided, products sold or revenue generated



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

- 3 **Summary of significant accounting policies adopted and consistently applied (Continued)**
- b) **Cost of sales (Continued)** (Note 6)
- Currency risk
 - Purchases are in UAE Dirham, US Dollars and Euros.
 - The Establishment is exposed to fluctuation of currency risk with respect to purchases made in Euros.
- c) **Other income** (Note 7)
- Composition
 - Interest income
 - Foreign exchange gain (net)
 - Miscellaneous income
 - Classification for interest income
 - In the net fair value gains/(losses) on these assets: for interest income from financial assets at fair value and routed through profit or loss
 - Other income: interest income on financial assets at amortised cost and financial assets at fair value, routed through other comprehensive income and calculated using the effective interest method
 - Finance income in the translated version of statement of profit or loss and other comprehensive income: interest income earned from financial assets held for cash management purposes
 - Other income: interest income from any other source
 - Recognition
 - Interest income is accrued taking into account the effective yield on the asset and comprises interest on funds invested
 - See 'incidence' at Note 3 (e)
- d) **Borrowing costs** (Note 12)
- Composition
 - Costs incurred on funds obtained from banks, financial institutions or related parties
 - Revenue recognition
 - Accrued and expensed out on period basis
 - Capitalisation
 - Added to the cost of the assets concerned to the extent directly attributable to the acquisition / construction / production of the qualifying assets that necessarily take a substantial period of time beyond a reporting period to get ready for their intended use or sale
- e) **Foreign currency transactions and balances** (Note 4)
- Incidence
 - The generates revenue and incurs costs predominantly in Euros, the US Dollar which is pegged to the UAE Dirhams or the UAE Dirhams
 - Recognition
 - Transactions in other foreign currencies are translated into the US Dollar at the rate of exchange ruling on the dates of the transactions, or valuation where items are re-measured
 - Monetary assets and liabilities expressed in other foreign currencies are translated into the US Dollar at the rate of exchange ruling at the end of the reporting period
 - Non-monetary items that are measured at historical cost in another foreign currency are not translated – these are measured at a fair value in that foreign currency and translated into the reporting currency at the exchange rate when the fair value was determined



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

e) Foreign currency transactions and balances (Continued)

(Note 4)

- Classification Gains or losses resulting from settlement of transactions in another foreign currency and from the translation at the year-end exchange rates of monetary assets and liabilities are recognised in the profit or loss on net basis as either foreign exchange gains or losses and included in other income or other expenses respectively

- Consolidation
 - The Establishment does not have foreign branches, but has foreign subsidiaries
 - These are stand alone financial statements of the Establishment and the consolidated financial statements with the subsidiaries are prepared separately, the policies for which will be explained therein

f) Leases

- Applicable to
 - i) Operating lease where Establishment is a lessee
 - ii) Finance lease where Establishment is a lessee
 - iii) The Establishment as an intermediate lessor
 - iv) Operating or finance lease where Establishment is a lessor
- Changes during the reporting period
 - Changed as required by IFRS 16 – Leases – refer Note 2 (i) (ii)
 - The new policy is described below
 - The impact of the change described at Note 2 (j)

i) Operating lease where Establishment is a lessee

Where the only lease rent is in respect of premises and the lease is renewable yearly

- Composition Short-term operating leases for the office premises
- Revenue recognition Charged to the translated version of statement of profit or loss and other comprehensive income on a straight-line basis
- Classification Included under 'Administrative expenses'
- **Right-of-use assets**
- Recognition Recognised at the commencement date of the lease – the date the underlying asset is available for use
- Stated at
 - Measured at cost*, less accumulated depreciation~ and impairment^
 - Adjusted for remeasurement of lease liabilities
- Classification Recognised under leases in the statement of financial position
- Cost*
 - Amount of lease liabilities recognised
 - Initial direct costs incurred
 - Lease payments made at or before the commencement date
 - Deduction or adjustment for lease incentives received
- Depreciation~
 - Depreciated if the Establishment is not reasonably certain to obtain ownership of the leased asset at the end of the leased term
 - On a straight-line basis over the shorter of its estimated useful life and the lease-term
- Impairment^ Losses recognised as applicable to the asset
- **Lease liabilities**
- Recognition Recognised at the commencement date of the lease
- Stated at Measured at the present value of lease payments* to be made over the lease term



Dorf Ketel Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

f) Leases (Continued)

i) Operating lease where Establishment is a lessee (Continued)

Lease liabilities (Continued)

- Present value of lease payments* Calculated by using the incremental borrowing rate at the lease commencement date, if the interest rate implicit in the lease is not readily determinable

- Lease liabilities after - Increased to reflect the accretion of interest

Short-term leases – where the new leases note is not applicable

- Recognition Payments made under short-term operating lease towards office premises

- Classification Charged to the translated version of statement of profit or loss and other comprehensive income on a straight-line basis and included under 'Administrative

ii) Finance lease where Establishment is a lessee

Net investments in leases

- Recognition Leases in which the Establishment transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees

- Stated at - Recognised at an amount equal to the present value of the minimum lease payments under the lease agreement

- Classification - Including guaranteed residual value and unamortised initial direct cost

- Included in the financial statements as 'Net investments in leases'

- Amount recognised as a receivable

Interest income on net investments in leases

- Recognition In accordance with the finance lease method in accounting for recognition of finance lease

- Stated at - The total unearned interest income* is deferred
- This is amortised over the term of the lease, to produce a systematic return on net investments in lease

- Total unearned interest income* - The excess of aggregate instalment contract receivable
- Plus residual value over the cost of the leased asset

iii) The Establishment as an intermediate lessor

- Recognition - Where an underlying asset is released by the Establishment ('intermediate lessor') to a third party
- And the lease ('head lease') between the head lessor and Group remains in effect

- Classification of the sublease as finance lease or operating lease - As an operating lease when: The head lease is a short-term lease that the entity, as a lessee, has accounted for by recognising the lease payments as an expense on a straight-line basis over the term of the lease

- Otherwise: by reference to the right-of-use asset arising from the head lease, rather than by reference to the economic useful life of the underlying asset (such as the item of property and equipment that is the subject of the lease)

iv) Operating or finance lease where Establishment is a lessor

- Exception There is no impact on lease accounting arising from IFRS 16 on the lessor

- Classification - Rental income from operating leases where the Establishment is a lessor: Recognised as an income on a straight-line basis over the lease term (applicable to investment properties)



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

f) Leases (Continued)

iv) Operating or finance lease where Establishment is a lessor (Continued)

- Classification (Continued)
 - Initial direct costs incurred in obtaining an operating lease: Added to the carrying of the underlying asset and recognised as expense over the lease term on the same basis as the rent income

g) Property, plant and equipment

(Note 13)

Recognition and measurement

- Stated at Cost less accumulated depreciation and impairment losses
- Subsequent expenditure
 - All the repairs and maintenance costs are charged to the translated version of statement of profit or loss and other comprehensive income of the period in which they are incurred.
 - Capitalised only if:
 - it is probable that the future economic benefits associated with the expenditure will flow to the Establishment and
 - the cost of the item can be measured reliably.
- Disposal Gains or losses on disposal are determined by reference to their carrying amount and are included in the translated version of statement of profit or loss and other comprehensive income

Depreciation and impairment

- Basis The cost or valuation, less estimated residual value, is depreciated using the straight-line method from the date of acquisition to the estimated useful lives of the assets
- Composition and estimated useful life
 - Leasehold improvement 3 years
 - Plant and machineries 3 years
 - Furniture and fixtures 3 years
 - Computer and peripherals 3 years
 - Motor vehicle 3 years
- Exclusions
 - Freehold land is not depreciated – it is expected to have an indefinite useful life, with the exception of leased land
 - Capital work-in-progress is not depreciated – depreciation commences from the date the asset is available for use and transferred to the respective asset category
- Impairment
 - At the end of each reporting period Management assesses the - to determine whether there are any indications that they may be impaired.
 - In the absence of such indications, no further action is taken.
 - If such indications exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.
- Residual value Assessed at end of each reporting period and, where material, if there is a change in estimate, appropriately adjusted with depreciation.

