



**Independent Practitioner’s report on the compilation of Pro Forma Consolidated Financial Information to be included in the Draft Red Herring Prospectus (‘DRHP’) in connection with proposed Initial Public Offer of equity shares (‘Proposed IPO’) by Vahh Chemicals Limited**

To,  
**The Board of Directors**  
Vahh Chemicals Limited  
Plot 2/5198 ETC, 5th Floor, 5003, World Trade Centre,  
Near Udhna Darwaja, Ring Road, Surat, Gujarat, India, 395002

Dear Sirs,

We, **ACG & Co.** Chartered Accountants, have completed our assurance engagement to report on the Compilation of Pro Forma Consolidated Financial Information of **Vahh Chemicals Limited** (‘the Holding Company’) and its subsidiaries (together referred to as ‘the Group’) (Refer Annexure 1 for the list of subsidiaries included in the Group for the year ended March 31, 2025) included in the Pro forma Consolidated Financial Information. The Pro Forma Consolidated Financial Information consists of the Pro Forma Consolidated Balance Sheet as at March 31, 2025, the Pro Forma Consolidated Statement of Profit and Loss for the year ended March 31, 2025 including the related notes thereon (hereinafter referred as ‘Pro Forma Consolidated Financial Information’). The applicable criteria on the basis of which the management has compiled the Pro Forma Consolidated Financial Information are specified in the “Basis of preparation paragraph” as described in note 2 to the Pro Forma Consolidated Financial Information.

1. The Pro Forma Consolidated Financial Information has been prepared by Management to demonstrate the impact of the Group’s significant business acquisition of Proprietorship Ayush Bio Energy, Ayush Chemical, and its material subsidiary, HSHS Nutraceuticals Limited, completed on September 30, 2024 (as described in Annexure 1). This information illustrates the effect of the acquisition on the Group’s financial position as of March 31, 2025, as if the transaction had occurred on that date, and on the Group’s financial performance for the year ended March 31, 2025, as if the acquisition had been completed at the start of the financial year on April 1, 2024.
2. As a part of this process, information about the Group’s financial position and financial performance has been extracted by Management from the following financial statements / financial information:
  - a) Restated Consolidated Financial Information of the Group as of and for the period ended September 30, 2025, on which we have issued the examination report dated December 03, 2025; and

- b) Audited financial statements of HSHS Nutraceuticals Limited for the year ended March 31, 2025 on which auditors have issued unmodified audit opinion vide their audit report dated 02, September 2025.
- c) Special purpose financial statements of Ayush Bio Energy for the period ended September 30, 2024 on which auditors have issued unmodified audit opinion vide their audit report dated 22, October 2025.
- d) Special purpose financial statements of Ayush Chemical for the period ended September 30, 2024 on which auditors have issued unmodified audit opinion vide their audit report dated 22, October 2025.

### **Management's Responsibility for the Pro Forma Consolidated Financial Information**

The management is responsible for compiling the Pro Forma Consolidated Financial Information on the basis stated in note 2 to the Pro Forma Consolidated Financial Information which has been approved by the Board of Directors of the Holding Company. The management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro Forma Consolidated Financial Information on the basis stated in note 2 to the Pro Forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Consolidated Financial Information.

### **Practitioner's Responsibilities**

Our responsibility is to express an opinion on whether the Pro Forma Consolidated Financial Information of the Group has been compiled, in all material respects, by the Management on the basis stated in note 2 to the Pro Forma Consolidated Financial Information.

We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro Forma Consolidated Financial Information on the basis stated in note 2 to the Pro Forma Consolidated Financial Information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Financial Information.

The purpose of Pro Forma Consolidated Financial Information included in the DRHP is solely to illustrate the impact of material acquisition as stated in note 2 on unadjusted financial information of the Group as if the acquisition had been made at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the material acquisition as at April 1, 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in note 2 to the Pro Forma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

## **Opinion**

In our opinion, the Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in note 2 to the Pro Forma Consolidated Financial Information.

