

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Atul Brasil Quimicos Ltda

Report on the Audit of the Special Purpose Financial Statements

1. Opinion

We have audited the accompanying Special Purpose Financial Statements of **Atul Brasil Quimicos Ltda** (the "Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for year then ended, and a summary of significant accounting policies and other explanatory information (the "Special Purpose Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements is prepared, in all material respects, in accordance with the basis of preparation set out in Note 1 to the Special Purpose Financial Statements.

2. Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing ("SA"s) issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Financial Statements.

3. Emphasis of Matter

Basis of preparation and restriction on distribution and use

We draw attention to Note 1 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company solely for the purpose of submission to Authorised Dealer Category-I bank or the Reserve Bank of India (RBI) or any other regulatory authority as required under applicable regulations in connection with Annual Performance Report (APR) filing and for inclusion in the Consolidated Financial Statements of the Parent Company. As a result, the Special Purpose Financial Statements may not be suitable for any other purpose. Our report is intended solely for the purpose of submission to Authorised Dealer Category-I bank or the Reserve Bank of India (RBI) or any other regulatory authority as required under applicable regulations, for use by the Company, the Parent Company and the auditors of the Parent Company for their consideration into the audit of Consolidated Financial Statements as mentioned above and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

4. Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The Management of the Company is responsible for the preparation and presentation of these Special Purpose Financial Statements in accordance with the basis of preparation as set out in Note 1 to the Special Purpose Financial Statements for the purpose set out in Emphasis of Matter – "Basis of preparation and restriction on distribution and use" paragraph above.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Financial Statements by the Board of Directors of the Company, as aforesaid.

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

The Management is also responsible for overseeing the financial reporting process of the Company.

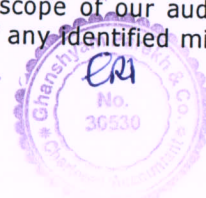
5. Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal financial control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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

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

For Ghanshyam Parekh & Co.
Chartered Accountants
(Firm's Registration No. 131167W)



Ghanshyam Parekh

Proprietor
(Membership No. 030530)
UDIN: **25030530BMODNG2326**

Place: Atul
Date: 8th April, 2025

Atul Brasil Quimicos Ltda

Balance Sheet as at March 31, 2025

Brazilian Real (R\$)

Particulars	Note	As at	As at
		March 31, 2025	March 31, 2024
A ASSETS			
1. Current assets			
a) Financial assets			
i) Trade receivables	2	4,90,386	82,170
ii) Cash and cash equivalents	3	2,91,511	1,21,408
iii) Other financial assets	4	-	13,12,128
b) Other current assets	5	21,510	17,910
Total current assets		8,03,407	15,33,616
Total assets		8,03,407	15,33,616
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	6	7,06,899	7,06,899
b) Other equity	7	12,126	5,55,607
Total equity		7,19,025	12,62,506
Liabilities			
1. Current liabilities			
a) Financial liabilities			
i) Trade payables	8	84,382	2,71,110
Total current liabilities		84,382	2,71,110
Total liabilities		84,382	2,71,110
Total equity and liabilities		8,03,407	15,33,616
The accompanying Notes 1-13 form an integral part of the Financial Statements.			

For Ghanshyam Parekh & Co.
Firm Registration No. 131167W
Chartered Accountants

G R Parekh

G R Parekh
Proprietor
Membership No. F-030530



T.R Gopi Kannan

T.R Gopi Kannan
President - Finance

Vishal Adesara

Vishal Adesara
General Manager Finance - CP Division

Atul
April 08, 2025

Atul
April 08, 2025

Atul

Atul Brasil Quimicos Ltda

Statement of Profit and Loss

for the year ended on March 31, 2025

Brazilian Real (R\$)

Particulars	Note	2024-25	2023-24
INCOME			
Revenue from operations	9	5,06,065	5,28,733
Other income	10	5,49,226	(50,122)
Total income		10,55,291	4,78,611
EXPENSES			
Employee benefit expense	11	5,12,694	4,93,000
Other expenses	12	2,74,844	4,26,704
Total expenses		7,87,538	9,19,704
Profit before tax		2,67,753	(4,41,093)
Tax expense		-	-
Total tax expense		-	-
Profit for the year		2,67,753	(4,41,093)
Other comprehensive income		-	-
Total comprehensive income for the year		2,67,753	(4,41,093)
Earning per equity share of R\$ 1 each			
Basic earning R\$		0.38	(0.62)
Diluted earning R\$		0.38	(0.62)
The accompanying Notes 1-13 form an integral part of the Financial Statements.			