Revaluation

- Freehold land and buildings
 - In the opinion of Management, where reliable estimates of market value are available, stating the Establishment's freehold and leasehold land and buildings at valuation provides a more meaningful reflection of the decisions to acquire such properties and of the Establishment's asset position at the end of reporting period.



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

g) Property, plant and equipment (Continued)

(Note 13)

Revaluation (Continued)

- Freehold land and buildings (Continued)
 - Other assets
- The Establishment does not own any land and building at present and this policy will be implemented when these are acquired.
- Where revaluation causes a change in the carrying amount of an asset:
- Increase: credited to other comprehensive income and shown as revaluation reserve in the translated version of statement of changes in equity
 - Decrease: accounted as loss in the translated version of statement of profit or loss and other comprehensive income
 - Increase: to the extent it reverses the previous decrease of the same asset which was previously recognised as loss under the translated version of statement of profit or loss and other comprehensive income, is recognised as a gain in the translated version of statement of profit or loss and other comprehensive income.
 - Decrease: to the extent it reverses the previous increase of the same asset, is charged in other comprehensive income and directly debited to revaluation reserve in the translated version of statement of changes in equity.
- Revaluation reserve
- An amount equal to the additional depreciation charge each year arising as a result of the revaluation is transferred from revaluation reserve to retained earnings
- Fair value
- The revaluation reserve is not available for distribution
 - On disposal of a revalued asset, the remaining related revaluation reserve, if any, is transferred to retained earnings
 - Assessed as an estimate of residual values at each end of the reporting period in the absence of market value
 - Taken into account in the event of an identifiable material difference between cost less depreciation and such fair value assessed

h) Intangible asset

(Note 14)

- Classification and stated at
 - Amortisation
 - Composition
 - Life of asset
- Intangible assets with finite useful lives that are acquired separately are stated at cost less accumulated amortisation and impairment losses
- Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses
- Cost is amortised over its estimated useful life on a straight-line basis
- Intellectual property – technical know-how
10 – 20 years

i) Inventories

(Note 17)

- Stated / carried at
 - Cost* basis
 - Cost* comprises
 - NRV^ comprises
 - Estimate for write-down and reversals
- Lower of cost* and net realisable value (NRV)^
- Cost is determined using the Weighted Average Cost (WAC) method
- Invoice value plus applicable landing charges
- Estimated selling price less any estimated selling expenses
- Based on an annual review of the Establishment's inventories, the Management assesses the likely realisation proceeds
- Inventory write-downs or reversals of write-downs are included in cost of revenue



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

- 3 Summary of significant accounting policies adopted and consistently applied (Continued) (Note 18)
- j) Trade receivables
- Stated / carried at Invoiced amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the end of the reporting period
 - Composition Amounts due from the customers for goods sold or services performed in the ordinary course of business
 - Composition basis
 - Current asset: if collection is expected in one year or less
 - Non-current asset: in all other cases, carried at the invoiced amounts less an estimate of provision for doubtful receivables based on a review of all outstanding amounts at the year-end
 - Doubtful debts: if the Management considers the trade receivable 'less' than fully recoverable, an appropriate provision for doubtful debt as required at the end of the reporting period is created
 - Bad debts: written off when identified
 - Impairment An ageing analysis of trade receivables is carried out at the end of each reporting period to determine the impairment to their carrying values
 - Credit policy
 - The customers are extended credit period of up to 60 days
 - On the basis of assessment of their creditworthiness
 - Judged by their conduct in the past, Management's trade experience, their reputation of financial standing, market information and the market in which they operate
 - Credit monitoring The Management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and occasional visits to the customers
 - Prepayments Prepaid expenses represent the amounts that have already been incurred but not fully consumed and may be classified as a separate line item
- k) Direct and indirect taxation (Notes 18 & 23)
- Value-added tax (VAT)
- Composition & classification
 - VAT charged by suppliers (input credits) Accounted as VAT receivable under 'Trade and other receivables'
 - VAT charged to customers Accounted as VAT payable under 'Trade and other payables'
 - VAT is not accounted for on provisions during the reporting period that have been settled / paid subsequent to the end of the reporting period.
 - Settlement The net amount of VAT payable after offsetting the VAT receivable is paid to the Government within the stipulated time of 28 days from the end of the Tax Period as allocated to the Establishment
- Income-tax (IT)
- Exception As the Establishment is not engaged in production of oil & gas or extraction of natural resources in the UAE and it does not belong to the banking sector, it is not liable to income-tax as there is no Corporate Taxation in the UAE
- l) Cash and cash equivalent (Note 19)
- Composition
 - Balances in current accounts with banks
 - Bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit
 - Credit risk Not exposed – bank accounts are placed with reputed banks
 - Currency Not exposed – bank accounts are designated in UAE Dirhams and US Dollars



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

m) Capital employed

(Note 20)

- Composition
 - Share capital
 - Statutory reserve
 - Retained earnings
 - Shareholder's current account
- Management objectives
 - Ensure healthy capital ratios are maintained at acceptable levels
 - Maintain adequate funds to safeguard the ability to continue operations on an ongoing basis as a going concern
 - Provide the Shareholder with a reasonable rate of return under the prevailing economic conditions and the risks encountered
- Capital management
 - In order to maintain or adjust the capital structure, the Establishment defers or adjusts dividend payments or introduces additional capital or loans
- Consistency
 - There are no changes in this policy during the current year
- Dividend
 - Dividends declared but not paid is routed through the accounts of the Shareholder during the period in which the dividends are approved by the Establishment's Shareholder

n) Statutory reserve

- Basis of calculation
 - Minimum appropriation of 10% of the profits of the Establishment till the reserve equals 50% of the paid-up share capital
 - Additional voluntary contribution as decided by Management
 - As required by Article 239 of the UAE Federal Law No 2 of 2015 on Commercial Companies, as amended
- Nature
 - Not available for distribution

o) Borrowings

(Note 21)

- Classification
 - Current liabilities unless the Establishment has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period
- Stated at
 - Initially: recognised at fair value, net of transaction costs incurred
 - Subsequently: measured at amortised cost using the effective interest method*
- Effective interest method*
 - A method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period
- Effective interest rate
 - The rate that exactly discounts estimated future cash payments through the expected life of the financial liability
- Inclusion of initial financing cost
 - Fees paid on the establishment of the borrowing facilities are recognised as transaction costs to the extent the facility will be drawn down.
 - Deferred fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates, until the draw down occurs and to the extent there is no evidence to the contrary
- Renegotiation
 - Where the terms of a financial liability are renegotiated, a gain or loss is recognised in the translated version of statement of profit or loss and other comprehensive income, which is measured as the difference between the carrying amount of the financial liability and the fair value of the financial liability agreed.



