

### Independent Auditor's Report

#### To the Members of Idealis Chemicals Private Limited

#### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of **Idealis Chemicals Private Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including material accounting policies information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid 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 ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the 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 is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter- Reverse merger

4. We draw attention to Note 4 of the accompanying financial statements, which describes the scheme of amalgamation approved by the Board on 18 March 2026 for the reverse merger of the Company with its wholly owned subsidiary, Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited), by way of a fast-track amalgamation under Sections 179(3)(i) and 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016. The note describes the rationale for the proposed merger.

Our opinion is not modified in respect of this matter.

#### Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these 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 Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

9. Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing 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 financial statements.
10. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality represents the magnitude of misstatements in the Ind AS Financial Statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of a reasonably knowledgeable user of those Financial Statements. We consider both quantitative and qualitative factors in (i) planning the scope of our audit procedures and evaluating the results of our audit work, and (ii) assessing the effect of any identified misstatements on the Ind AS financial statements.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. 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.

### **Other Matter**

13. The financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor, Sundar Srini & Sridhar who have expressed an unmodified opinion on those financial statements vide their audit report dated 02 May 2025

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

14. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The financial statements dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company as detailed in note 30(e) to the financial statements, does not have any pending litigation which would impact its financial position as at 31 March 2026;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 30(d) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
      - b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 30(d) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2026
- vi. As stated in note 34 to the financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on 1 April 2025, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

**For V Narayanan & Co.**

Chartered Accountants

Firm's Registration No.: 002398S

**Dileep Thammana**

Partner

Membership No.: 227512

UDIN: 26227512KBDZOH4692

**Place:** Chennai

**Date:** 11 May 2026

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**Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of Idealis Chemicals Private Limited on the financial statements for the year ended 31 March 2026**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification which have been properly dealt with in the books of account. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause those 3(xix) of the Order is not applicable to the Company.
- (ii) (a) The Company does not hold any inventory Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.  
  
(b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has provided unsecured loan to its Subsidiaries during the year as per details given below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)	(₹ in lakhs)
<b>Aggregate amount of unsecured loan provided to subsidiary during the year</b>	-	-	-	-
- Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited)				
<b>Balance outstanding as at balance sheet date in respect of unsecured loan to subsidiary</b>	-	-	7,190.74	-
- Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited)				

- (a) In our opinion, and according to the information and explanations given to us, the investments made in subsidiary and loans and advances to subsidiary in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (b) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal and payment of interest have not yet commencement as per the stipulation.
- (c) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties as at the balance sheet date.
- (d) The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans, investments, guarantees and security, as applicable. Further, the Company has not entered into any transaction covered under section 185.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

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- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company does not have any loans or other borrowings from banks and financial institutions or government or debenture holders etc. Further no part of loan obtained from holding company and payment of interest has fallen due during the financial year. Accordingly, reporting under clause 3(ix) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to and representation received from the management of the Company, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans from holding company were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.
- (e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds during the year from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 102.91 lakhs and ₹ 237.47 lakhs respectively.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information and Note 4 of accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities

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falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- (xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **V Narayanan & Co.**  
Chartered Accountants  
Firm's Registration No.: 002398S

**Dileep Thammana**  
Partner  
Membership No.: 227512  
UDIN: 26227512KBDZOH4692

**Place:** Chennai  
**Date:** 11 May 2026

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**Annexure B to the Independent Auditor's Report of even date to the members of Idealis Chemicals Private Limited on the financial statements for the year ended 31 March 2026**

**Independent Auditor's Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of **Idealis Chemicals Private Limited** ('the Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls over financial reporting ('Internal financial control') of the Company as at that date.

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

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

**Auditor's Responsibility for Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's Internal financial control with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal financial control, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial control were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial control with reference to financial statements and their operating effectiveness. Our audit of Internal financial control with reference to financial statements includes obtaining an understanding of Internal financial control, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal financial control with reference to financial statements.

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**Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's Internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's Internal financial control with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **V Narayanan & Co.**  
Chartered Accountants  
Firm's Registration No.: 002398S

**Dileep Thammana**  
Partner  
Membership No.: 227512  
UDIN: 26227512KBDZOH4692

**Place:** Chennai  
**Date:** 11 May 2026

**Financial Statements and Independent Auditor's Report**

**Idealis Chemicals Private Limited**

**31 March 2026**

**Idealis Chemicals Private Limited**  
**Balance Sheet as at 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property plant and equipment	3	32.12	21.47
(b) Financial assets:			
(i) Investments	4	500.00	500.00
(ii) Loans	5	5,752.59	7,190.74
(iii) Other financial assets	6	118.79	359.40
(c) Income tax Asset (Net)	7	109.12	39.34
(d) Deferred tax asset (Net)	8	103.22	103.22
<b>Total non-current assets</b>		<b>6,615.84</b>	<b>8,214.17</b>
<b>Current assets</b>			
(a) Financial assets:			
(i) Cash and cash equivalents	9	19.62	31.12
(ii) Loans	5	1,438.15	-
(iii) Other financial assets	6	1,630.44	913.97
(b) Other current assets	10	24.85	24.07
<b>Total current assets</b>		<b>3,113.06</b>	<b>969.16</b>
<b>Total assets</b>		<b>9,728.90</b>	<b>9,183.33</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	330.00	300.00
(b) Other equity	12	(320.46)	(244.70)
<b>Total equity</b>		<b>9.54</b>	<b>55.30</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities:			
i. Borrowings	13	6,793.19	8,374.99
ii. Other financial liabilities	14	293.69	627.63
(b) Provisions	15	-	2.56
<b>Total non-current liabilities</b>		<b>7,086.88</b>	<b>9,005.18</b>
<b>Current liabilities</b>			
(a) Financial liabilities:			
i. Borrowings	13	1,698.30	-
ii. Trade payables			
(A) Outstanding dues of micro and small enterprises	16	1.54	0.74
(B) Outstanding dues of creditors other than above	16	8.37	18.13
ii. Other financial liabilities	14	918.86	20.93
(b) Other current liabilities	17	5.41	75.61
(c) Provisions	15	-	7.44
<b>Total current liabilities</b>		<b>2,632.48</b>	<b>122.85</b>
<b>Total liabilities</b>		<b>9,719.36</b>	<b>9,128.03</b>
<b>Total equity and liabilities</b>		<b>9,728.90</b>	<b>9,183.33</b>

