

Independent Auditor's Report

To the Board of Directors of Tatva Chintan USA Inc.

Report on the audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose financial statements of **Tatva Chintan USA Inc.** (the 'Company') which comprises the Balance Sheet as at March 31, 2024 and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Change in Equity and Statement of Cash Flow for the year then ended, and notes to the Special Purpose financial statements, including summary of material accounting policies and other explanatory information. (hereinafter referred as the "Special Purpose financial statements"). The Special Purpose Financial Statements have been prepared by the Management of the Company for the limited purpose of facilitating the preparation of the consolidated financial statements of Tatva Chintan Pharma Chem Limited as at and for the year ended March 31, 2024 in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') and to assist Tatva Chintan Pharma Chem Limited, the holding Company to comply with the requirements of Section 129(3) of the Companies Act, 2013 ('the Act').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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



Responsibility of Management for the Special Purpose Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Special Purpose financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards (Ind AS) specified under section 133 of the Act read with the companies (Indian Accounting standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Special Purpose Financials in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Special Purpose financial statements, including the disclosures, and whether the Special Purpose financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Restriction on Distribution and Use

Our report is intended solely for the use of Board of Directors of Tatva Chintan Pharma Chem Limited for the preparation of their consolidated financial statements for the year ended and as at March 31, 2024, and compliance with the requirement of section 129(3) as aforesaid and is not intended to be and should not be used by anyone other than the specified parties.

**For NDJ & Co.,
Chartered Accountants**

Firm's Registration Number: 136345W

Basant



**CA Basant Chandak
Partner**

Membership No.: 434585

UDIN No.: 24434585BKBWGA8043

Date: May 3, 2024

Place: Vadodara

Tatva Chintan USA Inc.

IDN: 800774665

Balance Sheet

as at 31 March 2024

(Currency: US dollar)

Particulars	Notes	As at	
		31 March 2024	31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	2,193	2,730
Total non-current assets		2,193	2,730
Current assets			
Inventories	4	6,10,731	13,17,096
Financial assets			
(i) Trade receivables	5	12,79,575	15,19,608
(ii) Cash and cash equivalents	6	81,738	4,46,816
Current tax assets (net)	7	1,27,637	-
Other current assets	8	6,967	6,173
Total current assets		21,06,648	32,89,693
Total assets		21,08,841	32,92,423
Equity and liabilities			
Equity			
Equity share capital	9	1,00,000	1,00,000
Other equity	10	12,12,818	12,01,811
Total equity		13,12,818	13,01,811
Liabilities			
Current liabilities			
Financial liabilities			
(i) Trade payables other than micro and small enterprises	11	7,53,713	19,73,201
Other current liabilities	12	33,123	3,800
Current tax liabilities (net)	13	9,187	13,611
Total current liabilities		7,96,023	19,90,612
Total equity and liabilities		21,08,841	32,92,423
Notes forming part of the special purpose financial statements	1- 34		

As per our report of even date attached

For NDJ & Co.

Chartered Accountants

Firm's Registration Number: 136345W



CA. Basant Chandak

Partner

Membership Number: 434585

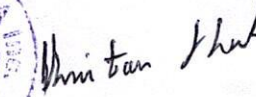
Date : 03 May 2024

Place : Vadodara, Gujarat, India



For and on behalf of the Board of Directors of
Tatva Chintan USA Inc.

IDN: 800774665



Chintan N. Shah

President

Date : 03 May 2024

Place : Vadodara, Gujarat, India



Shekhar R. Somani

Secretary

Tatva Chintan USA Inc.

IDN: 800774665

Statement of Profit and Loss

for the year ended 31 March 2024

(Currency: US dollar)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	14	73,87,400	1,10,14,007
Other income	15	42	8,151
Total income		73,87,442	1,10,22,158
Expenses			
Purchases of stock-in-trade	16	62,71,136	1,02,50,454
Changes in inventories of stock-in-trade	17	7,06,365	(38,281)
Finance costs	18	2,905	2,170
Depreciation and amortization expense	19	538	88
Other expenses	20	3,67,558	4,23,204
Total expenses		73,48,502	1,06,37,635
Profit before exceptional items and tax		38,940	3,84,523
Exceptional items		-	-
Profit before tax		38,940	3,84,523
Tax expense			
Current tax	21	27,933	1,03,023
Deferred tax		-	-
Total tax expense		27,933	1,03,023
Profit for the year		11,007	2,81,500
Other comprehensive income		-	-
Total other comprehensive income		-	-
Total comprehensive income		11,007	2,81,500
Earnings per equity share			
(Face value of USD 1/- each)	22		
Basic		0.11	2.82
Diluted		0.11	2.82
Notes forming part of the special purpose financial statements	1- 34		

As per our report of even date attached

For NDJ & Co.

Chartered Accountants

Firm's Registration Number: 136345W

CA. Basant Chandak

Partner

Membership Number: 434585

Date : 03 May 2024

Place : Vadodara, Gujarat, India



For and on behalf of the Board of Directors of

Tatva Chintan USA Inc.

IDN: 800774665

Chintan N. Shah

President

Date : 03 May 2024

Place : Vadodara, Gujarat, India

Shekhar R. Somani

Secretary

Tatva Chintan USA Inc.

IDN: 800774665

Statement of Changes in Equity

for the year ended 31 March 2024

(Currency: US dollar, except per share data)

A Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of USD 1 each)		
As at 01 April 2022	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2023	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2024	1,00,000	1,00,000
Issued, subscribed and fully paid up capital (Equity shares of USD 1 each)		
As at 01 April 2022	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2023	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2024	1,00,000	1,00,000

B Other equity

Particulars	Reserves and surplus
	Retained earnings
As at 01 April 2022	9,20,311
Profit for the year	2,81,500
Other comprehensive income for the year	-
Total comprehensive income	2,81,500
As at 31 March 2023	12,01,811
Profit for the year	11,007
Other comprehensive income for the year	-
Total comprehensive income	11,007
As at 31 March 2024	12,12,818

Notes:

Nature and purpose of other equity:

(i) Retained earnings:

Retained earnings are the profits that the Company has earned till the reporting date, reduced by any transfers to general reserve or dividends or other distributions paid to the shareholders.