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

- 3 Summary of significant accounting policies adopted and consistently applied (Continued)
- o) Borrowings (Continued) (Note 21)
- Repayment
 - Borrowings are removed from the statement of financial position 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 the translated version of statement of profit or loss and other comprehensive income as other income or finance costs, as applicable.
 - 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
- p) Staff end-of-service gratuity (Note 22)
- Stated at Amount payable to the staff at the end of the reporting period
 - Basis of provision In accordance with the local labour laws
 - Basis of calculation 21 days' of basic salary for each year or part thereof
 - Critical assumptions
 - That all employees were to leave at the reporting date
 - That all employees will continue under employment till their benefits mature under the going concern assumption
 - That the difference in liability calculated on an actuarial basis on account of offsetting effect of inflation and discount rates is insignificant
- q) Trade payables, provisions and accruals (Note 23)
- Composition
 - Liabilities for goods and services provided to the Establishment prior to the end of the reporting period
 - Amounts to be paid in future for goods sold and services rendered to the Establishment, whether or not billed to the Establishment
 - Provisions based on a reliable estimate of the probable outflow of resources embodying economic benefits that will be required to settle a present legal or constructive obligation as a result of past events
 - Incidence Recognised when a reliable estimate of the amount of the obligation can be made
 - Classification Presented as current liabilities unless payment is not due within twelve months after the reporting date
 - Stated at
 - Initially: recognised at fair value
 - Subsequently: measured at amortised cost using the effective interest method {explained at Note 3 (o)}
 - Settlement The amounts are unsecured and usually paid within 30 to 45 days of recognition, subject to exceptions
 - Post sales, client support and warranties The estimated claims to reder services that still under warranty at the end of the reporting period to the satisfaction of the client are recognised based on the historical knowledge of the level of work and efforts required and debited to 'Warranty claims' account



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

r) Related parties

- Composition

Entities that fall within the definition of a related party as contained in International Accounting Standard 24, with whom the Establishment enters into transactions (Note 24)

- Assumptions

- Management considers such transactions to be in the normal course of business and essential for achieving its objectives

- Expenses that would have been incurred by any other employee, if incurred by a related party, are not classified (and reported) separately

- Comprises of

- Shareholder

- Companies owned and managed by the Shareholder

s) Contingencies

- Presentation

Not recognised in the financial statements

- Disclosure

- Contingent liabilities: Disclosed unless the possibility of an outflow of resources embodying economic benefits is remote

- Contingent assets: Disclosed when an inflow of economic benefits is probable

t) Translated Version of Statement of Cash Flows

- Presentation

Prepared for presenting the segregation of cash flows from operating, investing and financing activities based on the nature of items (Page 10)

- Reporting

Reporting uses the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts & payments and for items of income & expenses which are reflected in investing or financial activities

u) Non-derivative financial assets and liabilities

i) Non-derivative financial assets (Note 4)

Financial assets at amortised cost

- Classification

Financial assets that have fixed or determinable payments and for which there is no active market

- Stated at

- Initial recognition: at fair value plus any directly attributable transactions costs

- Composition

- Subsequent to initial recognition: measured at amortised cost using the effective interest method {explained at Note 3 (o)}

- Current and non-current loans and advances

- Trade and other receivables (including retentions receivable)

- Related party receivables

- Bank balances (including fixed, margin and call deposits with banks and financial institutions) and cash

Financial assets at fair value through other comprehensive income (financial assets at FVOCI)

- Classification

Investments in equity shares or debt securities which are not classified as held-for-trading

- Exception

The Establishment does not hold financial assets at FVOCI



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements

Year ended 31 March 2024

3 Summary of significant accounting policies adopted and consistently applied (Continued)

u) Non-derivative financial assets and liabilities (Continued)

(Note 4)

ii) Non-derivative financial liabilities

- Composition
 - Bank borrowings / Borrowings from banks
 - Trade and other payables (including retentions payable)
 - Related party payables

iii) Derecognition of financial assets and liabilities

- Financial assets
 - When its contractual rights to cash flows from the assets cease and
 - Any interest in such derecognised financial assets that is created or retained by the Establishment is recognised as a separate asset
- Financial liabilities
 - When its contractual obligations are discharged or cancelled or expire

iv) Offsetting of financial assets and liabilities

- Incidence
 - Financial assets and financial liabilities are offset when, and only when:
 - The Establishment has a legal right to offset the amounts and
 - The Establishment intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously
- Stated at
 - The net amount is presented in the statement of financial position

4 Risk management

The Establishment's activities expose to a variety of financial risks such as credit risk, currency risk, interest rate risk, market prices risk and liquidity risks as follows:

- Credit risk

The risk of financial loss to the Establishment if a customer or a counterparty to a financial instrument fails to meet its contractual obligations & arises principally from the Establishment's customers & banks

Explained in

- Sales {Notes 5 (a) & 3 (a)}
- Cost of sales {Notes 6 (a) & 3 (b)}
- Trade and other receivables {Notes 18 (a) to (iv) & 3 (j)}
- Cash and cash equivalent {Notes 19 (b) & 3 (l)}

- Currency risk

The risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates {Note 3 (e)}

Explained in:

- The Management is conscious with its positions by currency

- Sales {Notes 5 (b) & 3 (a)}
- Cost of sales {Notes 6 (c) & 3 (b)}
- Trade and other receivables {Note 18 (b)}
- Cash and cash equivalent {Notes 3 (l) & 19 (a)}
- Trade and other payables {Note 23 (a)}

- Interest rate risk

The possibility that the value of an investment will decline as the result of an unexpected change in interest rates

- The Establishment avails credit facilities but does not maintain interest bearing deposits with banks; it is exposed to interest rate fluctuation risk

- Other income {Note 3 (b)} and Finance costs {Notes 21 & 3 (d)}
- The risks arising from changes in market prices, such as foreign exchange rates, interest rates and equity prices which would affect the Establishment's income or the value of its holdings of financial instruments

Explained in

- Market prices risk



Dorf Ketal Chemicals FZE

Notes to the Translated Version of Financial Statements Year ended 31 March 2024

4 Risk management (Continued)

The Establishment's activities expose to a variety of financial risks such as credit risk, currency risk, interest rate risk, market prices risk and liquidity risks as follows: (Continued)

- Market prices risk (Continued) - The Management strives to manage market risk exposures within acceptable parameters, while optimising the return

- If necessary, funds are arranged from the Shareholder or related parties to ensure that the payment obligations are met on time

Explained in

- Sales {Note 5 (c)}
- Cost of sales {Note 6 (b)}

- Liquidity risk

- Trade and other receivables {Note 18 (c)}
- The risk where the Establishment may encounter difficulty in meeting its financial liabilities that are either settled in cash or exchanged with another financial asset {Note 3 (u)}

Explained in

- For the purpose of effective management of the working capital, the Establishment strives to strike a balance between the credit period allowed by its suppliers with that allowed to its customers

Maturity dates

- Trade and other receivables {Notes 18 (a) & 3 (j)}
- Borrowings {Notes 21 & 3 (o)}

The details of maturity dates of the Establishment's financial liabilities are not presented as they do not significantly affect its financial position at the end of the reporting period or its performance for the period.