For Ghanshyam Parekh & Co.
Firm Registration No. 131167W
Chartered Accountants

G R Parekh

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Proprietor
Membership No. F-030530



TR Gopi Kannan
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President - Finance

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Atul Brasil Quimicos Ltda

Statement of Cash Flows

for the year ended on March 31, 2025

		Brazilian Real (R\$)	
Particulars		2024-25	2023-24
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss) before tax		2,67,753	(4,41,093)
Adjustments for:			
Interest received		6,427	-
Operating profit (loss) before change in operating assets and liabilities		2,61,326	(4,41,093)
Adjustments for:			
Trade receivables		(4,08,217)	(82,145)
Other current assets		13,08,528	3,47,786
Trade payables		(1,86,728)	45,571
Other current financial liabilities		-	(21,113)
		7,13,583	2,90,099
Cash generated from (used in) operations		9,74,909	(1,50,993)
Net cash flow from (used in) operating activities	A	9,74,909	(1,50,993)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Dividend on equity shares		(8,11,234)	-
Interest received		6,427	-
Net cash flow used in investing activities	B	(8,04,807)	-
Net increase (decrease) in cash and cash equivalents	A+B	1,70,102	(1,50,993)
Cash and cash equivalents at the beginning of the year		1,21,408	2,72,401
Cash and cash equivalents at the end of the year (refer Note 3)		2,91,511	1,21,408
The accompanying Notes 1-13 form an integral part of the Financial Statements.			

For Ghanshyam Parekh & Co.
Firm Registration No. 131167W
Chartered Accountants

G R Parekh

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Proprietor
Membership No. F-030530



T.R. Gopi Kannan

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Atul
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April 08, 2025

Atul

Atul Brasil Quimicos Ltda

Statement of changes in equity for the year ended on March 31, 2025

A. Equity share capital

Particulars	Notes	Brazilian Real (R\$)
		Amount
As at April 01, 2023		7,06,899
Changes in equity share capital		-
As at March 31, 2024		7,06,899
Changes in equity share capital		-
As at March 31, 2025	6	7,06,899

B. Other equity

Particulars	Reserve & Surplus	Brazilian Real (R\$)
	Retained earnings	Total Other Equity
As at April 01, 2023	9,96,700	9,96,700
Loss for the year	(4,41,093)	(4,41,093)
Total comprehensive income for the year	(4,41,093)	(4,41,093)
As at March 31, 2024	5,55,607	5,55,607
Profit for the year	2,67,753	2,67,753
Dividend on equity share	(8,11,234)	(8,11,234)
Total comprehensive income for the year	2,67,753	2,67,753
As at March 31, 2025	12,126	12,126

The accompanying Notes 1-13 form an integral part of the Financial Statements.

For Ghanshyam Parekh & Co.
Firm Registration No. 131167W
Chartered Accountants

G R Parekh
Proprietor
Membership No. F-030530



T.R Gopi Kannan
President - Finance

Vishal Adesara
General Manager Finance - CP Division

Atul
April 08, 2025

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April 08, 2025

Atul Brasil Quimicos Ltda

Notes to the Financial Statements

Background

Atul Brasil Quimicos Ltda (the 'Company') is a limited company incorporated and domiciled in Brazil. It is a subsidiary company of Atul Ltd (Holding company). The Company is engaged in providing marketing services to its Holding Company in South America.

Note 1 Material Accounting Policies

a) Basis of preparation:

The Special Purpose Financial Statements ('Financial Statements') have been prepared by the Company solely for the purpose of submission to Authorised Dealer Category-I bank or the Reserve Bank of India (RBI) or any other regulatory authority as required under applicable regulations in connection with Annual Performance Report (APR) filing and for inclusion in the Consolidated Financial Statements of the Parent Company.

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of service and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b) Revenue recognition:

a) Other operating revenue:

Commission income is accounted for in the year in which the right to receive the same is established.

c) Employee benefits:

a) All employee benefits payable within twelve months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service.

b) Short-term leave encashment:

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

d) Taxation:

Tax for Atul Brasil is levied at the time of receipt of Income. Such taxes paid on receipts are charged to P&L under the head tax on commission income in the financial year of receipt.

e) Cash and cash equivalents:

In the Cash Flow Statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

f) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash generated from | (used) in operating, investing and financing activities of the Company are segregated.

g) Trade receivables

Trade receivables are recognised at the amount of transaction price (net of variable consideration) when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivables overdue more than 180 days are considered in which there is significant increase in credit risk.

h) Trade Payable

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade payable are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised costs using the EIR method.

i) Earnings per share:

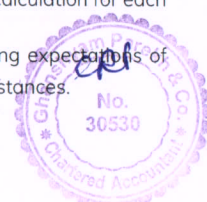
Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Critical estimates and judgments:

The preparation of Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Notes to the Financial Statements

Brazilian Real (R\$)		
Note 2 Trade receivables	As at March 31, 2025	As at March 31, 2024
a) Considered good - unsecured		
i) Related parties	4,90,386	82,170
Total receivables	4,90,386	82,170

Brazilian Real (R\$)		
Note 3 Cash and cash equivalents	As at March 31, 2025	As at March 31, 2024
a) Balances with banks		
i) In current accounts	2,91,511	1,21,408
	2,91,511	1,21,408

There are no repatriation restrictions with regard to cash and cash equivalents.

Brazilian Real (R\$)		
Note 4 Other Financial assets	As at March 31, 2025	As at March 31, 2024
i) Accrued commission	-	13,12,128
	-	13,12,128

Brazilian Real (R\$)		
Note 5 Other current assets	As at March 31, 2025	As at March 31, 2024
i) Prepaid expenses	21,510	17,910
	21,510	17,910

Brazilian Real (R\$)				
Note 6 Equity share capital	As at March 31, 2025		As at March 31, 2024	
	Number of shares	(R\$)	Number of shares	(R\$)
Authorised				
Equity shares of R\$ 1 (Brazilian Real) each	7,06,899	7,06,899	7,06,899	7,06,899
		706899		706899
Issued				
Equity shares of R\$ 1 (Brazilian Real) each	7,06,899	7,06,899	7,06,899	7,06,899
		706899		706899
Subscribed				
Equity shares of R\$ 1 (Brazilian Real) each	7,06,899	7,06,899	7,06,899	7,06,899
		706899		706899

a) Movement in equity share capital	Brazilian Real (R\$)	
Particulars	Number of shares	Equity share capital
As at April 01, 2023	7,06,899	7,06,899
As at March 31, 2024	7,06,899	7,06,899
As at March 31, 2025	7,06,899	7,06,899

The Company has one classes of shares referred to as equity shares having a par value of R\$ 1/- . Each holder of equity shares is entitled to one vote per share.

The shares are held by holding company and subsidiary company of holding company as below:

No	Name of the shareholder	Number of shares		Equity share capital	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd	99.69	7,04,711	99.69	7,04,711
2	Atul Bioscience Ltd	0.31	2,188	0.31	2,188
		100	7,06,899	100	7,06,999

Brazilian Real (R\$)		
Note 7 Other equity	As at March 31, 2025	As at March 31, 2024
Retained earnings		
Balance as at the beginning of the year	5,55,607	9,96,700
Add: Profit (loss) for the year	2,67,753	-4,41,093
Dividend on equity share	-8,11,234	-
Balance as at the end of the year	12,126	5,55,607

Brazilian Real (R\$)		
Note 8 Trade payables	As at March 31, 2025	As at March 31, 2024
a) Related parties	-	2,00,272
b) Others	84,382	70,838
	84,382	2,71,110



Notes to the Financial Statements

Brazilian Real (R\$)

Note 9 Revenue from operations	2024-25	2023-24
Other operating revenue		
i) Commission income	5,06,065	5,28,733
	5,06,065	5,28,733

Brazilian Real (R\$)

Note 10 Other income	2024-25	2023-24
Interest from banks	6,427	-
Expense recovered	1,83,470	-
Net exchange rate difference gain (loss)	1,59,057	(50,122)
Provision no longer required	2,00,272	-
	5,49,226	(50,122)

Brazilian Real (R\$)

Note 11 Employee benefit expenses	2024-25	2023-24
Salaries, wages and bonus	5,12,694	4,93,000
	5,12,694	4,93,000

Brazilian Real (R\$)

Note 12 Other expenses	2024-25	2023-24
Bank charges	10,808	5,631
Legal and professional charges	75,962	1,97,694
Sundry debit balance written off	-	1,98,765
Telephone expenses	3,425	3,021
Internet expenses	1,500	1,889
Travelling and conveyance	1,43,395	14,412
Books and periodicals	24,000	-
Miscellaneous expenses	15,754	5,290
	2,74,844	4,26,704



Notes to the Financial Statements

NOTE - 13.1 Related party disclosures

A) Related party information:

Name of related party and nature of relationship		
No.	Name of the related party	Description of relationship
01.	Atul Ltd	Holding company
02.	Aaranyak Urmi Ltd	Subsidiary companies of holding company
03.	Aasthan Dates Ltd	
04.	Amal Ltd	
05.	Amal Speciality Ltd	
06.	Atul Adhesives Private Ltd	
07.	Atul Aarogya Ltd	
08.	Atul Ayurveda Ltd	
09.	Atul Bioscience Ltd	
10.	Atul Bio Space Ltd	
11.	Atul China Ltd	
12.	Atul Clean Energy Ltd	
13.	Atul Consumer Products Ltd	
14.	Atul Crop Care Ltd	
15.	Atul Deutschland GmbH	
16.	Atul Entertainment Ltd	
17.	Atul Europe Ltd	
18.	Atul Fin Resources Ltd	
19.	Atul Finserv Ltd	
20.	Atul Hospitality Ltd	
21.	Atul Healthcare Ltd	
22.	Atul Infotech Pvt Ltd	
23.	Atul Ireland Ltd	
24.	Atul Lifescince Ltd	
25.	Atul Middle East FZ-LLC	
26.	Atul Natural Dyes Ltd	
27.	Atul Natural Foods Ltd	
28.	Atul Nivesh Ltd	
29.	Atul Paints Ltd	
30.	Atul Polymers Products Ltd	
31.	Atul Products Ltd	
32.	Atul Rajasthan Date Palms Ltd	
33.	Atul Renewable Energy Ltd	
34.	Atul (Retail) Brands Ltd	
35.	Atul Seeds Ltd	
36.	Atul USA Inc	
37.	Biyaban Agri Ltd	
38.	DPD Ltd	
39.	Jayati Infrastructure Ltd	
40.	Osia Dairy Ltd	
41.	Osia Infrastructure Ltd	
42.	Raja Dates Ltd	
43.	Sehat Foods Ltd	
44.	Valsad Institute of Medical Sciences Ltd	Associate company of holding company
45.	Rudolf Atul Chemicals Ltd	Joint venture company of holding company
46.	Anaven LLP	Joint operation of subsidiary company of holding company



Notes to the Financial Statements

Brazilian Real (R\$)

(B) Transactions with holding company

	Particulars	2024-25	2023-24
	Sales and income		
01.	Commission income		
	Atul Ltd	5,06,065	5,28,733
02.	Dividend paid on equity	8,11,234	-
	Atul Ltd	8,08,723	-
	Atul Bioscience Ltd	2,511	-

(C) outstanding balances as at year end

	Particulars	As at March 31,2025	As at March 31,2024
01.	Receivables	3,06,917	1285817
	Atul Ltd	3,06,917	12,85,817
02.	Payable	-	2,00,272
	Atul Crop Care Ltd	-	2,00,272

Note 13.2 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Management on April 08, 2025.

For Ghanshyam Parekh & Co.
Firm Registration No. 131167W
Chartered Accountants
G R Parekh
Proprietor
Membership No. F-030530



T.R Gopi Kannan
T.R Gopi Kannan
President - Finance
Vishal Adesara
Vishal Adesara
General Manager Finance - CP Division

Atul
April 08, 2025

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