## **Restrictions on Use**

This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

The Pro Forma Consolidated Financial Information has been prepared by the management for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited as per the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue

of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time, in connection with the proposed Initial Public Offering of the equity shares of the Holding Company and therefore, this Pro-forma Consolidated Financial Information may not be suitable for any other purpose. Our report is solely issued for aforementioned purpose and should not be used or referred to for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For ACG & Co.**

Chartered Accountants

Firm's Registration No.: 0028477N



**Anuj Arora**

Partner

Membership No.: 418737

**UDIN: 25418737BMLJFV1936**

**Place: Surat**

**Date: December 03, 2025**

**ANNEXURE 1 TO THE INDEPENDENT PRACTITIONER'S REPORT ON THE  
COMPILATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

**List of entities (with relation to Holding Company) included in Pro Forma Consolidated  
Financial Information**

<b>Sr. No.</b>	<b>Name of Entity</b>	<b>Relation</b>
1	Vahh Chemicals Limited	Parent
2	HSHS Nutraceuticals Limited	Subsidiaries
3	Divine Nutritions LLC	Step-down Subsidiary

*\*As stated in note 1 to the Pro Forma Consolidated Financial Information, due to acquisition of controlling stake in subsidiaries- HSHS Nutraceuticals Limited on September 30, 2024, the same has been considered as subsidiary for the purpose of Pro Forma Consolidated Financial Information*

**VAHH CHEMICALS LIMITED**

**CIN : U24110GJ2019PLC111346**

**Restated Statement of Balance Sheet**

**#NAME?**

**Notes to the pro forma financial information as at and for the period ended March 31, 2025**

The pro forma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Further, such pro forma consolidated financial information has not been prepared in accordance with standards and practices acceptable in any other jurisdiction and accordingly, should not be relied upon as if it had been carried out in accordance with standards and practices in any other jurisdiction. Accordingly, the degree of reliance placed by anyone on such pro forma consolidated financial information should be limited. In addition, the rules and regulations related to the preparation of pro forma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs above to prepare these pro forma consolidated financial information.

The restated consolidated financial information has been adjusted in the pro forma consolidated financial information to give effect to the pro forma event that are (1) directly attributable to such acquisition and (2) factually supportable.

The pro forma consolidated financial information were approved by the Board of Directors of the Company on December 03, 2025

**III. Pro forma adjustments**

The Financial Statements of HSHS Nutraceuticals Limited have been prepared in accordance with the recognition and measurement principles of AS and the management of the Group has adjusted to comply with the Group's accounting policies in all material aspects (collectively referred to as "Group accounting policies" as appearing in Restated Financial Information). Such financial information has been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis.

a) Earnings per share (EPS): pro forma EPS calculation for the year ended March 30, 2025 is based on pro forma Consolidated Statement of profit and loss for the year ended March 31, 2025 and the assumption that the equity shares issued as part of the transaction were issued at the beginning of the year for which pro forma consolidated financial information have been presented. Further, weighted average number of equity shares have been considered for calculation of earnings per share, after considering share split and bonus issue, subsequent to year- end.

b) Other than as mentioned above, no additional adjustments have been made to the pro forma consolidated balance sheet or the pro forma consolidated statement of profit and loss to reflect any other transactions of the Group entered into subsequent to March 31, 2025.

As per our report on even date attached

**For ACG & Co.**

Chartered Accountants

Firm Reg. No.: 0028477N

**Anuj Arora**

(Partner)

Membership No.: 418737



*Hiren Indravadan Desai*

**Hiren Indravadan Desai**

(Director)

DIN: 08622752

*Sahil Bhaveshkumar Modi*

**Sahil Bhaveshkumar Modi**

(CFO)

PAN: EKXPM8967H

**For and on behalf of Board of Directors of  
VAHH Chemicals Limited**

*Aayush Hiren Desai*

**Aayush Hiren Desai**

(Director)

DIN: 08636117

*Shivani Parth Kothari*

**Shivani Parth Kothari**

(Company Secretary)

CS ID: ACS-46602

UDIN: 25418737BMLJFV1936

Date: 03/12/2025

Place: Surat

**VAHH CHEMICALS LIMITED**  
**CIN : U24110GJ2019PLC111346**  
**Restated Statement of Balance Sheet**  
**#NAME?**

**Notes to the pro forma financial information as at and for the period ended March 31, 2025**

#### **I. Background**

The pro forma consolidated financial information comprise pro forma consolidated balance sheet, pro forma consolidated statement of profit and loss and notes to pro forma consolidated financial information of Vahh Chemicals Limited ("the parent") and its subsidiary company HSHS Nutraceuticals Limited (collectively referred as "Group") for the year ended March 31, 2025.

Vahh Chemicals Limited ("the parent") is a parent limited by shares, incorporated under the Companies Act, 2013 in India. The parent is registered with the Registrar of Companies, Ahmedabad under Corporate Identification Number (CIN) U24110GJ2019PLC111346. The parent company was incorporated on December 11, 2019.

Its registered office is located at Plot 2/5198 ETC, 5th Floor, 5003, World Trade Centre, Near Udhna Darwaja, Ring Road, Surat, Gujarat, India, 395002. On September 30, 2024 the company acquired 37,496 share in HSHS Nutraceuticals Limited out of 50,000 shares, which with effect from that date has become a subsidiary of the company.

The principal business of the parent is the manufacture of basic chemicals except fertilizers and nitrogen compounds.

#### **II. Basis of preparation**

The pro forma Consolidated Financial Information of the Group has been prepared by the management of the Group in accordance with the Clause (11)(I)(B)(iii) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI Regulations") issued by Securities and Exchange Board of India ("the SEBI"), to reflect the acquisition of HSHS Nutraceuticals Limited, made after the date of the latest audited financial statements of the Group as at and for the year ended March 31, 2025, considering that the acquisition is material for the purpose of the business of the Group.

The pro forma consolidated financial information have been prepared specifically for inclusion in the Offer Document to be filed by the Company with Securities and Exchange Board of India (SEBI)/Exchange in connection with proposed Initial Public Offering ("IPO").

The pro forma consolidated financial information includes the following:

- i) Pro forma Consolidated Balance Sheet as at March 31, 2025, assuming as if the acquisition has taken place as on that date
- ii) Pro forma Consolidated Statement of Profit and Loss account for the period ended March 31, 2025, assuming as if the acquisition has taken place at the beginning of the said financial year being April 1, 2024, and
- iii) Related notes to pro forma Consolidated Financial Information

The Pro forma consolidated financial information has been prepared by combining following financial information, pro forma adjustments and inter-company eliminations:

a) The Restated Consolidated Financial Information of the Group as at March 31, 2025 on which the auditors have issued an examination report dated December 03, 2025, prepared in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of the requirements of section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note");

b) The audited financial statement of Vahh Chemicals Limited as at and for the period ended March 31, 2025 on which the auditors of such entity have issued unmodified audit opinion vide their report dated 02 September, 2025.

c) Intergroup elimination between the Company and HSHS Nutraceuticals Limited as at and for the year ended March 31, 2025

Pro Forma Statement of Profit & Loss

Particulars	Restated Financial Information of Vahh Chemicals Limited for the period ended March 31, 2025	Financial Information of HSHS Nutraceuticals Limited as at March 31, 2025	Ayush Bio Energy before Business Transfer	Ayush Chemical before Business Transfer	Inter group elimination	Acquisition adjustments	Notes	Total Adjustments	Pro Forma Consolidated Financial Information for the period ended March 31, 2025
Revenue from operations	2,042.65	1,093.36	318.37	238.79	-	-		-	3,693.17
Other income	0.03	-	-	-	-	-		-	0.03
<b>Total Income</b>	<b>2,042.68</b>	<b>1,093.36</b>	<b>318.37</b>	<b>238.79</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>3,693.20</b>
<b>Expenses</b>									
Cost of material consumed	1,777.20	901.33	245.51	(47.91)	-	-		-	2,876.13
Changes in inventories of traded goods	(334.45)	(173.32)	1.09	224.83	-	-		-	(281.85)
Employee benefit expenses	56.50	96.48	3.60	3.48	-	-		-	160.06
Financial costs	72.62	53.43	17.35	6.43	-	-		-	149.83
Depreciation and amortization expense	1.43	0.55	4.25	3.81	-	-		-	10.04
Other expenses	74.04	123.43	2.49	1.31	-	-		-	201.27
<b>Total expenses</b>	<b>1,647.34</b>	<b>1,001.90</b>	<b>274.29</b>	<b>191.95</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>3,115.48</b>
<b>Profit/(Loss) before tax</b>	<b>395.34</b>	<b>91.46</b>	<b>44.08</b>	<b>46.84</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>577.72</b>
<b>Tax expense</b>									
Current tax	111.65	24.81	11.00	11.50	-	-		-	158.96
Deferred tax charge/(credit)	(0.16)	-	-	-	-	-		-	(0.16)
<b>Total tax expense</b>	<b>111.49</b>	<b>24.81</b>	<b>11.00</b>	<b>11.50</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>158.80</b>
<b>Profit/(Loss) after tax for the year</b>	<b>283.85</b>	<b>66.65</b>	<b>33.08</b>	<b>35.34</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>418.92</b>
<b>Earning per equity share</b>									
Face value per equity shares									
Rs.10/- fully paid up.									
Basic (Rs.)	5.34	133.30	-	-	-	-		-	7.88
Diluted (Rs.)	5.34	133.30	-	-	-	-		-	7.88

The above statement should be read with notes to pro forma financial information

As per our report on even date attached

**For ACG & Co.**  
Chartered Accountants  
Firm Reg. No: 0028477N

**Anuj Arora**  
(Partner)  
Membership No.: 418737



UDIN: 25418737BMLJFV1936  
Date: 03/12/2025  
Place: Surat

For and on behalf of Board of Directors of  
VAHH Chemicals Limited

*Hiren 2-Desai*

**Hiren Indravadan Desai**  
(Director)  
DIN: 08622752

*Sahil*  
**Sahil Bhaveshkumar Modi**  
(CFO)  
PAN: EKXPM8967H

*Aayush*  
**Aayush Hiren Desai**  
(Director)  
DIN: 08636117

*Shivani*  
**Shivani Parth Kothari**  
(Company Secretary)  
CS ID: ACS-46602

**PRO FORMA CONSOLIDATED FINANCIAL INFORMATION**

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**VAHH CHEMICALS LIMITED**  
 CIN : U24110GJ2019PLC111346  
 Restated Statement of Balance Sheet  
 #NAME?

Pro Forma Statement of Assets & Liabilities

Particulars	Restated Financial Information of Vahh Chemicals Limited for the period ended March 31, 2025	Financial Information of HSHS Nutraceuticals Limited as at March 31, 2025	Inter group elimination	Acquisition adjustments	Notes	Total Adjustments	Pro Forma Consolidated Financial Information as at March 31, 2025
<b>EQUITY AND LIABILITIES</b>							
<b>Shareholder's funds</b>							
Share capital	536.78	5.00	-				536.78
Reserves and surplus	171.85	246.58	-	(5.00)	III (c)	(5.00)	150.17
Minority Interest				(268.26)	III (d)	(268.26)	37.87
<b>Non-current liabilities</b>				37.87			
Long term borrowings	126.75	217.86	(121.55)	-		(121.55)	223.06
<b>Current liabilities</b>							
Short-term borrowings	692.01	210.28	-	-		-	902.29
Trade payables							
Total outstanding dues of micro enterprises and small enterprises:	311.73	562.92	-	-		-	874.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	659.97	172.93	-	-		-	832.90
Other current liabilities	223.34	9.85	-	-		-	233.19
Short-term provisions	111.61	25.16	-	-		-	136.77
<b>Total</b>	<b>2,834.04</b>	<b>1,450.58</b>	<b>(121.55)</b>	<b>(235.39)</b>		<b>(356.94)</b>	<b>3,927.68</b>
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment and intangible assets							
Property, plant and equipment	2.32	0.44	-	-		-	2.76
Intangible assets	-	1.22	-	-		-	1.22
Non current investments	121.86	113.55	-	(235.41)		(235.41)	-
Deferred tax assets	0.49	-	-	0.02		0.02	0.51
Other non-current assets	0.54	25.24	-	-		-	25.78
<b>Current assets</b>							
Inventories	930.27	318.26	-	-		-	1,248.53
Trade receivables	1,351.48	688.71	-	-		-	2,040.19
Cash and cash equivalents	234.39	15.28	-	-		-	249.67
Short-term loans and advances	124.97	44.28	(121.55)	-		(121.55)	47.70
Other current assets	67.72	243.60	-	-		-	311.32
<b>Total</b>	<b>2,834.04</b>	<b>1,450.58</b>	<b>(121.55)</b>	<b>(235.39)</b>		<b>(356.94)</b>	<b>3,927.68</b>

The above statement should be read with notes to pro forma financial information

As per our report on even date attached

**For ACG & Co.**

Chartered Accountants  
 Firm Reg. No.: 0028477N

**Anuj Arora**  
 (Partner)

Membership No.: 418737



UDIN: 25418737BMLJFV1936

Date: 03/12/2025

Place: Surat

**For and on behalf of Board of Directors of VAHH Chemicals Limited**

*Hiren 2-00001*  
**Hiren Indravadan Desai**  
 (Director)  
 DIN: 08622752

*Sahil*  
**Sahil Bhaveshkumar Modi**  
 (CFO)  
 PAN: EKXPM8967H

*Aayush*  
**Aayush Hiren Desai**  
 (Director)  
 DIN: 08636117

*Shivani*  
**Shivani Parth Kothari**  
 (Company Secretary)  
 CS ID: ACS-46602

**VAHH CHEMICALS LIMITED**  
**CIN : U24110GJ2019PLC111346**  
**Restated Statement of Balance Sheet**  
**#NAME?**

**Notes to the pro forma financial information as at and for the period ended March 31, 2025**

d) Adjustments to the pro forma consolidated financial information arising from transactions between the Group and the acquired entity during the period ended March 31, 2025 for the purpose of consolidated pro forma statement of profit and loss.

e) Adjustments to recognise the impact of allocation of purchase consideration paid/payable by the Company.

The description of adjustments made to the pro forma consolidated financial information are included in the note III below.

The Pro Forma Consolidated Financial Information has been prepared under the provisions of AS 21 Consolidated Financial Statements which lays down the principles and procedures for preparation and presentation of consolidated financial statements. Consolidated financial statements are by the parent (holding company) to provide financial information about the economic activities of the group as a single economic entity.

As per Accounting Standard (AS) 21 – *Consolidated Financial Statements*, the method of consolidation of a 75% subsidiary involves the following key procedures:

**1. Line-by-Line Consolidation:**

The financial statements of the parent and its subsidiary are combined on a line-by-line basis. Like items of assets, liabilities, income, and expenses are added together.

**2. Elimination of Investment and Equity:**

The cost of the parent's investment in the subsidiary is eliminated against the parent's share in the equity of the subsidiary on the acquisition date. The Company acquired the proprietary firms, Ayush Bio Energy and Ayush Chemical, effective September 30, 2024. As a result, the businesses of these firms have been merged into the Company, and consequently, they had no standalone assets or liabilities as of March 31, 2025.

**3. Treatment of Goodwill or Capital Reserve:**

If the cost of investment exceeds the parent's share of equity, the excess is treated as **goodwill**.

If the cost is less, the difference is treated as a **capital reserve**.

The assets acquired, and liabilities assumed in consolidation are recognized at their book values as appearin on November 30, 2024. Accordingly, the Group has allocated the purchase consideration to the estimated book value of assets acquired and liabilities assumed and recognised the difference between purchase consideration and net assets as goodwill or capital reserve in the pro forma consolidated balance sheet as at March 31, 2025. Refer Note III (b) below for computation of goodwill/capital reserve

**4. Minority Interest:**

The Company has acquired 75% of the equity share capital of HSHS on November 30, 2024, thereby making it a subsidiary of the Company. Accordingly, 25% of the equity shareholding in HSHS continues to be held by the minority shareholders, and the corresponding minority interest has been recoanized in the consolidated financial statements.

**5. Intra-group Balances and Transactions:**

All intra-group balances and transactions are eliminated in full to reflect the group as a single economic entity.

**6. Uniform Accounting Policies:**

The financial statements of the parent and the subsidiary must be prepared using uniform accounting policies for like transactions and events.

Because of their nature, the Pro Forma Consolidated Financial Information addresses a hypothetical situation and therefore, does not represent Group's factual financial position or results. Accordingly, the pro forma consolidated financial information does not necessarily reflect what the Group's financial condition or results of operations would have been had the acquisition occurred on the date indicated and is also not intended to be indicative of expected financial position or results of operations in future periods. The actual balance sheet and statement of profit and loss may differ significantly from the pro forma amounts reflected herein due to variety of factors.