- Other risks

Explained in

The other significant risks to which the business would be exposed
The notes on the relevant account balances, if such risks exist

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD
5 Sales			
Sale of chemicals	5,44,08,614	4,41,17,016	1,79,23,239

	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Sales			
Sale of chemicals	4,50,34,00,981	3,48,25,97,243	1,33,68,04,781

a) Credit risk – concentration

Revenue is generated from numerous customers with low individual volume. The Establishment is not exposed to any significant risk of concentration of revenue.

b) Currency risk

- Composition
- Invoicing currency
- Exposure
- Mitigation of risk

Exposure to fluctuation of currency risk with respect to revenue generated UAE Dirhams, US Dollars – to which the UAE Dirham is pegged and Euros Exposed to invoicing in Euros
Management trades in countries with less volatile currencies



Dorf Ketal Chemicals FZE

**Notes to the Translated version of Financial Statements
Year ended 31 March 2024**

5 Sales (Continued)

**c) Geo-political risk
- Composition**

Exposure to risk of continuity of revenue from presence in different political environments

- Exposure	31 March 2024		31 March 2023		31 March 2022		31 March 2024		31 March 2023		31 March 2022	
	USD		USD		USD		INR		INR		INR	
United Arab Emirates												
India	1,02,78,061		1,50,10,821		77,82,345		85,07,15,122		1,18,49,54,191		58,04,85,126	
Sultanate of Oman	1,74,45,020		1,83,15,955		-		1,44,39,24,297		1,44,58,61,474		-	
South Africa	35,89,918		18,24,000		14,34,857		29,71,37,521		14,39,86,547		10,70,25,954	
United States	68,17,380		36,82,377		50,36,171		56,42,74,506		29,06,86,821		37,56,47,965	
Netherland	21,59,754		-		-		17,87,62,839		-		-	
Malaysia	22,25,580		5,71,112		12,03,486		18,42,11,273		4,50,83,554		8,97,68,037	
Others	1,08,65,745		13,17,756		8,24,846		89,93,57,717		10,40,23,635		6,15,25,248	
	10,27,156		33,94,996		14,28,784		8,50,17,705		26,80,01,021		10,65,72,986	
	5,44,08,614		4,41,17,016		1,77,10,488		4,50,34,00,981		3,48,25,97,243		1,32,10,25,316	

- Mitigation of risk

- It does not indicate concentration of revenue risk
- Although, it may affect performance, the impact will not be significant

d) Trade with related parties {Note 24 (b)}

e) Refer Note 3 (a) for a summary of the accounting policy adopted and consistently applied.

6 Cost of sales

	31 March 2024		31 March 2023		31 March 2022		31 March 2024		31 March 2023		31 March 2022	
	USD		USD		USD		INR		INR		INR	
Inventories at the beginning of the year												
Purchase during the year	35,55,757		25,61,943		21,36,981		29,23,54,341		19,42,20,899		15,67,68,926	
Less: Inventories, end of the year (Note 17)	4,47,58,315		3,54,17,843		1,34,21,963		3,70,46,45,733		2,79,58,84,526		1,00,11,44,220	
Materials sold during the year	(60,82,827)		(35,55,757)		(25,61,943)		(50,71,25,287)		(29,23,54,341)		(19,42,20,899)	
Custom clearance expenses	4,22,31,245		3,44,24,029		1,29,97,001		3,48,98,74,786		2,69,77,51,085		96,94,46,305	
Storage and packing materials	4,46,814		4,19,869		4,99,391		3,69,82,795		3,31,44,459		3,72,49,575	
Cost of goods sold (carried forward to next page)	2,85,321		2,59,884		2,25,504		2,36,16,019		2,05,15,243		1,68,20,343	
Consumables and stores	4,29,63,380		3,51,03,782		1,37,21,896		3,55,04,73,600		2,75,14,10,787		1,02,35,16,223	
Oil, fuel and water	11,474		10,011		8,303		9,49,703		7,90,268		6,19,321	
Other expenses	41,358		37,093		24,046		34,23,202		29,28,121		17,93,591	
	1,71,715		39,443		1,34,323		1,42,12,851		31,13,630		1,00,18,481	
	4,31,87,927		3,51,90,329		1,38,88,568		3,56,90,59,355		2,75,82,42,807		1,03,59,47,616	

a) Credit risk – concentration

Exposure of purchases to concentration risk
Exposure of purchases to concentration risk
Suppliers exposed to concentration risk

b) Geo-political risk

The suppliers are spread across several countries. The Establishment is exposed to risk of political disturbances for suppliers based in different geographical regions, however, due to the global nature of the trade, this does not constitute a risk of fluctuation of revenue on account of geopolitical disturbances.

c) Currency risk

- Composition
- Invoicing currency
- Exposure

Exposure to fluctuation of currency risk with respect to costs incurred
The billing is in AED or USD to which the UAE Dirham is pegged and Euros.
The exposure is a standard industry risk that cannot be mitigated.



Dorf Ketal Chemicals FZE

Notes to the Translated version of Financial Statements Year ended 31 March 2024

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
6 Cost of sales (Continued)						
d) Trade with related parties {Note 24 (b)}						
e) Refer Note 3 (b) for a summary of the accounting policy adopted and consistently applied.	24,93,202	9,84,416	11,95,914	20,63,62,294	7,77,09,823	8,92,03,234

7 Other income

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Royalty income (a) & (Note 24)						
Foreign exchange gain	1,99,84,851	-	-	1,65,41,46,117	-	-
Sales commission	-	-	17,041	-	-	-
Patent license (a) & (Note 23)	-	-	38,529	-	-	12,71,088.19
Interest income (Note 24)	-	-	10,000	-	-	28,73,878.11
Interest on fixed deposit (c)	15,11,539	-	-	12,51,10,083	-	7,45,900.00
Miscellaneous income	13,778	-	-	-	-	-
	46,129	81,356	59,420	11,40,405.06	-	-
	<u>2,15,56,297</u>	<u>81,356</u>	<u>1,24,990</u>	<u>1,78,42,14,703</u>	<u>64,22,242.64</u>	<u>44,32,137.80</u>
				<u>64,22,243</u>		<u>93,23,004</u>

- a) Royalty income represents the income derived from granting exclusive rights to a related party, M/s Fluid Energy Ltd, Canada, to use the trademark in association with the licensed products Millex and MPH. The company charges royalty income based on the revenue generated and profit earned by Fluid Energy.
- b) The Company has provided loans to its related parties. The details of the movements in these loans are as follows:

	31 March 2024 USD	31 March 2024 INR
Loan given to		
- Dorf Ketal Energy Services LLC, USA	14,52,545	12,10,98,677
- Fluid Energy Limited, Canada	1,64,37,271	1,37,03,75,283
Less: Loan repaid by		
- Dorf Ketal Energy Services LLC, USA	(14,52,545)	-12,10,98,677
Net Loan Outstanding (Note 24)	<u>1,64,37,271</u>	<u>1,37,03,75,283</u>

The interest accrued on the loans provided to related parties is as follows:

	31 March 2024 USD	31 March 2023 USD
Interest on loan to		
- Dorf Ketal Energy Services LLC, USA	73,093	60,49,907.61
- Fluid Energy Limited, Canada	14,38,446	11,90,60,175.42
Total interest income	<u>15,11,539</u>	<u>12,51,10,083</u>

During the year on 1 January 2024 Dorf Ketal Chemicals Ltd (Canada) was amalgamated with Fluid Energy Limited, Canada.