Notes forming part of the special purpose financial statements

1- 34

As per our report of even date attached

For NDJ & Co.

Chartered Accountants

Firm's Registration Number: 136345W

Basant



CA. Basant Chandak

Partner

Membership Number: 434585

Date : 03 May 2024

Place : Vadodara, Gujarat, India



For and on behalf of the Board of Directors of

Tatva Chintan USA Inc.

IDN: 800774665

Chintan N. Shah

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President

Date : 03 May 2024

Place : Vadodara, Gujarat, India

Shekhar R. Somani

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Secretary

Tatva Chintan USA Inc.

IDN: 800774665

Statement of Cash flows

for the year ended 31 March 2024

(Currency: US dollar)

Particulars	As at	
	31 March 2024	31 March 2023
A. Cash flows from operating activities:		
Profit before tax (i)	38,940	3,84,523
Adjustments to reconcile profit:		
Depreciation and amortisation expense	538	88
Finance costs	2,905	2,170
Other non-cash items	(42)	(471)
Total adjustments to reconcile profit (ii)	3,401	1,787
Operating profit before working capital changes (iii)=(i)+(ii)	42,341	3,86,310
Change in working capital:		
Decrease/(increase) in inventories	7,06,365	(38,281)
Decrease/(increase) in trade receivables	2,40,075	(34,162)
(Increase) in other current asset	(794)	(5,257)
(Decrease)/increase in trade payables	(12,19,488)	2,21,758
Increase/(decrease) in other current liabilities	29,323	(35,916)
Total changes in working capital (iv)	(2,44,519)	1,08,142
Cash (used in)/generated from operating activities (v)=(iii)+(iv)	(2,02,178)	4,94,452
Less: Taxes paid (vi)	(1,59,995)	(1,64,686)
Net cash (used in)/generated from operating activities (A)=(v)+(vi)	(3,62,173)	3,29,766
B. Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(2,818)
Cash (used in) investing activities (B)	-	(2,818)
C. Cash flows from financing activities:		
Finance costs	(2,905)	(2,170)
Cash (used in) financing activities (C)	(2,905)	(2,170)
Net (decrease)/increase in cash and cash equivalents D=(A+B+C)	(3,65,078)	3,24,778
Cash and cash equivalents at the beginning of the year (E)	4,46,816	1,22,038
Effect of exchange rate changes on cash and cash equivalents (F)	-	-
Cash and cash equivalents at the end of the year (D+E+F)	81,738	4,46,816

Notes:

(i) Cash and cash equivalents comprise of:

Particulars	As at	
	31 March 2024	31 March 2023
Balances with banks:		
- in current accounts	81,738	4,46,816
Cash and cash equivalents at the end of the year	81,738	4,46,816

(ii) The above "statement of cash flows" has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of cash flows".

Notes forming part of the special purpose financial statements

1- 34

As per our report of even date attached

For NDJ & Co.
Chartered Accountants

Firm's Registration Number: 136345W

Basant

CA. Basant Chandak
Partner

Membership Number: 434585

Date : 03 May 2024

Place : Vadodara, Gujarat, India



For and on behalf of the Board of Directors of
Tatva Chintan USA Inc.
IDN: 800774665

Chintan N. Shah

Chintan N. Shah
President

Date : 03 May 2024

Place : Vadodara, Gujarat, India

Shekhar R. Somani

Shekhar R. Somani
Secretary

Tatva Chintan USA Inc.

IDN: 800774665

Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

1 Corporate information

Tatva Chintan USA Inc ("the Company") is a domestic profit corporation domiciled in USA and incorporated under the Business Corporation Act 284 of 1972 in year 2015, having its registered office at 950 Taylor Avenue, Suite 230A, Grand Haven, Michigan 49417, United States of America. The Company is wholly owned subsidiary of Tatva Chintan Pharma Chem Limited.

The Company is primarily engaged in wholesale distribution and trade of specialty chemicals, phase transfer catalysts (PTC), structure directing agents (SDA), electrolyte salts and solutions (ESS), pharmaceutical and agrochemical intermediates and other specialty chemicals (PASC).

These **special purpose financial statements** (or "**financial statements**") have been approved by the Board of Directors and authorised for issue on 03 May 2024.

2 Material accounting policies

a) Statement of compliance, basis of preparation and presentation

Statement of compliance: The special purpose financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Companies Act, 2013 and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

These special purpose financial statements have been prepared for the limited purpose of facilitating the preparation of the consolidated financial statements of Tatva Chintan Pharma Chem Limited, the Holding Company for the year ended 31 March 2024 in accordance with Indian Accounting Standards (Ind AS) and to assist the Holding Company Tatva Chintan Pharma Chem Limited to comply with the requirements of section 129(3) of the Act.

Basis of preparation and presentation: These standalone financial statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments, which are measured at fair values.

The classification of assets and liabilities of the Company have been done into current and non-current based on the operating cycle of the business of the Company. The Company has ascertained its operating cycle of the business as twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date as required by Schedule III to the Companies Act, 2013.

The financial statements are presented in US dollars ('USD'), which is Company's functional currency and all values are rounded up to two decimals, except otherwise indicated.