Material accounting policies

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

**As per our report of even date attached**

**For V Narayanan & Co**

Chartered Accountants

ICAI Firm Registration No.: 002398S

**Dileep Thammana**

Partner

Membership No.: 227512

Place: Chennai

Date:

**For and on behalf of the Board of Directors of**

**Idealis Chemicals Private Limited**

CIN: U20299TN2023PTC164103

**S.Meenakshisundaram**

Director

DIN: 01176085

Place: Chennai

Date:

**N.R.Kannan**

Director

DIN: 10719563

Place: Chennai

Date:

**Idealis Chemicals Private Limited**  
**Statement of Profit And Loss for the year ended 31 March 2026**  
*(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)*

Particulars	Notes	For the year ended 31 March 2026	For the year ended 31 March 2025
Revenue from operations	18	-	-
Other income	19	578.30	1,083.55
<b>Total income</b>		<b>578.30</b>	<b>1,083.55</b>
<b>Expenses:</b>			
Employee benefits expense	20	-	313.06
Finance costs	21	634.49	589.27
Depreciation and amortisation expense	22	6.03	1.69
Other expenses	23	13.54	418.69
<b>Total expenses (IV)</b>		<b>654.06</b>	<b>1,322.71</b>
<b>Profit/(loss) before tax (III-IV)</b>		<b>(75.76)</b>	<b>(239.16)</b>
<b>Tax expense:</b>			
- Current tax		-	-
- Deferred Tax	24	-	(75.85)
<b>Total tax expenses (VI)</b>		<b>-</b>	<b>(75.85)</b>
<b>Profit/(loss) after tax (V-VI)</b>		<b>(75.76)</b>	<b>(163.31)</b>
<b>Other Comprehensive Income</b>			
<b>a) Items that will not be reclassified to Profit or Loss</b>			
- Remeasurements of the defined benefit plans		-	0.31
- Income tax expenses relating to the above		-	(0.08)
<b>b) Items to be reclassified to profit or loss</b>			
- Items that will be reclassified to profit or loss		-	-
- Income tax expenses relating to the above		-	-
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>0.23</b>
<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(75.76)</b>	<b>(163.08)</b>
<b>Earnings Per Equity Share ( Face value of ₹ 10 each)</b>			
Basic earnings per share (In ₹)	25	(2.50)	(5.44)
Diluted earnings per share (In ₹)		(2.50)	(5.44)

Material accounting policies

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

**As per our report of even date attached**

**For V Narayanan & Co**  
Chartered Accountants  
ICAI Firm Registration No.: 002398S

**For and on behalf of the Board of Directors of  
Idealis Chemicals Private Limited**  
CIN: U20299TN2023PTC164103

**Dileep Thammana**  
Partner  
Membership No.: 227512

**S.Meenakshisundaram**  
Director  
DIN: 01176085

**N.R.Kannan**  
Director  
DIN: 10719563

Place: Chennai  
Date:

Place: Chennai  
Date:

Place: Chennai  
Date:

**Idealis Chemicals Private Limited**  
**Statement of Cash Flows for the year ended 31 March 2026**  
(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
<b>Cash flow from operating activities</b>		
Profit / (loss) before income tax	(75.76)	(239.16)
<b>Adjustments for :</b>		
Depreciation and amortisation of property, plant and equipment	6.03	1.69
Finance Cost	634.49	589.27
Interest Income on loans given	(539.31)	(391.60)
Provision no longer required written off	(33.18)	
Interest on Income tax refund	-	(0.05)
Profit from sale of investments held in Mutual Funds	-	(0.33)
<b>Operating profit before working capital changes</b>	<b>(7.73)</b>	<b>(40.18)</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in other financial assets	63.45	(881.77)
(Increase) / decrease in other assets	(72.18)	(61.41)
Increase / (decrease) in trade payables	(8.96)	18.42
Increase / (decrease) in provisions	(10.00)	30.93
Increase / (decrease) in other liabilities	(37.03)	64.91
Increase / (decrease) in other financial liabilities	(84.38)	(58.92)
<b>Cash generated from operations</b>	<b>(156.83)</b>	<b>(928.02)</b>
Income Tax (paid)/Refund	5.88	1.57
<b>Net cash used in operating activities</b>	<b>(150.95)</b>	<b>(926.45)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Property Plant and Equipment( Incl. Capital creditors and Advances)	(7.05)	(23.16)
Purchase of Investments - Mutual Funds	-	(139.99)
Proceeds from sale of Investments - Mutual Funds	-	140.32
<b>Net cash used in investing activities</b>	<b>(7.05)</b>	<b>(22.83)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	116.50	938.99
Proceeds from issue of shares	30.00	-
<b>Net cash generated in financing activities</b>	<b>146.50</b>	<b>938.99</b>
<b>Net increase in cash and cash equivalents</b>	<b>(11.50)</b>	<b>(10.29)</b>
Cash and cash equivalents as at the beginning of the year	31.12	41.41
<b>Cash and Cash equivalents as at the end of the year</b>	<b>19.62</b>	<b>31.12</b>
<b>Cash and cash equivalents consist of:</b>		
Balances with banks		
- in current accounts (Also, refer note 9)	19.62	31.12
	<b>19.62</b>	<b>31.12</b>

Material accounting policies  
The accompanying notes form an integral part of the financial statements.

**As per our report of even date attached**

**For V Narayanan & Co**  
Chartered Accountants  
ICAI Firm Registration No.: 002398S

**Dileep Thammana**  
Partner  
Membership No.: 227512

Place: Chennai  
Date:

**For and on behalf of the Board of Directors of**  
Idealis Chemicals Private Limited  
CIN: U20299TN2023PTC164103

**S.Meenakshisundaram**  
Director  
DIN: 01176085

Place: Chennai  
Date:

**N.R.Kannan**  
Director  
DIN: 10719563

Place: Chennai  
Date:

**Idealis Chemicals Private Limited**  
**Statement of Changes in Equity for the year ended 31 March 2026**  
(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

**(a) Equity share capital**

Particulars	No of shares	₹ in lakhs
<b>Balance as at 1 April 2024</b>	<b>30,00,000</b>	<b>300.00</b>
- Fresh issue of shares upon incorporation	-	-
<b>Balance as at 31 March 2025</b>	<b>30,00,000</b>	<b>300.00</b>
- Changes in equity share capital during the year	3,00,000	30.00
<b>Balance as at 31 March 2026</b>	<b>33,00,000</b>	<b>330.00</b>