- c) During the year, the Company maintained a fixed deposit of USD 4 million with a bank at an interest rate of 4% per annum. The fixed deposit was both initiated and redeemed within the same year.
- d) Refer Note 3 (c) for a summary of the accounting policy adopted and consistently applied.

8 Selling expenses

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Freight outwards	1,70,044	2,79,564	2,28,460	1,40,74,542	2,20,68,782	1,70,40,831
Analysis and testing	3,58,748	2,70,237	2,70,093	2,96,93,572	2,13,32,509	2,01,46,237
Sample packing expense	1,305	9,374	14,857	1,08,005	7,39,984	11,08,205
Business promotion expense	11,565	6,857	859	9,57,235	5,41,292	64,073
Sales commission	35,839	68,390	-	29,66,394	53,98,707	-
	<u>5,77,501</u>	<u>6,34,422</u>	<u>5,14,269</u>	<u>4,77,99,748</u>	<u>5,00,81,273</u>	<u>3,83,59,346</u>

9 Administrative expenses

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Staff costs (Note 10)	23,63,580	23,69,382	22,37,084	19,56,33,517	18,70,39,015	16,68,64,096
Office rent	98,088	23,489	-	81,18,744	18,54,222	-
Office utilities	1,02,423	69,886	69,694	84,77,552	55,16,801	51,98,475
Insurance	27,852	10,140	74	23,05,310	8,00,452	5,520
Trade licence fee	14,594	1,335	18,005	12,07,945	1,05,385	13,42,993
Professional fees (a)	29,83,100	11,81,695	1,81,368	24,69,11,187	9,32,83,003	1,35,28,239
Patent registration	14,99,485	39,926	1,38,597	12,41,12,373	31,51,758	1,03,37,950
Vehicle expenses	29,656	21,697	24,580	24,54,627	17,12,761	18,33,422
Travelling expenses	1,36,474	1,37,020	68,743	1,12,95,953	1,08,16,359	51,27,540
Office repairs and maintenance	-	6,110	-	-	4,82,323	-
Bank charges	92,982	1,34,322	14,275	76,96,120	1,06,03,379	10,64,772



Dorf Ketal Chemicals FZE

Notes to the Translated version of Financial Statements

Year ended 31 March 2024

Depreciation (Note 13)
Ammortisation (Note 14)
Other expenses

7,216	5,022	20,321	5,97,268	3,96,437	15,15,743
27,80,303	8,51,687	2,02,224	23,01,25,679	6,72,32,172	1,50,83,888
3,07,446	1,97,385	34,935	2,54,47,305	1,55,81,572	26,05,802
1,04,43,199	50,49,096	30,09,900	86,43,83,581	39,85,75,638	22,45,08,441

- a) During the year company has paid professional charges for overseas business expansion for oil and gas sector
- b) Expenses that are incurred for the Director, that would be otherwise incurred by an employee of the Company, are not treated as related party expenses, unless specifically incurred for its benefit.



Dorf Ketal Chemicals FZE

**Notes to the Translated version of Financial Statements
Year ended 31 March 2024**

10 Staff costs

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Staff salaries and benefits	22,95,466	23,33,030	22,86,083	18,99,95,721	18,41,69,388	17,05,18,931
Gratuity provision (Note 22)	68,114	36,352	(48,999)	56,37,796	28,69,627	(36,54,835)
	23,63,580	23,69,382	22,37,084	19,56,33,517	18,70,39,015	16,68,64,096

Individual components are inseparable and the salary is fixed, so it has been classified as an administrative cost in entirety.

11 Other expense

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Foreign exchange loss	1,975	2,45,350	0	1,63,471	1,93,67,929	-
Provision for slow moving inventory (Note 17)	86,336	-	0	71,46,031	-	-
	88,311	2,45,350	0	73,09,501	1,93,67,929	-

12 Finance costs

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Guarantee commission (Note 24 (b))	97,481	10,300	1,754	80,68,502	8,13,082	1,30,831
Processing fee for SBLC (Note 24 (b))	-	24,000	49,702	-	18,94,560	37,07,272
Interest on loan (Note 21 & 24 (b))	55,95,897	12,41,555	-	46,31,72,395	9,80,08,352	-
	56,93,378	12,75,855	51,456	47,12,40,897	10,07,15,994	38,38,103

Refer Note 3 (d) for a summary of the accounting policy adopted and consistently applied.

13 Property, plant and equipment

a) The movement schedule is set out on page 37.

b) Refer Note 3 (f) for a summary of the accounting policy adopted and consistently applied.

14 Intangible asset – technical know-how

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Net book value						
Cost	5,36,24,855	5,36,24,855	20,63,276	4,47,07,04,161	4,40,90,35,578	15,64,16,953.56
Accumulated amortization	(42,38,662)	(14,58,359)	(6,06,672)	(35,33,77,251)	(11,99,06,277)	(4,59,91,804)
Net book value	4,93,86,193	5,21,66,496	14,56,604	4,11,73,26,910	4,28,91,29,301	11,04,25,149
Reconciliation of net book values						
Opening balance	5,21,66,496	14,56,604	16,58,828	4,28,91,29,301.12	11,04,25,149	12,16,91,622.08
Addition during the year	-	5,15,61,579	-	-	4,07,02,71,046.26	-
Less: Amortisation	(27,80,303)	(8,51,687)	(2,02,224)	-23,01,25,679.31	-6,72,32,171.78	-1,50,83,888.16
Translation exchange difference	-	-	-	5,83,23,289	17,56,65,277	38,17,415
Closing balance	4,93,86,193	5,21,66,496	14,56,604	4,11,73,26,910.41	4,28,91,29,301.12	11,04,25,149.24

Refer Note 3 (h) for a summary of the accounting policy adopted and consistently applied.

15 Investment in subsidiaries

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
a) Investment in Dorf Ketal Chemicals Ltd (Canada)* 10,959,180 shares of face value of USD 1 each	-	1,09,58,180	0	-	90,09,81,560	-
b) Investment in Fluid Energy Limited, Canada* 11,090,793 shares of face value of USD 1 each	1,10,90,793	-	0	92,46,39,412	-	-
c) Investment in Fluid USA Inc 100 shares of face value of USD 41,772.96 each	41,77,296	36,82,970	0	34,82,61,168	30,28,13,793	-
d) Investment in Dorf Ketal Energy Services LLC, USA 804,500 shares of face value of USD 1 each	8,04,500	2,91,000	0	6,70,71,165	2,39,26,020	-
e) Investment in Dorf Ketal Energy Services LLC, Canada 1,000 shares of face value of CAD 1 each	763	-	0	63,611	-	-
	1,60,73,352	1,49,32,150	0	1,34,00,35,356	1,22,77,21,373	-



Dorf Ketal Chemicals FZE

**Notes to the Translated version of Financial Statements
Year ended 31 March 2024**

* Dorf Ketal Chemicals Ltd (Canada) merged with Fluid Energy Limited, Canada on January 1, 2024. Consequently, the investment previously held in Dorf Ketal Chemicals Ltd has been transferred to Fluid Energy Limited, Canada.

