Dorf Ketal Energy Services LLC
Translated Version of Balance Sheet March 31, 2024

	2024 (USD)	2024 (INR)
Assets		
Current assets		
Cash and cash equivalents	23,06,535	19,22,95,823
Accounts receivable, net	1,63,94,388	1,36,68,00,128
Accounts receivable, affiliate	21,27,752	17,73,90,684
Inventories	1,30,01,008	1,08,38,94,037
Other current assets	1,16,694	97,28,779
Total current assets	**3,39,46,377**	**2,83,01,09,450**
Property and equipment, net	1,10,23,585	91,90,36,281
Intangible assets, net	2,000	1,66,740
Right-of-use assets-operating	11,43,562	9,53,38,764
Note receivable - related party	22,61,466	18,85,38,420
Other long-term assets	1,02,309	85,29,501
Total assets	**4,84,79,298**	**4,04,17,19,158**
Liabilities and Member's Equity		
Current liabilities		
Account payable	43,21,569	36,02,89,208
Account payable – affiliate	14,29,523	11,91,79,333
Accrued expenses	53,58,008	44,66,97,127
Line of credit	2,80,00,000	2,33,43,60,000
Lease liabilities-finance, current portion	8,59,086	7,16,22,000
Lease liabilities-operating, current portion	5,61,870	4,68,43,102
Income tax payable	2,11,389	1,76,23,501
Total current liabilities	**4,07,41,445**	**3,39,66,14,270**
Lease liabilities-finance, non-current portion	16,67,274	13,90,00,633
Lease liabilities-operating, non-current portion	6,24,851	5,20,93,828
Contingent consideration	34,15,029	28,47,10,968
Deferred tax liabilities, net	3,16,146	2,63,57,092
Total liabilities	**4,67,64,745**	**3,89,87,76,791**
Commitments and contingencies (Note 10)		
Member's equity	17,14,554	14,29,42,367
Total liabilities and member's equity	**4,84,79,298**	**4,04,17,19,158**

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

PARESH DAGA
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Date: 2024.11.14 20:39:16 +05'30'

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

Dorf Ketal Energy Services LLC

Translated Version of Statement of Operations Year Ended March 31, 2024

	2024 (USD)	2024 (INR)
Net sales	9,50,99,562	7,87,13,90,747
Cost of sales	(6,15,80,941)	(5,09,70,54,487)
Gross profit	**3,35,18,621**	**2,77,43,36,260**
Operating expenses		
Selling, general, and administrative	(2,94,24,500)	(2,43,54,65,865)
Depreciation and amortization	(16,40,655)	(13,57,97,014)
Total operating expenses	**(3,10,65,155)**	**(2,57,12,62,879)**
Income from operations	**24,53,466**	**20,30,73,381**
Other income (expense)		
Other income	16,15,645	13,37,26,937
Interest expense	(22,55,000)	(18,66,46,350)
Other expense	(55,750)	(46,14,428)
Total other expense, net	**(6,95,105)**	**(5,75,33,841)**
Income before income tax expense	17,58,361	14,55,39,540
Income tax expense	(5,27,527)	(4,36,63,410)
Net income	**12,30,834**	**10,18,76,130**

Translated Version Statement of Member's Equity Year Ended March 31, 2024

	Total Member's Equity	2024 (INR)
Balance at April 1, 2023	(1,70,622)	(1,72,09,199)
Capital contributions	6,54,342	5,37,57,635
Net income	12,30,834	10,18,76,130
Foreign Currency Translation Reserve (Refer note below)	-	45,17,801
Balance at March 31, 2024	**17,14,554**	**14,29,42,367**

Note for Foreign Currency Translation Reserve

Particulars	**Amount in INR**
Opening Foreign Currency Translation Reserve	31,80,576
Foreign Currency Translation Reserve for the year	13,37,225
Total Foreign Currency Translation Reserve	**45,17,801**