\*number of shares are denoted in absolute numbers

**(b) Other Equity**

Particulars	Retained earnings	Other comprehensive income	Total other equity
<b>a. Balance as at 1 April 2024</b>	<b>(81.62)</b>	-	<b>(81.62)</b>
b. Loss for the year	(163.31)	-	(163.31)
c. Other comprehensive income for the year	-	0.23	0.23
<b>d. Balance as at 31 March 2025</b>	<b>(244.93)</b>	<b>0.23</b>	<b>(244.70)</b>
e. Loss for the year	(75.76)	-	(75.76)
f. Other comprehensive income for the year	-	-	-
<b>g. Balance as at 31 March 2026</b>	<b>(320.69)</b>	<b>0.23</b>	<b>(320.46)</b>

Material accounting policies

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

As per our report of even date attached

**For V Narayanan & Co**  
Chartered Accountants  
ICAI Firm Registration No.: 002398S

**For and on behalf of the Board of Directors**  
**Idealis Chemicals Private Limited**  
CIN: U20299TN2023PTC164103

**Dileep Thammana**  
Partner  
Membership No.: 227512

**S.Meenakshisundaran**  
Director  
DIN: 01176085

**N.R.Kannan**  
Director  
DIN: 10719563

Place: Chennai  
Date:

Place: Chennai  
Date:

Place: Chennai  
Date:

**Idealis Chemicals Private Limited****Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

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**1 Corporate information**

Idealis Chemicals Private Limited (CIN: U20299TN2023PTC164103) was incorporated on October 05, 2023. The Company is into manufacturing, processing, trading and dealing in specialty chemicals, oilfield chemicals, mud chemicals and allied products and such other activities as more specifically mentioned in the Memorandum of Association. The Company is yet to commence commercial production. The Company is domiciled in India and its registered office is situated at No 2 North Crescent Road, T Nagar, Chennai-600017, Tamil Nadu.

**2 Summary of material accounting policies****A) Statement of compliances**

These Financial Statements of the Company comprise the Balance Sheet as at 31 March 2026, the Statement of Profit and Loss (including Other Comprehensive Income) for the year ended 31 March 2026, the Statement of Cash Flows for the year ended 31 March 2026 and the Statement of Changes in Equity for the year ended 31 March 2026, and a summary of material accounting policies and other explanatory information (together hereinafter referred to as the "Financial Statements").

These Financial Statements for the year ended 31 March 2026 have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, as applicable to the Company. The accounting policies and methods of computation followed in the preparation of these financial statements are consistent with those followed in the most recent annual financial statements of the Company.

**B) Functional and presentation currency**

These financial statements are presented in Indian Rupees ('INR' or 'Rs.' or '₹') which is also the Company's functional currency. Due to rounding, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated. Amounts less than the rounding off norms adopted by the Company are disclosed as 0.

**C) Basis of preparation and presentation**

These financial statements have been prepared on the historical cost basis, except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 take 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 best economic interest.

As fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the assets 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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level inputs 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in Note N operating Cycle. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**D) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2026, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

**E) Property, plant and equipment**

Property, plant and equipment's (PPE) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. PPE in course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowings costs capitalized in accordance with Company's accounting policy. Such properties are classified to appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, commences when the assets are ready for their intended use.

**Idealis Chemicals Private Limited**

**Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

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**2 Summary of material accounting policies (Continued)**

**E) Property, plant and equipment (continued)**

Advance paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non current assets.

Cost of assets not ready to use are disclosed under 'capital work in progress'.

Depreciable amount is the cost of an asset less its estimated residual value. Depreciation on Property, plant and equipment has been provided on the straight-line method for the year as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Fixed Assets individually costing Rs. 5,000 or less are fully depreciated in the year of capitalization.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and carrying amount of the asset and is recognized as profit or loss.

**F) Investments in subsidiary**

Investment in subsidiary is carried at cost less impairment losses, if any. Where an indication of impairment exists, the carrying amount of investments is assessed and impairment provision is recognised, if required, immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

**G) Cash & Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**H) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**I) Provisions and contingencies**

Provisions are recognised, when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

**J) Taxes on income**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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 the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Current tax is the expected tax payable on the taxable profit for the year using tax rates enacted or substantively enacted by the end of the reporting period and any adjustments to the tax payable in respect of previous years.

The tax currently payable is based on taxable profit for the year, if any. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

**Idealis Chemicals Private Limited**

**Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

**2 Summary of material accounting policies (Continued)**

**K) Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

**i) Initial Recognition**

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

**ii) Subsequent Measurement**

**Financial assets**

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries, which are measured at cost.

**Classification of financial assets**

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

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortized cost

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

**a) Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on these assets that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**b) 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 (FVTOCI). Movements in the carrying amount are taken through OCI. When the 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 income/ (expense).

**c) Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivable, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at Fair value through profit or loss.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impairment financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument ( for example, prepayments, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for the financial instruments at an amount equal to the lifetime expected credit losses if the credit risk on those financial instruments has increased significantly since initial recognition.

If the credit risk on financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instruments at an amount equal to 12 months expected credit losses. The twelve months expected credit losses are portion of the lifetime expected credit losses and represents lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the 12 months.

If the Company measured loss allowance for the financial instruments at life time expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instruments instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

**Derecognition of financial assets**

A financial asset is derecognized only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

**2 Summary of material accounting policies (Continued)**

**K) Financial Instruments (continued)**

**Financial liabilities and equity instruments**

**Classification as equity or financial liability**

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

**Equity instruments**

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

**Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

**Financial liabilities at FVTPL**

Liabilities that do not meet the criteria for amortized cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognized in the statement of profit and loss.

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

**L) Earnings Per Share**

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic plus dilutive shares during the year.

**M) Use of estimates and judgements**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets & contingent liabilities at the date of financials statements, income and expenses during the year. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgements are made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**N) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**O) Finance cost**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Finance costs are charged to the Statement of profit and loss.