16 **Non-current financial assets**
Security deposit for warehouse

These are maintained with the Fujairah Free Zone Authority as refundable security deposits and are intended to be held till the continuity of the existence of the Establishment.

18,167	14,655	11,352	15,14,583	12,04,934	8,60,595
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Dorf Ketal Chemicals FZE

Notes to the Translated version of Financial Statements
Year ended 31 March 2024

17 Inventory

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Chemicals – held for sale in warehouse	60,82,827	35,55,757	25,61,943	50,71,25,287	29,23,54,341	19,42,20,899
Less: Provision for slow inventory (Note 11)	(86,336)	-	-	(71,97,832)	-	-
	59,96,491	35,55,757	25,61,943	49,99,27,455	29,23,54,341	19,42,20,899

Refer Note 3 (i) for a summary of the accounting policy adopted and consistently applied.

18 Trade and other receivables

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Trade receivables	2,32,72,091	1,28,47,925	74,46,964	1,94,01,94,227	1,05,63,56,394	56,45,54,341
Less: Expected credit loss (a) (ii)	(11,26,208)	(11,26,208)	(11,26,208)	(9,38,91,961)	(9,25,96,822)	(8,53,77,828)
Advances to a suppliers	2,21,45,883	1,17,21,717	63,20,756	1,84,63,02,266	96,37,59,572	47,91,76,512
Advances to employees	5,19,608	29,21,109	3,20,827	4,33,19,719	24,01,73,582	2,43,21,895
VAT receivable	9,380	3,053	17,130	7,82,011	2,51,018	12,98,625
Due from a business associate	2,867	-	185	2,39,022	-	14,025
Other deposits	-	-	17,620	-	-	13,35,772
Other receivable	76,710	26,585	16,121	63,95,313	21,85,819	12,22,133
	2,373	2,91,101	5,448	1,97,837	2,39,34,324	4,13,013
	2,27,56,821	1,49,63,565	66,98,087	1,89,72,36,167	1,23,03,04,314	50,77,81,975

a) Credit risk

i) Impairment

- Composition

Ageing analysis of trade receivables as at the end of the reporting period

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
- Exposure						
- Neither past due nor impaired						
Less than 3 months	1,46,41,663	1,03,33,455	33,00,238	1,22,06,75,444	84,96,16,661	25,01,91,043
- Past due but not considered impaired						
- 3 months to 6 months	47,15,086	4,73,224	18,56,476	39,30,96,720	3,89,08,513	14,07,39,446
- 6 months to 1 year	16,07,901	2,62,925	12,49,136	13,40,50,706	2,16,17,726	9,46,97,000
- 1 year and above	23,07,441	17,78,320	10,41,114	19,23,71,356	14,62,13,493	7,89,26,852
Receivables at the end of the year	2,32,72,091	1,28,47,925	74,46,964	1,94,01,94,227	1,05,63,56,394	56,45,54,341
- Subsequent realisation (a) (iii)	(39,07,782)	(41,53,709)	(11,58,896)	-32,57,91,776	-34,15,17,954	-8,78,55,906
Receivables at the date of the report	1,93,64,309	86,94,216	62,88,068	1,61,44,02,451	71,48,38,440	47,66,98,435

ii) The allowance for expected credit losses has been measured in a manner that it reflects unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions. On this basis, an allowance for expected losses has been established at USD 11,26,208 (INR 93,891,961/-) as at the reporting date using the simplified approach method, as given below:

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Trade receivable	2,32,72,091	1,28,47,925	74,46,964	1,94,01,94,227	1,05,63,56,394	56,45,54,341
Less: Expected credit losses (Note 11)	(11,26,208)	(11,26,208)	(11,26,208)	(9,38,91,961)	(9,25,96,822)	(8,53,77,828)
	2,21,45,883	1,17,21,717	63,20,756	1,84,63,02,266	96,37,59,572	47,91,76,512
Movement in the Expected credit losses during the year:						
Opening balance	(11,26,208)	(11,26,208)	(11,26,208)	(9,38,91,961)	(9,25,96,822)	(8,53,77,828)
Closing balance	(11,26,208)	(11,26,208)	(11,26,208)	(9,38,91,961)	(9,25,96,822)	(8,53,77,828)



Dorf Ketal Chemicals FZE

**Notes to the Translated version of Financial Statements
Year ended 31 March 2024**

18 Trade and other receivables (Continued)

a) Credit risk (Continued)

iii) Subsequent realisation

- Composition Realisation of trade receivables subsequent to the end of the reporting period and up to the date of the signing of these financial statements

- Values 39,07,782 41,53,709 11,58,896 32,57,91,776 34,15,17,954 8,78,55,906

iv) Exposure to risk of concentration of credit

- Composition Assessment of the risk to the continuity of the working capital cycle and liquidity of the Establishment from default of a few large trade receivables

- Exposure - Value of trade receivables 2,47,37,837 99,89,170 48,80,965 2,06,23,93,471 82,13,09,561 37,00,25,957
 - Proportion to total trade receivables 106% 78% 66% 106% 78% 66%
 - Number of customers 3 4 2 3 4 2
 - Mitigation - The risk of concentration of revenue and concentration of receivables is proportionate to each other and is the nature of the trade

b) Currency risk

- Composition Exposure to fluctuation of currency risk with respect to trade receivables

- Exposure - US Dollars 3,15,35,791 98,16,157 70,34,427 2,62,91,38,896 80,70,84,406 53,32,79,938
 - Euros 8,96,268 28,82,476 5,05,132 7,47,21,863 23,69,97,207 3,82,94,032
 - UAE Dirhams 69,527 1,49,292 (1,02,621) 57,96,466 1,22,74,774 -77,79,680
 - CNY - - 1,027 - - 77,821
3,25,01,586 1,28,47,925 74,37,965 2,70,96,57,225 1,05,63,56,388 56,38,72,111

- Mitigation The exposure to fluctuation of currency risk is not expected to significantly affect the financial position of the Establishment or its performance for the year

c) Geo-political risk

- Composition Exposure to risk of realisability of receivable amounts from presence in different political environments

- Exposure - United Arab Emirates 30,91,991 26,54,618 11,65,533 25,77,79,290 21,82,62,658 8,83,59,032
 - Kingdom of Saudi Arabia 1,90,496 1,53,853 - 1,58,81,652 1,26,49,818 -
 - Canada 52,89,906 - - 44,10,19,463 - -
 - Malaysia 30,84,878 - - 25,71,86,279 - -
 - United States 19,13,104 - - 15,94,95,480 - -
 - South Africa 63,63,053 41,75,163 35,62,456 53,04,87,729 34,32,81,899 27,00,69,759
 - Netherland 5,01,865 14,07,920 5,05,132 4,18,40,485 11,57,59,181 3,82,94,032
 - Singapore - 1,51,296 1,91,844 - 1,24,39,551 1,45,43,663
 - Oman 9,62,639 5,33,492 13,46,331 8,02,55,213 4,38,63,729 10,20,65,360
 - Brazil 42,336 2,66,653 - 35,29,552 2,19,24,227 -
 - Other countries 18,31,823 35,04,930 6,66,670 15,27,19,084 28,81,75,331 5,05,40,263
2,32,72,091 1,28,47,925 74,37,965 1,94,01,94,227 1,05,63,56,394 56,38,72,108

- Mitigation of risk - This is a regular feature of the industry in which the operates
 - It does not indicate concentration of realisability risk
 - Though it may affect short term liquidity, the impact will be insignificant

d) Balance with related parties (Note 24)

1,83,14,785 92,82,806 12,80,108 1,52,69,03,592 76,32,32,342 9,70,44,993

e) Refer Notes 3 (j) & (q) for a summary of the accounting policy adopted and consistently applied.