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

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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

Dorf Ketal Energy Services LLC

Translated Version of Statement of Cash Flows Year Ended March 31, 2024

	2024 (USD)	2024 (INR)
Cash flows from operating activities		
Net Income	12,30,834	10,18,76,130
Adjustments to reconcile net income to net cash used in operating activities		
Depreciation and amortization	16,40,655	13,57,97,014
Loss on disposal of property and equipment	5,73,509	4,74,69,340
Credit loss expense	3,71,334	3,07,35,315
Deferred tax expense	3,16,146	2,61,67,404
Changes in operating assets and liabilities		
Accounts receivables	(1,67,65,721)	(1,38,76,98,727)
Accounts receivables - affiliate	(21,27,753)	(17,61,14,116)
Inventories	(3,38,792)	(2,80,41,814)
Other current assets	1,68,141	1,39,17,031
Other long-term assets	16,433	13,60,159
Accounts payable	43,21,569	35,76,96,266
Accounts payable - affiliate	14,29,523	11,83,21,619
Accrued expenses	53,58,008	44,34,82,322
Income taxes payable	2,11,380	1,74,95,923
Net cash used in operating activities	**(35,94,734)**	**(29,75,36,133)**
Cash flows from investing activities		
Purchases of property and equipment	(16,97,734)	(14,05,21,443)
Repayments of note receivable from related parties	20,79,107	17,20,87,686
Advances of note receivable to related parties	(9,98,526)	(8,26,47,997)
Net cash used in investing activities	**(6,17,153)**	**(5,10,81,754)**
Cash flows from financing activities		
Proceeds from line of credit	1,10,00,000	91,04,70,000
Proceeds from notes payable - related party	60,70,157	50,24,26,895
Repayment of notes payable - related party	(1,06,04,789)	(87,77,58,386)
Principal payments on finance leases	(11,82,133)	(9,78,45,148)
Capital contributions	6,54,342	5,41,59,887
Net cash provided by financing activities	**59,37,577**	**49,14,53,248**
Net change in cash and cash equivalents	**17,25,690**	**14,28,35,361**
Cash and cash equivalents		
Beginning of year	5,80,845	4,77,28,034
Exchange difference on translation of foreign currency cash and cash equivalents		17,32,428
End of year	**23,06,535**	**19,22,95,823**
Supplemental disclosures of cash flow information		
Interest paid	15,82,189	13,09,57,784
Income taxes paid	-	-
Noncash investing and finance activities		
Vehicles purchased under finance leases	26,10,839	21,60,99,144
Revaluation of contingent consideration	(9,96,134)	(8,24,50,011)

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

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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

1. Nature of Operations and Summary of Significant Accounting Policies

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.

Basis of Presentation

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 is prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).These financial statements 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.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting estimates reflected in the Company's financial statements include allowance for current expected credit losses, allowance for inventories obsolescence, useful lives of property and equipment, valuation of deferred taxes, valuation of right-of-use assets and lease liabilities, and impairment of long-lived assets. Actual results could differ from those estimates and assumptions used in preparing the accompanying financial statements.

Liquidity

The Company is currently in the growth phase, therefore the current cash on hand, working capital and the ongoing cash flows from operations may not be adequate to settle the debt obligation upon maturity as well as meet the operational needs of the Company for the next twelve months. The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates, among other things, the realization of assets and satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Dorf Ketal India Private, Limited, the Company's ultimate parent, has issued a financial support letter to the Company to mitigate these uncertainties. The Company also expects to continue to make operational improvements including cost reductions and improved efficiencies in order to generate sufficient cash flows to cover operating needs.

Revenue Recognition

Revenue is recognized according to the following five-step revenue recognition model: 1) identify the contract with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenues when a performance obligation is satisfied. A performance obligation is considered distinct from other obligations in a contract when it provides a benefit to the customer either on its own or together with other resources that are readily available to the customer and is separately identified in the contract. Performance obligations are considered satisfied once control of a product or service has transferred to the customer, meaning the customer has the ability to use and obtain the benefit of the product or service. Revenue is recognized for satisfied performance obligations only when there are no uncertainties regarding payment terms or transfer of control.