Foreign currency transactions and translation: Foreign currency transactions are translated in to functional currency at the exchange rates prevailing on the date of such transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange prevailing at the reporting date. Differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured at historical costs in a foreign currency are translated using the exchange rates at the dates of initial transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on non-monetary items measured at fair value is to be reported in line with the recognition of the gain or loss on the change in the fair value of the item (i.e. FVTOCI or FVTPL). Any profit or loss arising on cancellation, maturity or renewal of forward exchange contracts is recognized as income or expenses in the statement of profit and loss and included in exchange difference.



Tatva Chintan USA Inc.

IDN: 800774665

Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

b) Use of significant accounting estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of standalone financial statements and reported amounts of revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future period, if the revision affects current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i. Provisions and contingencies

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in notes but not recognised in the financial statements.

Contingent assets are not recognised, but disclosed in the financial statements when an inflow of economic benefit is probable. The actual outflow or inflow of resources at a future date may therefore, vary from the amount included in provisions and contingencies.

c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.



Tatva Chintan USA Inc.

IDN: 800774665

Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all expenses and financing costs related to acquisition and construction of the concerned assets and any attributable cost of bringing the asset to the condition of its intended use.

Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repair and maintenance cost are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.

e) Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortization and cumulative impairment.

Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of the intangible assets. Computer software where it is expected to provide future enduring economic benefits is capitalized. The capitalized cost includes license fees and cost of implementation/system integration services.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the statement of profit and loss.



Tatva Chintan USA Inc.

IDN: 800774665

Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

f) Depreciation and amortization

Depreciation on tangible property, plant and equipment has been provided on the basis of useful life as stated in Schedule II of the Companies Act, 2013 using the straight-line method. Lease hold land is amortized over the period of lease. Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end. The following are the estimated useful lives:

Class of assets	Useful lives estimated by the management (years)
Computer	3 / 6 years
Office equipment	5 years
Furniture and fixtures	10 years

g) Impairment of tangible assets and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the assets is considered impaired and is written down to its recoverable amount and impairment loss is recognized in statement of profit and loss. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. Such reversal is recognised in statement of profit and loss unless the assets is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.



Tatva Chintan USA Inc.

IDN: 800774665

Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

h) Investments and other financial assets

i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss); and
- those measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

ii) Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in statement of profit and loss.

iii) Subsequent measurement – debt instruments

Subsequent measurement of the debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments in the following three categories:

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not a part of the hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

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

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not a part of hedging relationship is recognized in the statement of profit and loss. Interest income from these financial assets is included in other income.

iv) Subsequent measurement – equity instruments

The Company subsequently measures all equity instruments at fair value. When the management has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Company's right to receive payment is established. Changes in the fair value of financial assets at FVTPL are recognized in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.



Tatva Chintan USA Inc.

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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

v) Impairment of financial assets

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

Expected credit losses is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

For financial assets other than trade receivables, the Company recognises 12 month expected credit losses as per Ind AS 109 for all originated or acquired financial assets, if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses, if the credit risk on financial asset increases significantly since its initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

vi) De-recognition of financial assets

A financial asset is de-recognized when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients. When the Company has transferred an asset, it evaluates whether it has transferred substantially all the risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. When the Company has neither transferred a financial asset nor retains substantially all the risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset.

i) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method. Interest-bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

Fair value measurement of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), correlation and volatility.

Derivative financial instrument

The Company holds derivative financial instruments such as foreign exchange forward contracts (not designated as cash flow hedges) to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109 Financial Instruments. Any derivative that is either not designated as hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short term highly liquid investments with original maturities of three months or less, that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k) Inventories

Inventories are valued at lower of cost or net realisable value. The basis of determining costs is as follows:

- **Stock-in-trade:** Cost includes cost of purchase and other costs incurred in bringing inventories to their present location and condition. Costs are determined on first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

1) Revenue recognition

Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" provides a control-based revenue recognition model and provides a five-step application approach to be followed for revenue recognition i.e.: a) Identify the contract(s) with a customer; b) Identify the performance obligations; c) Determine the transaction price; d) Allocate the transaction price to the performance obligations; e) Recognize revenue when or as an entity satisfies performance obligation.

Revenue is measured based on the transaction price as specified in the contract with the customer, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Value Added Tax (VAT), where applicable. Discounts given include rebates, price reductions and other incentives given to customers.

As per the terms of the contract with customers, the Company expects, at the contract inception, that the period between transfers of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Company has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.

Revenue from sale of products is recognized when the control on the goods or services has been transferred to the customers and Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. The majority of the Company's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services.

Revenue is recognised in an amount that reflects the consideration, which the Company expects to receive in exchange for those products or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. None of the Company's contracts contain variable consideration and contract modifications are generally minimal.

Contract balances

Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable: A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.



Tatva Chintan USA Inc.

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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

Other incomes

- Claims and rebates receivables are accounted as and when settled.
- Interest income from a financial asset is recognized using the effective interest rate method when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Dividends are recognized in statement of profit and loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.
- Incomes in respect of duty drawback or other export promotion schemes in respect of exports made during the year are accounted on accrual basis

m) Leases

As a lessee

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

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using the incremental borrowing rate.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less, leases of low-value assets and cancellable leases. The Company recognises the lease payments associated with these leases as an expense in statement of profit and loss.

n) Income tax

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

Current tax: The tax currently payable is based on estimated taxable income for the year in accordance with the provisions of the Federal and State Tax Laws applicable in United States of America. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Management periodically evaluates positions taken in the tax returns with respect to situations for which applicable tax regulations are subject to interpretation and revises the provisions, if so required where consider necessary.