19 Cash and cash equivalent

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Balances in current accounts with banks	6,80,433	5,77,643	3,57,749	5,67,27,699	4,74,93,807	2,71,20,952

a) Currency risk

- Composition Exposure to fluctuation of currency risk with respect to bank balances
 - Exposure The bank accounts are maintained in UAE Dirhams. As such, the Establishment is not exposed to currency risk with respect to the bank balances.
 - Mitigation Bank balances are maintained in AED and there is no exposure to any risk of currency fluctuation.

b) Credit risk

- Composition The risk of financial loss and subsequent irrecoverability of the bank balances in the event of a collapse of the banks
 - Exposure Bank balances are maintained in banks with good credit rating

c) Exclusive transactions

- Composition Transactions that do not pertain to the business of the Establishment
 - Incidence No significant transactions that did not pertain to the business of the Establishment were routed through the bank accounts of the Establishment

d) Refer Note 3 (l) for a summary of the accounting policy adopted and consistently applied.



Dorf Ketal Chemicals FZE

Notes to the Translated version of Financial Statements

Year ended 31 March 2024

	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
20 Share capital						
1,973 share of AED 150 each	80,672	80,672	80,672	59,18,098	59,18,098	59,18,098

Refer Note 3 (m) for a summary of the accounting policy adopted and consistently applied.

21 Borrowings

	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
	USD	USD	USD	INR	INR	INR
Working capital finance from Citibank (a)	(20,41,802)	5,27,854	(2,08,322)	-17,02,25,033	4,34,00,156	(1,57,92,891)
Working capital finance from HSBC Bank (b)	(25,37,615)	26,10,736	6,82,331	-21,15,60,963	21,46,54,714	5,17,27,513
Investment finance from Citibank (c)	3,00,00,000	3,00,00,000	-	2,50,11,00,000	2,46,66,00,000	-
Investment finance from Exim Bank (c)	2,70,00,000	2,70,00,000	-	2,25,09,90,000	2,21,99,40,000	-
	5,24,20,583	6,01,38,590	4,74,009	4,37,03,04,005	4,94,45,94,870	3,59,34,622

a) Facility type	Limit (USD)	Limit (INR)	Tenor
Overdraft	35,00,000	29,17,95,000	On demand
Letter of Credit / Term Receipt	5,00,000	4,16,85,000	180 days

The facility is secured by a 100% SBLC (standby letter of credit) from Citibank, India

At the end of the year the Establishment has deposited an additional amount in the overdraft account, as a result of which, the amount is negative (debit).

b) Facility type	Limit (USD)	Limit (INR)	Tenor
Overdraft	57,00,000	47,52,09,000	On demand

The facility is secured by a 100% SBLC (standby letter of credit) from HSBC, India

21 Borrowings (Continued)

c) This represents term loan for a period of 60 months. Repayment will be in 16 quarterly instalments starting from 15 months from the date of drawdown. The loan will accrue interest at a rate of 3 months SOFR plus 165 basis points.

Financial covenants:

The facility will include financial covenants on the borrowers and parent (CG issuer) to be tested semi-annually against the most recent Consolidated statements.

- Total debt/EBIDTA < 3x
- DSCR to be at least 1.5x times

This is secured against:

- Corporate guarantee from Dorf Ketal Chemicals India Pvt Ltd (DKCIPL) to be received upfront
- First pari passu charge over lease hold rights and building, plant and machinery, current assets (book debt and inventory) of Fluid Energy Limited, Canada
- First pari passu charge over current assets (book debts and inventory) of Fluid USA Inc
- First pari passu charge on Patent/IP held by Dorf Ketal Chemicals FZE purchased from Fluid Group Limited
- Pledge of shares of Dorf Ketal Chemicals, Canada held by Dorf Ketal Chemicals FZE
- Pledge of shares of Fluid USA Inc, held by Dorf Ketal Chemicals FZE
- Pledge of shares of Fluid Energy Ltd, held by Dorf Ketal Chemicals Ltd, Canada
- DKCIPL to execute undertaking for non-disposal of shares held by DKCIPL in Dorf Ketal Chemicals FZE
- Citibank security not to be inferior to any other lenders participating in the deal
- Corporate guarantee from Dorf Ketal Chemicals India Pvt Ltd to be executed upfront. Other security to be created within 3 months of the signing date. In case of delay in security creation beyond the aforesaid period, additional interest on the outstanding amount will be payable to lenders at 2% pa

d) Refer Note 3 (o) for a summary of the accounting policy adopted and consistently applied.

22 Provision for staff end-of-service gratuity

	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
	USD	USD	USD	INR	INR	INR
Opening balance	1,66,231	1,29,879	1,80,396	1,36,67,513	98,46,127	1,32,33,851
Provision for the year (Note 9)	68,114	36,352	-	56,37,796	28,69,627	-
Paid during the year	(70,734)	-	(1,518)	(58,54,653)	-	(1,13,228)
Written off	-	-	(48,999)	-	-	(36,54,835)
Translation exchange difference	-	-	-	1,89,594	9,51,759	3,80,339
Closing balance	1,63,611	1,66,231	1,29,879	1,36,40,249	1,36,67,513	98,46,127

Refer Note 3 (p) for a summary of the accounting policy adopted and consistently applied.

23 Trade and other payables

	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
	USD	USD	USD	INR	INR	INR
Trade payables (Note 3 (n))	86,49,888	87,12,608	39,34,567	72,11,41,163	71,63,50,630	29,82,79,524



Dorf Ketal Chemicals FZE

Notes to the Translated version of Financial Statements

Year ended 31 March 2024

Provision for bonus
Vat payable
Professional fee
Other payables

1,20,000	1,20,000	1,20,000	1,00,04,400	98,66,400	90,97,200
-	14,704	-	-	12,08,963	-
7,624	-	-	6,35,613	-	-
16,14,323	14,52,153	4,911	13,45,86,109	11,93,96,020	3,72,303
1,03,91,835	1,02,99,465	40,59,478	86,63,67,284	84,68,22,012	30,77,49,027



Dorf Ketal Chemicals FZE

**Notes to the Translated version of Financial Statements
Year ended 31 March 2024**

23 Trade and other payables (Continued)

- a) Risk of currency fluctuation: The Establishment is exposed to currency risk for the billing from suppliers designated in Euros.
- b) Refer Notes 3 (k) & (q) for a summary of the accounting policy adopted and consistently applied.