The Company generates revenues from the sales of products. These products include process chemicals and additives for refineries, petrochemicals, fuels, plastics, lubricants and the oil stimulation industries. Revenues from product sales are recognized generally upon delivery to the end customers, which is when control of the product has been transferred to the customer.

Performance obligations related to product sales are reviewed on a contract-by-contract basis, as individual contract terms may vary. For the year ended March 31, 2024, the Company recognized revenues from domestic sales of $92,759,776 (₹7,67,77,26,660) and international sales of $2,339,786 (₹19,36,64,087).

Cash and Cash Equivalents

The Company considers all short-term, highly liquid investments with maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents are held with financial institutions and at times cash deposited exceeds the federally insured amount of $250,000 (₹2,08,42,500). Management periodically assesses the financial condition of the institution and believes that any possible credit risk is minimal.

Accounts Receivable and Allowance for Current Expected Credit Losses

Effective April 1, 2023, the Company adopted ASU 2016-13, Financial instruments—Credit losses (Topic 326): Measurement of credit losses on financial instruments ("ASC 326"), as an update for measuring credit losses on most financial assets and certain other instruments that are not measured at fair value through net income. This standard amends the impairment model to utilize an expected loss methodology in place of the incurred loss methodology for financial instruments, primarily trade receivables and contract assets.

The Company adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost. Results for periods beginning after April 1, 2023, are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. No adjustment was required as part of the adoption of the new standard. The assessment of the allowance for credit losses involves certain judgments and estimates.

Management estimates the allowance balance using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Expected credit losses are estimated by evaluating trends in historical write-off experience to pools of financial assets with similar risk characteristics.

The Company's historical loss ratio and its determination of its risk pool, which are used to calculate expected credit losses, may be adjusted for changes in past loss experience, economic conditions in the industry, and financial stability of its customer base. Management will reassess these and other relevant factors annually.

Changes in the allowance for current expected credit losses are as follows:

Particulars	2024 (USD)	2024 (INR)
Beginning allowance for current expected credit losses	-	-
Credit loss expense	(3,35,314)	(2,77,53,940)
Other	(36,020)	(29,81,375)
Exchange difference on translation of foreign currency cash and cash equivalents	-	(2,22,800)
Ending allowance for current expected credit losses	**(3,71,334)**	**(3,09,58,116)**

Note Receivable from Related Party

Note receivable due from a related party is recorded at the amount outstanding, net of any allowance for current expected credit losses, if required. Due to the quality and history of these receivables, management does not believe that an allowance is necessary.

Inventories

Inventories are valued at the lower cost or net realizable value. Cost is determined by the average cost method. Costs of processed and blended items include materials and processing overhead. The Company records inventory obsolescence as a reduction in its inventory based on a review of inventory quantities on hand and estimated sales forecasts based on sales history and anticipated future demand. As of March 31, 2024, the Company has not recorded a reserve for inventory obsolescence.

Leases

The net present value of future lease payments is recorded as a lease liability and corresponding right-of-use asset ("ROU") in the consolidated balance sheets. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. ROU assets also include prepaid rent and are adjusted by the unamortized balance of lease incentives, if any.

If the lease terms contain an option to extend the lease, the Company will consider those options to extend or terminate the lease when it is reasonably certain to be exercised and cost prohibitive to relocate operations or pursue alternative leased assets.

In addition, the Company elected the package of practical expedients permitted in transition, which among other things, permits the Company to not reassess prior conclusions pertaining to lease identification, lease classification and initial direct costs on leases that commenced prior to the adoption of the new standard as well use the risk-free rate when there is not an implicit rate in the operating lease agreement.

Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and amortization. Ordinary maintenance and repairs are charged to expense as incurred. Expenditures that extend the physical or economic life of the assets are capitalized and depreciated or amortized. Gains or losses on the disposition of assets sold are recognized in income and the related asset and accumulated depreciation or amortization accounts are adjusted accordingly.

Provisions for depreciation and amortization have been computed, on a straight-line basis, over the estimated useful lives of the assets.

Intangible Assets

Indefinite-lived intangible assets are not amortized but are reviewed for impairment at least annually or more frequently when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company tests its indefinite-lived intangible asset for impairment annually, or more frequently if events or circumstances indicate that it is more likely than not that the fair value of its indefinite-lived intangible asset are less than their carrying amount.

The Company reviews intangible assets with definite lives subject to amortization whenever events or changes in circumstances (triggering events) indicate that the carrying amount of an asset may not be recoverable. Intangible assets with definite lives subject to amortization are amortized on a straight-line or accelerated basis with estimated useful lives. Events or circumstances that might require impairment testing include the identification of other impaired assets, loss of key personnel, the disposition of a significant portion of a reporting unit, or a significant adverse change in the Company's business climate or regulations affecting the Company.

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment, and intangible assets, including goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recorded in the period in which it is determined that the carrying amount is not recoverable. The determination of recoverability is made based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. There was no impairment of long-lived assets for the fiscal year ended March 31, 2024.

Contingent Consideration

An estimate of the fair value of contingent consideration was recorded related to the earn-out obligations to the previous owners as part of a prior period asset acquisition. At the end of each reporting period, the liability is revalued and increases or decreases in the fair value are recorded as an adjustment to the cost basis of the acquired assets. Changes to the contingent consideration liability can result from adjustments to the discount rate, or the estimated amount and timing of the future business activity. The assumptions used to estimate fair value require significant judgment. The use of different assumptions and judgments could result in a materially different estimate of fair value. The key inputs in determining fair value of the contingent consideration liability of $3,415,029 (₹28,47,10,968) at March 31, 2024 reflect a discount rate of 6.5% and changes in the assumed amount and timing of the future activity which affects the amount and timing of payments on the earn-out obligation.

Income Taxes

Income taxes are accounted for in accordance with Accounting Standards Codification (ASC) 740, Accounting for Income Taxes, utilizing the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying value of existing assets and liabilities and their respective tax bases. These expected future tax consequences are measured based on currently enacted tax rates. The effect of tax rate changes on deferred tax assets and liabilities are recognized in income during the period that includes the enactment date. Valuation allowances are provided when management cannot determine whether it is more-likely-than-not that the net deferred tax asset will be realized.

Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company's policy is to classify interest and penalties related to uncertain tax positions as interest expense and income tax expense, respectively.

The Company is organized as an LLC and has elected to be taxed as a corporation. For the year ended March 31, 2024, the Company has analyzed tax positions for filing with the Internal Revenue Service (IRS) and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows. Accordingly, the Company has not recorded a reserve or related accrual for interest nor penalties for uncertain income tax positions as of March 31, 2024.

The statute of limitations for federal income tax return examinations is 3 years and 4 years for most states, and management continually evaluates expiring statues of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

Concentration of Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of temporary cash deposits and trade accounts receivable.

The Company's customers operate in the chemical industry. The Company continuously monitors the aging of its customer receivables and mitigates its exposure to credit risk by performing ongoing credit evaluations of its customer base.

The Company derived revenue from three customers for the fiscal year ended March 31, 2024, representing 17%, 16% and 11% respectively, of the Company's total revenues. No other customer individually accounted for more than 10% of the Company's revenues in the period.

As of March 31, 2024, two customers represented 18% and 11% respectively, of the Company's total accounts receivable and accounts receivables - affiliates. No other customers individually accounted for mor than 10% of the Company's total accounts receivable as of March 31, 2024.