**P) Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

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**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

**3 Property Plant and Equipment**

Particulars	Property, plant and equipment		Total
	Vehicles	Office equipment	
<b>Gross block</b>			
<b>Balance as at 1 April 2024</b>	-	-	-
Additions	23.16	-	23.16
Reversal on disposals	-	-	-
<b>Balance as at 31 March 2025</b>	<b>23.16</b>	<b>-</b>	<b>23.16</b>
Additions	-	16.68	16.68
Reversal on disposals	-	-	-
<b>Balance as at 31 March 2026</b>	<b>23.16</b>	<b>16.68</b>	<b>39.84</b>
<b>Accumulated depreciation/amortization</b>			
<b>Balance as at 1 April 2024</b>	-	-	-
Charge for the year	1.69	-	1.69
Reversal on disposals	-	-	-
<b>Balance as at 31 March 2025</b>	<b>1.69</b>	<b>-</b>	<b>1.69</b>
Charge for the year	2.72	3.31	6.03
Reversal on disposals	-	-	-
<b>Balance as at 31 March 2026</b>	<b>4.41</b>	<b>3.31</b>	<b>7.72</b>
<b>Net Block</b>			
<b>As at 31 March 2025</b>	<b>21.47</b>	<b>-</b>	<b>21.47</b>
<b>As at 31 March 2026</b>	<b>18.75</b>	<b>13.37</b>	<b>32.12</b>

**Contractual obligations**

There are no contractual commitments for the acquisition of property, plant and equipment.

**Idealis Chemicals Private Limited****Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

4 Investments	As at	As at
	31 March 2026	31 March 2025
<b>Investment in equity instruments in subsidiary (Fully paid up): Unquoted</b>		
Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited) - Wholly owned subsidiary w.e.f July 10, 2024 - measured at cost 50,00,000 equity shares of ₹ 10 each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>i) Non-current investments</b>		
Aggregate amount of unquoted investments	500.00	500.00
Aggregate amount of impairment in value of investments	-	-
<b>Total non-current investments</b>	<b>500.00</b>	<b>500.00</b>
<b>ii) Current investments</b>		
Aggregate cost of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
	<b>-</b>	<b>-</b>

A. Idealis Chemicals Private Limited (Idealis) was declared as the successful bidder for acquiring Oren Hydrocarbons Private Limited (OREN) as a going concern in the auction conducted by the liquidator of OREN, on 21st December 2023 in terms of the Insolvency and Bankruptcy Code, 2016. The sale consideration of ₹ 7690.74 lakhs (Rupees seventy-six crores ninety lakhs seventy-four thousand and sixty-six only) was paid and the liquidator issued the sale certificate dated 22.02.2024 under the provisions of Insolvency and Bankruptcy Code, 2016 and its regulations in force, in favour of Idealis. The Hon'ble NCLT granted various reliefs, concessions, exemptions and directions vide its order that was uploaded on NCLT's website on 10th July, 2024. Effective 10th July, Oren became a subsidiary of Idealis. Effective October 9, 2024, the 'OREN' was changed to "Idealis Mudchemie Private Limited". As per the directions of NCLT vide order dated July 9, 2024, the Sale consideration of ₹ 7,690.74 lakhs has been apportioned as investments in subsidiary to an extent of ₹ 500 lakhs (Equity shares of 50,00,000 equity shares of ₹10/- each at par) and balance sum of ₹ 7,190.74 lakhs has been treated as Loan to Idealis Mudchemie Private Limited.

The Board of Directors, at its meeting held on 18 March 2026, approved a Scheme of Amalgamation for the amalgamation of M/s Idealis Chemicals Private Limited ("ICPL") into its wholly owned subsidiary, Idealis Mudchemie Private Limited ("IMPL"), by way of a reverse merger through the fast-track route pursuant to Section 233 of the Companies Act, 2013 read with Rule 25 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions. The rationale of the proposed merger is to streamline group structure, reduce subsidiary layers and achieve operational efficiency. The Scheme is subject to necessary statutory and regulatory approvals and completion of customary compliances. No adjustment has been made in these financial statements for this event.

5 Loans	As at 31 March 2026		As at 31 March 2025	
	Non-Current	Current	Non-Current	Current
<b>At amortized cost</b>				
Loans to Subsidiary (refer note 26(c))	5,752.59	1,438.15	7,190.74	-
Less: Impairment loss allowance	-	-	-	-
	<b>5,752.59</b>	<b>1,438.15</b>	<b>7,190.74</b>	<b>-</b>

Particulars	Hypothecation details	Terms of loan	Rate
Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited)	Unsecured	Refer note below*	7.50%

\* As per the terms of Loan, the Company extended a loan amounting to ₹7,190.74 lakhs. The loan is repayable over a period of five years, in equal annual instalments (20% per annum), starting from FY 2026-27.

6 Other financial assets	As at 31 March 2026		As at 31 March 2025	
	Non-Current	Current	Non-Current	Current
<b>Unsecured - Considered good</b>				
Security deposits	7.00	-	7.00	-
Interest accrued on Loans to related party (refer note 26(c))	111.79	725.48	352.40	-
Other receivables from related party	-	904.96	-	913.97
	<b>118.79</b>	<b>1,630.44</b>	<b>359.40</b>	<b>913.97</b>

**Idealis Chemicals Private Limited**

**Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

7 Income tax asset (net)	As at 31 March 2026		As at 31 March 2025	
	Non-Current	Current	Non-Current	Current
Advance Tax and Tax Deducted at Source	109.12	-	39.34	-
	<b>109.12</b>	<b>-</b>	<b>39.34</b>	<b>-</b>

8 Deferred tax asset (net)	As at	As at
	31 March 2026	31 March 2025
Deferred tax assets	103.67	103.67
Deferred tax liabilities	(0.45)	(0.45)
<b>Net Deferred Tax Asset / (Liability)</b>	<b>103.22</b>	<b>103.22</b>

As at 31 March 2026	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax asset / (liabilities) in relation to :</b>				
On account of employees provisions made	7.79	-	-	7.79
On account of PPE	(0.45)	-	-	(0.45)
Carried forward loss	95.88	-	-	95.88
<b>Net Deferred Tax Asset / (Liability)</b>	<b>103.22</b>	<b>-</b>	<b>-</b>	<b>103.22</b>

As at 31 March 2025	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax asset / (liabilities) in relation to :</b>				
On account of employees provisions made	-	7.87	(0.08)	7.79
On account of PPE	-	(0.45)	-	(0.45)
Carried forward loss	27.45	68.43	-	95.88
<b>Net Deferred Tax Asset / (Liability)</b>	<b>27.45</b>	<b>75.85</b>	<b>(0.08)</b>	<b>103.22</b>

The Company has recognised the deferred tax asset based on management's assessment of future taxable profits under the standalone business scenario as per the business plan and anticipated business developments, including the proposed amalgamation, the outcome and tax implications of which are subject to applicable provisions of the Income-tax Act, 1961, and will be reassessed based on actual performance and outcomes.