24 Related parties

- a) Significant balances with related parties at the end of the reporting period:

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Shareholder						
Trade receivables (Note 18)	5,67,221	33,67,160	-	4,72,89,230	27,68,47,907	-
Trade payable (Note 23)	63,91,561	36,79,315	31,69,402	53,28,64,472	30,25,13,268	24,02,72,366
Companies under common ownership and management control						
Classified as trade receivables (Note 18)						
- Dorf Ketal BV, Netherlands	7,50,960	14,21,253	5,05,132	6,26,07,509	11,68,55,436	3,82,94,032
- Dorf Ketal Chemicals, Malaysia	30,84,878	2,24,579	4,43,352	25,71,86,254	1,84,64,881	3,36,10,538
- Dorf Ketal Chemicals Pte Ltd, Singapore	-	1,66,619	1,38,063	-	1,36,99,413	1,04,66,541
- Dorf Ketal Chemicals Pvt Ltd, India	-	-	1,93,561	-	-	1,46,73,882
- Dorf Ketal Tribonds International Co, KSA	1,57,473	1,53,853	-	1,31,28,562	1,26,49,818	-
- Tribonds Trading Co., KSA	33,023	-	-	27,53,128	-	-
- Dorf Ketal Brazil Ltd., Brazil	42,336	2,66,653	-	35,29,552	2,19,24,227	-
- Dorf Ketal Chemicals LLC, USA	-	3,374	-	-	2,77,392	-
- Fluid Energy Limited, Canada	54,13,228	-	-	45,13,00,818	-	-
- Dorf Ketal Energy Services LLC, USA	18,74,104	-	-	15,62,44,066	-	-
	1,83,14,785	92,82,806	44,49,510	1,52,69,03,592	76,32,32,342	33,73,17,358
Classified as due from related parties						
- Dorf Ketal BV, Netherlands	-	-	13,52,880	-	-	10,25,61,833
- Dorf Ketal Chemicals Ltd, Canada	-	1,64,37,271	-	-	1,35,14,72,422	-
- Fluid Energy Limited, Canada	1,64,37,271	-	-	1,37,03,75,283	-	-
- Dorf Ketal Energy Services LLC, USA	-	4,33,632	-	-	3,56,53,223	-
	1,64,37,271	1,68,70,903	13,52,880	1,37,03,75,283	1,38,71,25,645	10,25,61,833
Classified as due to related parties						
- Dorf Ketal Chemicals LLC, USA	80,00,000	80,00,000	-	66,69,60,000	65,77,60,000	-
- Dorf Ketal Chemicals Pvt Ltd, India	30,00,000	30,00,000	-	25,01,10,000	24,66,60,000	-
- Dorf Ketal Chemicals Pte Ltd, Singapore	1,20,00,000	1,20,00,000	-	1,00,04,40,000	98,66,40,000	-
	2,30,00,000	2,30,00,000	-	1,91,75,10,000	1,89,10,60,000	-
Classified as trade payable (Note 23)						
- Dorf Ketal BV, Netherlands	-	3,00,176	1,58,929	-	2,46,80,470	1,20,48,429
- Fluid Energy Limited, Canada	12,22,326	-	-	10,19,05,358	-	-
	12,22,326	3,00,176	1,58,929	10,19,05,358	2,46,80,470	1,20,48,429



Dorf Ketal Chemicals FZE

**Notes to the Translated version of Financial Statements
Year ended 31 March 2024**

24 Related parties (Continued)

b) Significant transactions with related parties during the year:

**Companies under common ownership and management control
Sales (Note 5)**

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
- Dorf Ketal BV, Netherlands	22,33,491	19,60,005	12,01,266	18,48,66,067	15,47,22,812	8,96,02,465
- Dorf Ketal Brazil Ltd., Brazil	1,42,560	9,26,923	1,11,394	1,17,99,691	7,31,71,337	83,08,878
- Dorf Ketal Chemicals, Malaysia	82,52,677	13,17,756	9,42,882	68,30,74,075	10,40,23,635	7,03,29,568
- Dorf Ketal Tribonds International Co, KSA	-	12,181	-	-	9,61,568	-
- Dorf Ketal Chemicals Pte Ltd, Singapore	4,810	1,76,570	7,53,403	3,98,091	1,39,38,420	5,61,96,315
- Dorf Ketal Energy Services LLC, USA	20,81,918	-	31,880	17,23,20,353	-	23,77,937
- Fluid Energy Limited, Canada	2,58,322	-	-	2,13,81,312	-	-
	<u>1,29,73,778</u>	<u>43,93,435</u>	<u>30,40,825</u>	<u>1,07,38,39,589</u>	<u>34,68,17,772</u>	<u>22,68,15,164</u>
Purchases (Note 6)						
- Dorf Ketal BV, Netherlands	46,396	9,15,318	8,89,076	38,40,184	7,22,55,227	6,63,16,187
- Dorf Ketal Chemicals Pte Ltd, Singapore	-	69,098	3,06,838	-	54,54,596	2,28,87,046
- Fluid Energy Limited, Canada	24,46,806	-	-	20,25,22,110	-	-
	<u>24,93,202</u>	<u>9,84,416</u>	<u>11,95,914</u>	<u>20,63,62,294</u>	<u>7,77,09,823</u>	<u>8,92,03,234</u>
Interest on loan (Note 12)						
- Dorf Ketal Chemicals LLC, USA	5,54,287	-	-	4,58,78,335	-	-
- Dorf Ketal Chemicals Pte Ltd, Singapore	8,37,684	-	-	6,93,35,105	-	-
Fluid Energy Limited, Canada						
- Interest income (Note 7)	14,38,446	-	-	11,90,60,175	-	-
- Royalty income (Note 7)	1,99,84,851	-	-	1,65,41,46,117	-	-
Dorf Ketal Energy Services LLC, USA						
- Interest income (Note 7)	73,093	-	-	60,49,908	-	-

The Management considers these significant transactions with related parties during the year to be in the normal course of business and at terms which correspond with the terms with third parties.

Shareholder

	31 March 2024 USD	31 March 2023 USD	31 March 2022 USD	31 March 2024 INR	31 March 2023 INR	31 March 2022 INR
Sales (Note 5)	1,90,01,877	1,83,15,955	2,07,704	1,57,27,85,392	1,44,58,61,474	1,54,92,641
Purchases (Note 6)	2,48,54,840	1,56,76,186	1,08,50,156	2,05,72,35,121	1,23,74,78,083	80,93,13,136
Guarantee commission (Note 12)	81,482	10,300	1,754	67,44,225	8,13,082	1,30,831
Interest on loan (Note 12)	2,10,463	54,203	-	1,74,20,055	42,78,785	-
Processing fee for SBLC (Note 12)	24,000	24,000	-	19,86,480	18,94,560	-

c) Refer Note 3 (r) for a summary of the accounting policy adopted and consistently applied.

25 Purchase commitment

The Establishment has not committed to acquire any additional assets that will create long term liabilities and purchase orders placed for goods and/or services are in the normal course of business.

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


Paresh Daga
Partner

Membership No. 211468

Date : November 14, 2024



For Dorf Ketal Chemical FZE


Pramod Menon
Authorised Signatory

Date: November 14, 2024