As of March 31, 2024, three vendors represented 20%, 11% and 10%, respectively, of the Company's total accounts payable and accounts payable - affiliates. No other vendors individually accounted for more than 10% of the Company's total accounts payable as of March 31, 2024.

Fair Value Measurements

The Company records all financial assets and liabilities under the applicable accounting guidance related to fair value measurements, which established a framework for measuring the fair value of assets and liabilities, while expanding fair value measurement disclosures. This guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants at the measurement date. This guidance established a fair value hierarchy that distinguishes between independent observable inputs and unobservable inputs used to measure fair value, as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Inputs other than quoted market prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Shipping and Handling Costs

Shipping and handling costs associated with the distribution of the Company's products are recorded in cost of sales, or to the extent billed to customers they are included in sales.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Updates (ASUs) 2023-09 ("ASU 2023- 09"), Income Tax (Topic 740) Improvements to Income Tax Disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this Update are effective for

fiscal years, and interim periods within those fiscal years, beginning after December 15, 2025, and is applicable to the Company in the fiscal year ending March 31, 2027. Early adoption is permitted.

The Company is currently evaluating the impact of the adoption of ASU 2023-09 on its financial position and results of operations.

2. Note Receivables

The Company made a loan to an affiliated company. A note receivable of $2,261,466 (₹18,85,38,420) from Dorf Ketal Energy Services, Ltd. matures on January 3, 2028. The note accrues interest at the rate of the secured overnight financing rate plus 165 basis points. During the fiscal year ended March 31, 2024, $165,922 (₹1,37,33,364) of interest income was earned on the note and was recorded within other income on the consolidated statement of operations.

3. Inventories

Inventories consisted of the following at March 31,2024:

	2024 (USD)	2024 (INR)
Finished goods	52,54,272	43,80,48,657
Raw materials	77,46,736	64,58,45,380
Total inventories	**1,30,01,008**	**1,08,38,94,037**

4. Property and Equipment, net

Property and equipment, net consisted of the following at March 31, 2024:

	Estimated Useful Lives	2024 (USD)	2024 (INR)
Land	-	16,29,884	13,58,83,429
Building and improvements	39 years	26,44,200	22,04,46,954
Vehicles	1-3 years	2,68,846	2,24,13,691
Vehcies under finance lease	1-5 years	25,51,344	21,27,05,549
Machinery and lab equipment	1-19.5 years	38,76,291	32,31,66,381
Office equipment, furniture and computers	1-10 years	43,899	36,59,860
Construction in process	-	5,10,820	4,25,87,063
Total property and equipment		**1,15,25,284**	**96,08,62,927**
Less: Accumulated depreciation and amortization		(5,01,699)	(4,18,26,646)
Total property and equipment, net		**1,10,23,585**	**91,90,36,281**

For the fiscal year ended March 31, 2024, depreciation expense was $547,099 (INR 45,611,644/-)and amortization ofvehicles under finance lease was $1,093,556 (INR 9,05,13,630/-).

5. Income Taxes

The income tax provision consisted of the following for the fiscal year ended March 31, 2024:

Particulars	**2024 (USD)**	**2024 (INR)**
Current expense		
Federal	-	-
State	2,11,381	1,74,96,005
Total current expense	**2,11,381**	**1,74,96,005**
Deferred expense		
Federal	3,14,523	2,60,33,069
State	1,623	1,34,336
Total deferred expense	**3,16,146**	**2,61,67,404**
Total income tax expense	**5,27,527**	**4,36,63,410**

The following is a reconciliation between a federal income tax rate of 21%, and the effective taxrate for the fiscal year ended March 31, 2024:

Particulars	**2024 (USD)**	**2024 (INR)**
Statutory federal income tax	2,14,014	1,77,13,939
Increase (decrease) in income taxes resulting from		
State income tax provision, net of federal income tax benefit	1,68,614	1,39,56,181
Nondeductible expenses	1,44,899	1,19,93,290
Total tax expense	**5,27,527**	**4,36,63,410**