9 Cash and cash equivalents	As at	As at
	31 March 2026	31 March 2025
(a) Balances with banks in current accounts and deposit accounts		
- In Current account*	19.62	31.12
(b) Cash on hand	-	-
	<b>19.62</b>	<b>31.12</b>

\*The Company has evaluated the cash and cash equivalent balances as at the reporting date and confirms that there are no significant amounts subject to any contractual, regulatory, or other restrictions on their use. All balances classified under cash and cash equivalents are fully available for use in the Company's normal operating activities.

10 Other current asset	As at	As at
	31 March 2026	31 March 2025
Advance to suppliers	10.84	24.07
Capital advances	4.25	-
Balances with statutory authorities	9.76	-
	<b>24.85</b>	<b>24.07</b>

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**Idealis Chemicals Private Limited**

**Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

11 Equity share capital	As at 31 March 2026		As at 31 March 2025	
	Number*	Amount	Number*	Amount
<b>Authorised</b>				
Equity shares of ₹ 10 each fully paid up	40,00,000	400.00	30,00,000	300.00
<b>Issued, subscribed and paid-up (fully paid up)</b>				
Equity shares of ₹ 10 each fully paid up	33,00,000	330.00	30,00,000	300.00

**a. Reconciliation of number of equity shares and amount outstanding**

	As at 31 March 2026		As at 31 March 2025	
	Number*	Amount	Number*	Amount
<b>Issued, subscribed and paid-up</b>				
<b>Equity shares</b>				
At the beginning of the year	30,00,000	300	30,00,000	300
Issued during the year	3,00,000	30	-	-
<b>Outstanding at the end of the year</b>	<b>33,00,000</b>	<b>330</b>	<b>30,00,000</b>	<b>300</b>

**b. Shareholders holding more than 5 percent**

Archean Chemical Industries Limited	As at 31 March 2026		As at 31 March 2025	
	Number*	% of holding	Number*	% of holding
	32,99,994	100%	29,99,994	100%

\*number of shares are denoted in absolute numbers

**c. Terms / Rights attached to Equity Shares**

The Company has only one class of Equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential accounts, in proportion to their shareholding.

**d. Details of shares held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the**

Archean Chemical Industries Limited	As at 31 March 2026		As at 31 March 2025	
	Number*	% of holding	Number*	% of holding
	32,99,994	100%	29,99,994	100%

**e. Shares held by the promoter:**

	As at 31 March 2026		As at 31 March 2025		% change during the year
	Number*	% of holding	Number*	% of holding	
Archean Chemical Industries Limited	32,99,994	100.00%	29,99,994	100.00%	NIL
Mr. S. Meenakshisundaram *	1	0.00%	1	0.00%	NIL
Mr. R Raghunathan *	-	0.00%	1	0.00%	(100%)
Mr. P Ranjit *	1	0.00%	1	0.00%	NIL
Mr. Swaminathan *	1	0.00%	1	0.00%	NIL
Mrs. N Jayanthi *	1	0.00%	1	0.00%	NIL
Mr. R Muralidharan *	1	0.00%	1	0.00%	NIL
Mr. N.R kannan *	1	0.00%	-	0.00%	100%

\* Nominee of Archean Chemical Industries Limited

f. The Company does not have any outstanding shares issued under options.

g. The Company does not have any equity shares outstanding arising out of conversion of convertible securities

h. There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues since incorporation of the Company.

**Idealis Chemicals Private Limited****Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

**12 Other equity**

	As at 31 March 2026	As at 31 March 2025
Retained earnings (Net of other comprehensive income)	(320.69)	(244.93)
Other comprehensive income	0.23	0.23
	<b>(320.46)</b>	<b>(244.70)</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	(244.93)	(81.62)
Add : Loss for the year	(75.76)	(163.31)
	<b>(320.69)</b>	<b>(244.93)</b>
<b>Other comprehensive income</b>		
Balance at the beginning of the year	0.23	0.23
<b>Balance at the end of the year</b>	<b>0.23</b>	<b>0.23</b>

**Nature and purpose of other reserves****(a) Retained earnings**

Retained earnings or accumulated surplus/ (loss) represents total of all profits/ (losses) retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend pay-outs, transfers to General reserve or any such other appropriations to specific reserves.

**(b) Other comprehensive income**

Other comprehensive income represents accumulated balances of actuarial gains/(losses), arising out of employee defined benefit obligation and will not be subsequently reclassified to Statement of Profit and Loss. This reserve is not a distributable reserve.

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**Idealis Chemicals Private Limited**

**Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are in lakhs of Indian Rupees (₹), unless otherwise stated)

	As at 31 March 2026		As at 31 March 2025	
	Non-Current	Current	Non-Current	Current
<b>13 Borrowings</b>				
<b>Unsecured loan</b>				
Loans from related party	6,793.19	1,698.30	8,374.99	-
	<b>6,793.19</b>	<b>1,698.30</b>	<b>8,374.99</b>	<b>-</b>

Particulars	Hypothecation details	Terms of loan	Rate
Archean Chemical Industries Limited - Holding Company	Unsecured	Refer note below*	7.50%

\* As per the terms of Loan, Lender extent a loan of upto ₹ 15000( One hundred and fifty crores only ) in tranches, it shall be repaid equally (20% per year) over a period of five years starting from FY 2026-27

	As at 31 March 2026		As at 31 March 2025	
	Non-Current	Current	Non-Current	Current
<b>14 Other financial liabilities</b>				
Interest accrued and not due on borrowings (refer note 26(c))	293.69	904.98	627.63	-
Capital Creditors	-	13.88	-	-
Other payables	-	-	-	20.93
	<b>293.69</b>	<b>918.86</b>	<b>627.63</b>	<b>20.93</b>

	As at 31 March 2026		As at 31 March 2025	
	Non-Current	Current	Non-Current	Current
<b>15 Provisions</b>				
Provision for employee benefits (refer note 28)				
- Gratuity	-	-	-	6.85
- Compensated absences	-	-	2.56	0.59
	<b>-</b>	<b>-</b>	<b>2.56</b>	<b>7.44</b>

	As at	As at
	31 March 2026	31 March 2025
<b>16 Trade Payables</b>		
Amount dues to micro enterprises and small enterprises	1.54	0.74
Dues of creditors other than micro enterprises and small enterprises	8.37	18.13
	<b>9.91</b>	<b>18.87</b>