The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

Deferred tax: Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities. Transaction or event which is recognized outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

The Company accounts for uncertain tax positions under generally accepted accounting principles. The Company records a liability for uncertain tax positions, including related interest and penalties, when it is probable that a liability exists and the amount can be reasonably estimated. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

o) Provisions, contingent liabilities and contingent assets

A provision is made when there is a present obligation (legal or constructive) as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on the present value of the management's best estimate of the amount required to settle the present obligation at the end of the reporting period. The discount rate used to determine present value is a pre-tax rate that reflects current market assessment of time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized but disclosed in the financial statements.

p) Operating segments

Operating segments" are components of the Company whose operating results are regularly reviewed by the "chief operating decision maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. "Specialty chemical business" is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

q) Earnings per share

Earnings per share are calculated by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by adjusting the figures used in the determination of basic EPS to take into account:

- a) after tax effect of interest and other financing costs associated with dilutive potential equity shares,
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

2 Material accounting policies (continued)

r) Cash flows statement

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, working capital changes, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash.

s) Cost recognition

Costs and expenses are recognised in statement of profit and loss when incurred and are classified according to their nature.

t) Exceptional items

Exceptional items refer to items of income or expense, including tax items, within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

u) Events after the reporting period

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the standalone financial statements. Material non-adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the notes forming part of the standalone financial statements.

Dividend: The Company recognises a liability to make distributions of dividend to equity holders, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the applicable corporate laws, a distribution is authorised when it is approved by the shareholders. After approval, a corresponding amount is recognised directly in equity.

v) Recent accounting pronouncements

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



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

(Currency: US dollar)

3 Property, plant and equipment

Particulars	Office equipments	Computer and data processing units	Total
At cost:			
As at 31 March 2022	-	-	-
Addition	780	2,038	2,818
Disposals	-	-	-
As at 31 March 2023	780	2,038	2,818
Addition	-	-	-
Disposals	-	-	-
As at 31 March 2024	780	2,038	2,818
Accumulated depreciation:			
As at 31 March 2022	-	-	-
Addition	25	63	88
Disposals	-	-	-
As at 31 March 2023	25	63	88
Addition	149	389	538
Disposals	-	-	-
Other adjustments	-	(1)	(1)
As at 31 March 2024	174	451	625
Carrying amounts (net):			
As at 31 March 2022	-	-	-
As at 31 March 2023	755	1,975	2,730
As at 31 March 2024	606	1,587	2,193

Notes:

- Impairment: The Company has reviewed the recoverability of the assets and has concluded that no indication of impairment exists and hence, no impairment of asset is required.
- During the years ended, the Company has not capitalised any amount as "foreign exchange loss/(gain) in accordance with the option obtained under para D13AA of Ind AS 101 "First-Time Adoption of Ind AS".
- During the years ended, the Company has not revalued its property, plant and equipment.

4 Inventories

(At lower of cost or net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Traded goods	6,10,731	13,17,096
Total	6,10,731	13,17,096



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

(Currency: US dollar)

5 Trade receivables

Particulars	As at	
	31 March 2024	31 March 2023
Considered good - unsecured	12,79,575	15,19,608
Trade receivables-credit impaired	-	-
	12,79,575	15,19,608
Less: Loss allowance	-	-
Total	12,79,575	15,19,608

Notes:

- (i) The Company does not have any trade receivables from:
- any directors or other officers of the Company or any of them either severally or jointly with any other persons.
 - any firms or private companies respectively in which any director is a partner or a director or a member.
- (ii) Refer note 24 and 25 for contract assets and contract liabilities and segment reporting respectively.
- (iii) Refer note 27 and 28 for financial instruments - fair values and risk measurement respectively.
- (iv) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 180 days.
- (v) The Company does not have any trade receivables from related parties.
- (vi) In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss (ECL) allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and the rates used in the provision matrix.
- Since the Company calculates impairment under the "Simplified approach" for trade receivables containing significant financing component and for trade receivables that do not contain significant financing component, then it is not required to separately track changes in credit risk of trade receivables, as the impairment amount represents "lifetime" expected credit loss.
- Accordingly, based on a harmonious reading of Ind AS 109 and the break-up requirements under Schedule III of the Companies Act 2013, all such trade receivables are disclosed below, irrespective of whether they contain a significant financing component or not.



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

(Currency: US dollar)

5 Trade receivables (continued)

(vii) Trade receivables ageing schedule is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed:							
Considered good - unsecured	7,58,295	5,21,280	-	-	-	-	12,79,575
Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed:							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	7,58,295	5,21,280	-	-	-	-	12,79,575
Less: Loss allowance	-	-	-	-	-	-	-
Net trade receivables	7,58,295	5,21,280	-	-	-	-	12,79,575
As at 31 March 2023							
Undisputed:							
Considered good - unsecured	10,35,850	2,94,066	1,89,692	-	-	-	15,19,608
Trade receivables-credit impaired	-	-	-	-	-	-	-
Disputed:							
Considered good - unsecured	-	-	-	-	-	-	-
Trade receivables-credit impaired	-	-	-	-	-	-	-
Gross total	10,35,850	2,94,066	1,89,692	-	-	-	15,19,608
Less: Loss allowance	-	-	-	-	-	-	-
Net trade receivables	10,35,850	2,94,066	1,89,692	-	-	-	15,19,608

6 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks:		
- in current accounts	81,738	4,46,816
Total	81,738	4,46,816

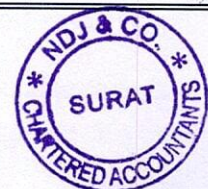
The Company maintains its cash, in bank accounts, which at times may exceed federally insured limits. Management believes that the Company is not exposed to any significant credit risk related to cash.