Deferred tax assets and liabilities consisted of the following for the fiscal year ended March 31, 2024:

Particulars	**2024 (USD)**	**2024 (INR)**
Deferred tax assets		
Credit loss expense	1,79,026	1,49,25,398
Accrued bonus and commission	74,108	61,78,384
Interest expense	4,12,056	3,43,53,109
Operating lease liability	4,21,657	3,51,53,544
Inventory adjustment	2,23,427	1,86,27,109
Net operating loss	87,209	72,70,614
Deferred tax assets	**13,97,483**	**11,65,08,158**
Deferred tax liabilities		
Basis of property and equipment	(8,45,427)	(7,04,83,249)
Financing lease depreciation	(4,63,390)	(3,86,32,824)
ROU assets	(4,04,812)	(3,37,49,176)
Total deferred tax liabilities	**(17,13,629)**	**(14,28,65,250)**
Total deferred tax liabilities, net	**(3,16,146)**	**(2,63,57,092)**

As of each reporting date, the Company considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of March 31, 2024, in part because in the current year the Company achieved pretax income in the U.S. federal tax jurisdiction, the Company determined that there is sufficient positive evidence to conclude that it is more likely than not that those deferred taxes are fully realizable.

The available unused net operating loss carryforwards may be applied against future taxable income and are not subject to expiration.

6. Line of Credit

On March 21, 2023, the Company entered into a revolving line of credit agreement with a financial institution. The line of credit is guaranteed by the Parent Company. The line of credit shall continue until such time as the Company and the financial institution agree to terminate. Borrowed funds on the revolving line of credit bear interest at an annual rate selected by the Company of either 1) the greater of (i) the Prime Rate or (ii) 2.50%. plus 1.15% or 2) the forward-looking term SOFR for a period equal to the interest period plus 1.05%.The borrowing capacity is $28,000,000 (₹2,33,43,60,000) which is also the amount outstanding at March 31,2024. The maturity date of the line of credit is March 18, 2025, and the full amount outstanding is due upon maturity. The interest rate at March 31, 2024 was 6.61%. During the fiscal year ended March 31, 2024, the Company recorded $1,469,184 (₹12,16,04,360) of interest expense.

7. Leases

The Company leases office space under an operating lease agreement and vehicles under the financing lease agreement for its headquarter location in Houston, which has initial or remaining non cancelable lease terms ranging from 1 to 4 years.

The following is a summary of the lease term and discount rate at March 31, 2024:

Particulars	2024
Operating leases	
Weighted-average remaining lease term (in years)	2.2
Weighted-average discount rate	4.81%
Finance leases	
Weighted-average remaining lease term (in years)	3.8
Weighted-average discount rate	3.80%

Other information related to the Company's leases for the fiscal year ended March 31, 2024 is as follows:

Particulars	2024 (USD)	2024 (INR)
Operating lease costs	6,43,795	5,32,86,912
Finance lease costs	10,44,632	8,64,64,191
Short term lease costs	4,88,030	4,03,94,243
Total lease costs	**21,76,457**	**18,01,45,346**
Operating leases- operating cash flows	9,74,915	8,06,93,715
New ROU assets- operating leases	-	
Finance leases-financing cash flows	11,82,133	9,78,45,148
Finance leases-operating cash flows	1,07,986	89,38,001
New ROU assets- financing leases	26,10,839	21,60,99,144

Maturities of lease liabilities were as follows as of March 31, 2024:

Particulars	2024 (USD)		2024 (INR)	
	Operating Leases	Finance Leases	Operating Leases	Finance Leases
2025	5,61,870	8,59,086	4,68,43,102	7,16,22,000
2026	4,89,395	6,29,972	4,08,00,861	5,25,20,766
2027	1,57,019	5,64,009	1,30,90,674	4,70,21,430
2028	-	5,64,009	-	4,70,21,430
2029	-	2,02,112	-	1,68,50,077
Total minimum lease payments	**12,08,284**	**28,19,188**	**10,07,34,637**	**23,50,35,704**
Less: Amount of lease payments representing interest	(21,563)	(2,92,828)	(17,97,707)	(2,44,13,070)
Present value of future minimum payments	**11,86,721**	**25,26,360**	**9,89,36,930**	**21,06,22,633**
Less: Current portion of lease liabilities	(5,61,870)	(8,59,086)	(4,68,43,102)	(7,16,22,000)
Non-current portion of lease liabilities	**6,24,851**	**16,67,274**	**5,20,93,828**	**13,90,00,633**

8. Accrued Expenses

Accrued expenses as of March 31, 2024, consisted of the following:

Particulars	2024 (USD)	2024 (INR)
Accrued payroll	4,41,435	3,68,02,436
Accrued bonus and commissions	3,21,839	2,68,31,717
Accrued vacation	3,068	2,55,779
Accrued taxes	3,93,263	3,27,86,336
Accrued interest	4,07,961	3,40,11,709
Accrued inventory purchases	37,90,441	31,60,09,066
Total accrued expenses	**53,58,008**	**44,66,97,127**

9. Related Party Transactions

For the fiscal year ended March 31, 2024, the Company had sales to the Parent Company and related affiliates in the amount of $2,603,959 (₹21,55,29,686).

For the fiscal year ended March 31, 2024, the Company purchased products from the Parent Company and related affiliates in the amount of $3,490,470 (₹28,89,06,202).

During the fiscal year ended March 31, 2024, the Company had notes payable agreements with Dorf Ketal Chemicals LLC and Dorf Ketal Chemicals FZE, receiving $5,300,000 (₹44,18,61,000) and $770,157 (₹6,42,07,989), respectively and the related interest expense incurred was $315,798 (₹2,61,38,600) and $63,669 (₹52,69,883), respectively. Both notes were fully paid off during the fiscal year ended March 31, 2024.

The Company entered into a note receivable loan agreement with a related party to provide funding for operations. See Note 2.

10. Commitments and Contingencies

Litigation

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.

11. Subsequent Events

The Company has performed an evaluation of subsequent events through July 31, 2024, which is the date the financial statements were made available for issuance.

On June 11, 2024, pursuant to a partnership interest purchase agreement entered into between Dorf Ketal Well Services, LLC ("DKWS"), a subsidiary of Dorf Ketal Energy Services, LLC, and Impact Fluids Management, LP, the parent of Impact Fluid Solutions, LP ("IFS"), the Company completed the acquisition of IFS, a leading provider of downhole fluid additives for drilling and cementing applications. This acquisition significantly enhances Dorf Ketal's extensive portfolio of specialty chemical solutions for oil and gas production. The fair value of the purchase consideration was $156 million (₹13,005.72 million) and was comprised fully of cash consideration.

The transaction was financed through two loans from Dorf Ketal Chemicals FZE ("DKC FZE"), the Company's parent, in the total amount of $156 million (₹13,005.72 million). Borrowed funds of $71 million (₹5,919.27 million) on the first promissory note bear interest at an annual rate based on the term secured overnight financing rate (SOFR) plus 120 basis points. The maturity date of this loan is September 10, 2025, and the full amount outstanding is due upon maturity. Borrowed funds of $85 million (₹7,086.45 million) on the second promissory note bear interest at an annual rate based on the term secured overnight financing rate (SOFR) plus 140 basis points. The maturity date of this loan was July 10, 2024, and DKC FZE entered into an agreement with DKWS on June 11, 2024 to cancel the second promissory note in exchange for the assignment of the IP assets of IFS.

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

PARESH DAGA
Digitally signed by PARESH DAGA
Date: 2024.11.14 20:41:12 +05'30'

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