**Note:**

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2026, 31 March 2025 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, there are no overdues amounts beyond the timelimit prescribed the MSMEDA and the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

**Outstanding as at March 31, 2026**

Particulars	Outstanding for following years					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.54	-	-	-	-	1.54
Others	-	0.16	8.21	-	-	8.37
Disputed MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-
<b>Grand Total</b>	<b>1.54</b>	<b>0.16</b>	<b>8.21</b>	<b>-</b>	<b>-</b>	<b>9.91</b>

**Outstanding as at March 31, 2025**

Particulars	Outstanding for following years					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0.45	0.29	-	-	-	0.74
Others	-	18.13	-	-	-	18.13
Disputed MSME	-	-	-	-	-	-
Disputed dues others	-	-	-	-	-	-
<b>Grand Total</b>	<b>0.45</b>	<b>18.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18.87</b>

	As at	As at
	31 March 2026	31 March 2025
<b>17 Other Current Liabilities</b>		
Statutory dues payables	5.41	75.61
	<b>5.41</b>	<b>75.61</b>

**Idealis Chemicals Private Limited**

**Material accounting policies and other explanatory information for the year ended 31 March 2026**

(All amounts are stated in Rupees in lakhs, unless otherwise stated)

	For the year ended 31 March 2026	For the year ended 31 March 2025
<b>18 Revenue from operations</b>		
Sale of goods	-	-
Sale of Services	-	-
Other operating revenue	-	-
	-	-
	-	-
<b>19 Other income</b>		
Non-operating revenue - Business Support Service	5.81	691.62
Interest on Income tax Refund	-	0.05
Interest Income on Loan to related party (refer note 26(b))	539.31	391.55
Profit from sale of investments held in Mutual Funds	-	0.33
Provision no longer required written off	33.18	-
	<b>578.30</b>	<b>1,083.55</b>
<b>20 Employee benefits expense</b>		
Salaries, wages and bonus	-	282.80
Contribution to provident and other funds	-	15.31
Gratuity and compensated absences (refer note 15)	-	12.25
Staff welfare Expenses	-	2.70
	-	<b>313.06</b>
<b>21 Finance cost</b>		
Interest on loan from related party (refer note 26(b))	634.49	589.27
	<b>634.49</b>	<b>589.27</b>
<b>22 Depreciation and amortisation expense (refer note 3)</b>		
Depreciation of property, plant and equipment	6.03	1.69
	<b>6.03</b>	<b>1.69</b>
<b>23 Other expenses</b>		
Consumption of tools and other services cost	-	309.13
Legal and professional charges	0.58	70.62
Power and fuel	0.05	12.18
Rent expense	0.41	4.60
Internet and Telecommunication expenses	5.81	-
Travelling and conveyance	0.35	-
Insurance	-	1.04
Rates and taxes	1.23	3.10
Hire charges - equipment	-	4.60
Payment to auditors (refer note a below)	1.55	0.65
Repairs and maintenance	0.31	-
Miscellaneous expenses	3.25	12.77
	<b>13.54</b>	<b>418.69</b>
<b>a) Payments to the auditors (excluding taxes):</b>		
i) Statutory audit	0.65	0.65
ii) Others		
- Special Purpose financial statement audit	0.65	-
- Certifications	0.25	-
	<b>1.55</b>	<b>0.65</b>

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**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
(All amounts are stated in Rupees in lakhs, unless otherwise stated)

	<b>For the year ended 31 March 2026</b>	<b>For the year ended 31 March 2025</b>
<b>24 Income tax expense</b>		
<b>Tax expense/(credit) recognized in the Statement of Profit and Loss</b>		
Current tax	-	-
Deferred tax (income)/expenses	-	(75.85)
	<u>-</u>	<u>(75.85)</u>

**a) Income tax recognised in other comprehensive income:**

	<b>For the year ended 31 March 2026</b>			<b>For the year ended 31 March 2025</b>		
	<b>Before tax</b>	<b>Tax</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax</b>	<b>Net of tax</b>
- Re-measurements of defined benefit liabilities	-	-	-	0.31	(0.08)	0.23
	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.31</u>	<u>(0.08)</u>	<u>0.23</u>

**b) Reconciliation of effective tax rate**

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.17% (2024-25: 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

	<b>For the year ended 31 March 2026</b>	<b>For the year ended 31 March 2025</b>
Profit before tax	(75.76)	(239.16)
Tax using the Company's domestic tax rate	25.17%	25.17%
<b>Computed expected tax expense</b>	(19.07)	(60.20)
Effect of:		
<b>Expense not deductible</b>		
(a) Other impacts due to permanent allowances / disallowances as per IT Act	-	-
(b) Effect of other adjustments / disallowances	-	(7.42)
(c) Others	-	(8.23)
<b>Effective tax rate and tax expense*</b>	<u>-</u>	<u>(75.85)</u>

\*The Company has not recognized any deferred tax asset in respect of the loss incurred during the current year

	<b>For the year ended 31 March 2026</b>	<b>For the year ended 31 March 2025</b>
<b>25 Basic and Diluted earnings per share</b>		
<b>Profit/(loss) for the year attributable to owners of the Company</b>	(75.76)	(163.31)
Weighted average number of equity shares*	30,26,301	30,00,000
Basic and Diluted Earnings per share (in ₹)	(2.50)	(5.44)
Face value per equity share (in ₹)	10.00	10.00

\*number of shares are denoted in absolute numbers

The Company does not have any potential equity shares and hence the Basic and Diluted Earnings per Share are the same

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**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
 (All amounts are stated in Rupees in lakhs, unless otherwise stated)

**26 Related party transaction**

**a) Names of Related Parties & Nature of Related parties relationship**

Relationship	Name of the related party
Holding Company	Archean Chemical Industries Limited
Wholly owned Subsidiary (w.e.f July 10, 2024) (Refer Note 4)	Idealis Mudchemie Private Limited (Formerly known as Oren Hydrocarbons Private Limited)
Fellow Subsidiary / Entities under common control	Neun Infra Private Limited Acume Chemicals Private Limited Sicsem Private Limited
Key Management Personnel - Non - Executive Director	Mr. N R Kannan
Key Management Personnel - Non - Executive Director	Mr. P Ranjit
Key Management Personnel - Non - Executive Director	Mr. Subrahmanyam Meenakshisundaram