7 Current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax	1,31,410	-
Provision for income tax	(3,773)	-
Total	1,27,637	-

8 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Unsecured, considered good unless otherwise stated)</i>		
Prepaid expenses	6,686	1,831
Advance to creditors	281	4,342
Total	6,967	6,173



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

(Currency: US dollar, except per share data)

9 Equity share capital

Particulars	Number of shares	Amount
Authorised capital (Equity shares of USD 1 each)		
As at 01 April 2022	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2023	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2024	1,00,000	1,00,000
Issued, subscribed and fully paid up capital (Equity shares of USD 1 each)		
As at 01 April 2022	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2023	1,00,000	1,00,000
Changes during the year	-	-
As at 31 March 2024	1,00,000	1,00,000

Notes:

- (i) Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of USD 1 per share. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared and approved from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

- (ii) The Company has not allotted any fully paid-up equity shares pursuant to any contract without payment being received in cash or by way of bonus share and has not bought back any fully paid-up equity shares during the period of five years immediately preceding the reporting date.

- (iii) Details of shareholding of promoters and promoter group including all other shareholders holding more than 5% of equity shares is as below:

Name of shareholders	Shareholder category	Number of equity shares held	% of total equity shares	% change during the year
As at 31 March 2024				
Tatva Chintan Pharma Chem Limited	Holding Company	1,00,000	100%	-
Total		1,00,000	100%	-
As at 31 March 2023				
Tatva Chintan Pharma Chem Limited	Holding Company	1,00,000	100%	-
Total		1,00,000	100%	-

- (iv) The equity shares of the Company have not been mortgaged, lien, pledged or otherwise encumbered.

- (v) All the equity shares of the Company have been held in physical form.

- (vi) The Company does not have any employee stock option plan.

- (vii) The equity shares of the Company have not been listed on any stock exchange in any jurisdiction



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

(Currency: US dollar)

10 Other equity

Particulars	As at	
	31 March 2024	31 March 2023
Retained earnings	12,12,818	12,01,811
Total	12,12,818	12,01,811

Note:

(i) Retained earnings:

Particulars	As at	
	31 March 2024	31 March 2023
Balance at the beginning of the year	12,01,811	9,20,311
Add : Profit for the year	11,007	2,81,500
Balance at the end of the year	12,12,818	12,01,811

11 Trade payables other than micro and small enterprises

Particulars	As at	
	31 March 2024	31 March 2023
Trade payables to related parties	7,25,701	19,39,549
Trade payables to others	28,012	33,652
Total	7,53,713	19,73,201

Notes:

- (i) The Company does not have any trade payable to:
- any directors or other officers of the Company or any of them either severally or jointly with any other persons.
 - any firms or private companies respectively in which any director is a partner or a director or a member except its fellow subsidiary.
- (ii) Refer note 26 for trade payable to related parties.
- (iii) Refer note 27 and 28 for financial instruments - fair values and risk measurement respectively.
- (iv) Trade payables are generally non-interest bearing and are on credit terms of 30 to 180 days.



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Notes forming part of the special purpose financial statements

for the year ended 31 March 2024

(Currency: US dollar)

11 Trade payables other than micro and small enterprises (continued)

(v) Trade payables ageing schedule is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024						
Undisputed:						
MSME	-	-	-	-	-	-
Others	7,53,638	75	-	-	-	7,53,713
Disputed:						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	7,53,638	75	-	-	-	7,53,713
As at 31 March 2023						
Undisputed:						
MSME	-	-	-	-	-	-
Others	19,73,201	-	-	-	-	19,73,201
Disputed:						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	19,73,201	-	-	-	-	19,73,201

12 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Advance from trade receivables*	23,490	-
Expenses payables	9,633	3,800
Total	33,123	3,800

*Refer note 24 for contract assets and contract liabilities.

13 Current tax liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for income tax	9,187	13,611
Advance income tax	-	-
Total	9,187	13,611



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for the year ended 31 March 2024

(Currency: US dollar)

14 Revenue from operations

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Revenue from contract with customers:		
Sale of products	73,86,040	1,09,59,915
Sale of services	1,360	54,092
Total	73,87,400	1,10,14,007

Notes:

- Refer note 24 for revenue from contract with customers as per Ind AS 115.
- Refer note 25 for information about operating segment as per Ind AS 108.
- The Company does not have any revenue from related parties.

15 Other income

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Income tax refund	-	7,677
Interest on income tax refund	-	3
Liabilities no longer required written back	42	471
Total	42	8,151

16 Purchases of stock-in-trade

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Purchase of traded goods	62,71,136	1,02,50,454
Total	62,71,136	1,02,50,454

The Company purchases all of its products and traded goods inventory from its Parent Company and fellow subsidiary (refer note 26). Costs includes cost of purchase and other costs amounting to USD 2,96,343 (31 March 2023: USD 4,48,018) incurred in bringing inventories to their present location and condition.

17 Changes in inventories of stock-in-trade

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Inventories at the beginning of the year:		
Traded goods	13,17,096	11,74,505
Traded goods-in-transit	-	1,04,310
Subtotal (i)	13,17,096	12,78,815
Inventories at the end of the year:		
Traded goods	6,10,731	13,17,096
Subtotal (ii)	6,10,731	13,17,096
Total (i) - (ii)	7,06,365	(38,281)



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18 Finance costs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on:		
- late payment of statutory dues	2,905	2,170
Total	2,905	2,170

19 Depreciation and amortization expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation on property, plant and equipment	538	88
Total	538	88

20 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Rent:		
- office	4,284	4,112
- warehouse	8,982	15,041
Repairs and maintenance - others	-	95
Insurance	9,898	7,700
Printing and stationery charges	523	359
Legal and professional fees	7,142	21,717
Rates and taxes	2,276	574
Penalties	1,000	4,156
Communication expenses	2,995	2,944
Bank commission and other charges	2,523	3,122
Travelling and conveyance expenses	20,611	18,041
Selling and business promotion expenses	2,47,815	2,47,899
Freight clearing and forwarding expenses	58,582	97,285
Miscellaneous expenses	927	159
Total	3,67,558	4,23,204



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21 Tax expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current tax:		
-on profit for the year	12,960	1,07,869
-on short or (excess) provision of tax relating to earlier years	14,973	(4,846)
Total	27,933	1,03,023