**b) Related party transactions during the Year**

Nature of transactions	For the year ended 31 March 2026	For the year ended 31 March 2025
<b>Archean Chemical Industries Limited</b>		
Loan received	116.50	938.99
Interest expense on loans	634.49	589.27
Rent expenses	0.41	-
Issue of shares	30.00	-
<b>Idealis Mudchemie Private Limited</b>		
Business Support Service and Other receivables	21.16	700.39
Sale of fixed asset and Other receivables	-	75.50
Investment in Share Capital	-	500.00
Loans given	-	7,190.74
Interest Income	539.31	391.55

**c) Balances at the end of the year**

Nature of transactions	As at 31 March 2026	As at 31 March 2025
<b>Archean Chemical Industries Limited</b>		
Borrowings	(8,491.49)	(8,374.99)
Interest accrued but not due on borrowings	(1,198.67)	(627.63)
Rent payable	(0.09)	-
<b>Idealis Mudchemie Private Limited</b>		
Loans	7,190.74	7,190.74
Interest accrued on Loans to related party	837.27	352.40
Other receivables	904.96	913.97

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**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
(All amounts are stated in Rupees in lakhs, unless otherwise stated)

**27 Financial Instruments**

**a) Capital management**

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings as detailed in Note 13 and Note 14 (accrued interest) offset by cash and bank balances) and total equity of the

**Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

	As at 31 March 2026	As at 31 March 2025
Debt *	9,690.16	9,002.62
Cash and bank balances	19.62	31.12
<b>Net debt</b>	<b>9,670.54</b>	<b>8,971.50</b>
Equity	9.54	55.30
<b>Total Equity**</b>	<b>9.54</b>	<b>55.30</b>
<b>Net debt to equity ratio (in times)</b>	<b>1,013.68</b>	<b>162.23</b>

\*Debt is defined as long-term, short-term borrowings, Interest accrued and not due on borrowings grouped under debt.

\*\* Equity includes all capital and reserves of the company that are managed as capital.

The movement in the capital gearing ratio during the year is primarily attributable to:

- Increase in borrowings arising from working capital requirements
- Losses for the year which reduced retained earnings and therefore total equity; and
- Fresh issue of shares which increased total equity and partially offset the effect of higher borrowings.

**b) Categories of financial instruments**

	As at 31 March 2026	As at 31 March 2025
<b>Financial assets</b>		
<b>Measured at cost</b>		
a. Investments in subsidiaries	500.00	500.00
<b>Measured at amortised cost</b>		
a. Cash and bank balances	19.62	31.12
b. Loan to related party	7,190.74	7,190.74
c. Other financial assets at amortised cost	1,749.23	1,273.37
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
a. Borrowings	8,491.49	8,374.99
b. Other financial liabilities	1,212.55	648.56
c. Trade payables	9.91	18.87

**c) Fair value measurements**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The following methods and assumptions were used to estimate the fair values:

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

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

**Level 3:** Unobservable inputs for the asset or liability.

**d) Financial risk management**

The Company's principal financial liabilities comprise of trade payables, borrowings and other financial liabilities and payables. The main purpose of these financial liabilities is to finance the Company's working capital. The Company's principal financial assets comprise of loans and other financial assets and receivables, cash.

The Company is exposed to market risk, foreign currency risk, credit risk, interest risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management assesses the financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

**a) Market risk**

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair value or future cash flows to the Company.

The Company's exposure to market risk is limited because it does not have:

- (a) variable-rate borrowings or interest-bearing financial liabilities linked to market rates,
- (b) significant foreign currency monetary assets or liabilities, or
- (c) investments measured at fair value whose values are affected by market price movements.

**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
(All amounts are stated in Rupees in lakhs, unless otherwise stated)

**27 Financial Instruments (continued)**  
**d) Financial risk management (continued)**  
**a) Market risk (continued)**

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have material variable-rate borrowings or other interest-bearing financial instruments whose cash flows are affected by changes in market interest rate. Hence, interest rate sensitivity is not material to the financial statements.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional and presentation currency is ₹. During the year ended 31 March 2026, the Company did not have any material foreign currency transactions and did not hold any significant monetary assets or liabilities denominated in foreign currencies. The Company has not entered into any derivative contracts for hedging foreign currency exposures. Accordingly, foreign currency risk is not considered significant.

**b) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example investments and other financial assets etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting period, as summarised below:

	As at 31 March 2026	As at 31 March 2025
<b>Classes of financial assets</b>		
Cash and cash equivalents	19.62	31.12
Loans	7,190.74	7,190.74
Other financial assets	1,749.23	1,273.37

The credit risk for cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets includes security deposits and interest accrued on it which are assessed for credit risk on continuing basis.

**e) Liquidity and interest risk tables**

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2026**

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	More than 1 and upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances	NA	1.70	8.21	-	-	9.91	9.91
Interest accrued but not due on borrowings	NA	904.98	220.27	73.42	-	1,198.67	1,198.67
Fixed interest rate instruments	7.50%	1,698.30	5,094.89	1,698.30	-	8,491.49	8,491.49

**The table below provides details regarding the contractual maturities of financial liabilities as at 31 March 2025**

Particulars	Weighted average effective Interest rate (%)	Less than 1 year	More than 1 and upto 3 years	More than 3 and upto 5 years	More than 5 years	Total contractual cash flows	Carrying amount
Accounts payable and acceptances	NA	18.87	-	-	-	18.87	18.87
Interest accrued but not due on borrowings	NA	-	313.82	313.82	-	627.64	627.64
Fixed interest rate instruments	7.50%	-	5,024.99	3,350.00	-	8,374.99	8,374.99

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**28 Employee benefit plans**

**a) Defined contribution plans**

The Company makes Provident fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company does not recognised any amount during the year as employees were transferred to subsidiary, (31 March 2025 - ₹ 14.36 lakhs ) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to the plans by the Company are at rates specified in the rules of the schemes.