Notes:

(i) Reconciliation of effective tax rate:

The reconciliation between estimated income tax expense at statutory income tax rate and tax expense reported in the statement of profit and loss is given below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax (a)	38,940	3,84,523
Tax using the statutory tax rate @ 27% (31 March 2023: 27%)	10,514	1,03,821
Other state taxes based on net worth and transfer pricing	2,446	4,048
Effect of:		
Tax in respect of earlier years	14,973	(4,846)
Net tax expense (b)	27,933	1,03,023
Effective tax rate (b)/(a)	72%	27%

- (ii) The Company has been paying income tax under Federal and State Tax Laws. The Company is computing current tax on the basis of tax laws that have been enacted.
- (iii) During the years ended, there were no deferred federal or state income tax components. The Company accounts for income taxes using the asset and liability method whereby income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred tax assets and liabilities using tax rates enacted and in effect for the year in which the differences are expected to affect to taxable income.
- (iv) The Company accounts for uncertain tax positions under generally accepted accounting principles. The Company records a liability for uncertain tax positions, including related interest and penalties, when it is probable that a liability exists and the amount can be reasonably estimated. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. The Company has determined there is no uncertain tax position at 31 March 2024. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.
- (v) The Company has established a comprehensive system of maintenance of information and documents as required by transfer pricing legislation for its international transactions as well as any other specified transactions. Management believes that all the above transactions are at arm's length price and the aforesaid legislations will not have any impact on the financial statement, particularly on the amount of tax expense and provision for taxation.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts, that has been surrendered or disclosed as income during the year in the assessment under the Tax Laws prevailing in United States of America.



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for the year ended 31 March 2024

(Currency: US dollar, except per share data)

22 Earnings per equity share (EPS)

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Face value per equity share (in USD)	1	1
(a) Profit for the year attributable to equity shareholders (numerator)	11,007	2,81,500
(b) Number of equity shares at the beginning of the year	1,00,000	1,00,000
(c) Equity shares issued or allotted during the year	-	-
(d) Number of equity shares at the end of the year	1,00,000	1,00,000
(e) Weighted average number of equity shares for calculating basic earnings per equity share (denominator)	1,00,000	1,00,000
(f) Weighted average number of equity shares for calculating diluted earnings per equity share (denominator)	1,00,000	1,00,000
(g) Earnings per equity share (in USD):		
- Basic	0.11	2.82
- Diluted	0.11	2.82

Notes:

- (i) During the years ended, the Company has presented earning per equity share for continuing operations attributable to the ordinary equity shareholders of the Company. The Company does not have any discontinued operations. The Company has only one class of equity shares having a par value of USD 1 per share. Accordingly, all equity shares rank equally with regard to their right to share profit for the year. The Company does not have any instruments (including contingently issuable shares) that could potentially dilute basic earnings per share in the future.
- (ii) The earnings per equity share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year.
- (iii) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued/allotted during the year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

23 Leases

Company as lessee:

Short-term leases: The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less (short-term lease), leases of low-value assets and cancellable leases. The Company recognizes the lease payments associated with these leases as an expense in the statement of profit and loss.

Leases recognised in the statement of profit and loss:

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Other expenses:		
Rent:		
Short-term or cancellable leases	13,266	19,153
Total	13,266	19,153



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24 Revenue from contract with customers

Revenue from sale of products is recognized when the control on the goods has been transferred to the customers. Revenue from sale of services is recognised on satisfaction of performance obligation towards rendering of such services. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

"Specialty chemical business" has been identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

Although to meet the disclosure objective with respect to disaggregation of revenue under "Ind AS 115 Revenue from contract with Customers" the Company believes that disaggregation on the basis of "product categories" best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A Revenue from contract with customers recognised in the statement of profit and loss:		
Sale of products	73,86,040	1,09,59,915
Sale of services	1,360	54,092
Total	73,87,400	1,10,14,007
B Disaggregation of revenue:		
(i) Revenue based on type/nature of goods or services:		
Phase transfer catalysts (PTC)	26,21,859	41,77,717
Structure directing agents (SDA)	8,58,000	8,53,425
Electrolyte salts and solutions (ESS)	5,74,960	15,53,327
Pharmaceutical and agrochemical intermediates and others (PASC)	33,31,221	43,75,446
Other services	1,360	54,092
Total	73,87,400	1,10,14,007
(ii) Revenue based on its timing of recognition:		
Goods or services transferred over a point of time	73,87,400	1,10,14,007
Goods or services transferred over a period of time	-	-
Total	73,87,400	1,10,14,007
(iii) Revenue based on contract duration:		
Short-term contracts	73,87,400	1,10,14,007
Long-term contracts	-	-
Total	73,87,400	1,10,14,007
(iv) Revenue based on relationship with the customers:		
Non-related parties	73,87,400	1,10,14,007
Related parties	-	-
Total	73,87,400	1,10,14,007



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for the year ended 31 March 2024

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24 Revenue from contract with customers (continued)

C Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Revenue as per contracted price	73,87,400	1,08,98,582
Less: Deferment of revenue during the year	-	-
Less: Recognised as revenue during the year	-	1,15,425
Revenue from contract with customers	73,87,400	1,10,14,007

D Contract assets and liabilities:

Particulars	As at	As at
	31 March 2024	31 March 2023
Current contract assets:		
Trade receivables (refer note 5)	12,79,575	15,19,608
Less: Loss allowance	-	-
Contract assets	12,79,575	15,19,608
Current contract liabilities:		
Other current liabilities (refer note 12):		
Advances received from customers	23,490	-
Contract liabilities	23,490	-

Notes:

- Amounts received in advance from customers i.e. before the related performance obligation is satisfied, are included in the balance sheet as "Advances received from customers" (Contract liability) in "Other current liabilities". Amounts invoiced or billed for performance obligation satisfied but not yet paid by the customers are included in the balance sheet as "Trade receivables" (Contract assets).
- There were no significant changes in the composition of the contract liabilities and contract assets during the years reported, other than on account of routine invoicing and revenue recognition.
- Amounts previously recorded as contract liabilities have been increased due to further advances received from customers during the years and decreased due to revenue recognised on satisfaction of performance obligation during the years.
- Amounts previously recorded as trade receivables have been increased due to revenue recognised on satisfaction of performance obligation during the years and decreased on account of amount received from customers during the years.
- As per the terms of the contract with customers, either all performance obligations are to be completed within one year from the date of such contracts or the Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available as per paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, all the elements of transaction price have been included in the revenue recognised in the financial statements. Further, there is no material difference between the contract price and the revenue from contract with customers.
- As per the terms of the contract with customers, the Company expects, at the contract inception, that the period between transfer of a promised goods or services to customer and related payments for the goods or services will be less than one year or less. Accordingly, the Company has availed the practical expedient available as per paragraph 63 of Ind AS 115 and has not adjusted the promised amount of consideration for the effects of significant financing component, if any.



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25 Segment reporting

"Operating segments" are components of the Company whose operating results are regularly reviewed by the "Chief Operating Decision Maker (CODM)" to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

"Specialty chemical business" has been identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

A Information about geographical areas:

(i) Revenue from contract with customers*:

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
USA	73,64,900	94,60,680
Outside USA	22,500	15,53,327
Total	73,87,400	1,10,14,007

*Revenue from contract with customers has been allocated on the basis of the location of customers.

(ii) Non - current assets*:

Particulars	As at	As at
	31 March 2024	31 March 2023
USA	2,193	2,730
Outside USA	-	-
Total	2,193	2,730

*Non-current assets have been allocated on the basis of the geographic location of the respective assets.

B Information about major customers:

(i) Customers contributing more than 10% of the total revenue from contract with customers

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Customer 1	31%	-
Customer 2	17%	14%
Customer 3	12%	-
Customer 4	10%	-
Customer 5	8%	14%
Customer 6	-	12%

(ii) Customers contributing more than 10% of the outstanding trade receivables

Particulars	As at	As at
	31 March 2024	31 March 2023
Customer 1	37%	23%
Customer 2	33%	30%
Customer 5	12%	31%



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26 Related party disclosures

A Related parties:

The Company does not have any subsidiaries, step down subsidiaries, associates or joint ventures. As per the Ind AS 24 on "Related Party Disclosures", list of related parties identified in the Company are as follows:

1 Holding Company:

Tatva Chintan Pharma Chem Limited

2 Fellow Subsidiary:

Tatva Chintan Europe B.V.

3 Key managerial personnel (KMP):

Directors

Mr. Chintan Nitinkumar Shah

Mr. Ajaykumar Mansukhlal Patel

Mr. Shekhar Rasiklal Somani

Mr. Subhash Ambubhai Patel

Designation

Director and President

Director and Treasurer

Director and Secretary

Director

B Transactions with related parties:

The Company's related parties primarily consist of its Holding Company and all the contracts/ arrangements/ transactions entered into by the Company with the related parties were in the ordinary course of business and on arm's length basis. The aggregate value of the Company's transactions with related parties are as follows:

Particulars	Year ended	Year ended
	31 March 2024	31 March 2023
Purchases of stock-in-trade:		
Tatva Chintan Pharma Chem Limited	59,61,968	98,02,436
Tatva Chintan Europe B.V.	12,825	-
Total	59,74,793	98,02,436

C Balances with related parties:

The aggregate value of the Company's outstanding balances with related parties are as follows:

Particulars	As at	As at
	31 March 2024	31 March 2023
Current financial liabilities:		
Trade payables:		
Tatva Chintan Pharma Chem Limited	7,12,876	19,39,549
Tatva Chintan Europe B.V.	12,825	-
Total	7,25,701	19,39,549

Notes:

(i) None of the Company's director is related to each other.

(ii) The Company has not entered into any service contracts with its directors or key managerial personnel in relation to payment of any monetary benefits, termination or retirement benefits or other benefits.



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26 Related party disclosures (Continued)

- (iii) The Company does not have (a) any employees including permanent employees, contractual or temporary workers, (a) any contingent or deferred compensation payable to its directors or key managerial personnel and (c) any profit-sharing plan in which its directors or key managerial personnel have participated.
- (iv) Any kind of remuneration including termination or retirement benefits have not been paid or payable by the Company to any director or promoter of the Parent Company.
- (v) The Company (a) has not been a beneficiary of or interested in any outstanding loan or advance (including guarantees of any kind) given by the Parent Company, (b) has not granted any loan or advance to the Parent Company, and (c) the directors or promoters of the Parent Company are not interested in or not related to the beneficiaries of loans, advances and trade receivables of the Company.
- (vi) The Company has not entered into any subsisting material agreement, including with strategic partners, joint venture partners or financial partners, other than in the ordinary course of business.
- (vii) The Company has not been party to any merger or amalgamation and there have been no material acquisitions or divestments of business or undertakings by the Company.



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27 Financial instruments

A Categories of financial assets and financial liabilities:

The Company's financial assets and financial liabilities can be categorised as follows:

- (i) All financial assets and financial liabilities of the Company are measured at amortised cost.
- (ii) The Company does not have any financial assets and financial liabilities "designated to be measured at FVTPL" upon initial recognition or subsequently in accordance with Ind AS 109. The Company does not have any financial assets measured at FVTOCI.
- (iii) During the years ended, the Company has not reclassified any financial assets and financial liabilities.
- (iv) During the years ended, the Company has not off-settled any financial assets and financial liabilities.
- (v) The Company does not have any type of compound financial instruments.

B Fair values:

The Company's management have assessed that the "carrying amounts" of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be reasonable approximation of their "fair values" due to their current and short-term nature. Accordingly, the Company has not separately disclosed fair values as per paragraph 29 of Ind AS 107 "Financial instruments: disclosures".

C Fair value hierarchy:

The fair value of financial instruments has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1 quoted prices in an active market: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds. It has been valued using the closing price as at the reporting period on the stock exchanges.

Level 2 valuation techniques with observable inputs: This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of these instruments is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 valuation techniques with significant unobservable inputs: This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor based on available market data.

D Measurement of fair values:

The Company's management have used its best judgement in estimating the fair value of its financial instruments. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.



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27 Financial instruments (continued)

E Recognition and classification of financial assets and financial liabilities (non-current and current):

Particulars	FVTPL	FVTOCI	Amortised cost	Total	Fair value hierarchy		
					Level 1	Level 2	Level 3
As at 31 March 2024							
Trade receivables	-	-	12,79,575	12,79,575	-	-	-
Cash and cash equivalents	-	-	81,738	81,738	-	-	-
Total	-	-	13,61,313	13,61,313	-	-	-
As at 31 March 2023							
Trade receivables	-	-	15,19,608	15,19,608	-	-	-
Cash and cash equivalents	-	-	4,46,816	4,46,816	-	-	-
Total	-	-	19,66,424	19,66,424	-	-	-
Trade payables	-	-	19,73,201	19,73,201	-	-	-
Total	-	-	19,73,201	19,73,201	-	-	-

28 Financial instruments-risk management

The Board of Directors has the overall responsibility for establishing and governing the Company's risk management framework. The Company has constituted a risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions have also been placed before the Board of Directors of the Company. This note explains the nature, extent and sources of risks arising from financial instruments to which the Company is exposed at the end of the reporting years and how the entity manages the risk and the related impact in the financial statements. The Company's financial liabilities comprise mainly of trade payables. The Company's financial assets comprise mainly of cash and cash equivalents and trade receivables. The Company's business activities are exposed to a variety of financial risks namely:

- A. Credit risk, and
- B. Liquidity risk.

A Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual and performance obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Company's credit risks principally arise from trade receivables and from cash and cash equivalents. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

Trade receivables: Customer credit risk has been managed by the Company and is subject to established policy, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring the credit worthiness of the customers to which the Company extends the credit in the normal course of the business. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings (if available) of its counterparties are continuously monitored. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.



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28 Financial instruments-risk management (continued)

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Cash and cash equivalents: Cash and cash equivalents are placed with banks having good reputation and having high credit-ratings assigned by international credit-rating agencies.

B Liquidity risk:

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company has maintained a cautious liquidity strategy, with a positive cash balance throughout the years ended. Cash flow from operating activities provides the funds to service the financial liabilities on a day-to-day basis. The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities. The Company also manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Exposure to liquidity risk:

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows, along with its carrying value as at the balance sheet date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Carrying amount	Contractual maturities		Total
		Less than 1 year	More than 1 year	
Non-derivative financial liabilities:				
As at 31 March 2024				
Trade payables	7,53,713	7,53,713	-	7,53,713
Total	7,53,713	7,53,713	-	7,53,713
As at 31 March 2023				
Trade payables	19,73,201	19,73,201	-	19,73,201
Total	19,73,201	19,73,201	-	19,73,201

29 Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence, to sustain future development of the business and to be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. For the purpose of the Company's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Company. The management and the Board of Directors monitor the return on capital as well as the level of dividends to shareholders. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The funding needs are met through equity and cash generated from operations. The Company is predominantly equity financed and has not borrowed funds. During the years ended, no changes were made in the objectives, policies or processes for managing capital.



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30 Additional regulatory information

- (i) The Company has not been involved in any lawsuits or legal disputes.
- (ii) The Company, its directors and the Parent Company have not been debarred or prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by U.S. Securities and Exchange Commission, SEBI or any securities market regulator in any jurisdiction or any other authority / court.
- (iii) Neither the Company nor the directors of the Company are or have been classified as wilful defaulters by a financial institution or any other regulatory statutory authority in the United States of America or by Reserve Bank of India, or by any bank or financial institution or consortium, nor does the name of the Company appear in the intermediary caution list or list of vanishing companies.

31 Indirect taxes

The Company has properly complied with the provisions of indirect taxes, to the extent applicable to the Company.

32 Subsequent events

In preparing these special purpose financial statements, the Company has evaluated events and transactions that occur during the period subsequent to 31 March 2024 for potential recognition or disclosure. These subsequent events have been considered through 03 May 2024, which is the date, the special purpose financial statements were available to be issued. No significant items were identified, which may require an adjustment.

33 Approval of financial statements

These special purpose financial statements for the year ended 31 March 2024 have been approved by the Board of Directors at their respective meeting held on 03 May 2024.

34 General

- (a) All the amounts disclosed in the special purpose financial statements and notes forming part of special purpose financial statements have been rounded off.
- (b) Figures for the previous years have been re-classified/re-arranged/re-grouped to conform to classification of current period, wherever necessary.

Notes forming part of the special purpose financial statements

1- 34

As per our report of even date attached

For NDJ & Co.

Chartered Accountants

Firm's Registration Number: 136345W

CA. Basant Chandak

Partner

Membership Number: 434585

Date : 03 May 2024

Place : Vadodara, Gujarat, India

Basant



For and on behalf of the Board of Directors of

Tatva Chintan USA Inc.

IDN: 800774665

Chintan N. Shah

President

Date : 03 May 2024

Place : Vadodara, Gujarat, India

Chintan Shah

Shekhar R. Somani

Shekhar R. Somani

Secretary