**b) Defined benefit plans**

**Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India(LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Longevity risk :** The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**i) Gratuity (Funded)**

	As at 31 March 2026	As at 31 March 2025
<b>Present Value of obligations at the beginning of the year</b>		
Current service cost	-	9.29
Interest Cost	-	-
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	-	-
Benefits paid	-	-
Liabilities assumed / (transferred)	-	-
<b>Present Value of obligations at the end of the year</b>	<b>-</b>	<b>9.29</b>
<b>Changes in the fair value of planned assets</b>		
Fair value of plan assets at beginning of year	-	-
Interest Income	-	0.13
Expected Return on plan assets	-	-
Contributions from the employer	-	2.31
Benefits Paid	-	-
Actuarial gain/ (loss) on plan assets	-	-
<b>Fair Value of plan assets at the end of the year</b>	<b>-</b>	<b>2.44</b>
<b>Amounts recognized in the Balance Sheet</b>		
Present value of projected benefit obligation at the end of the year	-	(9.29)
Fair value of plan assets at end of the year	-	2.44
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>-</b>	<b>(6.85)</b>
<b>Provision for Gratuity - Non current liability</b>	<b>-</b>	<b>-</b>
<b>Provision for Gratuity - current liability</b>	<b>-</b>	<b>(6.85)</b>
<b>ii) Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	-	9.29
Net Interest Expense	-	-
Interest Income	-	(0.13)
<b>Net Cost in Profit or Loss</b>	<b>-</b>	<b>9.16</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	-	-
Return on plan assets	-	0.13
<b>Net Cost in Other Comprehensive Income</b>	<b>-</b>	<b>0.13</b>

**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
(All amounts are stated in Rupees in lakhs, unless otherwise stated)

**28 Employee benefit plans (continued)**  
**Gratuity (Continued)**

Assumptions	As at 31 March 2026	As at 31 March 2025
Discount rate	-	6.78%
Expected rate of salary increases	-	13.00%
Expected rate of attrition	-	5.00%
Average age of members	-	42.23 years
Average Expected Future service	-	11 years

The company has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.
- (iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

**Impact on defined benefit obligation**

	As at 31 March 2026	As at 31 March 2025
Discount rate		
- 1% increase (+100 BP)	-	(0.93)
- 1% decrease (-100 BP)	-	1.09
Salary growth rate		
- 1% increase (+100 BP)	-	1.02
- 1% decrease (-100 BP)	-	(0.89)
Attrition rate		
- 1% increase (+100 BP)	-	(0.59)
- 1% decrease (-100 BP)	-	0.65

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

**C. Long Term Compensated Absence**

The compensated absences cover the Company's liability for earned leave & sick leave. The amount of provision of ₹ 0.59 lakhs 31 March 2025 is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Assumptions	As at 31 March 2026	As at 31 March 2025
Discount rate	-	6.78%
Expected rate of salary increases	-	13.00%
Expected rate of attrition	-	5.00%

**Idealis Chemicals Private Limited**  
**Material accounting policies and other explanatory information for the year ended 31 March 2026**  
 (All amounts are stated in Rupees in lakhs, unless otherwise stated)

**29 Ratio workings**

Ratio	% / times	Numerator	Denominator	31 March 2026	31 March 2025	Variance	Reason for variance above 25%
a) Current ratio	Times	Current Assets	Current liabilities	1.18	7.89	(85.01%)	Note 1
b) Debt-Equity ratio	Times	Total debt	Shareholder's equity	1,015.74	162.80	523.93%	Note 2
c) Debt service coverage ratio	Times	Earnings for debt services = net profit after taxes + non cash operating expenses	Debt service = Interest + Principal repayments	0.89	0.60	49.09%	Note 2
d) Return on equity ratio	Percentage	Net profit after tax	Average Shareholder's Equity	(24.05%)	(54.44%)	(55.82%)	Note 3
e) Return on capital employed	Percentage	Profit before interest and taxes	Equity + Non-Current (Long-term) Liabilities	7.87%	3.86%	103.76%	Note 4
f) Return on investment	Percentage	Profit before interest and taxes	Average Shareholder's Equity	179.29%	117.27%	52.89%	Note 3

**Note**

1. The variance is due to increase in current maturities portion of loan and borrowings during the year
2. The variance is due to increase in borrowings and equity share capital and decrease in losses during the year.
3. The variance is due to decrease in losses in current year and increase in equity share capital.
4. The variance is primarily attributable to reduced losses during the year, reclassification of non-current borrowings to current maturities, and an increase in equity share capital.

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**30 Other Disclosures**

**a) Segment reporting**

The Company has not commenced commercial operations during the year and accordingly, disclosures relating to operating segments under Ind AS 108 are not presently applicable.

- b) The Company has not entered into any foreign currency transactions during the year.
- c) There are no charges or satisfactions which are yet to be registered with the Registrar of Companies beyond the statutory period.
- d) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- f) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- g) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- h) The Company has not traded or invested in crypto currency or virtual currency during the current year.
- i) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- j) The Company does not have any transaction recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

**31 Events after the reporting period**

No adjusting or significant non-adjusting events have occurred between the reporting date ( 31 March 2026) and the date of approval of these financial statements.

**32** During the year, search by the Income Tax Department was conducted at the Company's registered office and residence of certain Directors between September 04, 2025 to September 09, 2025. During the course of the search, the Department officials took custody of certain records, documents, and electronic data. As on date, no demand or order has been received from the Income Tax Department subsequent to the conclusion of the search, and that the Company's business operations continue without disruption. The matter is being monitored by the management, and any significant development will be placed before the Board for information.

**33** Previous year figures have been regrouped / rearranged, wherever considered necessary, to conform to the classification / disclosure adopted in the current year.

**34** The Company has an accounting software for maintaining its books of account which has-a feature of recording audit trail (edit log) facility and the same has been operated throughout the year

**35** The Code on Social Security, 2020 has been notified and is being implemented in phases, with key provisions becoming effective from 21 November 2025. The Company is currently in the process of evaluating the impact of the revised wage definitions and related changes on its Provident Fund and Gratuity obligations. The impact, if any, will be recognised in the financial statements in the period in which such evaluation is completed and the effect can be reasonably determined.

**36 Approval of Financial Statements**

The financial statements were approved for issue by the Board of Directors on 11 May 2026.

Material accounting policies

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

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**As per our report of even date attached**

**For V Narayanan & Co**

Chartered Accountants

ICAI Firm Registration No.: 002398S

**For and on behalf of the Board of Directors of**

**Idealis Chemicals Private Limited**

CIN: U20299TN2023PTC164103

**Dileep Thammana**

Partner

Membership No.: 227512

Place: Chennai

Date:

**S.Meenakshisundaram**

Director

DIN: 01176085

Place: Chennai

Date:

**N.R.Kannan**

Director

DIN: 10719563

Place: Chennai

Date: