

SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
BALANCE SHEET AS AT MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

	Notes	As at March 31, 2026	As at March 31, 2025
A) ASSETS			
Non-current assets			
a) Property, plant and equipment	3	-	-
b) Right-of-use assets	4	850.38	962.60
c) Other intangible assets	5	-	-
d) Financial assets			
i) Loans	6 (a)	2,469.83	2,409.43
ii) Other financial assets	6 (b)	-	181.40
e) Deferred tax assets (net)	25 (f)	43.19	38.51
f) Other non-current assets	7	497.63	572.60
Total non-current assets		3,861.03	4,164.54
Current assets			
a) Inventories	8	38.98	-
b) Financial assets			
i) Trade receivables	9	735.17	864.54
ii) Cash and cash equivalents	10	270.41	90.75
iii) Bank balances other than (ii) above	11	2,165.60	1,060.46
iv) Other financial assets	12	565.93	1,718.08
c) Current tax assets (net)	25 (d)	12.19	-
d) Other current assets	13	1,404.43	1,211.69
Total current assets		5,192.71	4,945.52
Total Assets		9,053.74	9,110.06
B) EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	14	4,960.00	4,960.00
b) Other equity	15	2,097.37	2,073.37
Total equity		7,057.37	7,033.37
LIABILITIES			
Non-current Liabilities			
a) Financial liabilities			
i) Lease liabilities	31	835.12	927.02
Total non-current liabilities		835.12	927.02
Current Liabilities			
a) Financial liabilities			
i) Lease liabilities	31	181.46	182.46
ii) Trade payables			
(a) total outstanding dues of micro and small enterprises	16	-	-
(b) total outstanding dues other than ii (a) above	16	972.81	916.95
iii) Other financial liabilities	17	5.15	4.75
b) Current tax liabilities (net)	25 (e)	-	27.02
c) Other current liabilities	18	1.83	18.48
Total current liabilities		1,161.25	1,149.67
Total liabilities		1,996.37	2,076.68
Total equity and liabilities		9,053.74	9,110.06

Material accounting policies and key accounting estimates and judgements 1 - 2

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Shradha D. Khivisara
Partner
Membership Number: 134285

For and on behalf of Board of Directors of
Sudarshan Toyo Colour Private Limited
CIN: U24233GJ2013PTC075486

Deepak Joshi
Director
DIN: 06643511

Kazuya Yamashita
Director
DIN: 09503100

Yash Phadke
Company Secretary
M. No. 75582

Place: Pune, India
Date: 12/05/2026

Place: Vadodara, India
Date: 12/05/2026

Place: Tokyo, Japan
Date: 12/05/2026

Place: Pune, India
Date: 12/05/2026



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	19	3,182.70	3,755.76
Other Income	20	473.59	529.23
Total income		3,656.29	4,284.99
EXPENSES			
Purchases of stock-in-trade		2,441.34	2,805.79
Changes in inventories of stock-in-trade	21	(38.98)	-
Employee benefits expense	22	-	12.56
Finance costs	23	89.98	97.46
Depreciation and amortisation expenses	3, 4 & 5	112.22	112.38
Other expenses	24	438.08	427.75
Total expenses		3,042.64	3,455.94
Profit before tax		613.65	829.05
Tax expense			
- Current tax	25	165.64	224.22
- Deferred tax charge / (income)	25	(4.68)	(7.46)
Total tax expense		160.96	216.76
Profit for the Year		452.69	612.29
Other comprehensive income		-	-
Total comprehensive income for the year		452.69	612.29
Earnings per equity share			
Basic and diluted (INR)	33	0.91	1.23
Nominal value per equity share (INR)		10	10
Material accounting policies and key accounting estimates and judgements	1 - 2		

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Shraddha D. Khivarsara
Partner
Membership Number: 134285

Place: Pune, India
Date: 12/05/2026

For and on behalf of Board of Directors of
Sudarshan Toyo Colour Private Limited
CIN: U24233GJ2013PTC075486

Deepak Joshi
Director
DIN: 06643111

Place: Vadodara, India
Date: 12/05/2026

Kazuya Yamashita
Director
DIN: 09503100

Place: Tokyo, Japan
Date: 12/05/2026

Yash Phadke
Company Secretary
M. No. 75582

Place: Pune, India
Date: 12/05/2026



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	613.65	829.05
Adjustments for :		
Depreciation and amortisation expenses	112.22	112.38
Interest expense	0.42	0.43
Interest on lease liabilities measured at amortised cost	89.56	97.03
Mark-to-market loss (net) on foreign exchange forward contracts	0.59	5.29
Amortization of change in fair value of loan to related party	74.96	74.96
Interest income	(325.53)	(347.47)
Effect of fair value of loan to related party	(60.40)	(55.72)
Unrealised exchange loss / (gain) (net)	(15.46)	0.82
	490.01	716.77
Change in working capital		
(Increase) / Decrease In trade receivables	144.83	(180.96)
(Increase) / Decrease In other financial assets	(5.87)	(1.01)
(Increase) / Decrease In other current assets	(192.74)	(265.42)
(Increase) / Decrease In inventories	(38.98)	-
Increase / (Decrease) In trade payables	55.86	183.36
Increase / (Decrease) In other financial liabilities	(0.19)	(2.27)
Increase / (Decrease) In current provisions	-	(1.39)
Increase / (Decrease) In other current liabilities	(16.65)	12.56
Cash generated from operations	436.27	461.63
Income taxes paid (net of refund)	(204.85)	(206.70)
Net cash inflow/(outflow) from operating activities	(A) 231.42	254.93
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Redemption / (Investment) from / in fixed deposit	234.28	(622.94)
Interest received	325.53	297.01
Net cash inflow/(outflow) from investing activities	(B) 559.81	(325.93)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(0.42)	(0.43)
Dividend Paid	(428.69)	(710.00)
Payment for lease liabilities	(182.46)	(182.66)
Net cash inflow/(outflow) from financing activities	(C) 611.57	(893.09)
Net increase/(decrease) In cash and cash equivalents (A+B+C)	179.66	(964.09)
Cash and cash equivalents at the beginning of the Year	90.75	1,054.84
Cash and cash equivalents at the end of the Year	270.41	90.75



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026 (Contd...)

(All amounts are in INR Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Balances with banks		
In current account	68.94	20.15
In EEFC account	-	-
Deposits with maturity of less than three months	201.47	70.60
(Includes Interest accrued but not due)		
	270.41	90.75

Notes:

- 1 The above Statement of cash flows has been prepared under the "Indirect Method" set out in the Ind AS - 7 on statement of cash flows as notified under Companies (Indian Accounting Standards) Rules, 2015.
- 2 The Company does not have any borrowing financing facility and hence disclosure requirement of net debt reconciliation of Ind AS - 7 is not required to be presented. Lease liability movement is disclosed in note 31 (E).

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For M S K A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047W/W101187

Shraddha D. Khivasara

Partner

Membership Number: 134285

Place: Pune, India

Date: 12/05/2026

For and on behalf of Board of Directors of

Sudarshan Toyo Colour Private Limited

CIN: U24233GJ2013PTC075486

Deepak Joshi

Director

DIN: 06643511

Place: Vadodara, India

Date: 12/05/2026

Kazuya Yamashita

Director

DIN: 09503100

Place: Tokyo, Japan

Date: 12/05/2026

Ravi Phadke

Company Secretary

M. No. 75582

Place: Pune, India

Date: 12/05/2026



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

A. Equity share capital

	No of shares	Amount
Balance as at March 31, 2024	49,600,000	4,960.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	49,600,000	4,960.00
Changes in equity share capital during the year	-	-
Balance ss at March 31, 2026	49,600,000	4,960.00

B. Other equity

	Reserves and surplus	Total
	Retained earnings	
As at April 1, 2024	2,171.07	2,171.07
Profit for the Year	612.29	612.29
Dividend Paid during the year	(710.00)	(710.00)
Total comprehensive Income for the Year	(97.71)	(97.71)
As at March 31, 2025	2,073.37	2,073.37
As at April 1, 2025	2,073.37	2,073.37
Profit for the Year	452.69	452.69
Dividend Paid during the year	(428.69)	(428.69)
Total comprehensive income for the Year	24.00	24.00
As at March 31, 2026	2,097.37	2,097.37

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

For and on behalf of Board of Directors of
Sudarshan Toyo Colour Private Limited
CIN: U24233GJ2013PTC075486

Shraddha D. Khivasara
Partner
Membership Number: 134285

Place: Pune, India
Date: 12/05/2026

Deepak Joshi
Director
DIN: 06643511

Place: Vadodara, India
Date: 12/05/2026

Kazuya Yamashita
Director
DIN: 09503100

Place: Tokyo, Japan
Date: 12/05/2026

Yash Phadke
Company Secretary
M. No. 75582

Place: Pune, India
Date: 12/05/2026



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

1) Background

Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited) was incorporated on June 5, 2013 in Vadodara, Gujarat, India. It is a Private Limited Company having its registered office at Office No. 601, 6th Floor, The Baroda Crossway, Akota Dandia Bazar Road, Vadodara-390001 and is engaged in the trading business of colour pigment. It is a joint venture company (JVC) between Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited), India and Artience co., Ltd. (formerly known as Toyo Ink sc Holdings Co Ltd), Japan.

2) Material accounting policies

This note provides a list of the Material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1) Statement of Compliance

The Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statements.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements" or "financial statements"). These financial statements are approved for issue by the Board of Directors on 12 May, 2026.

2.2) Basis of preparation of financial statements

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time), (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3) Summary of material accounting policies:**(a) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies:

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency and presentation currency of the Company is Indian National Rupee (INR). The Company's financial statements are presented in INR.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency's closing rate of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in Other Comprehensive Income (OCI) or Statement of Profit and Loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

(c) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

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.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

(d) Revenue:

Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to the customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods or services will be transferred to the customer within a period of one year.

The Company has following streams of revenue:

(i) Revenue from sale of goods:

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, inco-terms the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.3 (n) Financial Instruments.

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

(ii) Export Incentive:

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iii) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(e) Taxes:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(i) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax:

Deferred tax is provided using the balance-sheet approach 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 assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity).

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(f) Property, plant and equipment:

(i) Recognition and measurement:

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any, and to the costs incurred subsequently to add to, or to replace any part of, or service it.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use and estimated present value of costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Cost also includes cost of replacement of part of plant and equipment if the recognition criteria are met. If significant parts of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. The Company depreciates them separately based on their specific useful lives.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

(ii) Depreciation:

Depreciation on items of property, plant and equipment is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule - II of the Companies Act, 2013, except in respect of the following assets where, useful life of assets has been determined based on technical evaluation done by the management's expert:

Asset Class	Estimated useful life (in yrs)
Computers*	3

The Company, based on technical assessment management, depreciates certain items of assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

(g) Intangible assets and intangible assets under development:**(i) Recognition and measurement:**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Asset Class	Estimated useful life (in yrs)
Computer Software	3

(h) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets:

If ownership of the right-of-use asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(j) Inventories:

Inventories are valued at the lower of cost and net realisable value.

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

(k) Provisions:

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.

(l) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets:

1. Initial recognition and measurement:

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Note 2.3 Revenue from contracts with customers.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. Impairment of financial assets:

The Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(m) Cash and cash equivalents, and Bank balances:

Cash and cash equivalent comprises of cash at banks (which are unrestricted for withdrawal and usage), and cash on hand and short-term deposits with original maturity of three months or less. Bank balances other than cash and cash equivalents as explained above comprises of earmarked balance with banks with original maturity of three months or more. These items are subject to an insignificant risk of changes in value. In the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above which are considered as integral part of the Company's cash management.

(n) Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

(e) Events after the reporting date:

If the Company receives information after the reporting period, but prior to the date of approved for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

2.4) New and amended standards:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

i. Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

ii. Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees-after the reporting period but before the financial statements are approved for issue-not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments do not have a material impact on the Company's financial statements.

iii. Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

iv. International Tax Reform-Pillar Two Model Rules - Amendments to Ind AS 12.

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.

2.5) Significant accounting judgements, estimates and assumptions:

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies Note 27.

- Sensitivity analyses disclosures Notes 27.

- Capital management Note 29.

Use of significant judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

(I) Lease accounting:

Lease accounting involves significant judgments and estimates, particularly in determining the lease term and the incremental borrowing rate. The lease term requires assessing whether renewal or termination options are reasonably certain to be exercised, while the incremental borrowing rate involves estimating the rate at which the Company could borrow funds under similar terms and conditions. - Refer note 31.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

3) Property, plant and equipment

Description	Gross carrying amount				Depreciation				Net carrying amount
	As at April 01, 2025	Additions	Disposal	As at March 31, 2026	As at April 01, 2025	For the year	Disposal	As at March 31, 2026	As at March 31, 2026
Computer	1.21	-	-	1.21	1.21	-	-	1.21	-
Total	1.21	-	-	1.21	1.21	-	-	1.21	-

Description	Gross carrying amount				Depreciation				Net carrying amount
	As at April 01, 2024	Additions	Disposal	As at March 31, 2025	As at April 01, 2024	For the year	Disposal	As at March 31, 2025	As at March 31, 2025
Computer	1.21	-	-	1.21	1.21	-	-	1.21	-
Total	1.21	-	-	1.21	1.21	-	-	1.21	-

The Company has not revalued its property, plant and equipment during financial year ended 31st March, 2026 and 31st March, 2025.

There are no assets which are lying with the third parties.

4) Right-of-use assets

Description	Gross carrying amount				Amortisation				Net carrying amount
	As at April 01, 2025	Additions	Disposal	As at March 31, 2026	As at April 01, 2025	For the year	Disposal	As at March 31, 2026	As at March 31, 2026
Land	181.99	-	-	181.99	57.65	14.39	-	72.04	109.95
Building	391.31	-	3.17	388.14	125.26	31.60	3.17	153.69	234.45
Plant & machinery	817.23	-	-	817.23	258.89	64.63	-	323.52	493.71
Office equipment	18.86	-	-	18.86	5.97	1.49	-	7.46	11.40
Furniture & fixtures	1.14	-	-	1.14	0.36	0.09	-	0.45	0.69
Computers	0.30	-	-	0.30	0.10	0.02	-	0.12	0.18
Total	1,410.83	-	3.17	1,407.66	448.23	112.22	3.17	557.28	850.38

Description	Gross carrying amount				Amortisation				Net carrying amount
	As at April 01, 2024	Additions	Disposal	As at March 31, 2025	As at April 01, 2024	For the year	Disposal	As at March 31, 2025	As at March 31, 2025
Land	181.99	-	-	181.99	43.26	14.39	-	57.65	124.34
Building	391.31	-	-	391.31	93.50	31.76	-	125.26	266.05
Plant & machinery	817.23	-	-	817.23	194.26	64.63	-	258.89	558.34
Office equipment	18.86	-	-	18.86	4.48	1.49	-	5.97	12.89
Furniture & fixtures	1.14	-	-	1.14	0.27	0.09	-	0.36	0.78
Computers	0.30	-	-	0.30	0.08	0.02	-	0.10	0.20
Total	1,410.83	-	-	1,410.83	335.85	112.38	-	448.23	962.60

5) Other intangible assets

Description	Gross carrying amount				Amortisation				Net carrying amount
	As at April 01, 2025	Additions	Disposal	As at March 31, 2026	As at April 01, 2025	For the year	Disposal	As at March 31, 2026	As at March 31, 2026
Computer software	0.11	-	-	0.11	0.11	-	-	0.11	-
Total	0.11	-	-	0.11	0.11	-	-	0.11	-

Description	Gross carrying amount				Amortisation				Net carrying amount
	As at April 01, 2024	Additions	Disposal	As at March 31, 2025	As at April 01, 2024	For the year	Disposal	As at March 31, 2025	As at March 31, 2025
Computer software	0.11	-	-	0.11	0.11	-	-	0.11	-
Total	0.11	-	-	0.11	0.11	-	-	0.11	-

The Company has not revalued its Intangible Assets during the financial years ended 31st March, 2026 and 31st March, 2025.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
6) Financial Assets		
a) Loans		
<u>Loan to related party</u>		
Loans receivable considered good - unsecured*	2,469.83	2,409.43
	<u>2,469.83</u>	<u>2,409.43</u>
*In terms of Joint venture agreement with Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) - "SGMPL" the above loan is subject to creation of charge but till date no charge have been created against above loan by SGMPL and hence presently unsecured. Loan was provided @ 5% p.a. rate of interest payable on monthly basis and principal amount will be repaid at the end of expiry of twenty years from the date of first disbursements i.e. 18th November 2013.		
b) Other financial assets		
Long term deposit with bank	-	181.40
	<u>-</u>	<u>181.40</u>
7) Other non-current assets		
Fair valuation of loan to JV partner	497.63	572.60
	<u>497.63</u>	<u>572.60</u>
8) Inventories		
Finished goods**	38.98	-
[Goods in transit INR 38.98 Lakhs, 31 March 2025 Rs. NIL]		
	<u>38.98</u>	<u>-</u>
** Goods in transit is valued at cost to date.		
9) Trade receivables		
Trade receivables considered good - unsecured	735.17	864.54
	<u>735.17</u>	<u>864.54</u>
Trade receivable from:		
(i) Receivables from related parties (refer note 30)	392.41	450.75
(ii) Other receivables	342.76	413.79
	<u>735.17</u>	<u>864.54</u>

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on credit terms of 7 days to 90 days. The Company does not hold any collateral security.

For the Company's credit risk management processes, refer note 27.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

Trade Receivables ageing schedule:

As on 31 March 2026:

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	719.54	15.48	0.14	0.01	-	-	735.17
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
Total	-	719.54	15.48	0.14	0.01	-	-	735.17

Trade Receivables ageing schedule:

As on 31 March 2025:

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	753.71	110.83	-	-	-	-	864.54
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
Total	-	753.71	110.83	-	-	-	-	864.54

	As at March 31, 2026	As at March 31, 2025
10) Cash and cash equivalents		
Balances with bank		
In current account	68.94	20.15
Deposits with bank (original maturity of less than 3 months and includes interest accrued)	201.47	70.60
	270.41	90.75
11) Bank balances other than cash and cash equivalents		
Deposits with Banks (original maturity more than 3 months but less than 12 months)	2,165.60	1,060.46
	2,165.60	1,060.46
12) Other financial assets		
Security deposits	1.95	1.95
Export incentive receivable	5.87	-
GST refund receivable	0.31	0.31
Deposits with Banks (original maturity more than 12 months)	557.80	1,715.82
	565.93	1,718.08
13) Other current assets		
Advance towards working capital requirement to JV partner	1,318.00	1,136.00
Balance with government authorities	10.56	-
Fair valuation of loan to JV partner	74.96	74.95
Prepaid expenses	0.42	0.25
Advance to suppliers	0.49	0.50
	1,404.43	1,211.70



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

14) Equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Authorised:				
50,000,000 equity shares of Rs. 10 each	50,000,000	5,000.00	50,000,000	5,000.00
(Previous year 50,000,000 equity shares of Rs. 10 each)				
Issued, subscribed and fully paid-up:				
49,600,000 equity shares of Rs. 10 each	49,600,000	4,960.00	49,600,000	4,960.00
(Previous year 49,600,000 equity shares of Rs. 10 each)				

(i) Reconciliation of number of equity shares and the amount outstanding at the beginning and at the end of the year

	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
As at the beginning of the Year	49,600,000	4,960.00	49,600,000	4,960.00
Add: Issue of shares during the Year	-	-	-	-
As at the end of the Year	49,600,000	4,960.00	49,600,000	4,960.00

(ii) Rights, preferences and restrictions attached to shares

Equity shares: The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in 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 amounts, in proportion to their shareholding. The terms of transfer, disposal, assign, pledge, etc., of the equity shares are governed by rights, obligations and restrictions as mentioned in the JV Agreement.

(iii) Shares in the company held by its holding company

	As at March 31, 2026		As at March 31, 2025	
	No of shares	% of holding	No of shares	% of holding
Sudarshan Gujarat MFG Private Limited, India (Formerly known as Heubach Colour Private Limited)	24,800,000	50%	24,800,000	50%
Artience co., Ltd., Japan (Formerly known as Toyo Ink sc Holdings Co Ltd)	24,800,000	50%	24,800,000	50%

(iv) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the company and promoters holding

	As at March 31, 2026		As at March 31, 2025	
	No of shares	% of holding	No of shares	% of holding
Sudarshan Gujarat MFG Private Limited, India (Formerly known as Heubach Colour Private Limited)	24,800,000	50%	24,800,000	50%
Artience co., Ltd., Japan (Formerly known as Toyo Ink sc Holdings Co Ltd)	24,800,000	50%	24,800,000	50%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(iv) There are no shares brought back or allotted either as fully paid up by way of bonus shares or under any contract without payment received in cash during 5 years immediately preceding 31 March 2026



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

15) Other equity

Reserves and surplus	As at March 31, 2026	As at March 31, 2025
Retained earnings		
Balance at the beginning of the year	2,073.37	2,171.07
Add: Profit for the year	452.69	612.30
Less: Dividend paid during the year	(428.69)	(710.00)
Balance at the end of the year	2,097.37	2,073.37

Retained earnings are the profits/(losses) that the Company has earned / incurred till date, less any transfers to dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

Distribution made and Proposed to be made

Particulars	As at March 31, 2026	As at March 31, 2025
Dividends on equity shares declared and paid :		
Final dividend for the year ended 31st March, 2025 : INR 0.8643 per share*	428.69	-
Final dividend for the year ended 31st March, 2024 : INR 1.4315 per share*	-	710.00
Proposed dividend on equity shares :		
Final dividend for the year ended 31st March, 2026 : INR 0.6389 per share*	316.88	-
Final dividend for the year ended 31st March, 2025 : INR 0.8643 per share*	-	428.69

*Dividend for the year ended 31st March, 2025 was subsequently approved by the shareholders at the Annual General Meeting of the Company held on 30th September, 2025.

Subsequent to the year ended 31st March 2026, the Board of Directors, at its meeting held on 12th May, 2026, has recommended a dividend of INR 0.6389 per equity share (total amounting to INR 320 Lakhs) for the financial year 2025-26. The proposed dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting (AGM) and accordingly has not been recognized as a liability in the financial statements as at 31st March 2026.

16) Trade payables

(a) total outstanding dues of micro and small enterprises	-	-
(b) total outstanding dues other than micro and small enterprises	972.81	916.95
	972.81	916.95
Trade payable to:		
(i) Trade payables to related parties (refer note 30)	965.19	908.18
(ii) Trade payables - others	7.62	8.77
	972.81	916.95

Trade payables are non-interest bearing and are generally settled on 0 to 90 days terms

For the Company's credit risk management processes, refer note 27.

Trade Payables ageing schedule:

As on 31 March 2026:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled*	Not Due	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	12.20	960.61	-	-	-	-	972.81
(iii) Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	12.20	960.61	-	-	-	-	972.81



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

Trade Payables ageing schedule:

As on 31 March 2025:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled*	Not Due	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (Undisputed)	-	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	13.72	893.67	9.56	-	-	-	916.95
(iii) Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	13.72	893.67	9.56	-	-	-	916.95

* Unbilled represents accrual for expenses

17) Other financial liabilities

Employee benefits payable	-	0.19
Derivative - foreign exchange forward contracts	5.15	4.56
	<u>5.15</u>	<u>4.75</u>

18) Other current liabilities

Statutory liabilities	1.83	18.48
	<u>1.83</u>	<u>18.48</u>



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
19) Revenue from operations		
Revenue from contracts with customers	3,176.83	3,747.30
Other operating revenues		
Government grant (export incentives)	5.87	8.46
	3,182.70	3,755.76
(a) Revenue Streams:		
Sale of products	3,176.83	3,747.30
Other operating revenues	5.87	8.46
	3,182.70	3,755.76
(b) Disaggregation of revenue from contracts with customers		
In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.		
Major product lines		
Sale of pigments	3,176.83	3,747.30
Total	3,176.83	3,747.30
Primary geographical market		
In India	2,150.61	2,309.49
Outside India	1,026.22	1,437.81
Total	3,176.83	3,747.30
Timing of revenue recognition		
Products transferred at point in time	3,176.83	3,747.30
Total	3,176.83	3,747.30
(c) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price		
Revenue as per contracted price	3,177.85	3,747.48
Adjustments		
Sales returns	1.02	0.18
Revenue from contract with customers	3,176.83	3,747.30
(d) Contract balances		
The following table provides information about trade receivables and contract liabilities from contracts with customers		
Trade receivables	735.17	864.54
Contract liabilities (advance from customers)	-	-
20) Other Income		
Interest Income on:		
Fixed deposit with banks	171.28	193.23
Loan to related party (refer note 30)	154.25	154.25
Effect of fair value of loan to related party	60.40	55.72
Foreign exchange gain (net)	19.76	-
Manufacturing facilitation income	67.90	126.03
	473.59	529.23
21) Changes in Inventories of stock-in-trade		
Inventory at the beginning of the year		
Finished goods	-	-
Inventory at the end of the year		
Finished goods	38.98	-
	38.98	-
Changes in Inventory:		
Finished goods	38.98	-
	38.98	-
22) Employee benefits expense		
Salaries and bonus	-	12.56
	-	12.56
23) Finance costs		
Interest expenses on delayed payment of income tax / GST	0.42	0.43
Interest expenses on lease liabilities (refer note 31)	89.56	97.03
	89.98	97.46



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
24) Other expenses		
Rent	0.20	-
Amortization of change in fair value of loan to related party	74.96	74.96
Reimbursement of fixed overhead charges - others	221.26	179.73
Rates and taxes	0.35	0.03
Legal and professional fees	1.79	5.09
Expenses towards Corporate Social Responsibility activities [refer note 36]	15.36	12.00
Insurance	0.38	0.47
Sales commission (refer note 30)	41.15	43.26
Auditors' remuneration [refer note 24(a) below]	2.98	3.83
Carriage outwards	22.09	30.51
Bank charges	0.63	0.87
Foreign Exchange loss (net)	-	3.23
Mark-to-market loss (net) on foreign exchange forward contracts	0.59	5.29
Trademark fees (refer note 30)	4.88	8.78
Technical license fees (refer note 30)	18.12	18.77
Business consignment fees (refer note 30)	31.64	39.27
Miscellaneous expenses	1.70	1.66
	438.08	427.75
24(a) Auditors' remuneration		
a) Statutory audit fees	2.80	2.80
b) Tax audit fees	-	0.75
c) Other services	-	0.10
d) Reimbursement of expenses	0.18	0.18
	2.98	3.83



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

25) Current and deferred tax

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(a) Income tax expense		
(I) Current tax		
Current tax on profit for the year	165.64	222.37
Short / (excess) provision for tax on earlier years	-	1.85
(II) Deferred tax		
(Decrease) / Increase in deferred tax liabilities	-	0.05
Decrease / (Increase) in deferred tax assets	(4.68)	(7.51)
Income tax expense	160.96	216.76

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate of India for the year ended

Accounting profit before income tax	613.65	829.05
Statutory income tax rate	25.17%	25.17%
Tax at statutory income tax rate	154.44	208.65
Tax effects of:		
Expenses not deducted for tax purpose	3.97	1.41
Permanent differences on account of Ind AS adjustments	3.66	4.84
Adjustment of tax relating to earlier periods	(1.11)	1.85
Income tax expense	160.96	216.76

(d) Current tax assets

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	(27.02)	-
Add: Current tax payable for the year	(165.64)	-
Less: Taxes paid	204.85	-
Closing balance	12.19	-

(e) Current tax liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	-	9.50
Add: Current tax payable for the year	-	222.37
Less: Excess tax provision of earlier period	-	1.85
Less: Taxes paid	-	(206.70)
Closing balance	-	27.02

(f) Deferred tax assets (net)

Particulars	As at March 31, 2026	Charged/ (credited) to statement of profit and loss	As at March 31, 2025	Charged/ (credited) to statement of profit and loss	As at March 31, 2024
Deferred tax assets					
Provision for leave encashment	-	-	-	0.22	0.22
Provision for gratuity	-	-	-	0.16	0.16
Fair valuation of derivatives	1.38	(0.16)	1.22	(1.16)	0.06
Effect under Ind AS 116 (net)	41.83	(4.52)	37.31	(6.73)	30.58
Total	43.21	(4.68)	38.53	(7.51)	31.02
Deferred tax liabilities					
Property, plant and equipment	(0.02)	-	(0.02)	0.05	0.03
Fair valuation of derivatives	-	-	-	-	-
Total	(0.02)	-	(0.02)	0.05	0.03
Deferred tax charge / (Income) recognised during the year		(4.68)		(7.46)	
Net deferred tax assets / (liabilities)	43.19		38.51		31.05

Reconciliation of deferred tax assets (liabilities) net:

Particulars	Amount
Opening balance as of April 01, 2024	31.05
Tax income/(expense) during the year recognised in P&L	7.46
Closing balance as on March 31, 2025	38.51
Opening balance as on April 01, 2025	38.51
Tax income/(expense) during the year recognised in P&L	4.68
Closing balance as on March 31, 2026	43.19



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

26) Fair value measurements

Financial instruments by category:

Particulars	As at 31-03-2026			As at 31-03-2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Loan to related party	-	-	2,469.83	-	-	2,409.43
Long term deposit with bank	-	-	-	-	-	181.40
Trade receivables	-	-	735.17	-	-	864.54
Cash and cash equivalents	-	-	270.41	-	-	90.75
Bank balances other than cash and cash equivalents	-	-	2,165.60	-	-	1,060.46
Deposits with Banks (original maturity more than 12 months)	-	-	557.80	-	-	1,715.82
Export incentive receivable	-	-	5.87	-	-	-
GST refund receivable	-	-	0.31	-	-	0.31
Security deposits	-	-	1.95	-	-	1.95
Total financial assets	-	-	6,206.94	-	-	6,324.66
Financial liabilities						
Derivative - foreign exchange forward contracts (measured at Level 2)	5.15	-	-	4.56	-	-
Lease liabilities	-	-	1,016.58	-	-	1,109.48
Trade payables	-	-	972.81	-	-	916.95
Employee benefits payable	-	-	-	-	-	0.19
Total financial liabilities	5.15	-	1,988.39	4.56	-	2,026.62

(i) Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1 - Hierarchy includes financial instruments measured using quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair values and fair value hierarchy of financial assets and liabilities:

Particulars	As at 31-03-2026			As at 31-03-2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial liabilities						
Derivative - foreign exchange forward contracts	-	5.15	-	-	4.56	-
Total financial liabilities	-	5.15	-	-	4.56	-

There were no transfers between Level 1, Level 2 and Level 3 during the year. There is nothing to be reported under Level 1.

(ii) Valuation technique used to determine fair value

The fair value of derivative assets and liabilities designated as Level 2 is determined using forward exchange rates provided by the bank at the balance sheet date.

The fair valuation of Level 3 financial instruments is determined using discounted cash flow analysis.

(iii) Valuation Process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

(iv) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of trade receivables, cash and cash equivalents, export incentive receivable, other bank balances and trade payables are considered to be the same as their fair values, due to their short-term nature.

The carrying amounts of financial assets and liabilities other than those valued at Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

The fair values of these financial instruments are determined using unobservable inputs and would therefore be categorised under Level 3. For Level 3 financial instruments, the fair value has been based on present values and the discount rates used adjust for counterparty or own risk.

27) Financial risk management

The operational and financial risks are constantly measured and elaborated actions are being continuously taken to mitigate them successfully.

The Company has in place proper risk management policy. The risk management policy is designed to safeguard the organisation from various risks through adequate and timely actions. It is designed to mitigate the risk in order to minimize the risk on the business.

In the opinion of the Company, there has been no identification of element of risk that may threaten the existence of the Company.

The Company has exposure to the following risks arising from financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

(a) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

(i) Credit risk management

Financial Instruments and cash deposits

The Company maintains exposure in cash and cash equivalents and term deposits with banks. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company. For banks and financial institutions, only high rated banks are accepted.

Loan to related party is secured against AZO plant of Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) - "SGMPL", whose fair value as collateral provides security against credit risk. The exposure of the Company for the difference between fair value of collateral and amount receivable under the loan agreement is not significant on account of credit rating that SGMPL enjoys. The Company has therefore not recognised any expected credit loss on account of the low credit risk whose exception is permitted under Ind AS 109.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Review of outstanding trade receivables and financial assets is carried out by Management at every month end. Company has a practice to provide for doubtful debts on a case to case basis after considering inter-alia customer's credibility etc. Majority of customers are related parties to the Company and no long outstanding dues that might be considered as doubtful.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

(i) Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity grouping based on their contractual maturities for all non-derivative and derivative financial liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
As at 31st March, 2026					
Lease liabilities	90.73	90.73	725.84	477.34	1,384.64
Trade payables	972.81	-	-	-	972.81
Employee benefits payable	-	-	-	-	-
Derivative - foreign exchange forward contracts	5.15	-	-	-	5.15
	1,068.69	90.73	725.84	477.34	2,362.60
As at 31st March, 2025					
Lease liabilities	91.23	91.23	725.84	658.80	1,567.10
Trade payables	916.95	-	-	-	916.95
Employee benefits payable	0.19	-	-	-	0.19
Derivative - foreign exchange forward contracts	4.56	-	-	-	4.56
	1,012.93	91.23	725.84	658.80	2,488.80



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

(c) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the value of a financial asset. The value of a financial asset may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables and payables.

(i) Foreign currency risk exposure:

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and liabilities denominated in a currency that is not the functional currency (INR) of the Company. The Company hedges its foreign exchange risk using foreign exchange forward contracts for its underlying assets after considering the natural hedge.

The exposure to foreign currency risk of the company at the end of the reporting year expressed in INR are as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	USD	JPY	USD	JPY
Financial assets				
Trade receivables	230.80	12.46	340.21	-
Derivative - foreign exchange forward contracts (measured at Level 2)	(217.98)	(11.72)	(213.53)	-
Net exposure to foreign currency risk (assets)	12.81	0.74	126.69	-
Financial liabilities				
Trade payables	-	4.87	-	6.27
Net exposure to foreign currency risk (liabilities)	-	4.87	-	6.27

The sensitivity of profit or loss to changes in the exchange rates arises from above referred outstanding balances

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
INR/USD	0.64	(0.64)	6.33	(6.33)
INR/JPY	(0.15)	0.15	(0.31)	0.31
Impact on profit before tax	0.49	(0.49)	6.02	(6.02)

The sensitivity of other equity to changes in the exchange rates arises from above referred outstanding balances

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
INR/USD	0.48	(0.48)	4.74	(4.74)
INR/JPY	(0.15)	0.15	-	-
Impact on equity net of taxes	0.33	(0.33)	4.74	(4.74)

28) Capital management

The primary objective of Capital Management of the Company is to maximise Shareholder value.

For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes Retained earnings and Equity share capital.

The Company aims to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to shareholders. In order to maintain or adjust the capital structure, the company may adjust the return capital to shareholders, issue new shares or take appropriate steps.

29) Segment information

The Company's chief operating decision maker (CODM) assesses the financial performance and position of the Company, and makes strategic decisions.

Segment information in accordance with Ind AS 108 'Operating Segment' is disclosed below:

The Company is in the trading business of organic pigments, which falls within a single business segment of pigments. The segment revenue is measured in the same way as in the Statement of Profit and Loss.

Geographical Information:

Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	India	Outside India	Total	India	Outside India	Total
Revenue from external customers	2,150.61	1,026.22	3,176.83	2,309.49	1,437.81	3,747.30
Particulars	Year ended March 31, 2026			Year ended March 31, 2025		
	India	Outside India	Total	India	Outside India	Total
Carrying amount of non-current assets*	1,348.01	-	1,348.01	1,535.20	-	1,535.20

* It considers non-current assets other than financial assets and deferred tax assets.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

30) Related party disclosure

Related party disclosure as required by Ind AS - 24, "Related Party Disclosures", is given below:

(i) Parties where control exists:

Related party

Artience Co., Ltd. (Formerly known as Toyo Ink sc Holdings Co Ltd), Japan
Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Pvt Ltd), India

Relationship

JV Partner
JV Partner

(ii) Other related parties where there is significant influence and transactions have taken place:

ToyoColor Co. Limited, Japan
Toyo Ink India Private Limited, India
Toyo Ink (Thailand) Co. Limited, Thailand
PT Toyo Ink Indonesia, Indonesia
Toyo Ink Vietnam Co. Limited, Vietnam
ToyoChem Speciality Chemical SDN BHD, Malaysia
Toyo Ink (Philippines) Co., Inc.
TIPPS Pte Ltd, Singapore

(iii) Key management personnel **

Mr. Ravi Kapoor (upto 31 March 2025)	Managing Director
Mr. Deepak K. Joshi	Director
Mr. Dinesh Kumar Rana	Director
Mr. Satoshi Oi (upto 13 January 2026)	Director
Mr. Kazuya Yamashita	Director
Mr. Masaki Ampo	Director
Mr. Klaus Dieter Baumgart (w.e.f. 29 July 2025)	Director
Mr. Shinichi Sato (w.e.f. 25 February 2026)	Director
Mr. Shantikumar S. Patel (upto 31 March 2025)	Company Secretary
Mr. Yash Phadke (w.e.f. 29 July 2025)	Company Secretary

** No transactions during the year

(iv) Transactions with related parties

Particulars	Party referred to in (i) above		Party referred to in (ii) above		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Sales						
Toyo Ink India Private Limited	-	-	981.32	1,012.62	981.32	1,012.62
ToyoColor Co. Limited	-	-	37.92	228.76	37.92	228.76
Toyo Ink (Thailand) Co. Limited	-	-	225.45	227.30	225.45	227.30
PT Toyo Ink Indonesia	-	-	290.57	482.87	290.57	482.87
Toyo Ink Vietnam Co. Limited	-	-	36.45	63.64	36.45	63.64
ToyoChem Speciality Chemical SDN BHD	-	-	35.43	208.52	35.43	208.52
Toyo Ink (Philippines) Co., Inc.	-	-	-	34.57	-	34.57
TIPPS Pte Ltd.	-	-	160.36	-	160.36	-
Sub - total	-	-	1,767.51	2,258.29	1,767.51	2,258.29
Purchase of goods and reimbursement of unabsorbed overhead charges						
Sudarshan Gujarat MFG Private Limited	2,844.06	3,166.98	-	-	2,844.06	3,166.98
Sub - total	2,844.06	3,166.98	-	-	2,844.06	3,166.98
Rent expense						
Sudarshan Gujarat MFG Private Limited	1.20	1.20	-	-	1.20	1.20
Sub - total	1.20	1.20	-	-	1.20	1.20
Interest Income						
Sudarshan Gujarat MFG Private Limited	154.25	154.25	-	-	154.25	154.25
Sub - total	154.25	154.25	-	-	154.25	154.25
Manufacturing facilitation Income						
Sudarshan Gujarat MFG Private Limited	67.90	126.03	-	-	67.90	126.03
Sub - total	67.90	126.03	-	-	67.90	126.03
Commission expense						
Sudarshan Gujarat MFG Private Limited	41.15	43.26	-	-	41.15	43.26
Sub - total	41.15	43.26	-	-	41.15	43.26



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Party referred to in (i) above		Party referred to in (ii) above		Total	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Selling & distribution expenses:						
(a) Technical license fees						
ToyoColor Co. Limited	-	-	18.12	18.77	18.12	18.77
(b) Trademark license fees						
Sudarshan Gujarat MFG Private Limited	2.24	2.29	-	-	2.24	2.29
ToyoColor Co. Limited	-	-	2.64	6.49	2.64	6.49
(c) Business consignment fees						
Sudarshan Gujarat MFG Private Limited	31.64	39.27	-	-	31.64	39.27
Sub - total	33.88	41.56	20.76	25.25	54.64	66.82
Dividend Paid during the year						
Sudarshan Gujarat MFG Private Limited	(214.35)	(355.00)	-	-	(214.35)	(355.00)
Artience Co., Ltd.	(214.35)	(355.00)	-	-	(214.35)	(355.00)
	(428.69)	(710.00)	-	-	(428.69)	(710.00)
Advance Given during the year						
Sudarshan Gujarat MFG Private Limited	380.00	744.00	-	-	380.00	744.00
Sub - total	380.00	744.00	-	-	380.00	744.00
Advance received back during the year						
Sudarshan Gujarat MFG Private Limited	198.00	479.00	-	-	198.00	479.00
Sub - total	198.00	479.00	-	-	198.00	479.00

Balance payable at the end of the year*	As at	As at
	March 31, 2026	March 31, 2025
Sudarshan Gujarat MFG Private Limited	960.32	901.91
ToyoColor Co. Limited	4.87	6.27
Sub - total	965.19	908.18
Balance receivable at the end of the year	As at	As at
	March 31, 2026	March 31, 2025
Sudarshan Gujarat MFG Private Limited		
- Towards working capital advance requirement	1,318.00	1,136.00
- Towards loan and interest #	3,160.51	3,160.51
- Towards accounts receivable	17.51	21.02
Accounts Receivable		
Toyo Ink India Private Limited	220.49	220.00
ToyoColor Co. Limited	12.46	-
Toyo Ink (Thailand) Co. Limited	30.33	68.35
PT Toyo Ink Indonesia	77.45	141.38
TIPPS Pte Ltd.	34.17	-
Sub - total	4,870.91	4,747.25

* Includes accruals at the end of the relevant year.

Amount as per books (including fair value adjustment) is INR 3,042.42 Lakhs (31 March 2025: INR 3,056.98 Lakhs)

Note:

a) Transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. All transactions were made on normal commercial terms and conditions and at market rates.

b) 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.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED
(Formerly known as Heubach Toyo Colour Private Limited)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts are in INR Lakhs, unless otherwise stated)

31) Leases

As a lessee:

The Company has entered into a manufacturing agreement dated August 1, 2014 with Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) - SGMPL, for engaging the services of SGMPL for the manufacturing of certain pigments for supply to the Company. The Company will pay to SGMPL the purchase price of the products as per the terms of the manufacturing agreement. Leases typically run in a range of 2 years to 20 years with an option to renew the lease after that date.

A) Amount recognised in statement of profit and loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on lease liabilities	89.56	97.03
Amortisation of ROU assets	112.22	112.36

B) Amount recognised in the statement of cash flows

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total cash outflow for leases	182.46	182.66

C) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity analysis - undiscounted		
Less than one year	181.46	182.46
One to five years	725.84	725.84
More than five years	477.34	658.80
Lease liabilities included in balance sheet	As at March 31, 2026	As at March 31, 2025
- Current	181.46	182.46
- Non Current	835.12	927.02

D) Movement of right of use of assets

Forming part of note to "right of use assets" (refer note 4).

E) Movement of lease liability

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	1,109.48	1,195.11
Interest accrued on lease liability	89.56	97.03
Payment of lease liabilities	(182.46)	(182.66)
Balance at the end of the year	1,016.58	1,109.48

32) Contingent liabilities and commitments

Company does not have any contingent liability and commitments as at 31 March, 2026 and as at 31 March, 2025

33) Earnings per share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Basic and diluted earnings per share		
(a) Profit attributable to the equity holders of the company (in lakhs)	452.69	612.29
(b) Weighted average number of shares used as the denominator	49,600,000	49,600,000
Basic and diluted earnings per share (in INR)	0.91	1.23



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

34) Ratios

Ratios	Numerator	Denominator	March 31, 2026	March 31, 2025	% Variation	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current Ratio (times)	Current Assets	Current Liabilities	4.47	4.30	4%	N.A.
Solvency Ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	-	-	-	N.A.
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses+ Interest + other adjustments	Interest + Lease Payments + Principal Repayments	-	-	-	
Profitability ratio						
Net Profit Ratio (%)	Profit After Tax	Total Sales	14.22%	16.30%	-13%	N.A.
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	6.43%	8.65%	-26%	Decrease in Profit
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	9.97%	13.17%	-24%	Decrease in Profit
Return on Investment (%)	Interest Income	Total Investment	5.86%	6.38%	-8%	N.A.
Utilization Ratio						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	3.97	4.84	-18%	N.A.
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	123.26	-	-	N.A.
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	2.51	3.06	-18%	N.A.
Net capital turnover ratio (times)	Net Sales	Working Capital	0.79	0.97	-18%	N.A.

- 35) As per the Transfer Pricing Rules of the Income tax Act, 1961, every Company is required to get a transfer pricing study conducted to determine whether the international transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March 2026 is currently in progress and hence adjustments if any which may arise there from will be effective in the financial statements for the year ended 31 March 2027. However in the opinion of the Company's management, adjustments, if any, are not expected to be material.

36) Expenditure on Corporate Social Responsibility Initiatives

The Company is covered under Section 135 of the Companies Act 2013, and is required to contribute towards activities eligible under Section 135 of The Companies Act, 2013 read with Schedule VII thereto.

Particular	Year ended March 31, 2026	Year ended March 31, 2025
Gross amount to be spent by the company during the year	15.36	12.00
Amount approved by Board of Directors	15.36	12.00
Actual amount spent by the company during the year		
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above (In cash)	15.36	12.00
Details related to amount spent/ unspent		
i) Laithu Udhoo Bharati	1.00	-
ii) The Desai Foundation Trust	7.61	-
iii) Ankleshwar Rotary Education Society	2.00	-
iv) Sickle Cell Awareness Foundation	4.75	-
v) Sparsh Samvedana Foundation Trust	-	5.00
vi) Salvaadham Sarvodaya Sangh	-	2.50
vii) Shree Jyotiaben Mody Hospital	-	2.00
viii) Kalrav Charitable Trust	-	2.50
Total	15.36	12.00
The amount of shortfall at the end of the year out of the amount to be spent by the company during the year	-	-



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

Details of CSR expenditure in respect of other than ongoing projects

Nature of Activity	Balance unspent as at 1 April 2025	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2026
In areas or subject, specified in Schedule VII of the Companies, Act 2013	-	-	15.36	15.36	-

Nature of Activity	Balance unspent as at 1 April 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 March 2025
In areas or subject, specified in Schedule VII of the Companies, Act 2013	-	-	12.00	12.00	-

There are no CSR expenses incurred/paid to the related party.

37) Loans or advances to specified persons

The Company has not provided any loans or advances to specified persons being promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the current or previous year.

38) Compliance with approved Scheme(s) of Arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

39) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

40) Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

41) Disclosure for Loans or Advances in the nature of loans are granted to related parties (as defined under Companies Act, 2013).

Year ended March 31, 2026

Type of Borrower	Loans/Advances granted Individually or Jointly with other. (Individually / Jointly)	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount outstanding as at the balance sheet date*	% of Total
Other - JV Partner	Individually	No	Yes	2,469.83	100%
Total of Loan (Note 6a)				2469.83	

Year ended March 31, 2025

Type of Borrower	Loans/Advances granted Individually or Jointly with other. (Individually / Jointly)	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount outstanding as at the balance sheet date*	% of Total
Other - JV Partner	Individually	No	Yes	2,409.43	100%
Total of Loan (Note 6a)				2409.43	

42) Relationship with Struck off Companies

The Company does not have any relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

43) Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

44) Details of Benami Property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.

45) Borrowings secured against current assets

The Company does not have borrowings from banks or financial institutions on the basis of security of current assets

46) Title deeds of Immovable Properties not held in name of the Company

There are no title deeds of immovable property which are not held within the name of the Company.

47) The Labour Codes

On November 21, 2025, the Government of India notified the four labour codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"). As the Company does not have any employees on its payroll during the reporting period, the provisions of the aforesaid Labour Codes are not applicable to the Company.



SUDARSHAN TOYO COLOUR PRIVATE LIMITED

(Formerly known as Heubach Toyo Colour Private Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts are in INR Lakhs, unless otherwise stated)

48) Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous 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).

49) Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

50) Subsequent Events

No Significant Subsequent events have been observed which may require an adjustments to the financial statements.

51) With effect from August 05, 2022, the Ministry of Corporate Affairs (MCA) has amended Companies (Accounting Standards) Rules 2021, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Companies are required to maintain the books of account which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis. The Company has a process to maintain daily backups on server physically located in India but backup logs are not available for verification due to inherent software limitations.

52) Funds raised on short term basis have not been utilised for long term purposes and spent for the purpose it were obtained.

53) Section 8 of the Companies Act, 2013 company is required to disclose grants or donations received during the year. Since, the company is not covered under Section 8 of the Companies Act, 2013, the said disclosure is not applicable.

54) The Board of Directors has appointed Mr. Yash Phadke as Company Secretary of the Company w.e.f. 29 July, 2025 and the Company is in compliance with the provision of section 203 of the Companies Act, 2013.

55) The figures for the previous year have been regrouped/recasted wherever necessary, to confirm to the current year's classification. The other requirements of the Schedule III of the Companies Act, 2013 not specifically disclosed are either NIL or not applicable to the Company.

The accompanying notes form an integral part of the financial statements
As per our report of even date

For M S K A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047W/W101187

Shraddha D. Khilvasara

Partner

Membership Number: 134285

Place: Pune, India

Date: 12/05/2026

For and on behalf of Board of Directors of

Sudarshan Toyo Colour Private Limited

CIN: U24233GJ2013PTC075486

Deepak Joshi

Director

DIN: 066435

Place: Vadodara, India

Date: 12/05/2026

Ka Toyo Yamashita

Director

DIN: 09503100

Place: Tokyo, Japan

Date: 12/05/2026

Yash Phadke

Company Secretary

M. No. 75582

Place: Pune, India

Date: 12/05/2026



INDEPENDENT AUDITOR'S REPORT

To the Members of Sudarshan Dahej MFG Private Limited (Formerly Known as Heubach Pigments Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sudarshan Dahej MFG Private Limited (Formerly Known as Heubach Pigments Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

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 prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 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 obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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 identified above 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.



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Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Company are 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.

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter:

The financial statements of the Company for the year ended March 31, 2025, were audited by another auditor whose report dated July 15, 2025 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 purposes of our audit of the aforesaid financial statements.



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- (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, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
- (iv) a. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 30 b to the financial statements, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
b. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 30 b to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to



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believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

(v) The Company has neither declared nor paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 54 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account relating to payroll managed and maintained by a third-party software service provider which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software.

Further, during the course of our audit and considering SOC report, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

3. In our opinion, according to information, explanations given to us, there is no managerial remuneration paid or provided by the Company to its directors. Hence, the requirements under Section 197 read with Schedule V of the Act are not applicable to the Company.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

SD Khivasara

Shraddha D Khivasara

Partner

Membership No.: 134285

UDIN: 26134285DNRIGK7133



Place: Pune

Date: May 18, 2026

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HUEBACH PIGMENTS PRIVATE LIMITED)

Auditor's Responsibilities for the Audit of the 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 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director'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 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.
- 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.

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.



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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 M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187



Shraddha D Khivasara

Partner

Membership No.: 134285

UDIN: 26134285DNRIGK7133

Place: Pune

Date: May 18, 2026

MSK A & Associates LLP

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a)A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.
- i. (a)B The Company has maintained proper records showing full particulars of intangible assets.
- i. (b) Property, Plant and Equipment, and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment, and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- i. (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements, are held in the erstwhile name of the Company. As explained to us, necessary formalities for updating of title deeds in the revised name are currently under process.
- i. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment including Right of Use assets and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- i. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks-in-transit) has been physically verified by the management during the year. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies were noticed. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- ii. (b) During any point of time of the year, the Company has not been sanctioned working capital limits from Banks and financial institutions on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. According to the information and explanations provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.



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Chartered Accountants

- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act, and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Act, are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, income-tax, custom duty, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.
- vii. (b) According to the information and explanations given to us and the records examined by us, there are no dues relating to 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 statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the requirement to report under clause 3(ix)(a) of the Order is not applicable to the Company.
- ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- ix. (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- ix. (d) According to the information and explanations provided to us, there are no funds raised on short term basis during the year. Accordingly, the requirement to report under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, requirement to report under clause 3(ix)(e) of the order is not applicable to the Company.
- ix. (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report under clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.



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Chartered Accountants

- x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.
- xi. (b) During the year no report under Section 143(12) of the Act, has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 177 of the Act, are not applicable to the Company. Further, the transactions with the related parties are in compliance with Section 188 of the Act, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, requirement to report under clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- xvi. (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.



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- xvii. Based on the overall review of financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year as below:

Particulars	March 31, 2026 (Current year)	March 31, 2025 (Previous Year)
Cash loss for respective year	INR 2,967.51 Lakhs	INR 3027.56 Lakhs

- xviii. There has been resignation of the erstwhile statutory auditors during the year. No issues, objections or concerns were raised by the outgoing auditor(s).
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 28 to the financial statements), ageing and expected dates of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering that the Company has obtained a letter of financial support from the Holding Company, 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 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 and based on our verification, provisions of Section 135 of the Act, are not applicable to the Company during the year. Accordingly, 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 standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

SD Khivasara

Shraddha D. Khivasara

Partner

Membership No.: 134285

UDIN: 26134285DNRIGK7133



Place: Pune

Date: May 18, 2026

MSK A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)

[Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited) on the Financial Statements for the year ended March 31, 2026]

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")

Opinion

We have audited the internal financial controls with reference to financial statements of Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited) ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls 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 issued by the 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 its business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.



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Chartered Accountants

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 controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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 includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls 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 controls 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.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

SD Khivasara



Shraddha D. Khivasara

Partner

Membership No.: 134285

UDIN: 26134285DNRIGK7133

Place: Pune

Date: May 18, 2026

SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	3	1,557.85	1,599.99
b) Right-of-use assets	4	1,459.56	1,476.81
c) Intangibles assets	5	7.35	11.77
d) Financial assets			
i. Other financial assets	6	372.08	352.36
e) Other non-current assets	7	56.49	4.54
Total Non-current assets		3,453.33	3,445.47
Current assets			
a) Inventories	8	1,417.36	1,633.85
b) Financial assets			
i. Investments	9	300.74	1,218.30
ii. Trade Receivables	10	235.82	148.87
iii. Cash and cash equivalents	11	229.19	82.34
c) Other current assets	7	109.89	142.83
d) Current tax assets (net)	25 (d)	7.65	6.90
Total Current assets		2,300.65	3,233.09
Total Assets		5,753.98	6,678.56
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	12	4,000.00	4,000.00
b) Other Equity	13	(68,966.71)	(61,003.67)
Total Equity		(64,966.71)	(57,003.67)
LIABILITIES			
Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	14	69,658.55	62,778.26
b) Provisions	16	43.77	44.32
Total Non-current Liabilities		69,702.32	62,822.58
Current Liabilities			
a) Financial liabilities			
i. Lease liabilities	4.1	-	1.05
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	17	311.63	174.41
(b) total outstanding dues other than (ii) (a) above	17	406.84	419.98
iii. Other financial liabilities	15	116.11	111.67
b) Provisions	16	1.93	2.61
c) Other Current Liabilities	18	181.86	149.93
Total Current Liabilities		1,018.37	859.65
Total Liabilities		70,720.69	63,682.23
Total Equity and Liabilities		5,753.98	6,678.56
Material accounting policies and Key accounting estimates and judgements			
The accompanying notes are an Integral part of the financial statements.			
As per our report of even date			

For **M S K A & Associates LLP**
(Formerly known as M S K A Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Shraddha D. Khivasara
Partner
Membership Number: 134285

Place: Pune
Date: 18/05/2026



For and on behalf of the Board of Directors
Sudarshan Dahej MFG Private Limited
CIN: U24290GJ2020PTC113524

Dinesh Kumar Rana
Director
DIN: 06643515

Place: Vadodara
Date: 18/05/2026

Deepak Kumar Joshi
Director
DIN: 06643511

Place: Vadodara
Date: 18/05/2026

Ninad Awachat
Company Secretary
M. No.: 26995

Place: Pune
Date: 18/05/2026



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	19	1,935.70	1,738.89
Other Income	20	323.69	53.01
Total Income		2,259.39	1,791.90
EXPENSES			
Cost of materials consumed	21	586.71	707.71
Changes in inventories of finished goods and work-in-progress	21	314.81	101.37
Employee benefit expenses	22	359.32	416.94
Finance costs	23	6,549.09	5,880.61
Depreciation and amortization expense	3, 4 & 5	63.34	2,652.64
Other expenses	24	2,355.18	2,238.75
Total Expenses		10,228.45	11,998.02
(Loss) Before Exceptional Items and Tax		(7,969.06)	(10,206.12)
Exceptional Items	24 B	13.79	35,105.74
(Loss) Before Tax		(7,982.85)	(45,311.86)
Tax expense			
- Current tax	25 (a)	-	(11.41)
- Deferred tax charge / (Income)	25 (e)	-	1,038.60
Total Tax expense		-	1,027.19
(Loss) for the year		(7,982.85)	(46,339.05)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		19.81	10.56
- Income Tax relating to the above		-	(1.81)
Other Comprehensive Income / (Loss) for the year		19.81	8.75
Total Comprehensive Income for the year		(7,963.04)	(46,330.30)
Earnings per share			
Basic and Diluted (in ₹)	33	(199.57)	(1,158.48)
Nominal Value per equity share (in ₹)		100.00	100.00
Material accounting policies and Key accounting estimates and judgements	1-2		
The accompanying notes are an Integral part of the financial statements.	3-55		
As per our report of even date			

For M S K A & Associates LLP
(Formerly known as M S K A Associates)
Chartered Accountants
Firm Registration Number: 105047W/W101187

Shraddha D. Khivasara
Partner
Membership Number: 134285

Place: Pune
Date: 18/05/2026



For and on behalf of the Board of Directors
Sudarshan Dahej MFG Private Limited
CIN: U24290GJ2020PTC113524

D. N. Rana
Dinesh Kumar Rana
Director
DIN: 06643515

Place: Vadodara
Date: 18/05/2026

Deepak Kumar Joshi
Deepak Kumar Joshi
Director
DIN: 06643511

Place: Vadodara
Date: 18/05/2026

M. T. Awachat
Ninad Awachat
Company Secretary
M. No.: 26995

Place: Pune
Date: 18/05/2026



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	No. of Shares	Amount
Balance as at March 31, 2024	4,000,000	4,000.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	4,000,000	4,000.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	4,000,000	4,000.00

B. Other Equity

Particulars	Retained Earnings
Balance as at March 31, 2024	(14,673.37)
(Loss) for the year	(46,339.05)
Other Comprehensive Income I (Loss)	8.75
Total Comprehensive Income for the year	(46,330.30)
Balance as at March 31, 2025	(61,003.67)
(Loss) for the year	(7,982.85)
Other Comprehensive Income I (Loss)	19.81
Total Comprehensive Income for the year	(7,963.04)
Balance as at March 31, 2026	(68,966.71)

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

3-55

As per our report of even date

For M S K A & Associates LLP

(Formerly known as M S K A Associates)

Chartered Accountants

Firm Registration Number: 105047W/W101187

Shraddha D. Khilvasara

Partner

Membership Number: 134285

Place: Pune

Date: 18/05/2026



For and on behalf of the Board of Directors

Sudarshan Dahej MFG Private Limited

CIN: U24290GJ2020PTC113524

Dinesh Kumar Rana

Director

DIN: 06643515

Place: Vadodara

Date: 18/05/2026

(Signature of Dinesh Kumar Rana)

Deepak Kumar Joshi

Director

DIN: 06643511

Place: Vadodara

Date: 18/05/2026

(Signature of Deepak Kumar Joshi)

Ninad Awachat

Company Secretary

M. No.: 26995

Place: Pune

Date: 18/05/2026

(Signature of Ninad Awachat)



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

		Year ended March 31, 2026	Year ended March 31, 2025
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	(Loss) Before Tax	(7,982.85)	(45,311.86)
	Adjustments for:		
	Depreciation and amortization expenses	63.34	2,652.64
	Liabilities no longer required, written back	(40.65)	-
	Interest on lease liabilities measured at amortised cost	0.05	-
	Finance Cost	6,549.00	5,880.61
	Interest Income	(21.06)	(1.59)
	(Profit) / loss on sale of Property, Plant and Equipments (net)	(11.77)	(11.14)
	Gain on fair valuation of mutual funds designated as FVTPL	(0.62)	(6.83)
	Profit on sale of mutual funds	(24.85)	(19.19)
	Provision for balance with government authorities	(188.62)	3,822.80
	Provision for Expected Credit Loss (net)	1.60	11.53
	Insurance Claim Received	(26.07)	(14.26)
	Impairment on Property, Plant and Equipment and Intangible Assets	-	31,282.94
	Unrealised Exchange (Gain) / Loss	0.76	2.20
	Provision for Capital Advance	4.26	-
		(1,677.48)	(1,712.15)
	Change in operating assets and liabilities		
	(Increase) Decrease in Other financial assets	-	(289.68)
	(Increase) Decrease in Inventories	216.49	350.61
	(Increase) Decrease in Other assets	165.35	107.37
	(Increase) Decrease in Trade receivables	(93.09)	655.35
	Increase (Decrease) in Trade payables	159.17	(411.66)
	Increase (Decrease) in Other financial liabilities	4.44	(84.03)
	Increase (Decrease) in Provisions	18.58	(7.61)
	Increase (Decrease) in Other liabilities	31.93	25.95
	Cash (used) in operations	(1,174.61)	(1,365.85)
	Income taxes paid (net of refund)	(0.75)	(2.15)
	Net Cash Outflow from Operating Activities (A)	(1,175.36)	(1,368.00)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Property, Plant and Equipment (Incl. Capital advance and Capital Creditors)	-	(354.62)
	Proceeds from sale of Property, Plant and Equipment	38.31	72.31
	Redemption/ (Investments) in mutual funds (net)	943.03	(1,119.50)
	Investments in Fixed Deposit	(19.72)	-
	Interest received	21.06	1.59
	Net Cash Inflow/Outflow from Investing Activities (B)	982.68	(1,400.22)
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from non-current borrowings	500.00	3,967.00
	Repayment of non-current borrowings	-	(1,000.00)
	Payment made for lease liabilities	(1.10)	(14.77)
	Interest Paid	(159.37)	(135.04)
	Net Cash Inflow from Financing Activities (C)	339.53	2,817.19
	Net Increase in Cash and cash equivalents (A+B+C)	146.85	48.97
	Cash and cash Equivalents at beginning of the year	82.34	33.37
	Cash and cash Equivalents at end of the year	229.19	82.34
	Balances with Banks		
	- In Current Accounts	229.19	82.34
		229.19	82.34



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

Notes:

1) The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in the Ind AS - 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015.

2) Net Debt Reconciliation

	Non-current Borrowings
Net debt as at March 31, 2024	(54,084.76)
Proceeds	(3,967.00)
Repayment	1,000.00
Interest expense accrued	(1,349.88)
Adjustment of fair valuation w.r.t. borrowings	(4,511.60)
Interest paid	134.98
Net debt as at March 31, 2025	(62,778.26)
Proceeds	(500.00)
Interest expense accrued	(1,434.34)
Adjustment of fair valuation w.r.t. borrowings	(4,945.95)
Interest paid	-
Net debt as at March 31, 2026	(69,658.55)

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

3-55

As per our report of even date

For M S K A & Associates LLP
(Formerly known as M S K A Associates)
Chartered Accountants
Firm Registration Number: 105047W/W/1001187

Shraddha D. Khilvasara
Partner
Membership Number: 134285

Place: Pune
Date: 18/05/2026



For and on behalf of the Board of Directors
Sudarshan Dahej MFG Private Limited
CIN: U24290GJ2020PTC113524

Dinesh Kumar Rana
Director
DIN: 06643515

Place: Vadodara
Date: 18/05/2026

D. N. Rana

Deepak Kumar Joshi
Director
DIN: 06643511

Place: Vadodara
Date: 18/05/2026

Deepak Joshi

Ninad Awachat
Company Secretary
M. No.: 26995

Place: Pune
Date: 18/05/2026

N. A. Awachat



1) Background

Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited) ("the Company") was incorporated on May 4, 2020 in Vadodara, Gujarat and has its registered office at Office No : 601, 6th Floor, The Baroda Crossway, Akota Dandia Bazar Road, Vadodara, Gujarat - 390001. The company is incorporated under the Companies Act, 2013 to carry on the business of manufacturing, processing and dealing in all types of colours, organic and inorganic pigments, dyes intermediates and chemicals.

2) Material accounting policies

This note provides a list of the Material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1) Statement of Compliance

The Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statements.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements" or "financial statements"). These financial statements are approved for issue by the Board of Directors on 18th May, 2026.

2.2) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time), (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans – plan assets measured at fair value. Refer Note 16.

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3) Summary of material accounting policies:

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies:

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency and presentation currency of the Company is Indian National Rupee (INR). The Company's financial statements are presented in INR.



Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency's closing rate of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

(c) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

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

(d) Revenue:

Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to the customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 0-90 days from the shipment or delivery of goods or services as the case may be.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods or services will be transferred to the customer within a period of one year.

The Company has following streams of revenue:

(i) Revenue from sale of goods:

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, inco-terms the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.



Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.3 (m) Financial instruments.

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

(ii) Export incentive:

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iii) Interest income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Other income:

Insurance claims are accounted on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. Other income is recognised when it is received or when the right to receive payment is established.

(e) Taxes:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(i) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax:

Deferred tax is provided using the balance-sheet approach 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 assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity).

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
 (All amounts in INR Lakhs, unless otherwise stated)

(f) Property, plant and equipment and Capital work in progress:

(i) Recognition and measurement:

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any, and to the costs incurred subsequently to add to, or to replace any part of, or service it.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use and estimated present value of costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Cost also includes cost of replacement of part of plant and equipment if the recognition criteria are met. If significant parts of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. The Company depreciates them separately based on their specific useful lives.

Machinery spares which meet the definition of PPE are capitalised and depreciated over the useful life of the principal asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Cost of assets not ready for intended use, as at the reporting date, are classified as capital work-in progress. Capital work-in progress is stated at cost, net of accumulated impairment loss, if any.

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(ii) Depreciation:

Depreciation on items of property, plant and equipment is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule - II of the Companies Act, 2013, except in respect of the following assets where, useful life of assets has been determined based on technical evaluation done by the management's expert:

Asset Class	Estimated useful life (in yrs)
Buildings	30-61
Plant and Equipments*	10
Furniture and Fixtures	10
Vehicles	8
Office Equipments	5
Laboratory Equipments*	7
Computers*	6

* The Company, based on technical assessment management, depreciates certain items of assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the P&L when the asset is derecognised.

(g) Intangible assets:

(i) Recognition and measurement:

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Asset Class	Estimated Useful Life
Computer Software	3
technical Know-how	5

(h) Borrowing costs:



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

Borrowing costs are Interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to Interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset till the date the asset is ready for intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(i) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	- Useful Life estimated by management (years)
Lease hold Land	- 95 years

If ownership of the right-of-use asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(j) Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials, stores and spares and packing material:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods:** Cost is determined on weighted average basis.

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



(k) Provisions, contingent liabilities and contingent assets:

Provisions:

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

Contingent liability is:

- (a) possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) a present obligation that arises from past events but is not recognized because;
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its Financial Statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and the Company recognises such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(l) Post-employment and other employee benefits:

(i) Short-term employee benefits:

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short-term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised at an undiscounted value for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Post-employment benefits:

1. Defined contribution plans:

The contributions to provident fund are recognised in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions. The Company recognizes contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2. Defined benefit plans:

The Company operates one defined benefit plans for its employees, viz. gratuity. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.
- Re-measurement



The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred. The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

(m) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets:

1. Initial recognition and measurement:

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Note 2.3 (d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method and are subject to impairment as per the accounting policy applicable to 'Impairment of financial assets.'. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on financial assets, refer Note 6 and for receivables, refer Note 10.

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.



Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit and Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

Financial assets designated at fair value through other comprehensive income (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under Ind AS 32 Financial Instruments - Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity Instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to Statement of Profit and Loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not elected to classify irrevocably any of its equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL):

Financial assets in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVOCI. Management only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through other comprehensive income. The Company has not designated any financial assets at FVTPL. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss. Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income on listed equity investments are recognised in the Statement of Profit & Loss as Other Income when the right of payment has been established.

3. Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

4. Impairment of financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair Value Through Profit and Loss (FVTPL). Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At all reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

For trade receivables, Therefore, the Company does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



For other assets, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from Initial recognition of the receivables.

(n) Cash and cash equivalents, and Bank balances:

Cash and cash equivalent comprises of cash at banks (which are unrestricted for withdrawal and usage), and cash on hand and short-term deposits with original maturity of three months or less. Bank balances other than cash and cash equivalents as explained above comprises of earmarked balance with banks with original maturity of three months or more. These items are subject to an insignificant risk of changes in value. In the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above which are considered as integral part of the Company's cash management.

(o) Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

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

(p) Events after the reporting date:

If the Company receives information after the reporting period, but prior to the date of approved for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

(q) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Board of Directors collectively functions as the Chief Operating Decision Maker (CODM). The Board of Directors reviews the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

2.4) New and amended standards:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

i. Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

ii. Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.



If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees-after the reporting period but before the financial statements are approved for issue-not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8.

The amendments do not have a material impact on the Company's financial statements.

iii. Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have a material impact on the Company's financial statements.

iv. International Tax Reform-Pillar Two Model Rules - Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception - the use of which is required to be disclosed - applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments had no impact on the Company's financial statements as the Company is not in scope of the Pillar Two model rules.

2.5) Significant accounting judgements, estimates and assumptions:

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies Note 27.
- Sensitivity analyses disclosures Notes 27.
- Capital management Note 29.

Use of significant judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

(i) Useful life and residual value of property, plant and equipment and intangible assets:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Consequently, the future depreciation charge could be revised and may have an impact on profit for future years. The policy for the same has been explained in notes 2.3 (f).

(ii) Recognition of deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The Company has not recognised Deferred tax assets, in absence of reasonable certainty.

(iii) Defined benefit obligation:

The cost of the defined benefit gratuity plan and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for respective countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for respective countries. Further details about defined benefit plans are given in Note 16.

(iv) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(v) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss. The policy for the same has been explained in Note 2.3 (m) Financial Instruments.

(vi) Provision for inventory obsolescence:

The Company identifies slow and non-moving stock of all inventories on an ongoing basis. These materials are then classified based on their expected quality parameters to determine the possibility of utilisation / liquidation of these materials. Based on this study, a provision for slow and non-moving inventory is created.

(vii) Determination of timing of satisfaction of performance obligation:

For revenue recognised at a point in time, the Company has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices. The goods manufactured by the Company are on the basis of the open purchase order as on date and the order expected to be received. Further, the goods are dispatched as per the terms mentioned in the purchase order.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
 (All amounts in INR Lakhs, unless otherwise stated)

3) Property, Plant and Equipment:

Description	Gross Carrying Amount			Depreciation and Impairment loss			Net Carrying Amount
	As at April 01, 2025	Additions during the year	Disposal/transfer	As at March 31, 2026	For the year	Disposal/transfer	As at March 31, 2026
Buildings	16,015.53	-	-	16,015.53	39.45	-	15,363.94
Plant and Equipment	22,164.64	-	12.60	22,152.04	-	12.13	21,315.70
Laboratory Equipments	206.08	-	-	206.08	-	-	149.94
Vehicles	31.68	-	-	31.68	0.11	-	31.10
Computers	196.43	-	-	196.43	1.07	-	191.42
Furniture and Fixtures	213.75	-	-	213.75	0.76	-	206.46
Office Equipments	43.15	-	-	43.15	0.28	-	42.25
Total	38,871.26	-	12.60	38,858.66	41.67	12.13	37,300.81

Description	Gross Carrying Amount			Depreciation and Impairment loss			Net Carrying Amount
	As at April 01, 2024	Additions during the year	Disposal/transfer	As at March 31, 2025	For the year	Disposal/transfer	As at March 31, 2025
Buildings	15,913.87	140.53	38.87	16,015.53	543.44	2.19	15,324.49
Plant and Equipment	22,158.34	18.80	12.50	22,164.64	1,921.30	2.27	21,327.83
Laboratory Equipments	206.08	-	-	206.08	24.03	-	149.94
Vehicles	31.68	-	-	31.68	3.34	-	30.99
Computers	196.43	-	-	196.43	26.87	-	190.35
Furniture and Fixtures	213.75	-	-	213.75	18.04	-	205.70
Office Equipments	43.15	-	-	43.15	7.29	-	41.97
Total	38,763.30	159.33	51.37	38,871.26	2,544.31	4.46	37,271.27

Notes:

(i) For impairment of Property, Plant & Equipment, refer Note 38.

(ii) The Company has not revalued its property, plant and equipment during financial year ended 31st March, 2026 and 31st March, 2025.

(iii) There are no assets which are lying with the third parties.

(iv) The title deeds of immovable properties are held in the erstwhile name of the Company, i.e., Heubach Pigments Private Limited, consequent to the change of name to Sudarshan Dahej MFG Private Limited. The ownership of such properties vests with the Company and the necessary formalities for updation of title deeds in the revised name are currently under process.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

4) Right-of-use assets

Description	Gross Carrying Amount			Depreciation			Net Carrying Amount
	As at April 01, 2025	Additions during the year	Disposal/transfer	As at March 31, 2026	For the year	Disposal/transfer	As at March 31, 2026
Leasehold Land	1,547.83	-	-	1,547.83	16.29	-	88.27
Building	3.16	-	3.16	-	0.96	3.16	-
Total	1,550.99	-	3.16	1,547.83	17.25	3.16	1,459.56

Description	Gross Carrying Amount			Depreciation			Net Carrying Amount
	As at April 01, 2024	Additions during the year	Disposal/transfer	As at March 31, 2025	For the year	Disposal/transfer	As at March 31, 2025
Leasehold Land	1,547.83	-	-	1,547.83	16.29	-	71.98
Building	3.16	-	-	3.16	1.06	-	1,475.85
Plant and Equipment	62.04	-	62.04	-	12.98	62.04	0.96
Total	1,613.03	-	62.04	1,550.99	30.33	62.04	1,476.81

Note: The title deeds of immovable properties are held in the erstwhile name of the Company, i.e., Heubach Pigments Private Limited, consequent to the change of name to Sudarshan Dahej MFG Private Limited. The ownership of such properties vests with the Company and the necessary formalities for updation of title deeds in the revised name are currently under process.

5) Intangibles assets

Description	Gross Carrying Amount			Amortisation and Impairment Loss			Net Carrying Amount
	As at April 01, 2025	Additions during the year	Disposal/transfer	As at March 31, 2026	For the year	Disposal/transfer	As at March 31, 2026
Computer Software	10.50	-	-	10.50	0.13	-	10.48
Technical Knowhow	447.79	-	-	447.79	4.29	-	440.46
Total	458.29	-	-	458.29	4.42	-	450.94

Description	Gross Carrying Amount			Amortisation and Impairment Loss			Net Carrying Amount
	As at April 01, 2024	Additions during the year	Disposal/transfer	As at March 31, 2025	For the year	Disposal/transfer	As at March 31, 2025
Computer Software	10.50	-	-	10.50	2.22	-	10.35
Technical Knowhow	447.79	-	-	447.79	75.78	-	436.17
Total	458.29	-	-	458.29	78.00	-	446.52

Note: The Company has not revalued its Intangible Assets during the financial years ended 31st March, 2026 and 31st March, 2025



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(All amounts in INR Lakhs, unless otherwise stated)

4.1) Leases

Company as a lessee:

The Company's significant leasing arrangements are mainly in respect of leasehold land and buildings. Leases typically run in a range from 2 years to 95 years, with an option to renew the lease after that date. Leasehold land pertains to upfront payments made to Gujarat Industrial Development Corporation and hence have longer lease terms upto 95 years with no corresponding lease liabilities. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(i) Amount recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on lease liabilities	0.05	0.32
Depreciation of Right of Use Assets	17.25	30.33
Expenses relating to short term and low value leases charged as Rent	23.36	23.54

(ii) Amount recognised in Statement of Cash Flows

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total cashoutflow for leases	1.10	14.77

(iii) Maturity Analysis of Lease Liabilities

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Maturity Analysis - Undiscounted		
Less than one year	-	1.05

Lease liabilities Included in Balance Sheet	Year ended March 31, 2026	Year ended March 31, 2025
- Current	-	1.05
- Non-current	-	-
Total	-	1.05

(iv) Movement of Right of Use Assets

Forming part of note to "Right of Use Assets" (Refer note 4).

(v) Movement of Lease Liability

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at beginning of the year	1.05	15.50
Addition of lease liabilities	-	-
Finance costs incurred during the year	0.05	0.32
Payment of lease liabilities	(1.10)	(14.77)
Balance as at end of the year	-	1.05



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
6) Other Financial Assets		
Non-current		
Considered good - Unsecured		
Security deposits	78.85	78.85
Fixed Deposits (Ilen marked against BG issued by banks) (including Interest)	293.23	273.51
	372.08	352.36
7) Other Assets		
Non-current		
Capital Advances	0.28	4.54
Balances with Government authorities	3,690.39	3,822.80
Less: Provision for balance with government authorities	(3,634.18)	(3,822.80)
	56.49	4.54
Movement in provision for balance with government authorities		
Balance at the beginning of the year	3,822.80	-
Add: Provision created during the year	-	3,822.80
Less: Provision Written Back during the year	(188.62)	-
Balance at the end of the year	3,634.18	3,822.80
Note: A provision has been made for balance with government authorities that are considered doubtful of recovery. This provision is based on a review of outstanding balances and future projections for utilization of balances.		
Current		
Prepaid Expenses	27.61	15.66
Export Incentive Receivable	3.49	7.01
Advance to suppliers	72.64	119.28
Advance to employees	6.15	0.88
	109.89	142.83
8) Inventories*		
Raw Materials	102.71	170.01
[March 31, 2026: In transit Nil, March 31, 2025: in transit ₹ 32.94 Lakhs]		
Packing Materials	49.81	47.88
Stores and spares	632.85	469.16
Work-In-Progress	423.92	488.62
Finished Goods	208.07	458.18
[March 31, 2026: In transit ₹ 91.47 lakhs, March 31, 2025: in transit ₹ 76.07 lakhs]		
	1,417.36	1,633.85
*Valued at cost or net realisable value, whichever is lower.		
Amounts recognised in the Statement of Profit or Loss:		
During the year, an amount of Rs. 207.07 Lakhs (31st March, 2025: Rs. 896.57 Lakhs) was reversed to the Statement of Profit and Loss on account of provision for difference in stock values and net realisable values of inventories.		
9) Investments		
Investments in Mutual Funds (Quoted)		
HDFC overnight fund	300.74	1,218.30
(March 31, 2026: 7,532.208 units, March 31, 2025: 32,177.569 units)		
	300.74	1,218.30
Aggregate book value of quoted investments	300.12	1,211.47
Aggregate market value of quoted investments	300.74	1,218.30



SUDARSHAN DAJEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
10) Trade receivables		
Unsecured, considered good	235.82	148.87
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	13.13	11.53
	<u>248.95</u>	<u>160.40</u>
Less:		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	(13.13)	(11.53)
	<u>(13.13)</u>	<u>(11.53)</u>
	<u>235.82</u>	<u>148.87</u>
Trade receivable from:		
(i) Related parties (refer note 30)	129.27	18.85
(ii) Others	119.68	141.55
	<u>248.95</u>	<u>160.40</u>

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member, refer note 30.

Trade receivables are non-Interest bearing and are generally on terms of 0 to 90 days. For terms and conditions relating to related party receivables, refer note 30.

Trade Receivable ageing schedule as at March 31, 2026

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	224.37	11.44	0.01	-	-	-	235.82
(ii) Undisputed Trade Receivables - which have significant Increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	0.09	0.03	0.01	5.92	7.08	-	13.13
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant inc	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
Total	-	224.46	11.47	0.02	5.92	7.08	-	248.95
Less: Allowance for expected credit loss								(13.13)
								235.82

Trade Receivable ageing schedule as at March 31, 2025

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months- 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	118.81	28.65	1.28	0.13	-	-	148.87
(ii) Undisputed Trade Receivables - which have significant Increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	4.46	7.07	-	-	11.53
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant inc	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	-
Total	-	118.81	28.65	5.74	7.20	-	-	160.40
Less: Allowance for expected credit loss								(11.53)
								148.87

Refer note 27 for details of credit risk related to trade receivables.

11) Cash and cash equivalents

Balances with Banks:
- In Current Accounts

229.19	82.34
<u>229.19</u>	<u>82.34</u>



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

12) Share Capital

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of ₹ 100 each	4,000,000	4,000.00	4,000,000	4,000.00
Preference shares of ₹ 50 each	35,000,000	17,500.00	35,000,000	17,500.00
	39,000,000	21,500.00	39,000,000	21,500.00
Issued, Subscribed and Fully Paid-up:				
Equity shares of ₹ 100 each	4,000,000	4,000.00	4,000,000	4,000.00
	4,000,000	4,000.00	4,000,000	4,000.00

(i) Reconciliation of authorised equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning and at the end of the year	4,000,000	4,000	4,000,000	4,000
Add : Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	4,000,000	4,000	4,000,000	4,000

(ii) Reconciliation of Issued, subscribed and fully paid-up equity share capital

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning and at the end of the year	4,000,000	4,000.00	4,000,000	4,000.00
Add : Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	4,000,000	4,000	4,000,000	4,000

(iii) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of ₹ 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in 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 amounts, in proportion to their shareholding.

(iv) Shares in the company held by its holding company:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sudarshan Gujarat MFG Private Limited, India, the Holding Company (Formerly known as Heubach Colour Private Limited)	4,000,000	100.00%	4,000,000	100.00%

(v) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company and Promoter holding:

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sudarshan Gujarat MFG Private Limited, India, the Holding Company (Formerly known as Heubach Colour Private Limited)	4,000,000	100.00%	4,000,000	100.00%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(vi) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date.

13) Other Equity

	As at March 31, 2026	As at March 31, 2025
Retained Earnings		
Opening Balance	(61,003.67)	(14,673.37)
Add: (loss) for the year	(7,982.85)	(46,339.05)
Add: Other Comprehensive Income / (Loss)	19.81	8.75
Closing Balance	(68,966.71)	(61,003.67)

Nature and purpose of Retained Earnings

Retained earnings represents accumulated loss of the Company as on reporting date. The reserve can be utilized in accordance with the provision of the Companies Act, 2013



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

14) Borrowings

Non-current

Loan from Related parties (unsecured)

0% Redeemable Preference shares *

(No. of Shares - March 31, 2026: 34,700,000 & March 31, 2025: 34,700,000)

Terms of repayment

Interest rate

As per below table

NA

53,574.68

48,628.73

Long Term Loan from Sudarshan Gujarat MFG Pvt Ltd
(Formerly known as Heubach Colour Private Limited)

Repayable by March 31, 2032

12.55 to 12.95 %

(March 31, 2025 - 12.55 to

12.80 %)

16,083.87

14,149.53

69,658.55

62,778.26

*These are the non - convertible redeemable preference shares ("NCRPS") (shown at fair value) issued to Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) at a premium of ₹ 50 each.

Date of Issue	Date of redemption on or before	No. of Preference Shares	Total Redemption value
27-10-2020	27-10-2030	65,00,000	1,82,56,50,000
09-11-2020	09-11-2030	65,00,000	1,62,56,50,000
09-09-2021	31-08-2031	55,00,000	1,49,54,50,000
23-02-2022	31-03-2032	45,00,000	1,22,35,50,000
25-05-2022	25-05-2032	17,00,000	46,22,30,000
01-07-2022	01-07-2032	20,00,000	84,38,00,000
17-08-2022	31-07-2032	20,00,000	55,81,80,000
13-10-2022	30-09-2032	10,00,000	27,90,80,000
28-10-2022	30-09-2032	10,00,000	27,90,80,000
23-11-2022	31-10-2032	20,00,000	55,81,80,000
15-12-2022	30-11-2032	20,00,000	55,81,80,000
Total		3,47,80,000	8,20,85,76,000

The Investor(s) shall, by virtue of and in respect of its holding of NCRPS, have the right to receive notice of, attend, speak and vote at a general meeting of the Company if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the investor(s), or for the winding-up of the Company, or for sanctioning the sale of an undertaking of the Company or for repayment or reduction of share capital.

Notwithstanding as aforesaid, the Investor(s) will be entitled to receive notice of and attend all general meetings. However, It is clarified that the Investor(s) will not be entitled to vote on any matter which does not abrogate, vary or modify any of the rights or privileges of the Investor(s).



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
15) Other financial liabilities		
Current		
Capital Creditors	102.13	91.84
Employee Benefits Payable	13.98	19.83
	116.11	111.67

* Includes amount payable to MSME parties amounting to INR 54.04 lakhs as at March 31, 2026 (March 31, 2025: INR 54.04)

16) Provisions

Non-current

Provision for Employee Benefits

- Leave Encashment

- Gratuity

19.41	16.18
24.36	28.14
43.77	44.32

Current

Provision for Employee Benefits

- Leave Encashment

- Gratuity

1.42	1.22
0.51	1.39
1.93	2.61

The Company has classified various benefits provided to employees as under :

(I) Defined Contribution Plans

a) Provident Fund

b) Employees' Pension Scheme, 1995

The Company has charged the following amounts in the Statement of Profit and Loss during the year:

Particulars	As at March 31, 2026	As at March 31, 2025
Employers' Contribution to Provident Fund	6.29	9.80
Employers' Contribution to Employees' Pension Scheme, 1995	6.04	8.85

(II) Defined Benefit Plans

Liability of Defined Benefit Plan is provided on the basis of actuarial valuation, as at balance sheet date, carried out by an Independent actuary. The actuarial valuation method used by an actuary for measuring the liability is the Projected Unit Credit Method. The Company's Defined Benefit Plan is non-funded, the fair value of the plan asset is reduced from the gross amount of obligation under the defined benefit plan, to recognise on a net basis. Actuarial gain and losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognised immediately in the statement of Other Comprehensive Income as income or expense.

Gratuity

The company provides for gratuity for employees in India as per New Labour Code 2025. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the New Labour Code 2025 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

a) Changes In the Present Value of Obligation and Fair value of Plan Assets

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net amount
As at April 01, 2025	29.53	-	29.53
Interest Cost	1.85	-	1.85
Current service cost	5.79	-	5.79
Past Service Cost	7.51	-	7.51
Expected return on plan assets	-	-	-
Total amount recognised in Statement of Profit and Loss	15.15	-	15.15
Actuarial (Gains)/Losses on Obligation due to:			
- Change in demographic assumptions	-	-	-
- Change in financial assumptions	(1.37)	-	(1.37)
- Experience	(18.45)	-	(18.45)
Total amount recognised in Other Comprehensive Income	(19.81)	-	(19.81)
Contribution by the Employer	-	-	-
Benefit paid	-	-	-
As at March 31, 2026	24.87	-	24.87

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net amount
As at April 01, 2024	30.43	-	30.43
Interest Cost	2.19	-	2.19
Current service cost	7.47	-	7.47
Past Service Cost	-	-	-
Expected return on plan assets	-	-	-
Total amount recognised in Statement of Profit and Loss	9.66	-	9.66
Actuarial (Gains)/Losses on Obligation due to:			
- Change in demographic assumptions	-	-	-
- Change in financial assumptions	0.97	-	0.97
- Experience	(11.53)	-	(11.53)
Total amount recognised in Other Comprehensive Income	(10.56)	-	(10.56)
Contribution by the Employer	-	-	-
Benefit paid	-	-	-
As at March 31, 2025	29.53	-	29.53

Note:

Amount of gratuity expenses are recognised on the basis of actuarial valuation.

b) Amount recognised in the Balance Sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Present Value of Obligation at the end of the year	(24.87)	(29.53)
Fair Value of Plan Assets at the end of the year	-	-
Amount recognised in the Balance Sheet	(24.87)	(29.53)

Particulars	As at March 31, 2026	As at March 31, 2025
- Current	(0.51)	(1.39)
- Non-current	(24.36)	(28.14)
Amount recognised in the Balance Sheet	(24.87)	(29.53)



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

c) Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions are as follows:

Particulars	As at March 31, 2026	As at March 31, 2025
Discount rate	7.24%	6.73%
Rate of Salary Increase	9.00%	9.00%
Rate of Employee Turnover	8.00%	8.00%
Expected Weighted Average remaining working lives of employees (years)	10	10
Mortality Rate During Employment	Indian Assured Lives Mortality 2012-14	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age	58 & 60 years	58 & 60 years
Vesting Period	5 years	5 years

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

As at March 31, 2026	Change in assumption (Percentage)	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(2.27)	2.67
Salary escalation rate	1.00%	2.60	(2.25)
Employee Turnover rate	1.00%	(0.59)	0.65

As at March 31, 2025	Change in assumption (Percentage)	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1.00%	(2.05)	2.34
Salary escalation rate	1.00%	2.26	(2.02)
Employee Turnover rate	1.00%	(0.52)	0.56

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year

The assumptions for mortality and attrition do not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis

Risk Exposure

The gratuity scheme is a salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

(a) Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds, if bond yield fall, the defined benefit obligation will tend to increase.

(b) Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

(c) Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

Weighted Average Duration of the Defined Benefit Obligation is 12 years (March 31, 2025 : 9 Years).

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability 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.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India. The Company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

(iii) Leave Encashment

The leave obligations cover the Company's liability for sick leave, privilege leave.

The amount of the provision to be settled within next 12 months is presented as current, since the Company does not have an unconditional right to defer the 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. The following table shows bifurcation of current and non-current provision for leave encashment.

Particulars	As at March 31, 2026	As at March 31, 2025
Current leave obligations expected to be settled within the next 12 Months	1.42	1.22
Leave obligations expected to be settled beyond 12 months	19.41	16.18

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of unutilised compensated absences and utilise it in the future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the Balance Sheet date carried out by qualified actuary on projected unit credit method carried out for assessing the liability as on the reporting date.

The principal assumptions used in determining leave obligation for the Company are shown below:

Demographic Assumptions

Mortality: Mortality for all periods has been assumed to be as per Indian Assured Lives Mortality 2012-14 (urban).

Particulars	As at March 31, 2026	As at March 31, 2025
Discount Rate	7.24% p.a. (Indicative G.Sec referenced on 30-03-2026)	6.73% p.a. (Indicative G.Sec referenced on 28-03-2025)
Salary Escalation Rate	9.00% p.a.	9.00% p.a.
Employee Turnover	8.00% p.a.	8.00% p.a.
Service Availment Rate	3.86% p.a.	3.86% p.a.
Retirement Age	58 & 60 years	58 & 60 years

The liability includes leave encashment and compensated absences. The Compensated absences covers the liability for privilege leave and sick leave. The liability for leave encashment and compensated absences as at the year end is ₹ 20.83 Lakhs (March 31, 2025: ₹ 17.40 Lakhs).

	As at March 31, 2026	As at March 31, 2025
17) Trade payables		
Total Outstanding dues of Micro and Small Enterprises	311.63	174.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	406.84	419.98
	718.47	594.39
Break-up of trade payables		
Trade payables to related parties (refer Note 30)	71.60	0.12
Trade payables to others	646.87	594.27
	718.47	594.39



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Note:		
Details of Dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006		
Principal amount due to suppliers under MSMED Act, 2006 *	212.49	84.62
Payment made to suppliers (other than interest) beyond the appointed day, during the year	20.87	811.09
Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	0.07	10.08
Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	9.34	18.75
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	153.18	143.83

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company.

* Includes dues to payable for purchase of capital goods ₹ 54.04 lakhs as at 31st March, 2026 and ₹ 54.04 lakhs as at 31st March, 2025.

Trade Payable ageing schedule as at March 31, 2026

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled*	Not Due	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (Undisputed)	153.18	158.45	-	-	-	-	311.63
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	126.68	227.01	50.95	2.10	-	0.10	406.84
(iii) Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	279.86	385.46	50.95	2.10	-	0.10	718.47

Trade Payable ageing schedule as at March 31, 2025

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled*	Not Due	Less than 1 Year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (Undisputed)	143.83	30.58	-	-	-	-	174.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Undisputed)	139.80	277.99	2.09	-	0.10	-	419.98
(iii) Total outstanding dues of micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
(iv) Total outstanding dues of creditors other than micro enterprises and small enterprises (Disputed)	-	-	-	-	-	-	-
Total	283.63	308.57	2.09	-	0.10	-	594.39

* Unbilled represents accrual for expenses

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 0 to 150 days terms.
- For terms and conditions with related parties, refer note 30.
- For the Company's credit risk management processes, refer note 27.

18) Other Current Liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory Dues Payable	178.89	145.05
Advance from customers	2.97	4.88
	181.86	149.93



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
19) Revenue from operations		
Sale of Products		
- Finished goods	1,916.35	1,723.16
Other Operating Revenue		
Scrap Sales	10.76	10.74
Export Incentive	8.59	4.99
	1,935.70	1,738.89

Below is the disclosure as required under Ind AS 115 - "Revenue from Contracts with Customers".

(a) Revenue streams

The Company generates revenue primarily from the sale of pigments. Other sources of revenue include income from export incentives, sale of manufacturing scrap and by products, etc.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Sale of products	1,916.35	1,723.16
Other operating revenues	19.35	15.73
	1,935.70	1,738.89

(b) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Major product lines		
Sale of pigments	1,916.35	1,723.16
Total	1,916.35	1,723.16
Primary geographical market		
In India	626.99	1,053.71
Outside India	1,289.36	669.45
Total	1,916.35	1,723.16
Timing of revenue recognition		
Products transferred at point in time	1,916.35	1,723.16
Total	1,916.35	1,723.16

(c) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue as per contracted price	1,947.78	1,799.73
Less: Adjustments		
Sales returns	31.43	76.57
Revenue from contract with customers	1,916.35	1,723.16



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

(d) Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Trade receivables	235.82	148.87
Contract liabilities (advance from customers)	2.97	4.88

The receivable is net of provision for expected credit losses as recognised in accordance with the provisions of Ind AS 109 amounting to ₹ 13.13 lakhs (March 31, 2026: ₹ 11.53 lakhs).

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Revenue recognised from amount included in contract liabilities at the beginning of the year	1.92	5.68

	Year ended March 31, 2026	Year ended March 31, 2025
20) Other Income		
Interest on:		
- Income Tax Refunds	-	1.59
- Fixed Deposits from Banks	21.06	-
	<u>21.06</u>	<u>1.59</u>
Gain on fair valuation of mutual funds designated as FVTPL	0.62	6.83
Exchange Gain (net)	10.05	
Profit on sale of mutual funds	24.85	19.19
Liabilities no longer required, written back	40.65	-
Insurance Claim Received	26.07	14.26
Profit on sale of property, plant and equipment (net)	11.77	11.14
Reversal of Provision for balance with government authorities (net)	188.62	-
	<u>323.69</u>	<u>53.01</u>
21) Cost of material consumed		
Raw Materials Consumed		
Opening Inventory	170.01	296.33
Add: Purchases and incidental expenses	519.41	581.39
Less: Closing Inventory	102.71	170.01
Cost of Raw Material consumed during the year	<u>586.71</u>	<u>707.71</u>
Changes in Inventories of finished goods and work-in progress		
Opening balance :		
- Finished Goods	458.18	197.78
- Work-In-Progress	488.62	850.39
	<u>946.80</u>	<u>1,048.17</u>
Less : Closing balance :		
- Finished Goods	208.07	458.18
- Work-In-Progress	423.92	488.62
	<u>631.99</u>	<u>946.80</u>
	<u>314.81</u>	<u>101.37</u>
22) Employee benefit expenses		
Salaries, Wages & Bonus	266.87	298.92
Contribution to provident and other funds	28.80	47.34
Staff Welfare Expenses	63.65	70.68
	<u>359.32</u>	<u>416.94</u>



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
23) Finance cost		
Interest on lease liabilities measured as amortised cost	0.05	0.32
Interest on redeemable preference shares from Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)	4,945.95	4,511.60
Interest on loan from Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited)	1,593.71	1,349.88
Interest on delayed payments to Micro and Small Enterprises	9.34	18.75
Other finance cost	0.04	0.06
	6,549.09	5,880.61
24) Other expenses		
Rent	23.36	23.54
Rates and taxes	16.74	8.50
Group Management Charges	67.80	-
Labour charges	493.26	509.96
Consumption of Stores and Spares parts	441.25	384.26
Consumption of Packing Materials	30.68	41.67
Laboratory expenses	4.27	9.64
Power fuel and Water Charges	737.51	724.54
Pollution control expenses	152.82	33.60
Travelling and conveyance	57.48	70.20
Telephone and postage	12.84	14.71
Legal and Professional fees	18.31	19.40
Auditor's Remuneration [Refer Note 24(A)]	4.00	3.68
Carriage Outwards	41.84	86.16
Repairs and Maintenance		
- Plant & Machinery	103.13	100.58
- Building	7.98	5.32
- Others	1.05	8.15
Bank charges and commission	9.94	9.60
Foreign Exchange Loss (net)	-	6.10
Insurance	21.72	84.39
Provision for Expected Credit Loss (net)	1.60	11.53
Provision for Capital Advance	4.26	-
Miscellaneous expenses	103.34	83.22
	2,355.18	2,238.75
24 A) Auditor's Remuneration		
a) Statutory audit fees	4.00	3.00
b) Tax audit fees	-	0.35
c) Other Services	-	0.10
d) Reimbursement of Out-of-Pocket Expenses	-	0.23
	4.00	3.68
24 B) Exceptional Items		
Provision for balance with government authorities	-	3,822.80
Impairment on Property, Plant and Equipment and Intangible Assets	-	31,282.94
Impact due to New Wage Code	13.79	-
	13.79	35,105.74



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

25) Current and Deferred tax

(a) Income Tax expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(I) Current tax		
Current tax for the year	-	-
Reversal of excess provision of earlier years	-	(11.41)
(II) Deferred Tax		
(Decrease) / Increase in deferred tax liabilities	-	(1,173.15)
Decrease / (Increase) in deferred tax assets	-	2,211.75
Income tax expenses	-	1,027.19

(b) Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate of India for the year ended

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Accounting profit / (loss) before Income tax	(7,982.85)	(45,311.86)
Statutory income tax rate	17.16%	17.16%
Tax at statutory income tax rate	(1,369.86)	(7,775.52)
Tax effects of :		
Deferred tax asset for the year not recognised	523.16	8,017.10
Expenses not deducted for tax purpose	1.60	3.49
Expenses allowed on payment basis on which deferred tax not recognised in earlier years	-	-
Permanent difference on account of fair value adjustments	848.73	774.19
Others	(3.63)	7.92
Income tax expense	-	1,027.19

(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or Other Comprehensive Income.

(d) Current tax (assets) / liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	(6.90)	6.66
Add: Current tax payable for the year	-	-
Less: Reversal of earlier provision for tax	-	(11.41)
Add: Refund of tax during the year	-	4.00
Less: Taxes paid during the year	(0.75)	(6.15)
Closing balance	(7.65)	(6.90)



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

(e) Deferred tax assets / (liabilities) (net)

Particulars	As at March 31, 2026	Movement during the year	As at March 31, 2025	Movement during the year	As at March 31, 2024
Deferred tax assets					
Unabsorbed business loss allowed in succeeding years	2,756.60	(793.50)	1,963.10	(512.73)	1,450.37
Unabsorbed depreciation allowed in succeeding years	2,317.21	(939.89)	1,377.32	(633.59)	743.73
Provision for Input tax credit	623.63	32.37	655.99	(655.99)	-
Provision for leave encashment	3.57	(0.59)	2.99	2.96	5.95
Provision for gratuity	4.27	0.80	5.07	0.15	5.22
Provision for slow moving inventories	31.66	9.59	41.25	(35.62)	5.63
Provision for bad and doubtful debts	2.25	(0.27)	1.98	(1.98)	-
Lease liabilities under Ind AS 116	-	0.18	0.18	2.48	2.66
Property, Plant and Equipment	3,427.91	542.65	3,970.56	(3,970.56)	-
Provision for Capital Advances	0.73	(0.73)	-	-	-
Total	9,167.84	(1,149.40)	8,018.44	(5,804.88)	2,213.56
Deferred tax liabilities					
Mark-to-market gain on mutual funds	(0.11)	(1.06)	(1.17)	1.11	(0.06)
Property, Plant and Equipment	-	-	-	(1,170.51)	(1,170.51)
Right-of-use assets under Ind AS 116	-	(0.17)	(0.17)	(2.41)	(2.58)
Total	(0.11)	(1.23)	(1.34)	(1,171.81)	(1,173.15)
Net deferred tax assets/ (liabilities)	9,167.73		8,017.10		1,040.41
Net deferred tax assets/ (liabilities) recognised	-		-		1,040.41
Deferred tax charge/(Income) not recognised during the year		(1,150.63)		(6,976.69)	-
Deferred tax charge/(Income) during the year		-		1,040.41	
Charged to Profit & Loss		-		1,038.60	
Charged to OCI		-		1.81	

Reconciliation of Deferred tax assets (liabilities) (net):

Particulars	(in ₹ Lakhs)
Closing balance as on March 31, 2024	1,040.41
Tax income / (expense) during the year recognised in P&L	(1,038.60)
Tax income / (expense) during the year recognised in OCI	(1.81)
Closing balance as on March 31, 2025	-
Tax income / (expense) during the year recognised in P&L	-
Tax income / (expense) during the year recognised in OCI	-
Closing balance as on March 31, 2026	-

Note:

Deferred tax assets have been recognised to the extent of Deferred tax liabilities only as at 31 March 2026, the Company has not recognised Deferred tax assets aggregating to ₹ 9,167.73 Lakhs (Previous Year ₹ 8017.10) in absence of reasonable certainty.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

26) Fair value measurements

Financial instrument by category:

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
- Measured at fair value						
Investments (measured at Level 1)	300.74	-	-	1,218.30	-	-
- Not measured at fair value						
Trade Receivables	-	-	235.82	-	-	148.87
Cash and cash equivalents	-	-	229.19	-	-	82.34
Other financial assets	-	-	372.08	-	-	352.36
Total Financial Assets	300.74	-	837.09	1,218.30	-	583.57
Financial liabilities						
- Not measured at fair value						
Borrowings	-	-	69,658.55	-	-	62,778.26
Lease liabilities	-	-	-	-	-	1.05
Trade payables	-	-	718.47	-	-	594.39
Other financial liabilities	-	-	116.11	-	-	111.67
Total Financial Liabilities	-	-	70,493.13	-	-	63,485.37

(i) Fair Value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1 - Hierarchy includes financial instruments measured using quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair values and fair value hierarchy of financial assets and liabilities:

Particulars	As at March 31, 2026			As at March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments	300.74	-	-	1,218.30	-	-
Total Financial Assets	300.74	-	-	1,218.30	-	-

There were no transfers between Level 1, Level 2 and Level 3 during the year. There is nothing to be reported under Level 1 and Level 3.

(ii) Valuation technique used to determine fair value

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments.

(iii) Valuation Process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

(iv) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of cash and cash equivalents, other bank balances and trade payables are considered to be the same as their fair values, due to their short-term nature.

The carrying amounts of financial assets and liabilities other than those valued at Level 1 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

27) Financial risk management

The Company's principal financial liabilities comprise of borrowings, trade payables, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include investments, trade receivables, and other bank balances that is derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by an Enterprise Risk Management (ERM) team that advises on financial risks and the appropriate financial risk governance framework for the Company. The ERM team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The ERM team process seeks to provide greater confidence to the decision maker and thus enhance achievement of objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management Policy
Credit risk	Cash and cash equivalent, trade receivable, financial assets measured at amortised cost.	Ageing analysis	Diversification of bank deposit and monitoring cash flows.
Liquidity risk	Borrowings and other liabilities.	Maturity analysis	Monitoring cash flows and reliance on borrowings.
Market risk – Interest rate	Long-term borrowings at variable rates.	Sensitivity analysis	Monitoring and shifting benchmark interest rates.
Market risk – foreign exchange	- Highly probable forecast transactions. - Recognised financial assets and liabilities not denominated in Indian rupee (₹)	- Cash flow forecasting - Sensitivity analysis	Regular monitoring of exchange rate movements, and timely conversion of foreign currency balances.

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments. Individual risk limits are set for each counter-party based on financial position and past experience. Credit limits and concentration of exposures are actively monitored by the Company. For banks and financial institutions, only high rated banks are accepted.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; ageing of trade accounts receivable; the value and adequacy of collateral received from the customers in certain circumstances (if any); the Company's historical loss experience and adjustment based on forward looking information. The Company defines default as an event when there is no reasonable expectation of recovery.

Statement of Allowance for Expected credit loss

Particulars	Amount
Allowance for expected credit loss as on March 31, 2024	-
Provision for expected credit loss during the year	11.53
Reversal of allowance for expected credit loss	-
Allowance for expected credit loss as on March 31, 2025	11.53
Provision for expected credit loss during the year	1.60
Reversal of allowance for expected credit loss	-
Allowance for expected credit loss as on March 31, 2026	13.13



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from customers as at 31 March 2026:

Particulars	Weighted Average loss rate	Gross carrying Amount	Loss allowances
Not due	0%	120.94	0.09
0-90 days	0%	11.47	0.03
91-180 days	9%	0.00	-
181-270 days	17%	0.00	-
270-365 days	70%	0.01	0.01
More than 365 days	100%	13.00	13.00
Total		145.43	13.13

(B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities for all non-derivative and derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

Particulars	Note	Less than 6 Months	6 to 12 Months	1 to 5 Years	More than 5 Years	Total
As at March 31, 2026						
Borrowings*	14	-	-	32,513.00	84,927.74	117,440.74
Trade payables	17	718.47	-	-	-	718.47
Other financial liabilities	15	116.11	-	-	-	116.11
Total financial liabilities		834.58	-	32,513.00	84,927.74	118,275.32
As at March 31, 2025						
Borrowings*	14	-	-	-	116,549.76	116,549.76
Lease liabilities	4.1	0.56	0.49	-	-	1.05
Trade payables	17	594.39	-	-	-	594.39
Other financial liabilities	15	111.67	-	-	-	111.67
Total financial liabilities		706.62	0.49	-	116,549.76	117,256.87

* Including interest & premium payable on redemption

(C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include trade and other receivable and trade and other payables. The sensitivity analysis in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

(I) Foreign currency risk exposure:

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and Liabilities denominated in a currency that is not the Company's functional currency (INR). The risk also includes highly probable foreign currency cash flows.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(All amounts in INR Lakhs, unless otherwise stated)

The Company is exposed to foreign currency risks on accounts of foreign currency denominated receivables and payables as below:

The exposure to foreign currency risk of the Company at the end of the reporting period expressed in Rupees Lakhs, are as follows:

Particulars	As at March 31, 2026		As at March 31, 2025	
	EUR	USD	EUR	USD
Financial Assets				
Trade receivables	-	126.00	-	20.63
Net exposure to foreign currency risk (Assets)	-	126.00	-	20.63
Financial Liabilities				
Trade payables	16.04	-	2.90	48.38
Other financial liabilities	-	47.46	-	-
Net exposure to foreign currency risk (Liabilities)	16.04	47.46	2.90	48.38

The sensitivity of profit or loss to changes in the exchange rates arises from above referred outstanding balances

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
INR/EURO	(0.80)	0.80	(0.15)	0.15
INR/USD	3.93	(3.93)	(1.39)	1.39
Impact on profit before tax	3.13	(3.13)	(1.54)	1.54

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
INR/EURO	(0.66)	0.66	(0.11)	0.11
INR/USD	3.25	(3.25)	(1.04)	1.04
Impact on equity net of taxes	2.59	(2.59)	(1.15)	1.15



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

28) Ratios

Particulars	Numerator	Denominator	31-03-26	31-03-25	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current Ratio (times)	Current Assets	Current Liabilities	2.26	3.76	-39.93%	Decrease in investments, resulting in change in ratio.
Solvency Ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	(1.07)	(1.10)	-2.64%	NA
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc	Interest + Lease Payments + Principal Repayments	(0.21)	(6.41)	96.74%	Decrease due to Impairment on Property, Plant and Equipment and Intangible Assets and write-back of Provision for balance with government authorities booked in previous financial year, resulting improvement in Debt Service Coverage ratio.
Profitability ratio						
Net Profit Ratio (%)	Profit After Tax	Total Sales	-411.38%	-2664.36%	84.56%	Refer Note given in Debt Service Coverage Ratio (times)
Return on Equity Ratio (%)	Profit After Tax	Average Shareholder's Equity	-13.09%	-136.94%	90.44%	Refer Note given in Debt Service Coverage Ratio (times)
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	-30.26%	-74.91%	59.60%	Refer Note given in Debt Service Coverage Ratio (times)
Return on Investment (%)	Income generated from invested funds	Average invested funds	3.35%	4.03%	-16.80%	NA
Utilization Ratio						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	9.96	3.57	179.24%	Improvement is due to higher receivables in FY 2023-24 due to lower collection efficiency, which had resulted in a lower turnover ratio in FY 2024-25. Further there is a increase in credit period compared to previous year.
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	0.59	0.45	32.13%	Increase in sales and lower inventory % compared to sales has led to change in the ratio
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	1.02	0.89	15.37%	NA
Net capital turnover ratio (times)	Net Sales	Working Capital	1.51	0.73	-106.04%	Due to decrease in current assets (investments in mutual funds)



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

29) Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:
The Company monitors capital on the basis of the net debt to adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents and other bank balances. Adjusted capital includes all components of equity other than amounts accumulated in cash flow hedging reserve.

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowing and lease liabilities	69,658.55	62,779.31
less: Cash and cash equivalents and other bank balances	(229.19)	(82.34)
Net Debt	69,429.36	62,696.97
Total equity	(64,966.71)	(57,003.67)
Less: Amounts accumulated in cash flow hedging reserve	-	-
Adjusted capital	(64,966.71)	(57,003.67)
Debt Equity Ratio (times)	-1.07 Times	-1.1 Times

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. Funding needs are met through borrowings and financial support from the Group company. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2026 and 31st March 2025.

30) Related party disclosure:

A) Related party disclosure as required by Ind AS-24, "Related Party Disclosure", is given below:

i. Parties where control exists:

Related Party	Relationship
Sudarshan Chemical Industries Limited	Ultimate Holding Company (from 03 March, 2025)
SK Neptune Husky Holdings S.à.r.l.	Ultimate Holding Company (upto 03 March, 2025)
Sudarshan Europe B.V.	Intermediate Holding Company (from 03 March, 2025)
Sudarshan Gujarat MFG Private Limited, India (Formerly known as Heubach Colour Private Limited)	Holding Company

ii. Other related parties where there is significant influence and transactions have taken place:

Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited)
Heubach Colorants(Shanghai) Ltd.
Sudarshan Brasil MFG Ltda (Formerly known as Heubach Colorants BR - Pigm SZ)
Heubach Colorants Germany GmbH (up to 03 March, 2025)
Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte.Ltd)
Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA)
Sudarshan MFG (Thailand) Ltd.
RIECO Industries Limited (from 03 March, 2025)
Sudarshan Colombia SLO S.A.S. (Formerly known as Heubach Colorants CO - Pigm)



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026***(All amounts in INR Lakhs, unless otherwise stated)***III. Key Management Personnel:**

Mr. Deepak Joshi	Director
Mr. Dinesh Kumar Rana	Director (from 28 May, 2024)
Mr. Nilkanth Natu	Director (from 03 April, 2025)
Mr. Ravi Kapoor	Director (upto 31 March, 2025)
Mr. Rajesh Salwan	Director (upto 28 May, 2024)
Mr. Ninad Awachat	Company Secretary (from 30 November, 2025)
Mrs. Prachi Agrawal	Company Secretary (upto 31 May, 2025)

IV. Key Management Personnel of parent company:

K C Mehta & Co LLP	Significantly influenced by Directors of parent company (upto 13 May, 2024)
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B) Transactions with related parties:

	Year ended March 31, 2026	Year ended March 31, 2025
I. Transaction with parties where control exists:		
1) <u>Sudarshan Gujarat MFG Private Limited, India</u> (Formerly known as Heubach Colour Private Limited)		
Sale of Goods (including other Materials)	60.79	221.17
Receipt of Service	51.35	0.05
Sale of capital assets	12.24	22.07
Loan Taken	500.00	3,967.00
Loan Repayment	-	1,000.00
Interest Paid/accrued on loan	1,593.71	1,349.88
Rent paid	1.20	1.42
Corporate guarantee charges	7.12	5.41
2) <u>Receipt of Services</u> Sudarshan Europe B.V.	20.34	-
II. Transaction with other related parties where there is significant influence		
1) <u>Sale of Goods</u> Heubach Colorants(Shanghai) Ltd.	487.63	-
Sudarshan Brasil MFG Ltda (Formerly known as Heubach Colorants BR - Pigm SZ)	104.62	55.03
Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte.Ltd)	517.09	236.58
Sudarshan USA SLO LLC (Formerly known as Heubach Colorants USA)	23.83	85.34
Sudarshan Colombia SLO S.A.S. (Formerly known as Heubach Colorants CO - Pigm)	40.35	38.58
Sudarshan MFG (Thailand) ltd.	4.91	-
2) <u>Purchase of Goods</u> RIECO Industries Limited	1.02	-

C) Outstanding balances as at year end with related parties:

	As at March 31, 2026	As at March 31, 2025
I. With parties where control exists:		
1) <u>Sudarshan Gujarat MFG Private Limited, India</u>		
Balance payable at the end of the Year	55.56	0.12
Preference shares at fair valuation	53,574.68	48,628.73
Loan payable at the end of the Year	12,960.00	12,460.00
Interest payable at the end of the Year	3,123.88	1,689.53
Balance receivable at the end of the Year	8.35	2.63
2) <u>Balance payable at the end of the Year</u> Sudarshan Europe B.V.	16.04	-



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

II. Transaction with other related parties where there is significant influence

1) Balance receivable at the end of the Year

Heubach Colorants(Shanghai) Ltd.	74.72	-
Sudarshan Brasil MFG Ltda (Formerly known as Heubach Colorants BR - Pigm SZ)	40.69	16.21
Sudarshan Singapore SLO Pte. Ltd. (Formerly known as Heubach Colorants Singapore Pte.Ltd)	2.10	-
Sudarshan MFG (Thailand) ltd.	3.41	-

Note:

a) Transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. All transactions were made on normal commercial terms and conditions at market rates.

b) 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.

31) Contingent Liability

Company does not have any contingent liability as at March 31, 2026 and as at March 31, 2025.

32) Capital Commitments

Company does not have Capital Commitments as at March 31, 2026 and as at March 31, 2025.

33) Earnings per share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Basic and diluted earnings per share		
(a) Profit attributable to the equity holders of the Company	(7,982.85)	(46,339.05)
(b) Weighted average number of shares used as the denominator	4,000,000	4,000,000
Basic and diluted earnings per share (in ₹)	(199.57)	(1,158.48)

34) Other statutory disclosures :

The Company has following transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended 31 March 2026 and 31 March 2025.

Name of struck off Company	Nature of transactions with struck-off Company	Transactions *		Relationship with the Struck off company.
		Year ended March 31, 2026	Year ended March 31, 2025	
Prakash Chemicals Pvt Ltd	Purchase of material	-	0.10	-

* The transactions value also includes applicable taxes

35) Segment reporting

The Company's Board of Directors, assesses the financial performance and position of the Company, and makes strategic decisions.

The Company's Board of Directors has identified one business segment i.e. Manufacturing and Sales of pigment and its only production facility is located in India. There are no other reportable segment.

The Company is engaged in the business of manufacturing Organic Pigments. The Company's business falls within a single business segment of pigments. The segment revenue is measured in the same way as in the Statement of Profit or Loss.



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

Information about major customers

The revenue of ₹ 487.63 lakhs (Previous year ₹ Nil lakhs) is generated from transactions with a single customer, which is more than 25% of the Company's total revenue.

- 36) Corporate Social Responsibilities (CSR) as per Section 135 of Companies Act, 2013, is not applicable to the Company.
- 37) The Company has incurred a net loss of ₹ 7,963.04 Lakhs during the year ended 31 March 2026 (Loss for the year ended 31 March 2025 ₹ 46,330.30 Lakhs) primarily on account of unused capacity of the property plant and equipment owned by the Company. Further, Company has an accumulated loss of ₹ 68,966.71 Lakhs as at 31 March 2026 (31 March 2025: ₹ 61,003.67 Lakhs), which is exceeding its paid capital of ₹ 4,000 Lakhs (31 March 2025: 4,000 Lakhs), resulting into full erosion of net worth of the Company.

Further, in the month of March 2025, there was a change in the ultimate holding company and the management is currently under discussion on future plans for the Company with respect to various alternate plans on growth aspects, addressing the unused capacity of the property plant and equipment, profitability or any capital expenditure requirement for the Company.

The Company's management has considered the above indicators, its current performance, market demand for the product(s) being manufactured and continued financial support from Sudarshan Gujarat MFG Private Limited (Previously known as Heubach Colour Private Limited), the Holding Company, based on which it has carried out an assessment of its going concern assumption.

Accordingly, the management has prepared these financial statements on a going concern basis and do not include any adjustments relating to the recorded assets or liabilities that may be necessary if the Company is unable to continue as a going concern.

- 38) The Company is working on less than budgeted capacity in the current Financial Year and is incurring losses. It expected that the trend shall continue in the future years. Hence, during the financial year 2024-25, management of the Company decided to impair the Property, Plant and Equipment ('PPE') amounting to ₹ 31,034.95 Lakhs and Intangible Assets amounting to ₹ 247.99 Lakhs, based on the fair valuation report obtained from a valuer for the said assets as on 31 January 2025.

The management estimated the recoverable amount of the Cash Generating Unit ('CGU') to be fair value less cost of disposal.

The recoverable amount of CGU has been measured at Level 3 as the said assets were developed with customized features and cannot be offered to any market participant and hence will not fetch any value higher than its scrap value.

Recoverable value of CGU as on 31 March 2025 is ₹ 3,098.39 Lakhs. Accordingly, a charge of ₹ 31,282.94 Lakhs has been provided in the Statement of Profit and Loss for the year end March 31, 2025.

- 39) On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes. The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available till approval of the financial statements for issue, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Company has determined that these changes result in an increase in gratuity obligation and leave encashment obligation of ₹ 7.51 Lakhs and ₹ 6.28 Lakhs, respectively. The changes to gratuity obligation resulting from the labour codes are accounted as plan amendments and resulting past service cost are recognised as an expense immediately in the Statement of Profit and Loss (Refer note 16). Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the consolidated statement of profit and loss for the year ended 31 March 2026. Considering that it is emerging topic and the finalisation of Central/ State Rules is still pending, the Company will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

- 40) The figures for the previous year have been regrouped/recasted wherever necessary, to conform to the current years's classification.
- 41) There is no such transaction which is not recorded in the books of accounts and 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).



SUDARSHAN DAHEJ MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH PIGMENTS PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR Lakhs, unless otherwise stated)

- 42) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 43) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority during the current year and previous year.
- 44) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 45) The Company has not provided any loans or advances to specified persons being promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the current or previous year.
- 46) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- 47) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- 48) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 49) No Significant Subsequent events have been observed which may require an adjustments to the financial statements.
- 50) The Company does not have borrowings from banks or financial institutions on the basis of security of current assets.
- 51) Funds raised on short term basis have not been utilised for long term purposes and spent for the purpose it were obtained.
- 52) Section 8 of the Companies Act, 2013 company is required to disclose grants or donations received during the year. Since, the company is not covered under Section 8 of the Companies Act, 2013, the said disclosure is not applicable.
- 53) The Board of Directors has appointed Mr. Ninad Awachat as Company Secretary of the Company w.e.f. 30 November, 2025 and the Company is in compliance with the provision of section 203 of the Companies Act, 2013.
- 54) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

- 55) The other requirements of the Schedule III of the Companies Act, 2013 not specifically disclosed are either NIL or not applicable to the Company.
-

For M S K A & Associates LLP
(Formerly known as M S K A Associates)
Chartered Accountants
Firm Registration Number: 105047/MW/103487


Shraddha D. Khilvasara
Partner
Membership Number: 134285

Place: Pune
Date: 18/05/2026



For and on behalf of the Board of Directors
Sudarshan Dahej MFG Private Limited
CIN: U24290GJ2020PTC113524


Dinesh Kumar Rana
Director
DIN: 06643515

Place: Vadodara
Date: 18/05/2026


Deepak Kumar Joshi
Director
DIN: 06643511

Place: Vadodara
Date: 18/05/2026


Ninad Awachat
Company Secretary
M. No.: 26995

Place: Pune
Date: 18/05/2026



Financial Statements Report
of
Sudarshan Osaka SLO K.K.
for the year ended March 31, 2026 and 2025
with
Audit Report

Abou Accounting Co.

ABOU ACCOUNTING CO.

Certified Public Accountant
A Professional Corporation

Audit Report

To the Board of Directors of
Sudarshan Osaka SLO K.K.

We have audited the financial statements of Sudarshan Osaka SLO K.K. (the "Company"), which comprise the balance sheet as of March 31, 2026 and 2025, and the income statement and the statement of cash flows for the year ended March 31, 2026 and 2025, expressed in Japanese Yen.

Our audit procedures included in confirmation of balance sheet and income statement, meaning that all the items on the balance sheet and income statement be examined with regards to validation, existence, rights and obligations, presentation and disclosure.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026 and 2025, and the results of their operations for the year then ended in accordance with accounting principles generally accepted in Japan.

Very truly yours,



Abou Accounting Co.

May 11, 2026

Osaka, Japan

BALANCE SHEET

Sudarshan Osaka SLO K.K.

As of March 31, 2026

ASSETS	Japanese Yen	
	2026	2025
Current Assets:		
Cash in bank	¥ 245,424,113	¥ 130,884,524
Accounts receivable - Other	54,461,022	22,707,652
Electronically Recorded Monetary Claims-Trade	-	-
Goods	59,518,001	117,649,135
Reserve for stocks	(21,799,306)	(5,980,231)
Goods in transit	48,283,000	44,467,775
Prepaid expenses	5,361,758	-
Prepaid income tax	12,808,100	-
Consumption tax-receivable	-	-
Deferred tax asset	7,723,167	2,461,492
Total current assets	411,779,855	312,190,347
Non-current Assets		
Fixed Assets:		
Office Equipment - PC	-	-
Other Assets:		
Rent deposits	-	-
Total non-current assets	-	-
Total assets:	¥ 411,779,855	¥ 312,190,347

LIABILITIES AND EQUITY	Japanese Yen	
	2026	2025
Current Liabilities:		
Accounts payable - Sudarshan India	¥ 131,840,820	¥ -
Accounts payable - Sudarshan Germany	18,957,876	-
Accounts payable - Sudarshan Europe BV	6,881,955	-
Accounts payable - Heubach Group GmbH	49,054,048	43,845,832
Accounts payable - Heubach India	-	53,715,464
Income taxes payable	35,000	35,367,900
Consumption tax payable	7,076,000	6,960,800
Accrued Expenses	15,984,208	5,964,241
Employee's Deposits Received	-	191,700
Total liabilities:	229,829,907	146,045,937
Shareholders' Equity:		
Common stock	5,000,000	5,000,000
Retained earnings	176,949,948	161,144,410
Total shareholders' equity:	181,949,948	166,144,410
Total liabilities and shareholders' equity:	¥ 411,779,855	¥ 312,190,347

INCOME STATEMENTS

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

		Japanese Yen	
		2026	2025
Revenue:			
Sales	¥	571,902,091	¥ 644,193,482
Interest income		21	31
Miscellaneous income		151,736	249,772
Exchange gain		1,305,960	10,740,593
		<u>573,359,808</u>	<u>655,183,878</u>
Costs and expenses:			
Cost of sales		490,807,598	501,562,460
Written-off		15,819,075	(5,359,763)
Selling, general and administrative		43,302,046	38,532,661
Discount exp		4,273	8,282
Exchange loss		6,269,753	10,021,899
Miscellaneous losses		-	195,680
		<u>556,202,745</u>	<u>544,961,219</u>
Income before income taxes		<u>17,157,063</u>	<u>110,222,659</u>
Income taxes		6,613,200	38,773,200
Income taxes deferred		(5,261,675)	1,870,326
Net income		<u>15,805,538</u>	<u>69,579,133</u>
Retained earnings at:			
Beginning of year		161,144,410	91,565,277
End of year	¥	<u>176,949,948</u>	¥ <u>161,144,410</u>

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

	Japanese Yen	
	2026	2025
Officer Remuneration	¥ -	¥ 3,333,330
Employee salaries	-	1,443,784
Bonus	-	-360,000
Retirement pay	-	-
Legal welfare expenses	-	250,173
Welfare expenses	-	13,106
Management fee	17,157,069	19,711,090
Freight and cartage	1,902,940	4,097,153
Entertainment	-	-
Meeting expenses	-	-
Traveling expenses	-	26,501
Telephone/Fax	-	262,910
Supplies expenses	-	13,074
Repair/ Maintenance	-	532,600
Utilities	-	83,069
Membership fee	-	150,000
Commission/ bank	352,857	535,176
Commission/ other	1,500	137,800
Lease expenses	-	323,300
Insurance	13,785,331	2,700,871
Professional services	3,011,694	2,903,750
Service fee-Inter company	7,050,653	1,125,946
Rent - Office	-	1,068,410
Taxes & Public dues	40,002	4
Others, miscellaneous	-	180,614
Total	¥ 43,302,046	¥ 38,532,661

STATEMENT OF CHANGES OF SHAREHOLDERS' EQUITY

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

Japanese Yen					
2026					
	Shareholders' equity			Net assets	
	Common stock	Retained earnings	Total shareholders' equity		
Net assets at April 1, 2025	¥ 5,000,000	¥ 161,144,410	¥ 166,144,410	¥	166,144,410
Net income	-	15,805,538	15,805,538		15,805,538
Net change	-	15,805,538	15,805,538		15,805,538
Net assets at March 31, 2026	¥ 5,000,000	¥ 176,949,948	¥ 181,949,948	¥	181,949,948

Japanese Yen					
2025					
	Shareholders' equity			Net assets	
	Common stock	Retained earnings	Total shareholders' equity		
Net assets at April 1, 2024	¥ 5,000,000	¥ 91,565,277	¥ 96,565,277	¥	96,565,277
Net income	-	69,579,133	69,579,133		69,579,133
Net change	-	69,579,133	69,579,133		69,579,133
Net assets at March 31, 2025	¥ 5,000,000	¥ 161,144,410	¥ 166,144,410	¥	166,144,410

STATEMENT OF CASH FLOWS

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

	Japanese Yen	
	2026	2025
Cash flows from operating activities:		
Income before income taxes	¥ 17,157,063	¥ 110,222,659
Adjustments to reconcile income before income taxes to net cash provided operating activities:		
Reserve for stocks	15,819,075	(5,359,763)
Decrease (increase) accounts receivable	(31,753,370)	106,380,813
Decrease (increase) inventory	54,315,909	5,229,054
Decrease (increase) electronically Recorded Monetary Claims	-	10,526,560
Increase (decrease) accounts payable	109,173,403	(126,580,877)
Increase (decrease) consumption tax payable	115,200	446,800
Decrease (increase) other current assets	(5,361,758)	2,800,321
Increase (decrease) accrued expenses and other current liabilities	9,828,267	(11,546,392)
Provision for bonuses	-	(360,000)
Income taxes paid	(54,754,200)	(8,884,300)
Net cash flows provided from operating activities	114,539,589	82,874,875
Cash flows to investment activities:		
Expenditure to guarantee deposits	-	981,425
	-	981,425
Net increase (decrease) in cash:	114,539,589	83,856,300
Cash at beginning of year:	130,884,524	47,028,224
Cash at end of year:	¥ 245,424,113	¥ 130,884,524

NOTES TO FINANCIAL STATEMENTS

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

1 THE COMPANY AND BUSINESS

Sudarshan Osaka SLO K.K. (formerly known as Heubach Japan K.K.) (the "Company") was incorporated on January 5, 20 under the Japan Corporation Law, 100% of which share is owned by Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited) in India.

The Company is engaged in sales of organic pigments and the related products, which are majorly imported from Sudarshan Gujarat MFG Private Limited.

2 BASIS OF PRESENTING FINANCIAL STATEMENTS

The Company maintains its accounting records and prepares its financial statements in accordance with the generally accepted accounting principles in Japan ("Japanese GAAP"), which are minor different in certain respects as to the application and disclosure requirements of the International Financial Reporting Standards (IFRS).

In preparing accompanying financial statements, certain reclassifications have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan.

The accounting book and the financial statements are stated in Japanese Yen.

3 SUMMARY OF MAJOR ACCOUNTING POLICIES

Revenue recognition

Sales include sales price of products and discounts, excluding consumption tax (Japanese VAT).

Revenue is recognized at the delivery date of goods.

Fixed assets

Fixed assets are stated at book value.

Depreciation of fixed assets is principally computed by using the straight-line method for the period of estimated useful lives of respective asset, which are principally as stated below.

Office Equipment - PC	3 years
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Maintenance and repairs including minor renewals and improvements are charged to income as incurred.

Foreign currency transactions

The Company imports goods from Sudarshan Gujarat MFG Private Limited in the currency of Japanese yen.

The Company imports goods from other group companies in the currency of Euro.

Income taxes

The Company is subject to Japanese national and local income taxes which in the aggregate resulted in a normal effective statutory tax rate of approximately 33.58 % for the year ended March 31, 2026.

Consumption tax

Japanese Consumption Tax is accounted as Consumption tax-received (liability) when goods are sold, and as Consumption tax-paid (asset) when goods and service are bought.

The balance after netting of those accounts at the end of fiscal year is recognized as Consumption tax payable or Consumption tax receivable in balance sheet.

NOTES TO FINANCIAL STATEMENTS

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

4 RECLASSIFICATIONS TO FINANCIAL RESULTS

Based on our examination to the financial records of the Company for the year ending March 31, 2026, we have reclassified with the following entries. The financial statements in this report reflect those adjustments.

Non Operating income:		Revenue:	
Interest income	¥ 21	Interest income	¥ 21
Miscellaneous income	151,736	Miscellaneous income	151,736
Exchange gain	1,305,960	Exchange gain	1,305,960
	¥ 1,457,717		¥ 1,457,717
Non Operating expenses:		Costs and expenses expenses:	
Discount exp	¥ 4,273	Discount exp	¥ 4,273
Written-off	15,819,075	Written-off	15,819,075
Exchange loss	6,269,753	Exchange loss	6,269,753
	¥ 22,093,101		¥ 22,093,101

5 CASH IN BANK

The company maintains the following bank accounts of major Japanese banks.
There is no restricted balance.

Mitsubishi UFJ Bank (Dojima Branch), Ordinary Account

The Company does not have any petty cash.

6 ACCOUNTS RECEIVABLE

As accounts receivables are paid on time, there are no old and doubtful accounts.

The Aging of account receivables are as follows.

No	Customer	Bal 3/31/2026	Due in April	Due in May	Due in June	Due in July	Due in August	Due in September
1	Yasuda Sangyo	21,151,570	21,151,570	-	-	-	-	-
2	Kansai paint	14,617,983	14,617,983	-	-	-	-	-
3	OG	6,077,940	6,077,940	-	-	-	-	-
4	MORISHITA & CO., LTD.	3,572,690	3,572,690	-	-	-	-	-
5	Nishino-kinryo	3,024,120	2,466,200	557,920	-	-	-	-
6	Tokyo Ink	2,372,150	2,372,150	-	-	-	-	-
7	Yamamoto-Trading	1,687,510	1,687,510	-	-	-	-	-
8	sakata inks	1,081,740	1,081,740	-	-	-	-	-
9	Dainichi	843,975	843,975	-	-	-	-	-
10	Tanaka-Ai	282,744	282,744	-	-	-	-	-
11	Heubach colour	-251,400	-251,400	-	-	-	-	-
		54,461,022	53,903,102	557,920	-	-	-	-

7 INVENTORIES AND GOODS IN TRANSIT

Inventories comprise goods and goods in transit.

Goods are stocked at the warehouse of the external company, GasChemical Logistics West Inc. in Japan.

The operations and storage work relating to the goods at warehouse have been contracted to the external company.

Inventories are stated at cost, evaluated by the last purchase price method.

The cost of goods includes the importing charge, and is not lower than market value.

Goods in transit are stated at Invoice price.

NOTES TO FINANCIAL STATEMENTS

Sudarshan Osaka SLO K.K.
For the year ended March 31, 2026

8 FIXED ASSETS AND DEPRECIATION

Details of fixed assets and depreciation for the year ended March 31, 2026 and 2025 are as follows.

2026	April 1, 2025	Increase	Decrease	March 31, 2026
Fixed assets:				
Office equipment, PC	¥ 682,598	—	—	¥ 682,598
	682,598	—	—	682,598
Less, accumulated depreciation				
Office equipment, PC	682,598	—	—	682,598
	682,598	—	—	682,598
Total	¥ —			¥ —

2025	April 1, 2024	Increase	Decrease	March 31, 2025
Fixed assets:				
Office equipment, PC	¥ 682,598	—	—	¥ 682,598
	682,598	—	—	682,598
Less, accumulated depreciation				
Office equipment, PC	682,598	—	—	682,598
	682,598	—	—	682,598
Total	¥ —			¥ —

9 ACCOUNTS PAYABLE, INTER-COMPANY

There are following balances as of March 31, 2026 and 2025 of Inter-Company transactions.

	2026	2025
Accounts payable - Heubach colour Pvt.Ltd	¥ -	¥ 53,715,464
Accounts payable - Sudarshan India	131,840,820	-
Accounts payable - Sudarshan Germany	18,957,876	-
Accounts payable - Sudarshan Europe BV	6,881,955	-
Accounts payable - Heubach Group GmbH	49,054,048	43,845,832
Accrued expenses - Sudarshan Japan	10,626,262	-

10 INCOME TAXES AND INCOME TAXES PAYABLE

Reconciliation between profit after tax and taxable income at March 31, 2026 and 2025 are as follows.

	2026	2025
Profit after tax	¥ 15,805,538	¥ 69,579,133
Income taxes	3,092,600	38,773,200
Enterprise tax payment	(10,751,100)	(2,084,500)
Written-off	15,819,075	(5,359,763)
Income tax-deferred	(5,261,675)	1,870,326
Others	(149,998)	(210,000)
Taxable income	¥ 18,554,440	¥ 102,568,396

Income taxes payable as at March 31, 2026 and 2025 comprise the followings.

	2026	2025
National tax	¥ -	¥ 23,803,900
Local tax	35,000	11,564,000
Total	¥ 35,000	¥ 35,367,900

Reconciliation of the normal effective statutory tax rate and actual tax rate for 2026 as a percentage of income before income tax are as follows.

	2026	2025
Normal effective statutory tax rate	33.58%	33.58%
Increase (reduction) in income taxes resulting from:		
Lower tax rate	1.21%	1.0%
Permanent non-deductible items	-%	3.22%
Others	3.75%	-0.93%
Actual tax rate	38.54%	36.87%

NOTES TO FINANCIAL STATEMENTS

Sudarshan Osaka SLO K.K.

For the year ended March 31, 2026

11 EMPLOYEES

Number of staffs	2026	2025
Representative director	1	1
Sales(part-timer)	-	1
Administration	-	1
	1	3

12 COMMON STOCK

Summary of common stock of the Company as at March 31, 2026 was as follows.

	Number of shares		Thousand of JPY
	authorized to issue	Issued	Amount of Capital
Common stock	1,000	100	¥ 5,000

13 LEASE LIABILITIES

The Company has the following liabilities for leases at March 31, 2026.

	Monthly charge	Remaining months	Amount
Copy and fax machine	¥ 18,900	0	¥ 0
Security system	13,284	0	0
Office telephone machine	7,992	0	0
Total	¥ 40,176		¥ 0

14 COMMITMENT AND CONTINGENT LIABILITIES

There were no material commitments and contingent liabilities at March 31, 2026.

Heubach Holding S.à r.l.

Société à responsabilité limitée

Annual accounts as at December 31, 2023

For the year from 1 January 2023 to 31 December 2023

17, Boulevard F.W. Raiffeisen
L-2411 Luxembourg
R.C.S. Luxembourg: B 272 037

Heubach Holding S.à r.l.
Index to the Annual Accounts
For the year from 1 January 2023 to ended 31 December 2023

Annual accounts

Balance Sheet as at 31 December 2023	3-4
Profit and Loss Account for the year ended 31 December 2023	5-6

Notes to the Annual Accounts	7-10
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Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B272307

Matricule : 2022 2473 560

eCDF entry date :

ABRIDGED BALANCE SHEET

Financial year from ⁰¹ 01/01/2023 **to** ⁰² 31/12/2023 (in ⁰³ USD)

Heubach Holding S.à r.l.
 17, boulevard F.W. Raiffeisen
 L-2411 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets			
I. Intangible assets	1109 _____	109 <u>406.729.691,48</u>	110 <u>276.886.899,71</u>
II. Tangible assets	1111 _____	111 _____	112 _____
III. Financial assets	1125 _____	125 _____	126 _____
	1135 <u>3</u>	135 <u>406.729.691,48</u>	136 <u>276.886.899,71</u>
D. Current assets			
I. Stocks	1151 _____	151 <u>700.597.257,85</u>	152 <u>3.522.447,05</u>
II. Debtors	1153 _____	153 _____	154 _____
a) becoming due and payable within one year	1163 <u>4</u>	163 <u>700.446.252,87</u>	164 <u>3.522.447,05</u>
b) becoming due and payable after more than one year	1203 _____	203 <u>86.847.606,48</u>	204 <u>3.522.447,05</u>
III. Investments	1205 _____	205 <u>613.598.646,39</u>	206 <u>0,00</u>
IV. Cash at bank and in hand	1189 _____	189 _____	190 _____
	1197 _____	197 <u>151.004,98</u>	198 <u>0,00</u>
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		²⁰¹ <u>1.107.326.949,33</u>	²⁰² <u>280.409.346,76</u>

RCSL Nr. : B272307

Matricule : 2022 2473 560

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 <u>5</u>	301 <u>398.044.427,98</u>	302 <u>276.169.229,28</u>
I. Subscribed capital	1303 _____	303 <u>155.432,05</u>	304 <u>111.698,02</u>
II. Share premium account	1305 _____	305 <u>33.860.091,31</u>	306 <u>180.574.094,88</u>
III. Revaluation reserve	1307 _____	307 <u>146.714.003,57</u>	308 <u>0,00</u>
IV. Reserves	1309 _____	309 _____	310 _____
V. Profit or loss brought forward	1319 _____	319 <u>95.483.436,38</u>	320 <u>95.533.457,24</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>121.831.464,67</u>	322 <u>-50.020,86</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions			
	1331 _____	331 <u>0,00</u>	332 <u>60.000,00</u>
C. Creditors			
	1435 <u>6</u>	435 <u>709.282.521,35</u>	436 <u>4.180.117,48</u>
a) becoming due and payable within one year	1453 _____	453 <u>106.836.530,48</u>	454 <u>4.180.117,48</u>
b) becoming due and payable after more than one year	1455 _____	455 <u>602.445.990,87</u>	456 <u>0,00</u>
D. Deferred income			
	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>1.107.326.949,33</u>	406 <u>280.409.346,76</u>

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr. : B272307

Matricule : 2022 2473 560

eCDF entry date :

ABRIDGED PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2023 **to** ⁰² 31/12/2023 (in ⁰³ USD)

Heubach Holding S.à r.l.
 17, boulevard F.W. Raiffeisen
 L-2411 Luxembourg

	Reference(s)	Current year	Previous year
1. to 5. Gross profit or loss	1651 <u>7</u>	651 <u>-259.320,55</u>	652 <u>-744.099,90</u>
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 <u>-21.678,21</u>	622 <u>0,00</u>

RCSL Nr. : B272307

Matricule : 2022 2473 560

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	108.281.959,93	0,00
a) derived from affiliated undertakings	1717 8	108.281.959,93	0,00
b) other income from participating interests	1719		
10. Income from other investments and loans forming part of the fixed assets	1721		
a) derived from affiliated undertakings	1723		
b) other income not included under a)	1725		
11. Other interest receivable and similar income	1727	89.564.600,93	719.588,39
a) derived from affiliated undertakings	1729 9	87.924.505,93	408.717,40
b) other interest and similar income	1731	1.640.095,00	310.870,99
12. Share of profit or loss of undertakings accounted for under the equity method	1663		
13. Value adjustments in respect of financial assets and of investments held as current assets	1665		
14. Interest payable and similar expenses	1627	-75.368.586,16	-25.509,35
a) concerning affiliated undertakings	1629 10	-70.265.299,48	-25.509,35
b) other interest and similar expenses	1631	-5.103.286,68	0,00
15. Tax on profit or loss	1635 11		
16. Profit or loss after taxation	1667	122.196.975,94	-50.020,86
17. Other taxes not shown under items 1 to 16	1637	-365.511,27	0,00
18. Profit or loss for the financial year	1669	121.831.464,67	-50.020,86

1 General information

Heubach Holding S.a r.l. (hereafter the "Company") was incorporated on 24 October 2022 as a Société à responsabilité limitée under the laws of Luxembourg for an unlimited period of time

The Company is registered with the Trade and Companies Register of Luxembourg with the number B272307. On June 06, 2024, the registered office of the Company has been transferred from 53, Boulevard Royal, L-2449 Luxembourg to 17, Boulevard F.W. Friedrich, L-2411 Luxembourg.

The Company's financial year starts on 01 January and ends on 31 December of each year. As an exception, the first financial period began 24 October 2022 (date of migration) and ended on 31 December 2022.

Prior to its migration to Luxembourg, the Company existed under the name Heubach Holding GmbH, an Austrian limited liability company (Gesellschaft mit beschränkter Haftung), which was incorporated under the laws of Austria, which had its registered office at 5084 Groggmain, Untersbergstrasse 104, Austria, and which was registered with the competent local court of Salzburg regional court of the Austrian companies register under number 449687 f.

The purpose of the Company is the holding of participations in any form whatsoever in Luxembourg and foreign companies and in any other form of investment, the acquisition by purchase, subscription or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind and the administration, management, control and development of its portfolio.

The Company may grant loans to, as well as guarantees or security for the benefit of third parties to secure obligations of, companies in which it holds a direct or indirect participation or right of any kind or which form part of the same group of companies as the Company, or otherwise assist such companies.

Furthermore, the Company may acquire and dispose of all other securities by way of subscription, purchase, exchange, sale or otherwise.

The Company may raise funds through borrowing in any form or by issuing any kind of notes, securities or debt instruments, bonds and debentures and generally issue securities of any type. The Company may not publicly issue shares.

The Company may carry out any commercial, industrial, financial, real estate or intellectual property activities which it considers useful for the accomplishment of these purposes.

In accordance with the legal provisions in Title II of the Law of December 19, 2002, these annual accounts were presented on a non-consolidated basis for the approval of the partners during the Annual General Meeting.

The Company and its subsidiaries are included in the consolidated accounts of SK Neptune Husky Intermediate IV S.à r.l., with a registered office located at 53, Boulevard Royal, L-2449, Luxembourg. The consolidated financial statements of SK Neptune Husky Intermediate IV S.à r.l. are deposited with the register of commerce and companies and published according to the provisions of the Luxembourg law.

2 Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. The accounting and valuation policies are determined by the Board of Managers in compliance with the Law of 19 December 2002. These policies have been consistently applied to the annual periods presented.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

a) Financial fixed assets

Valuation at cost less impairment.

Financial assets such as shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto. Loans granted to affiliated undertakings or other companies and defined as financial assets are valued at their nominal value.

In case of a durable impairment has occurred in the value of a financial asset, a value adjustment is made in order to reflect that loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

b) Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is uncertain or compromised at the closing date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

c) Creditors

Creditors are recorded at their reimbursement value. Where the reimbursable amount in the account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

2 Summary of significant accounting policies (CONTINUED)

d) Foreign currency translation

The Company maintains its books and records in USD.

All transactions expressed in currencies other than USD are converted into USD at the exchange rate effective at the date of the transaction.

Financial fixed asset and formation expenses expressed in currencies other than USD are converted into USD at rates of exchange effective on the date of the transaction. At the Balance Sheet date, these assets remain at historical exchange rate.

Cash and bank balances are converted at rates of exchange effective at the date of the Balance Sheet. Exchange losses and gains resulting from such conversion are shown on the Profit and Loss Account.

Other assets are individually converted and shown at the lower of cost or converted values. Liabilities are individually converted and shown at the higher of their nominal or converted values. Realised gains and all losses on exchange, whether realised or unrealised, are shown on the Profit and Loss Account.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised loss is recorded in the Profit and Loss Account.

3 Financial fixed assets

The movements for the year are as follows:

	Shares in affiliated undertakings 2023	Shares in affiliated undertakings 2022
Gross book value - opening balance	276,886,899.71	156,560,410.33
Additions for the year	129,842,791.77	120,326,489.38
Disposals for the year	-	-
Transfers for the year	-	-
Gross book value - closing balance	406,729,691.48	276,886,899.71
Accumulated value adjustment - opening balance	-	-
Allocations for the year	-	-
Reversals for the year	-	-
Transfers for the year	-	-
Accumulated value adjustment - closing balance	-	-
Net book value - opening balance	276,886,899.71	156,560,410.33
Net book value - closing balance	406,729,691.48	276,886,899.71

The Board of Managers decided not to disclose information relating Undertakings in which the Company holds at least 20% in their share capital according to article 67 of the law of 19 December 2002.

4 Debtors

	Within one year	Between one year and five years	2023	2022
Debtors by category				
Amounts owed by affiliated undertakings	86,818,450.73	613,598,646.39	700,417,097.12	3,522,447.05
Other debtors	29,155.75	-	29,155.75	-
Total	86,847,606.48	613,598,646.39	700,446,252.87	3,522,447.05

Loans and cash advances receivable from affiliated undertakings and	2023	2022
Due after more than one year		
Amounts owed by affiliated undertakings	613,598,646.39	-
Total	613,598,646.39	-

Accrued interest receivable from affiliated undertakings and participating interests	2023	2022
Due within one year		
Amounts owed by affiliated undertakings	86,818,450.73	3,522,447.05
Total	86,818,450.73	3,522,447.05

Other debtors	2023	2022
Due within one year		
NWT advances	12,015.23	-
VAT advances/receivables	17,140.52	-
Total	29,155.75	-

5 Capital and reserves

The subscribed capital amounts to USD 155,432.05 and is divided into class of shares described as follows:

	Opening balance as at 01/01/2023	Number of shares Subscription/ (redemption)	Closing balance as at 31/12/2023	Nominal value 0.01	Total
Class A Shares	1,116,980.00	437,341.00	1,554,321.00	0.01	15,543.21
Class B Shares	1,116,980.00	437,341.00	1,554,321.00	0.01	15,543.21
Class C Shares	1,116,981.00	437,341.00	1,554,322.00	0.01	15,543.22
Class D Shares	1,116,981.00	437,340.00	1,554,321.00	0.01	15,543.21
Class E Shares	1,116,980.00	437,340.00	1,554,320.00	0.01	15,543.20
Class F Shares	1,116,980.00	437,340.00	1,554,320.00	0.01	15,543.20
Class G Shares	1,116,980.00	437,340.00	1,554,320.00	0.01	15,543.20
Class H Shares	1,116,980.00	437,340.00	1,554,320.00	0.01	15,543.20
Class I Shares	1,116,980.00	437,340.00	1,554,320.00	0.01	15,543.20
Class J Shares	1,116,980.00	437,340.00	1,554,320.00	0.01	15,543.20
Total	11,169,802.00	4,373,403.00	15,543,205.00		155,432.05

5 Capital and reserves (CONTINUED)

The movements on the "Subscribed capital" item during the year are as follows:

Movements in capital and reserves	Balance as at beginning of 2023	Allocation of preceding year result	Other movements	Net result for current year	Balance as at the end of 2023
Subscribed capital	111,698.02	-	43,734.03	-	155,432.05
Share premium account	33,860,091.31	-	-	-	33,860,091.31
Revaluation reserves	146,714,003.57	-	-	-	146,714,003.57
Profit or loss brought forward	95,533,457.24	(50,020.86)	-	-	95,483,436.38
Profit or loss for the financial year	(50,020.86)	50,020.86	-	121,831,464.67	121,831,464.67
	276,169,229.28	-	43,734.03	121,831,464.67	398,044,427.98

Share premium account

As at December 31, 2023 the share premium account amounts to USD 33,860,091.31 (2022: USD 33,860,091.31)

Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

6 Creditors

	Within one year	Between one year and five years	2023	2022
Trade creditors	102,624.40	-	102,624.40	233,209.50
Amounts owed to affiliated undertakings	106,733,906.08	602,445,990.87	709,179,896.95	3,946,907.98
Total	106,836,530.48	602,445,990.87	709,282,521.35	4,180,117.48

Trade creditors are composed of payables and accruals for professional services received for the year for an amount of USD 102,624.40 (2022: USD 233,209.50).

Amounts owed to affiliated undertakings within one year correspond to loans interest and interest free advances, payable on demand and loan granted by group companies amounting to USD 106,733,906.08 (2022: USD 3,946,907.98)

Amounts owed to affiliated undertakings after more than one year correspond to loans granted by group companies amounting to USD 602,445,990.87.

7 Gross profit or loss

Other external expenses are presented as follows:

	2023	2022
Bank account fees	(23,352.15)	(2,480.72)
Legal fees	(93,676.91)	(602,509.33)
Accounting fees	(59,276.15)	(6,904.55)
Tax fees	(16,979.55)	-
Other professional fees	(28,159.68)	(62,535.14)
Miscellaneous operating charges	-	(1,722.39)
Other external chargers	(25,170.05)	(51,894.03)
Contributions to professional associations	(378.07)	-
Notarial fees	(12,327.99)	(16,053.74)
Total	(259,320.55)	(744,099.90)

8 Income from participating interests

The amount of USD 108,281,959.93 is a gain coming from the merger of the Company and SK Neptune Husky Group Sarl.

9 Other interest receivable and similar income

The position of USD 87,924,505.93 is composed by other interest income on loans receivables from affiliated undertakings amounting to USD 54,105,779.25, other financial income amounting to USD 896,359.96 and realised exchange gains on loans amounting to USD 32,922,366.72 (2022: USD 408,717.40).

10 Other interest payable and similar expenses

The position of USD 70,265,299.48 is composed by the interest expenses on loans payables from affiliated undertakings amounting to USD 62,757,747.97 and realised exchange loss on these loans amounting to USD 7,507,551.51 (2022: USD 25,509.35)

11 Tax on profit or loss

The Company is subject to all taxes applicable to Luxembourg commercial companies.

12 Off balance commitments

As at balance sheet date, the Company has no off balance sheet commitments to disclose.

13 Advances and loans granted to the members of the management and supervisory bodies

During the financial period 2023 the Company did not grant any advances, loans or commitments to any members of the management and supervisory bodies. (2022 - nil).

14 Subsequent events

On October 8, 2024, SK Neptune Husky Finance S.à r.l., the sole shareholder of the Company, entered into a Share Purchase Agreement to sell 100% of the issued shares of the Company to Sudarshan Europe B.V.



MAHESH UDHWANI & ASSOCIATES

CHARTERED ACCOUNTANTS

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Opp. Old Vuda Office, Fatehgunj,
Vadodara - 390 002, Gujarat, India

M.: +91 8758756360

Website : www.maheshudhwani.com

INDEPENDENT AUDITORS REPORT

To,

The Board of Directors of
Heubach Research Centre

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of Heubach Research Centre (the Company), which comprise the balance sheet as at March 31, 2026, and the statement of profit and loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements of the Company for the year ended March 31, 2026 are prepared in all material respects for the purpose of consolidation for the year ended March 31, 2026.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of consolidation by the Holding Company of the Company. As a result, the financial statements may not be suitable for any other purpose.

Our opinion is not modified in respect of this matter.



Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 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.

For MAHESH UDHWANI AND ASSOCIATES

Chartered Accountants

Registration No: 129738W

M. A. Udhwani

Mahesh Udhwani

Partner

Membership No: 047328

Place: VADODARA

Date: 15.05.2026

UDIN: 26047328LTDNTF1249



HEUBACH RESEARCH CENTRE S.R.O.
BALANCE SHEET AS AT MARCH 31, 2026

(in CZK '000)

	Note	As at March 31, 2026	As at March 31, 2025
A) ASSETS			
Non-current assets			
a) Intangible assets		-	-
b) Intangibles under development		-	-
Total Non-current assets		-	-
Current assets			
a) Financial assets			
i. Cash and cash equivalents	3	106.00	66.00
ii. Other financial assets	4	1,966.00	2,630.00
b) Other Current assets	5	5.00	13.00
Total Current assets		2,077.00	2,709.00
Total Assets		2,077.00	2,709.00
B) EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	6	200.00	200.00
b) Other Equity	7	1.00	(5,711.00)
Total Equity		201.00	(5,511.00)
LIABILITIES			
Non-current Liabilities			
Total Non-current Liabilities		-	-
Current Liabilities			
Other financial liabilities	8	1,876.00	8,220.00
Total Current Liabilities		1,876.00	8,220.00
Total Liabilities		1,876.00	8,220.00
Total Equity and Liabilities		2,077.00	2,709.00
Significant accounting policies and Key accounting estimates and judgements	1 - 2		
See accompanying notes to the standalone financial statements	3 - 11		

As per our report of even date attached

For Mahesh Udhvani & Associates
Firm Registration Number: 0129738W
Chartered Accountants

M. A. Udhvani

Mahesh Udhvani
Partner
Membership Number: 047328

UDIN: 26047328LTONTF1249
Place: Vadodara
Date: 15/05/2026



For and on behalf of the Board of Directors
Heubach Research Centre s.r.o.

Deepak Joshi
Deepak Joshi
Authorised representative

Place: Vadodara
Date: 15/05/2026



HEUBACH RESEARCH CENTRE S.R.O.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

		(in CZK '000)	
	Note	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	9	2,176.00	2,630.00
Total Income		2,176.00	2,630.00
EXPENSES			
Employee benefits expense	10	1,658.00	1,992.00
Depreciation and amortization expense		-	-
Other expenses	11	517.00	725.00
Total Expenses		2,175.00	2,717.00
Profit before tax		1.00	(87.00)
Tax expense			
- Current tax		-	-
- Deferred tax charge I (Income)		-	-
Total Tax expense			
Profit for the period		1.00	(87.00)
Total Comprehensive Income for the period		1.00	(87.00)
Earnings per share			
Basic and Diluted (in CZK)		1.00	-87.00
Nominal Value per equity share		100	100
See accompanying notes to the standalone financial statements	3 - 11		

For Mahesh Udhwani & Associates
Firm Registration Number: 0129738W
Chartered Accountants

M. A. Udhwani

Mahesh Udhwani
Partner
Membership Number: 047328

UDIN:
Place: Vadodara
Date: 15/05/2026



For and on behalf of the Board of Directors
Heubach Research Centre s.r.o.

Deepak Joshi

Deepak Joshi
Authorised representative

Place: Vadodara
Date: 15/05/2026



HEUBACH RESEARCH CENTRE S.R.O.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31st 2026

1) Background

Heubach Research Centre s.r.o. (HRC) is an entity formed in Czech Republic and a wholly owned subsidiary of Sudarshan Gujarat MFG Private Limited (SGMPL). HRC has been incorporated as a dedicated research and development centre for carrying out Research and Development for developing new products and improvement of existing products of SGMPL. HRC is engaged in carrying out R&D activities in the field of manufacturing of pigments, exclusively for SGMPL.

2) Significant accounting policies and Key accounting estimates and judgements

i) Basis of presenting Financial Statements

The Company maintains its accountion records and prepares it's financial statements in accordance with group accounting policies.

The accounting book and the financial statements are stated in Czech koruna (CZK).



(in CZK '000)

	As at March 31, 2026	As at March 31, 2025
3) Cash and cash equivalents		
Cash in hand		
Balances with Banks:	106.00	66.00
	<u>106.00</u>	<u>66.00</u>
4) Other financial assets		
<u>Current</u>		
Others	1,966.00	2,630.00
	<u>1,966.00</u>	<u>2,630.00</u>
5) Other Current Assets		
Balance with Govt Authorities	5.00	13.00
	<u>5.00</u>	<u>13.00</u>
6) Equity Share Capital		

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of CZK 200,000 each	1	200	1	200
Issued, Subscribed and Fully Paid-up:				
Equity shares of CZK 200,000 each	1	200	1	200

(i) Reconciliation of number of Equity shares and the amount outstanding at the beginning and at the end of the year

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning and at the end of the period	1	200	1	200

7) Other Equity

	As at March 31, 2026	As at March 31, 2025
<u>Retained Earnings</u>		
Opening Balance	(5,711.00)	(5,624.00)
Less: Transfer to Capital Redemption Reserve	-	-
Interim Dividend paid	-	-
Add: Profit / (loss) for the period	1.00	(87.00)
Adjustment of Previous Year Accumulated Losses*	5,711.00	
Closing Balance	<u>1.00</u>	<u>(5,711.00)</u>

* Note: The previous year accumulated losses are adjusted against controlling entity's balance as per the approval of management of controlling entity.



HEUBACH RESEARCH CENTRE S.R.O.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31st, 2026

		(in CZK '000)	
		As at	As at
		March 31, 2026	March 31, 2025
8)	Other financial liabilities		
	<u>Current</u>		
	Trade Payable	-	83.00
	Others (Payable to Parent)	-	7,882.00
	Liabilities to employees	1,860.00	97.00
	Liabilities from social security	-	52.00
	Accrued Expense	16.00	106.00
		<u>1,876.00</u>	<u>8,220.00</u>
9)	Revenue from operations		
	<u>Sale of Products</u>		
	- Sales of own products and services	2,176.00	2,630.00
		<u>2,176.00</u>	<u>2,630.00</u>
10)	Employee benefit expenses		
	Social security and health insurance costs	433.00	519.00
	Salaries, Wages, Bonus	1,225.00	1,473.00
		<u>1,658.00</u>	<u>1,992.00</u>
11)	Other expenses		
	Material and energy consumption	3.00	33.00
	Services	476.00	658.00
	Other financial expenses	38.00	34.00
		<u>517.00</u>	<u>725.00</u>

For Mahesh Udhwani & Associates
Firm Registration Number: 0129738W
Chartered Accountants

M. A. Udhwani
Mahesh Udhwani
Partner
Membership Number: 047328

UDIN:
Place: Vadodara
Date: 15/05/2026



For and on behalf of the Board of Directors
Heubach Research Centre s.r.o.

Deepak Joshi
Deepak Joshi
Authorised representative

Place: Vadodara
Date: 15/05/2026



**PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)**

Financial Statements
For the year ended
December 31, 2025
with Independent Auditor's Report

TABLE OF CONTENTS

	<u>Pages</u>
DIRECTORS' STATEMENT	
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
FOR THE YEAR ENDED	
DECEMBER 31, 2025	
Statements of Financial Position	1 - 2
Statements of Profit or Loss and Other Comprehensive Income	3
Statements of Changes in Equity	4
Statements of Cash Flows	5 - 6
Notes to the Financial Statements	7 - 28

**DIRECTOR'S STATEMENT
REGARDING RESPONSIBILITY FOR
THE FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2025
PT SUDARSHAN INDONESIA SLO
(d/h PT HEUBACH COLORANTS INDONESIA)**

I, the undersigned:

Name : Anton Sahdu Dwiari
Office Address : Gatot Subroto KM 4 JL Kalisabi No 1 Kota Tangerang
Phone Number : +628170951843
Position : Director

Declare that:

1. Responsible for the preparation and presentation of the Company's financial statements;
2. The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the Company's financial statements has been disclosed in a complete and truthful manner;
b. The Company's financial statements does not contain any incorrect information or material fact, nor do they omit information or facts;
4. Responsible for the internal control system in the Company;
5. Responsible for compliance with the applicable laws and regulations.

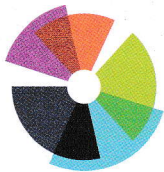
This statement letter is made truthfully.

Tangerang, June 19, 2026



PT SUDARSHAN INDONESIA SLO
METERAI
TEMPEL
77F8FANX354422268

(Anton Sahdu Dwiari)
Director



PKF

**Paul Hadiwinata, Hidajat, Arsono,
Retno, Palilingan & Rekan**

REGISTERED PUBLIC ACCOUNTANTS
DECREE OF THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA NO. 855/KM.1/2017

UOB Plaza 42nd & 30th Floor
Jl. MH. Thamrin Lot 8-10
Central Jakarta 10230 Indonesia

+62 21 29932121 (Hunting)
+62 21 3144003
jkt-office@pkfhadiwinata.com
www.pkfhadiwinata.com

Independent Auditor's Report

Report No.: 01712/2.1133/AU.1/05/1669-4/1/VI/2026

The Shareholders, Commissioner, and Board of Directors
PT Sudarshan Indonesia SLO (formerly PT Heubach Colorants Indonesia)

Opinion

We have audited the financial statements of PT Sudarshan Indonesia SLO (formerly PT Heubach Colorants Indonesia) ("the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

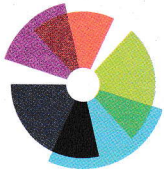
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



PKF

Paul Hadiwinata, Hidajat, Arsono,
Retno, Palilingan & Rekan

Independent Auditor's Report (continued)

Report No.: 01712/2.1133/AU.1/05/1669-4/1/VI/2026 (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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

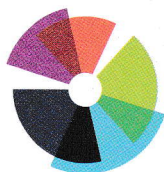
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with Standards on Auditing, 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.



PKF

**Paul Hadiwinata, Hidajat, Arsono,
Retno, Palilingan & Rekan**

Independent Auditor's Report (continued)

Report No.: 01712/2.1133/AU.1/05/1669-4/1/VI/2026 (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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.

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.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan

Ronny, S.E., CPA

Public Accountant Registration No. AP. 1669

June 19, 2026



PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
STATEMENTS OF FINANCIAL POSITION

As of December 31, 2025
(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
ASSETS			
CURRENT ASSETS			
Cash in banks	5	14,550,057	12,318,498
Account receivables	6, 19	23,098,995	17,943,195
Other receivables	19	172,197	272,957
Inventories	7	17,223,971	17,981,301
Prepaid expense and advance		572,057	860,623
Prepaid taxes	12a	150,000	4,514,862
Total current assets		55,767,277	53,891,436
NON - CURRENT ASSETS			
Right-of-use assets - net	8	810,010	1,354,240
Claim for tax refunds	12b	6,507,019	4,381,709
Deferred tax assets	12e	1,004,619	733,273
Total non-current assets		8,321,648	6,469,222
TOTAL ASSETS		64,088,925	60,360,658

See accompanying notes to financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
STATEMENTS OF FINANCIAL POSITION

As of December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Account payables	9, 19, 20	26,462,242	32,921,950
Other payables	20	-	917
Accrued expenses	10, 20	3,912,027	870,004
Taxes payable	12c	452,607	15,232
Advance receipt		330,390	184,319
Current portion of lease liabilities	8, 20	524,587	607,580
Employee benefits liabilities - current portion	11	35,373	60,949
Total current liabilities		31,717,226	34,660,951
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities	8, 20	365,774	835,352
Employee benefits liabilities - non-current portion	11	3,496,277	2,863,920
Total non-current liabilities		3,862,051	3,699,272
TOTAL LIABILITIES		35,579,277	38,360,223
EQUITY			
Share capital - authorised 3,456,000 shares issued and fully paid 864,000 shares at par value of Rp11,900 (full amount) per share	13	10,281,600	10,281,600
Additional paid-in capital	14	934,479	934,479
Retained earnings		15,103,467	9,354,626
Other comprehensive income		2,190,102	1,429,730
TOTAL EQUITY		28,509,648	22,000,435
TOTAL LIABILITIES AND EQUITY		64,088,925	60,360,658

See accompanying notes to financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Revenue	15, 19	140,660,194	137,780,161
Cost of revenue	16, 19	(115,181,293)	(115,194,564)
GROSS PROFIT		25,478,901	22,585,597
Selling expenses	17	(9,485,053)	(7,916,323)
General and administrative expenses	18, 19	(7,924,512)	(12,223,270)
OPERATING PROFIT		8,069,336	2,446,004
Finance income		140,749	195,706
Finance expense		(120,720)	(198,240)
Loss on foreign exchange - net		(601,372)	(1,008,362)
Other expenses - net		-	(538,452)
PROFIT BEFORE INCOME TAX		7,487,993	896,656
Income tax expense			
Current tax	12d	(2,224,962)	(344,672)
Deferred tax	12d	485,810	106,690
Total income tax expense		(1,739,152)	(237,982)
PROFIT FOR THE YEAR		5,748,841	658,674
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
- Remeasurement of employee benefits liabilities	11	974,836	209,050
- Related income tax	12e	(214,464)	(45,991)
Total other comprehensive income		760,372	163,059
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		6,509,213	821,733

See accompanying notes to financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
STATEMENTS OF CHANGES IN EQUITY
For the year ended
December 31, 2025
(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Share capital</u>	<u>Additional paid in capital</u>	<u>Retained earnings</u>	<u>Other comprehensive income</u>	<u>Total equity</u>
Balance as of January 1, 2024	10,281,600	934,479	8,695,952	1,266,671	21,178,702
Total comprehensive income for the year	-	-	658,674	163,059	821,733
Balance as of December 31, 2024	10,281,600	934,479	9,354,626	1,429,730	22,000,435
Total comprehensive income for the year	-	-	5,748,841	760,372	6,509,213
Balance as of December 31, 2025	10,281,600	934,479	15,103,467	2,190,102	28,509,648

See accompanying notes to financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
STATEMENTS OF CASH FLOWS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		7,487,993	896,656
Adjustments to reconcile profit before income tax to net cash provided by operating activities:			
Depreciation of right-of-use assets	8	544,230	529,586
Employee benefits expenses	11	1,670,484	440,027
Impairment of inventories	7	636,183	53,679
Unrealised foreign exchange difference		(118,330)	174,835
Finance income		(140,749)	(195,706)
Finance expense		120,720	198,240
Operating cash flows before changes in working capital		10,200,531	2,097,317
Changes in working capital:			
Account receivables		(5,155,800)	10,447,652
Other receivables		100,760	(85,077)
Inventories		121,147	(1,943,182)
Prepaid expense and advance		288,566	(485,243)
Prepaid tax		129,066	(801,230)
Account payables		(6,459,708)	1,944,493
Other payables		(917)	(13,273)
Accrued expense		3,042,023	(1,301,951)
Tax payables		437,376	(128,419)
Advance receipt		146,070	184,319
Received from tax restitution	12f	1,921,959	1,965,517
Proceeds from finance incomes		140,749	195,706
Payment of finance expenses		(120,720)	(198,240)
Payment of post-employment benefits liabilities	11	(88,867)	(14,359)
Payment for corporate income tax	12d	(2,036,435)	(2,012,610)
Net cash provided by operating activities		2,665,800	9,851,421

See accompanying notes to financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
STATEMENTS OF CASH FLOWS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan payment to related party		-	(4,000,000)
Payment of lease liabilities	8	<u>(552,571)</u>	<u>(509,006)</u>
Net cash used in financing activities		<u>(552,571)</u>	<u>(4,509,006)</u>
NET INCREASE IN CASH IN BANKS		2,113,229	5,342,415
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		118,330	(174,835)
CASH IN BANKS AT BEGINNING OF THE YEAR	5	<u>12,318,498</u>	<u>7,150,918</u>
CASH IN BANKS AT END OF YEAR	5	<u>14,550,057</u>	<u>12,318,498</u>

See accompanying notes to financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information

PT Sudarshan Indonesia SLO (formerly PT Heubach Colorants Indonesia) (the “Company”) was established under the name of PT Atmas on March 27, 2009 based on Notarial Deed No. 25 dated March 27, 2009 of Martina, S.H., The Articles of Association was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-14098.AH.01.01 dated April 17, 2009.

Articles of Association have been amended, most recently by Notarial Deed No. 129 dated July 15, 2025 of Notary Jimmy Tanal, S.H., M.Kn., regarding the change of Company name from PT Heubach Colorants Indonesia to PT Sudarshan Indonesia SLO. This Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-0047433.AH.01.02 Year.2025 dated July 18, 2025.

In accordance with Article 3 of the Company's Articles of Association, the Company is engaged in trading of chemical products. The Company started commercial operations on September 1, 2016.

The Company is domiciled at Jl. Kalisabi No. 1, Gatot Subroto Km 4, Jatiuwung, Tangerang.

The immediate parent of the Company is Sudarshan Switzerland Hldl AG. The Company's ultimate parent is Sudarshan Chemical Industries Limited, a company incorporated in India.

b. Board of Commissioners, Board of Directors, and Employees

The composition of the Company's Commissioner and Board of Directors as at December 31, 2025 were as follows:

Commissioner : Abhijit Gopal Naik

Board of Directors

President Director : Roy Sambit
Director : Anton Sahdu Dwiari

The composition of the Company's Boards of Commissioners and Board of Directors as at December 31, 2024 were as follows:

Board of Commissioners

President Commissioner : Abhijit Gopal Naik
Commissioner : Takayoshi Miyatani

Board of Directors

President Director : Seow Lea Bing
Director : Anton Sahdu Dwiari

On December 31, 2025 and 2024, the Company has 7 and 9 permanent employees (unaudited), respectively.

c. Completion of the financial statements

The preparation and fair presentation of financial statements were the responsibilities of the management, and were approved by the Board of Directors and authorized for issue on June 19, 2026.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("SFAS") AND INTERPRETATIONS OF STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("ISFAS")

a. Standards, amendments/improvements, and interpretations to standards effective in the current year

Standards, amendments/improvements and interpretations effective for periods beginning on or after January 1, 2025, with early application permitted is Amendment SFAS 221 "The Effects of Changes in Foreign Exchange Rates" about lack of exchangeability.

The Company has assessed that the adoption of the above mentioned accounting standards and interpretations, do not have any significant impact to the financial statements.

b. Standards, amendments/improvements, and interpretations to standards issued but not yet adopted

Standards, amendments/improvements, and interpretations effective for periods beginning on or after January 1, 2026, with early adoption permitted, are as follows:

- Amendment SFAS 109 "Financial Instruments" and SFAS 107 "Financial Instruments: Disclosures" about contracts referencing nature-dependent electricity.
- Annual improvement SFAS 107 "Financial Instruments: Disclosures", SFAS 109 "Financial Instruments", SFAS 110 "Consolidated Financial Statements", and SFAS 207 "Statement of Cash Flows".
- Amendment SFAS 109 "Financial Instruments" and SFAS 107 "Financial Instruments: Disclosures" about the classification and measurement of financial instruments.

Standard effective for periods beginning on or after January 1, 2027, with early application permitted is SFAS 118 "Presentation and Disclosure in Financial Statements".

As of the issuance date of the financial statements, the effects of adopting these standards, amendments and interpretation on the financial statements is not known nor reasonably estimable by management.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indonesian Financial Accounting Standards, which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Institute of Indonesia Chartered Accountants ("FASB").

The financial statements, except for the statement of cash flows, have been prepared on the historical cost concept and accrual basis except as otherwise explained in the accounting policies below.

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Indonesian Rupiah, which is the functional currency and the presentation currency for the financial statements.

b. Foreign currency transactions and translation

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.
- Exchange differences on transaction entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

As of December 31, 2025 and 2024, the exchange rates used are as follows:

	2025	2024
United States Dollar ("US\$" or "US Dollars") (Full Amounts)	16,686	16,139

c. Transactions with related parties

The Company has transaction with related parties as defined in SFAS 224.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

d. Financial instruments

The Company's financial assets comprise cash in banks, account receivables, and other receivables, and the Company's financial liabilities comprise account payables, other payables, accrued expenses, and lease liabilities, are categorized as "financial instruments measured at amortized cost".

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at amortized cost are recognized initially at fair value plus transaction costs. Subsequently, the financial assets are measured using the Effective Interest Rate ("EIR") method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss. The losses arising from impairment are also recognized in the profit or loss.

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compare 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 consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

The Company recognises lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit loss.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company applied a simplified approach to measure such expected credit loss for account receivables. Impairment losses on receivables are presented as net impairment losses within general and administrative expenses. When the receivables for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the same line item.

A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company has financial liabilities classified into the financial liabilities measured at amortised cost. All financial liabilities are recognised initially at fair value. Financial liabilities are classified as non-current liabilities when the remaining maturity is more than 12 months, and as current liabilities when the remaining maturity is less than 12 months.

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another liability with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statements of profit or loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legal right of offset and there is an intention to settle on a net basis, or when the asset is realized and the liability settled simultaneously.

e. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using "first-in, first-out" (FIFO) method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

f. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

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

g. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company shall assess whether:

- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are the most relevant to changing how and for what purpose the asset is used are predetermined:
 - a. The Company has the right to operate the asset;
 - b. The Company has designed the asset in a way that predetermined how and for what purpose it will be used.

At the inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and the aggregate stand-alone price of the non-lease components.

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

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

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

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Each lease payment is allocated between the liabilities and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

The Company presents right-of-use assets separately from "Property, plant and equipment" and "Lease liabilities" in the statement of financial position.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use assets from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and lease of low-value assets. The Company recognises the leases payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Company:

- remeasure and allocate the consideration in the modified contract;
- determine the lease term of the modified lease;
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate on the basis of the remaining lease term and the remaining lease payment with a corresponding adjustment to the right-of-use assets. The revised discount rate is determined as the Company's incremental borrowing rate at the effective date of the modification;
- decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Company recognise in profit or loss any gain or loss relating to the partial or full termination of the lease; and
- make a corresponding adjustment to the right-of-use assets for all other lease modifications.

h. Revenue and expense recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product to a customer.

The Company recognises revenue from sell of chemical products when the customer obtains control of the goods. Indicators that control has been transferred are the customer can direct the use of the goods acquired, and the customer will obtain the economic benefits from holding the goods.

Expenses are recognised when incurred on the accrual basis.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

i. Employee benefits

Short-term employee benefits are recognized when they accrue to the employees. Short-term employee benefits include wages, salaries, bonus, and incentives.

The Company provides post-employment benefits as required under Law No. 6/2023, Government Regulation No. 35 of 2021 and Company Labor Agreement (CLA).

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate of long-term government bond yields that are denominated in Rupiah in which the benefit will be paid and that have terms to maturity similar to related pension obligation. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Past-service costs are recognised immediately in profit or loss. Gains or losses on the curtailment or settlement are recognised when the curtailment or settlement occurs.

The Company also provide additional awards to all of its employees who meet certain requirements within length of service according to CLA. The other long-term employee benefits are computed using the Projected Unit Credit method. Actuarial gains or losses and past service costs are immediately recognized in profit or loss.

The amount recognized as an obligation for other long-term employee benefits in the financial position is the present value of other long-term employee benefit obligations as of the reporting date.

j. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

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

The measurement of deferred tax assets and liabilities 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 their assets and liabilities.

The carrying amount of deferred tax asset 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.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in Note 3, the Board of Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgments in applying accounting policies

Below are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Leases

Determining whether an arrangement is or contains a lease requires careful judgement to assess whether the arrangement conveys a right to obtain substantially all the economic benefits from use of the asset throughout the period of use and right to direct the use of the asset, even if the right is not explicitly specified in the arrangement.

Since the Company could not readily determine the implicit rate, management used the Company's incremental borrowing rate as a discount rate. There are a number of factors to consider in determining an incremental borrowing rate, many of which need judgment in order to be able to reliably quantify any necessary adjustments to arrive at the final discount rates. In determining an incremental borrowing rate, the Company considers the following main factors: the Company's corporate credit risk, the lease term, the lease payment term, the economic environment, the time at which the lease is entered into, and the currency in which the lease payments are denominated.

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Key sources of estimation uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Allowance for the decline in the value of inventories

The Company provides an allowance for the decline in the value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for the decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for the decline in value of inventories, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 7.

b. Employee benefit liabilities

The present value of the employee benefit obligations depends on a number of factors that are determined by using actuarial assumptions. The assumptions used in determining the net cost for pensions include the future salary increase and the discount rate. Any changes in these assumptions will impact the carrying amount of employee benefit obligations. Other key assumptions for employee benefit obligations are based in part on current market. The carrying amount of the obligation is disclosed in Note 11.

c. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income, could necessitate future adjustments to tax income and expense already recorded.

Estimate and significant judgment are involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates as to whether additional corporate income tax will be due.

d. Realizability of deferred tax assets

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 profit will be available to allow all or part of the deferred tax assets to be utilized. Based on current assessment, management believes that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized. The carrying amount of deferred tax assets is disclosed in Note 12e.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

5. CASH IN BANKS

	<u>2025</u>	<u>2024</u>
Rupiah	11,840,153	10,901,246
US Dollars	<u>2,709,904</u>	<u>1,417,252</u>
Total	<u>14,550,057</u>	<u>12,318,498</u>

Cash in banks earns interest at floating rates based on daily bank deposit rates.

6. ACCOUNT RECEIVABLES

	<u>2025</u>	<u>2024</u>
Third parties	20,895,719	16,583,769
Related parties (Note 19)	<u>2,203,276</u>	<u>1,359,426</u>
Total	<u>23,098,995</u>	<u>17,943,195</u>

The average credit period for sale of goods are 30 to 90 days. Account receivables are non-interest bearing and unsecured.

Management believes that all receivables are fully collectible. These relate to receivables from a number of customers for whom there is no history of default. Therefore, provision for impairment of receivables is considered not necessary.

There is no balance of account receivables used as collateral for the bank loan facilities.

7. INVENTORIES

	<u>2025</u>	<u>2024</u>
Traded goods	17,107,290	14,053,809
Traded goods in transit	<u>1,087,342</u>	<u>4,261,970</u>
Total	18,194,632	18,315,779
Allowance for impairment	<u>(970,661)</u>	<u>(334,478)</u>
Inventories - net	<u>17,223,971</u>	<u>17,981,301</u>

The movement of provision for impairment of inventories during 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	334,478	280,799
Additional	<u>636,183</u>	<u>53,679</u>
Ending balance	<u>970,661</u>	<u>334,478</u>

As of December 31, 2025 and 2024, there are no inventory used as collateral.

Management believes that the allowance for impairment of inventories are adequate to cover possible losses on decline in value of inventories.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

8. LEASES

The Company leases buildings and vehicle. Rental contracts are made for periods of 4 to 8 years. Leases do not contain any variable payment terms, extension and termination options and residual value guarantees.

The reconciliation of right of use asset by major classifications were as follows:

2025				
	Beginning balance	Additions	Deductions	Ending balance
Acquisition cost				
Buildings	670,282	-	-	670,282
Vehicles	1,828,873	-	322,965	1,505,908
Total	2,499,155	-	322,965	2,176,190
Accumulated depreciation				
Buildings	211,675	91,722	-	303,397
Vehicles	933,240	452,508	322,965	1,062,783
Total	1,144,915	544,230	322,965	1,366,180
Book value	1,354,240			810,010
2024				
	Beginning balance	Additions	Deductions	Ending balance
Acquisition cost				
Buildings	557,228	113,054	-	670,282
Vehicles	1,828,873	-	-	1,828,873
Total	2,386,101	113,054	-	2,499,155
Accumulated depreciation				
Buildings	139,307	72,368	-	211,675
Vehicles	476,022	457,218	-	933,240
Total	615,329	529,586	-	1,144,915
Book value	1,770,772			1,354,240

Changes in lease liabilities during the year 2025 and 2024 are as follows:

	2025	2024
Beginning balance	1,442,932	1,838,884
Adjustment	-	113,054
Cash flow out	(552,571)	(509,006)
Ending balance	890,361	1,442,932
Presented as:		
Current	524,587	607,580
Non - current	365,774	835,352
Amount recognised in profit loss		
Interest on lease liabilities	72,593	100,445
Depreciation of right-of- use assets (Note 18)	544,230	529,586

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

9. ACCOUNT PAYABLES

	<u>2025</u>	<u>2024</u>
Third parties	991,747	615,420
Related parties (Note 19)	<u>25,470,495</u>	<u>32,306,530</u>
Total	<u>26,462,242</u>	<u>32,921,950</u>

Purchase of raw and indirect materials, both from local and foreign suppliers, have credit terms of 14 to 90 days. Account payables are non-interest bearing and unsecured.

10. ACCRUED EXPENSES

	<u>2025</u>	<u>2024</u>
Purchase of inventory	2,968,933	298,798
Employee bonuses and allowance	727,663	403,285
Others	<u>215,431</u>	<u>167,921</u>
Total	<u>3,912,027</u>	<u>870,004</u>

11. EMPLOYEE BENEFITS LIABILITIES

Post-employment benefits calculations as at 2025 and 2024 were each calculated based on the valuation reports of an independent actuary, PT Milliman Indonesia. The amounts included in the statement of financial position arising from the Company's obligation in respect of these employee benefit obligations are as follows:

	<u>2025</u>	<u>2024</u>
Post employment benefits	3,431,380	2,792,370
Other long-term employment benefits	<u>100,270</u>	<u>132,499</u>
Total	<u>3,531,650</u>	<u>2,924,869</u>
Presented as:		
Current portion	35,373	60,949
Non current portion	3,496,277	2,863,920

Movements in the present value of the defined benefits obligations were as follows:

	<u>2025</u>	<u>2024</u>
Defined benefit liability - beginning balance	2,792,370	2,578,863
Included in profit or loss:		
Current service costs	384,154	252,352
Past service costs	1,024,975	-
Interest expense	265,101	170,205
Included in other comprehensive income		
Remeasurements:		
Changes in financial assumption	179,524	(112,765)
Experience adjustments	<u>(1,154,360)</u>	<u>(96,285)</u>
Contributions from employee		
Benefits paid	<u>(60,384)</u>	-
Defined benefit liability - ending balance	<u>3,431,380</u>	<u>2,792,370</u>

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

The main assumption used as follows:

	<u>2025</u>	<u>2024</u>
Discount rate	6.20%	7.00%
Future salary increases	7.00%	7.00%
Mortality rate	TMI IV - 2019	TMI IV - 2019
Normal retirement age	55 Years	55 Years

The Company is exposed to a number of risks through its defined benefit pension plans such as interest rate risk, longevity risk, and salary risk.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Increase in interest rate by 1%	(222,449)	(268,943)
Decrease in interest rate by 1%	243,626	295,732
Increase in salary increment rate by 1%	282,521	335,231
Decrease in salary increment rate by 1%	(271,688)	(311,305)

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 recognized in the statement of financial position.

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

The weighted average duration of the defined benefit pension obligation as at 2025 and 2024 are 5.4 and 7.5 years, respectively. Expected maturity analysis of undiscounted pension benefits are as follows:

	<u>2025</u>	<u>2024</u>
Within less than 1 year	35,373	60,949
Within 1 - 5 years	5,995,483	513,602
Within 5 - 10 years	5,296,064	5,500,635
Within more than 10 years	8,008,871	6,424,471

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Other long-term employment benefits

Other long-term employment benefits include service award is discounted to present value.

The movements of the present value of liability for other long-term employment were as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	132,499	129,388
Included in profit or loss:		
Current service costs	18,640	15,103
Past service costs	21,105	-
Interest expense	9,755	8,066
Remeasurement:		
Experience adjustments	(55,857)	(3,569)
Changes in financial assumptions	2,611	(2,130)
Sub total	(3,746)	17,470
Benefit paid	(28,483)	(14,359)
Balance at the end of the year	<u>100,270</u>	<u>132,499</u>

12. TAXATION

a. Prepaid taxes

	<u>2025</u>	<u>2024</u>
Value added tax	-	4,514,862
Others	150,000	-
Total	<u>150,000</u>	<u>4,514,862</u>

b. Claim for tax refunds

	<u>2025</u>	<u>2024</u>
Corporate income tax ("CIT"):		
- Article 28A - 2023	-	2,099,754
- Article 28A - 2024	2,012,610	2,012,610
Other taxes - VAT	4,494,409	269,345
Total	<u>6,507,019</u>	<u>4,381,709</u>

c. Taxes payable

	<u>2025</u>	<u>2024</u>
Income tax article 21	15,065	8,713
Income tax article 23 and 26	53,997	6,519
Income tax article 29	10,732	-
Value added tax	372,813	-
Total	<u>452,607</u>	<u>15,232</u>

d. Income tax expense

	<u>2025</u>	<u>2024</u>
Current tax	2,047,167	-
Adjustment to prior years tax expense (Note 12f)	177,795	344,672
Total current tax	2,224,962	344,672
Deferred tax benefit	(485,810)	(106,690)
Income tax expense	<u>1,739,152</u>	<u>237,982</u>

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

The reconciliation between profit before income tax of the Company and its estimated taxable profit for the year ended 2025 and 2024 are as follows:

	2025	2024
Profit before income tax	7,487,993	896,656
Fiscal corrections:		
Post-employment benefits expense	1,581,617	425,668
Addition for impairment of inventories	636,183	53,679
Difference between lease payments and right-of-use assets depreciation and finance cost	(8,341)	22,640
Sub total	9,697,452	1,398,643
Non-deductible expenses	(251,399)	1,992,342
Income subject to final tax	(140,749)	(195,706)
Current year fiscal profit	9,305,304	3,195,279
Utilization of unrecognized prior year tax loss	-	(3,195,279)
Current year fiscal profit after fiscal loss compensation	9,305,304	-
Income tax expense	2,047,167	-
Less: prepaid taxes	(2,036,435)	(2,012,610)
Under (over) payment income tax	10,732	(2,012,610)

The reconciliation between income tax expense and the theoretical tax amount on the Company's profit before income tax are as follows:

	2025	2024
Profit before income tax	7,487,993	896,656
Income tax	1,647,358	197,264
Non-deductible expenses	(55,308)	438,315
Income subject to final tax	(30,965)	(43,055)
Adjustment to prior years tax expense	177,795	344,672
Adjustment deferred tax current year	272	3,294
Utilization of unrecognized prior year tax loss	-	(702,508)
Income tax expense	1,739,152	237,982

For the year 2025 and 2024, the corporate income tax rate used by the Company are 22%.

In 2025 and 2024 financial statements, the tax calculation is based on preliminary calculations, as the Company has yet to submit its corporate income tax returns.

Under the taxation laws of Indonesia, the Company submit tax returns on the basis of self-assessment system. The tax authorities may asses or amend taxes within the statute of limitations, under prevailing regulations.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

e. Deferred tax assets

The details of the Company's deferred tax assets for 2025 and 2024 are as follows:

	2025			Ending balance
	Beginning balance	Credited/ (changed) to the profit or loss	Charged to other comprehensive income	
Post-employment benefit liabilities	643,471	347,956	(214,464)	776,963
Allowance for impairment of inventories	73,585	139,960	-	213,545
Difference between lease payments and right-of-use assets depreciation and finance cost	16,217	(2,106)	-	14,111
Total	733,273	485,810	(214,464)	1,004,619

	2024			Ending balance
	Beginning balance	Credited/ (changed) to the profit or loss	Charged to other comprehensive income	
Post-employment benefit obligations	595,815	93,647	(45,991)	643,471
Provision for impairment of inventories	61,773	11,812	-	73,585
Difference between lease payments and right of use assets depreciation and finance cost	14,986	1,231	-	16,217
Total	672,574	106,690	(45,991)	733,273

Realization of the Company's deferred tax assets is dependent upon their profitable operations. Management believes that these deferred tax assets are probable of being realized through offset against taxes due on future taxable income.

Details of tax loss carryforwards on which the related deferred tax assets are not recognised based on expiry of utilization period:

	2025	2024
Fiscal year 2025	10,200,315	10,200,315
Fiscal year 2027	2,008,492	2,008,492
Fiscal year 2028	4,612,472	4,612,472
Total	16,821,279	16,821,279

f. Tax assessment letter

On June 26, 2025, the Company received a tax assessment letter (SKPLB) related to Corporate income tax (CIT). Based on the SKPLB related to corporate income tax (CIT), the Tax Office approved the claim for a refund of the excess tax for 2023 amounting to Rp2,099,754, the difference of Rp177,795 recorded as income tax expense in the current year. On August 15, 2025, the Company received the refund of the tax claim amounting to Rp1,921,959.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

On June 26, 2024, the Company received a tax assessment letter (SKPLB) related to Corporate income tax (CIT). Based on the SKPLB related to corporate income tax (CIT), the Tax Office approved the claim for a refund of the excess tax for 2022 amounting to Rp2,310,189, the difference of Rp344,672 recorded as income tax expense in the current year. On August 21, 2024, the Company received the refund of the tax claim amounting to Rp1,965,517.

g. Administration

The taxation laws of Indonesia require each company to calculate, determine, and pay the individual tax payable amount. Under the prevailing regulations, the DGT may assess or amend taxes within five years of the time when the tax becomes due.

13. SHARE CAPITAL

The composition of shareholders as at 2025 and 2024 were as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Sudarshan Switzerland Hld1 AG (Formerly Heubach Holding Switzerland AG)	820,800	95%	9,767,520
Sudarshan Switzerland Hld2 AG (Formerly Heubach EBITO Chemieeteiligungen AG)	43,200	5%	514,080
Total	864,000	100%	10,281,600

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

14. ADDITIONAL PAID-IN CAPITAL

On January 1, 2020, the Company sold the Masterbatches and Additives Trading Business Unit to PT Clariant Indonesia and PT Clariant Specialties Indonesia (both parties were entities under common control) at the total selling price of Rp15,240,000. The related book value of the net assets of the transferred business unit was Rp14,305,521 which resulted into a difference in value of transaction with entities under common control amounting to Rp934,479.

15. REVENUE

	2025	2024
Domestic	134,420,358	134,903,246
Export	6,239,836	2,876,915
Total	140,660,194	137,780,161

Refer to Note 19 for details of related parties transactions and balances.

All the above revenue are recognized when the products are transferred at a point in time.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

16. COST OF REVENUE

Details by nature:

	2025	2024
Purchases	114,423,963	117,084,068
	114,423,963	117,084,068
Balance of finished goods inventories (Note 7):		
- Beginning of the year	18,315,779	16,372,596
- Ending of the year	(18,194,632)	(18,315,779)
Impairment of inventories (Note 7)	636,183	53,679
Total	115,181,293	115,194,564

Refer to Note 19 for details of related parties transactions and balances.

17. SELLING EXPENSES

Details by nature:

	2025	2024
Salary and other allowance	7,912,633	5,526,741
Freights	981,036	1,707,148
Business trip	349,981	402,963
Others	241,403	279,471
Total	9,485,053	7,916,323

18. GENERAL AND ADMINISTRATIVE EXPENSES

Details by nature:

	2025	2024
Management services fee (Note 19)	5,520,618	10,034,438
Professional fees	990,422	707,218
Depreciation of right of use assets (Note 8)	544,230	529,586
Services from third parties	478,974	469,426
Tax expense	259,380	24,083
Software application maintenance	83,712	436,417
Others	47,176	22,102
Total	7,924,512	12,223,270

19. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

The related parties and the nature of relationship are as follows:

Related parties	Nature of relationship
Sudarshan Switzerland Hld1 AG (Formerly Heubach Holding Switzerland AG)	Parent entity
Sudarshan Singapore SLO Pte. Ltd. (Formerly Heubach Colorants Singapore Pte. Ltd.)	Entity under common control
PT Sudarshan Indonesia MFG (Formerly PT Heubach Colorants Coatings Indonesia)	Entity under common control
Sudarshan Malaysia SLO Sdn. Bhd. (Formerly Heubach Colorants Malaysia Sdn. Bhd.)	Entity under common control
Sudarshan MFG (Thailand) Ltd. (Formerly Heubach Colorants (Thailand) Ltd)	Entity under common control

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Related parties	Nature of relationship	
Sudarshan Germany Horizon GmbH (Formerly Heubach Group GmbH)	Entity under common control	
Sudarshan Gujarat Mfg Pte. Ltd.	Entity under common control	
	2025	2024
Account receivables		
Entity under common control	2,203,276	1,359,426
Total	2,203,276	1,359,426
	2025	2024
Other receivables		
Entity under common control	111,145	230,731
Total	111,145	230,731
	2025	2024
Account payables		
Entity under common control	25,470,495	32,306,530
Total	25,470,495	32,306,530
	2025	2024
Revenue		
Entity under common control	8,672,829	4,643,775
Total	8,672,829	4,643,775
	2025	2024
Purchase		
Entity under common control	111,672,602	115,348,477
Total	111,672,602	115,348,477
	2025	2024
Management services fee		
Parent entity	3,608,573	6,542,556
Entity under common control	1,649,420	2,798,367
Total	5,257,993	9,340,923

20. FINANCIAL INSTRUMENTS, FINANCIAL RISK, AND CAPITAL MANAGEMENT

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled between knowledgeable and willing parties in an arm's length transactions.

The short-term financial instruments are expected to be realized or settled in the near term. Fair value of short-term financial instruments approximates their carrying amount as the impact of discounting is not significant.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Financial risk management policies and objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Company's Board of Directors. The Board of Directors identifies, evaluates and manages financial risks. The Board of Directors determine the basic principles of the overall Company's risk management including market risk, credit risk and liquidity risk.

Foreign currency risk management

The Company is exposed to the effect of foreign currency exchange rate fluctuation mainly because of foreign currency denominated transactions such as purchases of goods.

To manage its foreign currency fluctuation exposure, the Company maintains the exposure at an acceptable level by buying foreign currencies that will be needed to avoid exposure from short term fluctuations. When considered necessary, the Company also entered into forward foreign exchange contracts within established parameters.

The Company believes that a change in of foreign currency exchange rate at the end of the reporting period, with all other variables remain constant, would not have significant impact to equity and profit or loss.

Interest rate risk management

As at 2025 and 2024, interest rate risk is not considered significant on the Company since the majority of financial assets and liabilities are fixed rate or non interest-bearing.

Credit risk

The Company's credit risk is primarily attributed to its cash in banks, accounts receivable and other receivable. The Company has policies to place its cash in banks only in banks with good reputation.

To avoid potential losses due to bad debts, the Company monitor the receivable aging and entering transactions with reputable customers. It is the Company's policy that all customers who wish to trade on credit are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts.

When a customer fails to make payment within the credit term granted, the Company contacts the customer to act on the overdue receivables. If the customer does not settle the overdue receivable within a reasonable time, the Company proceeds to commence legal proceedings. To mitigate credit risk, the Company ceases the transactions to the customer in the event of late payment and/or default.

At December 31, 2025 the Company have two customers that owed the company more than Rp2,000,000,000 respectively. These balances accounted for 40% of all receivables owing. The Company does not hold collateral as security for any account receivables.

The Company applies the simplified approach to measuring lifetime expected credit for all account receivables. The Company account receivables based on shared credit risk characteristics and the past due information.

The expected loss rates are based on the payment profiles of sales and the historical credit losses experienced. The historical loss rates are adjusted to reflect current and include forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified several macroeconomic information that are most relevant, and accordingly adjusts the historical loss rates based on expected changes in such information. No significant changes to estimation techniques or assumptions were made during the reporting period.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

At the reporting date, the Company assess and believe that the loss allowance of account receivables are immaterial.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Liquidity risk

Currently, the Company expects to pay all liabilities upon maturity. In order to meet the cash commitments, the Company expects its operating activities to generate sufficient cash inflows.

The Company manages its liquidity risk by monitoring actual cashflow projections continuously and supervises the maturity of its financial liabilities.

The table below describes the Company's financial liabilities based on their maturities. The amounts disclosed in the table are the contractual undiscounted cash flow:

	Carrying amount	Contractual cash flows	Not later than 1 year	Between 1 and 2 years	More than 2 years
December 31, 2025					
Account payables	26,462,242	26,462,242	26,462,242	-	-
Accrued expenses	3,912,027	3,912,027	3,912,027	-	-
Lease liabilities	890,361	964,823	539,735	191,618	233,470
Total	31,264,630	31,339,092	30,914,004	191,618	233,470
	Carrying amount	Contractual cash flows	Not later than 1 year	Between 1 and 2 years	More than 2 years
December 31, 2024					
Account payables	32,921,950	32,921,950	32,921,950	-	-
Other payables	917	917	917	-	-
Accrued expenses	870,004	870,004	870,004	-	-
Lease liabilities	1,442,932	1,589,987	625,163	539,735	425,089
Total	35,235,803	35,382,858	34,418,034	539,735	425,089

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's strategy during 2025 and 2024, was to maintain or adjust the capital structure and it may adjust the amount of dividends paid to shareholders and return capital to shareholders.

There were no changes in the Company's approach to capital management during the year.

As generally accepted practice, the Company evaluates its capital structure through a debt-to-equity ratio (gearing ratio) which is calculated by dividing the net debt to capital. Net debt is total liabilities as presented in the statement of financial position reduced by the amount of cash and cash equivalents. While capital includes all components of equity in the statement of financial position.

PT SUDARSHAN INDONESIA SLO
(Formerly PT HEUBACH COLORANTS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

As of 2025 and 2024, the ratio calculation are as follows:

	2025	2024
Total liabilities	35,579,277	38,360,223
Less: cash in banks	(14,550,057)	(12,318,498)
Net debt	21,029,220	26,041,725
Total equity	28,509,648	22,000,435
Debt to equity ratio	0.74	1.18

Offsetting financial instruments

As at 2025 and 2024, there were no offsetting financial assets and liabilities from enforceable master netting arrangements and similar agreements.

21. SIGNIFICANT AGREEMENTS

Agreements	Parties	Validity period	Content of agreements
Management Service Agreement	Sudarshan Germany Horizon GmbH (Formerly Heubach Group GmbH)	23 November 2022 - terminated by both parties	Management Services by Sudarshan Germany Horizon GmbH (Formerly Heubach Group GmbH).
Bank Loan Agreement	Citibank N.A.	30 August 2016- terminated by both parties	Working capital facility amounting to US\$ 5,000,000 (or Rupiah equivalent). Interest rate based on the rate notified by the bank.

22. NON-CASH TRANSACTIONS

	2025	2024
Addition of right-of-use assets through lease liabilities	-	113,054

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)

Financial Statements
For the year ended
December 31, 2025
with Independent Auditor's Report

TABLE OF CONTENTS

Pages

DIRECTORS' STATEMENT

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS

For the year ended

December 31, 2025

Statements of Financial Position	1 - 2
Statements of Profit or Loss and Other Comprehensive Income	3
Statements of Changes in Equity	4
Statements of Cash Flows	5 - 6
Notes to the Financial Statements	7 - 28

**DIRECTOR'S STATEMENT
REGARDING RESPONSIBILITY FOR
THE FINANCIAL STATEMENT
FOR THE YEAR ENDED
DECEMBER 31, 2025
PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)**

I, the undersigned:

Name : Anton Sahdu Dwiari
Office address : Gatot Subroto Km 4 Jl Kalisabi No 1 Kota Tangerang 15138
Number telephone : +628170951843
Position : Director

Declare that:

1. Responsible for the preparation and fair presentation of financial statements of the Company;
2. The financial statements of the Company have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the financial statements of the Company have been disclosed in a complete and truthful manner;
b. The financial statements of the Company do not contain misleading information, and we have not omitted any information or facts that would be material to the financial statements;
4. Responsible for the internal control system in the Company;
5. Responsible for the compliance with laws and regulations.

This statement is made as truthfully.

Tangerang, June 19, 2026

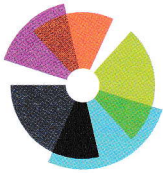


PT SUDARSHAN INDONESIA MFG
(Anton Sahdu Dwiari)
(Director)

Sudarshan Chemical Industries Limited

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PKF

**Paul Hadiwinata, Hidajat, Arsono,
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REGISTERED PUBLIC ACCOUNTANTS
DECREE OF THE FINANCE MINISTER OF THE REPUBLIC OF INDONESIA NO. 855/KM.1/2017

Independent Auditor's Report

Report No.: 01717/2.1133/AU.1/04/1669-4/1/VI/2026

The Shareholders, Commissioner, and Board of Directors
PT Sudarshan Indonesia MFG (formerly PT Heubach Colorants Coatings Indonesia)

Opinion

We have audited the financial statements of PT Sudarshan Indonesia MFG (formerly PT Heubach Colorants Coatings Indonesia) ("the Company"), which comprise the statement of financial position as at December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

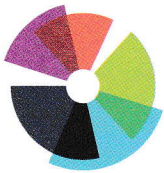
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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Paul Hadiwinata, Hidajat, Arsono,
Retno, Palilingan & Rekan

Independent Auditor's Report (continued)

Report No.: 01717/2.1133/AU.1/04/1669-4/1/VI/2026 (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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

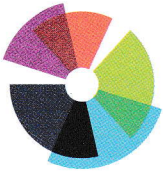
Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with Standards on Auditing, 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.



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**Paul Hadiwinata, Hidajat, Arsono,
Retno, Palilingan & Rekan**

Independent Auditor's Report (continued)

Report No.: 01717/2.1133/AU.1/04/1669-4/1/VI/2026 (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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.

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.

Paul Hadiwinata, Hidajat, Arsono, Retno, Palilingan & Rekan

Ronny, S.E., CPA

Public Accountant Registration No. AP. 1669

June 19, 2026



01717



PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
STATEMENTS OF FINANCIAL POSITION

As of December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
ASSETS			
CURRENT ASSETS			
Cash in banks	5	2,894,470	3,861,336
Account receivable	6, 20	973,310	5,551,016
Other receivable	7	73,961	60,148
Inventories	8	15,068,481	19,527,727
Advances and prepaid expenses		512,925	491,619
Prepaid tax	11a	883,941	6,196,959
Total current assets		20,407,088	35,688,805
NON-CURRENT ASSETS			
Property, plant and equipment	9	3,037,032	2,839,137
Right-of-use assets	10	2,473,841	3,201,021
Deferred tax assets	11e	640,607	185,546
Claim for tax refunds	11b	9,617,627	1,726,877
Total non-current assets		15,769,107	7,952,581
TOTAL ASSETS		36,176,195	43,641,386

See accompanying notes to the financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
STATEMENTS OF FINANCIAL POSITION

As of December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Account payables	12, 20, 21	21,435,414	24,674,222
Other payables	21	22,823	22,981
Accrued expenses	13, 21	1,080,890	1,140,346
Taxes payable	11c	52,692	38,624
Current portion of lease liabilities	10, 21	760,824	845,040
Employee benefits obligations - current portion	14	50,848	186,619
Total current liabilities		23,403,491	26,907,832
NON-CURRENT LIABILITIES			
Non-current portion of lease liabilities	10, 21	1,845,943	2,455,857
Employee benefits obligations - non-current portion	14	1,574,728	826,285
Total non-current liabilities		3,420,671	3,282,142
TOTAL LIABILITIES		26,824,162	30,189,974
EQUITY			
Share capital - authorised, issued, and fully paid 1,500,000 shares at par value Rp14,500 (full amount) per share	15	21,750,000	21,750,000
Additional paid-in capital	16	(794,829)	(794,829)
Accumulated losses		(11,452,640)	(7,439,217)
Other comprehensive loss		(150,498)	(64,542)
TOTAL EQUITY		9,352,033	13,451,412
TOTAL LIABILITIES AND EQUITY		36,176,195	43,641,386

See accompanying notes to the financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
Revenue	17	56,409,684	59,283,092
Cost of revenue	18	<u>(53,810,314)</u>	<u>(53,075,080)</u>
GROSS PROFIT		2,599,370	6,208,012
General and administrative expenses	19	<u>(5,971,593)</u>	<u>(7,134,252)</u>
OPERATING LOSS		(3,372,223)	(926,240)
Finance income		39,040	84,787
Finance expense		(202,370)	(94,356)
Other expense - net		<u>(581,228)</u>	<u>(857,307)</u>
LOSS BEFORE TAX		<u>(4,116,781)</u>	<u>(1,793,116)</u>
Income tax expense:			
Current tax	11d	(327,459)	-
Deffered tax	11d	<u>430,817</u>	<u>(67,778)</u>
Total income tax benefit (expense)		<u>103,358</u>	<u>(67,778)</u>
LOSS FOR THE YEAR		<u>(4,013,423)</u>	<u>(1,860,894)</u>
Items that will not be reclassified to profit or loss:			
Remeasurement of employee benefits obligations	14	(110,200)	97,946
Related income tax	11e	<u>24,244</u>	<u>(21,548)</u>
Other comprehensive (loss) income		<u>(85,956)</u>	<u>76,398</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(4,099,379)</u>	<u>(1,784,496)</u>

See accompanying notes to the financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
STATEMENTS OF CHANGES IN EQUITY

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Accumulated losses</u>	<u>Other comprehensive loss</u>	<u>Total equity</u>
Balance as of January 1, 2024	21,750,000	(794,829)	(5,578,323)	(140,940)	15,235,908
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(1,860,894)</u>	<u>76,398</u>	<u>(1,784,496)</u>
Balance as of December 31, 2024	21,750,000	(794,829)	(7,439,217)	(64,542)	13,451,412
Total comprehensive loss for the year	<u>-</u>	<u>-</u>	<u>(4,013,423)</u>	<u>(85,956)</u>	<u>(4,099,379)</u>
Balance as of December 31, 2025	<u>21,750,000</u>	<u>(794,829)</u>	<u>(11,452,640)</u>	<u>(150,498)</u>	<u>9,352,033</u>

See accompanying notes to the financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
STATEMENTS OF CASH FLOWS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(4,116,781)	(1,793,116)
Adjustments to reconcile loss before income tax to net cash used in operating activities:			
Depreciation of property, plant and equipment	9	402,105	402,105
Loss on disposal of property, plant and equipment	9	-	121,230
Depreciation of right-of-use assets	10	694,838	276,066
Employee benefits expenses	14	674,585	136,996
Provision (recovery) for impairment of inventories	8	1,382,454	(494,898)
Unrealized foreign exchange difference		65,010	8,937
Finance income		(39,040)	(84,787)
Finance expense		202,370	94,356
Cash flows from operating activities before changes in working capital		<u>(734,459)</u>	<u>(1,333,111)</u>
Changes in working capital:			
Account receivable		4,577,706	959,012
Other receivable		(13,813)	(52,590)
Inventories		3,076,793	(2,891,632)
Advances and prepaid expenses		(21,307)	(329,275)
Prepaid taxes		(2,570,633)	(2,827,055)
Account payables		(3,238,808)	6,166,606
Other payables		(156)	(9,055)
Accrued expenses		(59,457)	(773,639)
Taxes payable		14,068	(35,849)
Payment of finance expense		(202,370)	(94,356)
Proceeds from finance income		39,040	84,787
Payment for corporate income tax	11d	(788,531)	(945,445)
Received from tax restitution	11f	453,973	678,020
Payment of post-employment benefits obligations	14	(172,114)	-
Net cash provided by (used in) operating activities		<u>359,932</u>	<u>(1,403,582)</u>

See accompanying notes to the financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
STATEMENTS OF CASH FLOWS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from related parties		-	4,000,000
Acquisition of property, plant and equipment	9	<u>(600,000)</u>	<u>-</u>
Net cash (used in) provided by investing activities		<u>(600,000)</u>	<u>4,000,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities	10	<u>(661,788)</u>	<u>(252,940)</u>
Net cash used in financing activities		<u>(661,788)</u>	<u>(252,940)</u>
(DECREASE) INCREASE IN CASH IN BANKS		(901,856)	2,343,478
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies		(65,010)	(8,937)
CASH IN BANKS			
AT THE BEGINNING OF THE YEAR	5	<u>3,861,336</u>	<u>1,526,795</u>
CASH IN BANKS			
AT THE END OF THE YEAR	5	<u><u>2,894,470</u></u>	<u><u>3,861,336</u></u>

See accompanying notes to the financial statements
which form an integral part of the financial statements

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

1. GENERAL

a. Establishment and general information

PT Sudarshan Indonesia MFG (formerly PT Heubach Colorants Coatings Indonesia) (the "Company") was established under the name of PT Colorants Solutions Indonesia based on Notarial Deed No. 2 dated June 11, 2019 of Notary Jimmy Tanal, S.H., M.Kn., The Articles of Association was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-0028464.AH.01.01 dated June 14, 2019.

Articles of Association have been amended, most recently by Notarial Deed No. 128 dated July 15, 2025 of Notary Jimmy Tanal, S.H., M.Kn., regarding the change of Company name from PT Heubach Colorants Coatings Indonesia to PT Sudarshan Indonesia MFG. This Deed was approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decision Letter No. AHU-0047429.AH.01.02 Year.2025 dated July 18, 2025.

In accordance with Article 3 of the Company's Articles of Association, the Company is engaged in manufacturing and trading of chemical products. The Company started commercial operations on January 1, 2020.

The Company is domiciled at Jl. Kalisabi No. 1, Gatot Subroto Km 4, Jatiuwung, Tangerang.

The immediate parent of the Company is Sudarshan Switzerland Hldl AG. The Company's ultimate parent is Sudarshan Chemical Industries Limited, a company incorporated in India.

b. Board of Commissioners, Board of Directors, and Employees

The composition of the Company's Commissioner and Board of Directors as at December 31, 2025 were as follows:

Commissioner : Abhijit Gopal Naik

Board of Directors

President Director : Roy Sambit

Director : Anton Sahdu Dwiari

The composition of the Company's Board of Commissioners and Board of Directors as at December 31, 2024 were as

Board of Commissioners

President Commissioner : Abhijit Gopal Naik

Commissioner : Takayoshi Miyatani

Board of Directors

President Director : Seow Lea Bing

Director : Anton Sahdu Dwiari

On December 31, 2025 and 2024, the Company has 10 and 11 permanent employees (unaudited), respectively.

c. Completion of the financial statements

The preparation and fair presentation of financial statements were the responsibilities of the management, and were approved by the Board of Directors and authorized for issue on June 19, 2026.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("SFAS") AND INTERPRETATIONS OF STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("ISFAS")

a. Standards, amendments/improvements, and interpretations to standards effective in the current year

Standards, amendments/improvements, and interpretations effective for periods beginning on or after January 1, 2025, with early application permitted is Amendment SFAS 221 "The Effects of Changes in Foreign Exchange Rates" about lack of exchangeability.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

The Company has assessed that the adoption of the above mentioned accounting standards and interpretations, do not have any significant impact to the financial statements.

b. Standards, amendments, and interpretations to standards issued but not yet adopted

Standards, amendments/improvements and interpretations effective for periods beginning on or after January 1, 2026, with early adoption permitted, are as follows:

- Amendments to SFAS 109 and 107: Contracts referring to natural-dependent electricity.
- Annual improvement SFAS 107 "Financial Instruments: Disclosures", SFAS 109 "Financial Instruments", SFAS 110 "Consolidated Financial Statements", and SFAS 207 "Statement of Cash Flows".
- Amendment SFAS 109 "Financial Instruments" and SFAS 107 "Financial Instruments: Disclosures" about the classification and measurement of financial instruments.

Standard effective for periods beginning on or after January 1, 2027, with early application permitted is SFAS 118 "Presentation and Disclosure in Financial Statements".

As of the issuance date of the financial statements, the effects of adopting these standards, amendments, and interpretation on the financial statements is not known nor reasonably estimable by management.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a. Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indonesian Financial Accounting Standards, which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Institute of Indonesia Chartered Accountants ("FASB").

The statements of cash flows are prepared using the indirect method with classifications of cash flows into operating, investing, and financing activities.

The financial statements of the Company are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Indonesian Rupiah, which is the functional currency and the presentation currency for the financial statements.

b. Foreign currency transactions and translation

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing.
- Exchange differences on transaction entered into in order to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

As of December 31, 2025 and 2024, the exchange rates used are as follows:

	2025	2024
United States Dollar ("US\$" or "US Dollars") (Full Amounts)	16,686	16,139
Euro (Full Amounts)	19,594	16,774

c. Transactions with related parties

The Company has transaction with related parties as defined in SFAS 224.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

d. Financial instruments

The Company's financial assets comprise cash in banks, account receivable, and other receivable, and the Company's financial liabilities comprise account payables, other payables, accrued expenses, and lease liabilities, are categorized as "financial instruments measured at amortized cost".

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at amortized cost are recognized initially at fair value plus transaction costs. Subsequently, the financial assets are measured using the Effective Interest Rate ("EIR") method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss. The losses arising from impairment are also recognized in the profit or loss.

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company compare 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 consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

The Company recognises lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month expected credit loss.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company applied a simplified approach to measure such expected credit loss for account receivables. Impairment losses on receivables are presented as net impairment losses within general and administrative expenses. When the receivables for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the same line item.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

A financial asset (or where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognized when: (1) the rights to receive cash flows from the asset have expired; or (2) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company has financial liabilities classified into the financial liabilities measured at amortised cost. All financial liabilities are recognised initially at fair value. Financial liabilities are classified as non-current liabilities when the remaining maturity is more than 12 months, and as current liabilities when the remaining maturity is less than 12 months.

Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another liability with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in the statements of profit or loss.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legal right of offset and there is an intention to settle on a net basis, or when the asset is realized and the liability settled simultaneously.

e. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using "First-In, First-Out" (FIFO) method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

f. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write-off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	<u>Years</u>
Buildings	10 - 20
Machinery and equipment	2 - 14

The estimated useful lives, residual values, and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

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 sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Construction in progress is stated at cost and transferred to the respective property, plant and equipment account when completed and ready for use.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

g. Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

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

h. Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company shall assess whether:

- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are the most relevant to changing how and for what purpose the asset is used are predetermined:
 - a. The Company has the right to operate the asset;
 - b. The Company has designed the asset in a way that predetermined how and for what purpose it will be used.

At the inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices and the aggregate stand-alone price of the non-lease components.

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

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

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

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Each lease payment is allocated between the liabilities and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

The Company presents right-of-use assets separately from "Property, plant and equipment" and "Lease liabilities" in the statement of financial position.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use assets reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use assets from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and lease of low-value assets. The Company recognises the leases payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Company:

- remeasure and allocate the consideration in the modified contract;
- determine the lease term of the modified lease;
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate on the basis of the remaining lease term and the remaining lease payment with a corresponding adjustment to the right-of-use assets. The revised discount rate is determined as the Company's incremental borrowing rate at the effective date of the modification;
- decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Company recognise in profit or loss any gain or loss relating to the partial or full termination of the lease; and
- make a corresponding adjustment to the right-of-use assets for all other lease modifications.

i. Revenue and expense recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product to a customer.

The Company recognises revenue from sale of chemical and others finished goods when the customer obtains control of the good, being when the goods are delivered and have been accepted by customers at their premise location. The payment is generally due within 90 days from delivery.

Expenses are recognised when incurred on the accrual basis.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

j. Employee benefits

Short-term employee benefits are recognized when they accrue to the employees. Short-term employee benefits include wages, salaries, bonus, and incentives.

The Company provides post-employment benefits as required under Law No. 6/2023, Government Regulation No. 35 of 2021 and Company Labor Agreement (CLA).

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rate of long-term government bond yields that are denominated in Rupiah in which the benefit will be paid and that have terms to maturity similar to related pension obligation. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Past-service costs are recognised immediately in profit or loss. Gains or losses on the curtailment or settlement are recognised when the curtailment or settlement occurs.

The Company also provide additional awards to all of its employees who meet certain requirements within length of service according to CLA. The other long-term employee benefits are computed using the Projected Unit Credit method. Actuarial gains or losses and past service costs are immediately recognized in profit or loss.

The amount recognized as an obligation for other long-term employee benefits in the financial position is the present value of other long-term employee benefit obligations as of the reporting date.

k. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax is recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

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

The measurement of deferred tax assets and liabilities 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 their assets and liabilities.

The carrying amount of deferred tax asset 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.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in Note 3, the Board of Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgments in applying accounting policies

Below are the critical judgments, apart from those involving estimations, that the Board of Directors have made in the process of applying the Company accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Leases

Determining whether an arrangement is or contains a lease requires careful judgement to assess whether the arrangement conveys a right to obtain substantially all the economic benefits from use of the asset throughout the period of use and right to direct the use of the asset, even if the right is not explicitly specified in the arrangement.

Since the Company could not readily determine the implicit rate, management used the Company's incremental borrowing rate as a discount rate. There are a number of factors to consider in determining an incremental borrowing rate, many of which need judgment in order to be able to reliably quantify any necessary adjustments to arrive at the final discount rates. In determining an incremental borrowing rate, the Company considers the following main factors: the Company's corporate credit risk, the lease term, the lease payment term, the economic environment, the time at which the lease is entered into, and the currency in which the lease payments are denominated.

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

Key sources of estimation uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Allowance for the decline in the value of inventories

The Company provides an allowance for the decline in the value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for the decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for the decline in value of inventories, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 8.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

b. Estimated useful lives of property, plant and equipment

The useful lives of each item of the Company's property, plant and equipment are estimated based on the period over which the asset is expected to be available for use. Such estimation is based on internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above.

A change in the estimated useful lives of any item of property, plant and equipment would affect the recorded depreciation expense and decrease in the carrying values of these assets.

The carrying values of property, plant and equipment are disclosed in Note 9.

c. Employee benefit liabilities

The present value of the employee benefit liabilities depends on a number of factors that are determined by using actuarial assumptions. The assumptions used in determining the net cost for pensions include the future salary increase and the discount rate. Any changes in these assumptions will impact the carrying amount of employee benefit obligations. Other key assumptions for employee benefit obligations are based in part on current market. The carrying amount of the obligation is disclosed in Note 14.

d. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income, could necessitate future adjustments to tax income and expense already recorded.

Estimate and significant judgment are involved in determining the provision for corporate income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain in the ordinary course of business. The Company recognizes liabilities for expected corporate income tax issues based on estimates as to whether additional corporate income tax will be due.

e. Realizability of deferred tax assets

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 profit will be available to allow all or part of the deferred tax assets to be utilized. Based on current assessment, management believes that sufficient taxable profit will be generated to allow all or part of the deferred tax assets to be utilized. The carrying amount of deferred tax assets is disclosed in Note 11e.

5. CASH IN BANKS

	<u>2025</u>	<u>2024</u>
Cash in banks		
Rupiah	2,864,978	3,731,926
U.S. Dollar	29,492	129,410
Total	<u>2,894,470</u>	<u>3,861,336</u>

Cash in banks earns interest at floating rates based on daily bank deposit rates.

6. ACCOUNT RECEIVABLE

	<u>2025</u>	<u>2024</u>
Related parties (Note 20)	973,310	5,551,016
Total	<u>973,310</u>	<u>5,551,016</u>

The average credit period for sale of goods are 60 to 90 days. Account receivable are non-interest bearing and unsecured.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Management believes that all receivables are fully collectible. These relate to receivables from a number of customers for whom there is no history of default. Therefore, provision for impairment of receivables are considered not necessary.

7. OTHER RECEIVABLE

	2025	2024
Third parties	73,961	60,148
Total	73,961	60,148

Other receivables are non-interest bearing and unsecured.

8. INVENTORIES

	2025	2024
Raw materials	13,835,207	15,212,193
Finished goods	2,914,280	2,601,668
Inventories in transit	657,182	2,728,569
Supporting materials	137,820	169,562
Packing materials	90,711	-
Total	17,635,200	20,711,992
Allowance for decline in value	(2,566,719)	(1,184,265)
Inventories - net	15,068,481	19,527,727

The movement of provision for impairment of inventories are as follows:

	2025	2024
Beginning balance	1,184,265	1,679,163
Addition	1,382,454	-
Recovery	-	(494,898)
Ending balance	2,566,719	1,184,265

The reversal of write-down in year 2024 as the Company sold the relevant goods that had been written down.

Management believes that the provision for impairment of inventories are adequate to cover possible losses on decline in value of inventories.

9. PROPERTY, PLANT AND EQUIPMENT

	2025			
	Beginning balance	Additions	Disposals	Ending balance
Acquisition cost				
Buildings	2,707,939	-	-	2,707,939
Machinery and equipment	3,568,322	-	-	3,568,322
Construction in progress	-	600,000	-	600,000
Total	6,276,261	600,000	-	6,876,261
Accumulated depreciation				
Buildings	844,982	168,996	-	1,013,978
Machinery and equipment	2,592,142	233,109	-	2,825,251
Total	3,437,124	402,105	-	3,839,229
Net book value	2,839,137			3,037,032

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended

December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	2024			
	Beginning balance	Additions	Disposals	Ending balance
Acquisition cost				
Buildings	2,707,939	-	-	2,707,939
Machinery and equipment	3,568,322	-	-	3,568,322
Construction in progress	121,230	-	121,230	-
	<u>6,397,491</u>	<u>-</u>	<u>121,230</u>	<u>6,276,261</u>
Accumulated depreciation				
Buildings	675,986	168,996	-	844,982
Machinery and equipment	2,359,033	233,109	-	2,592,142
	<u>3,035,019</u>	<u>402,105</u>	<u>-</u>	<u>3,437,124</u>
Net book value	<u>3,362,472</u>			<u>2,839,137</u>

Depreciation expenses for the years ended 2025 and 2024 are allocated as follows:

	2025	2024
Cost of revenue (Note 18)	<u>402,105</u>	<u>402,105</u>
Total	<u>402,105</u>	<u>402,105</u>

Management believes that there are no changes in circumstances that indicate material impairment of property, plant and equipment as at 2025 and 2024.

Disposal of property, plant and equipment are as follows:

	2025	2024
Proceeds from disposal of property, plant and equipment	-	-
Net carrying amount	<u>-</u>	<u>121,230</u>
Loss on disposal of property, plant and equipment	<u>-</u>	<u>121,230</u>

10. LEASES

The Company leases buildings and vehicle. Rental contracts are made for periods of 2 to 8 years. Leases do not contain any variable payment terms, extension and termination options and residual value guarantees.

The reconciliation of right-of-use asset and lease liabilities by major classifications were as follows:

	2025			
	Beginning balance	Additions	Deductions	Ending balance
Acquisition cost				
Buildings	3,618,595	-	32,342	3,586,253
Vehicle	322,537	-	-	322,537
Total	<u>3,941,132</u>	<u>-</u>	<u>32,342</u>	<u>3,908,790</u>
Accumulated depreciation				
Buildings	515,232	614,204	-	1,129,436
Vehicle	224,879	80,634	-	305,513
Total	<u>740,111</u>	<u>694,838</u>	<u>-</u>	<u>1,434,949</u>
Net carrying value	<u>3,201,021</u>			<u>2,473,841</u>

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended

December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	2024			
	<u>Beginning balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending balance</u>
Acquisition cost				
Buildings	1,279,200	2,339,395	-	3,618,595
Vehicle	322,537	-	-	322,537
Total	<u>1,601,737</u>	<u>2,339,395</u>	<u>-</u>	<u>3,941,132</u>
Accumulated depreciation				
Buildings	319,800	195,432	-	515,232
Vehicle	144,245	80,634	-	224,879
Total	<u>464,045</u>	<u>276,066</u>	<u>-</u>	<u>740,111</u>
Net carrying value	<u>1,137,692</u>			<u>3,201,021</u>

Changes in lease liabilities during the year 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	3,300,897	1,214,442
Adjustment	(32,342)	2,339,395
Cash flow out	(661,788)	(252,940)
Ending balance	<u>2,606,767</u>	<u>3,300,897</u>
Presented as:		
Current	760,824	845,040
Non-current	1,845,943	2,455,857
Amount recognised in profit loss:		
Interest on lease liabilities	202,370	94,356
Depreciation of right-of-use assets (Note 18)	694,838	276,066

11. TAXATION

a. Prepaid tax

	<u>2025</u>	<u>2024</u>
Value added tax	883,941	6,196,959
Total	<u>883,941</u>	<u>6,196,959</u>

b. Claim for tax refunds

	<u>2025</u>	<u>2024</u>
Corporate income tax ("CIT")		
- Article 28A - 2023	-	781,432
- Article 28A - 2024	945,445	945,445
- Article 28A - 2025	788,531	-
Value added tax	7,883,651	-
Total	<u>9,617,627</u>	<u>1,726,877</u>

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

c. Taxes payable

	2025	2024
Article 21	8,192	26,016
Article 23 and 26	44,500	12,608
Total	52,692	38,624

d. Income tax (benefit) expense

	2025	2024
Current tax	-	-
Adjustment to prior years' tax expense (Note 11f)	327,459	-
Total current tax	327,459	-
Deferred tax benefit	(430,817)	67,778
Income tax (benefit) expense	(103,358)	67,778

Reconciliation of loss before income tax according to statements of profit or loss and other comprehensive income to Company's taxable profit are as follows:

	2025	2024
Loss before income tax	(4,116,781)	(1,793,116)
Fiscal corrections:		
Post-employment benefits	502,471	136,996
Provision (recovery) for impairment of inventories	1,382,454	(494,898)
Difference between commercial and fiscal depreciation	40,284	26,697
Difference between lease payments and right-of-use assets depreciation and finance expenses	33,051	23,125
Sub total	(2,158,521)	(2,101,196)
Non-deductible expenses	89,686	557,299
Income subject to final tax	(39,040)	(41,237)
Current year fiscal loss	(2,107,875)	(1,585,134)
Current income tax expense	-	-
Less: prepaid taxes	(788,531)	(945,445)
CIT overpayment	(788,531)	(945,445)

The reconciliation between the income tax expense and the tax amount on the Company's profit before income tax are as follows:

	2025	2024
Loss profit before income tax	(4,116,781)	(1,793,116)
Income tax	(905,692)	(394,486)
Non-deductible expenses	19,731	122,606
Income subject to final tax	(8,589)	(9,072)
Unrecognised deferred tax	463,733	348,730
Adjustment to prior years tax expense	327,459	-
Income tax (benefit) expense	(103,358)	67,778

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

For the fiscal year 2025 and 2024, the corporate income tax rate used by the Company is 22%.

In 2025 and 2024 financial statements, the tax calculation is based on preliminary calculations, as the Company has yet to submit its corporate income tax returns.

Under the taxation laws of Indonesia, the Company submit tax returns on the basis of self-assessment system. The tax authorities may asses or amend taxes within the statute of limitations, under prevailing regulations.

e. Deferred tax assets

The details of the Company's deferred tax assets for 2025 and 2024 are as follows:

2025				
	Beginning balance	(Charged)/credited to profit or loss	Credited to other comprehensive income	Ending balance
Provision-employment benefits obligation	222,838	110,544	24,244	357,626
Provision for impairment of inventories	260,539	304,140	-	564,679
Difference between commercial and fiscal depreciation	(319,804)	8,862	-	(310,942)
Difference between lease payments and right-of-use assets depreciation and finance cost	21,973	7,271	-	29,244
Total	185,546	430,817	24,244	640,607
2024				
	Beginning balance	(Charged)/credited to profit or loss	Credited to other comprehensive income	Ending balance
Provision-employment benefits obligation	214,247	30,139	(21,548)	222,838
Provision for impairment of inventories	369,417	(108,878)	-	260,539
Difference between commercial and fiscal depreciation	(325,677)	5,873	-	(319,804)
Difference between lease payments and right-of-use assets depreciation and finance cost	16,885	5,088	-	21,973
Total	274,872	(67,778)	(21,548)	185,546

Realization of the Company's deferred tax assets is dependent upon their profitable operations. Management believes that these deferred tax assets are probable of being realized through offset against taxes due on future taxable income.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Details of tax loss carryforwards on which the related deferred tax assets are not recognised based on expiry of utilization period:

	2025	2024
Fiscal year 2025	367,774	367,774
Fiscal year 2026	2,842,607	2,842,607
Fiscal year 2027	285,134	285,134
Fiscal year 2029	1,585,134	1,585,134
Fiscal year 2030	1,502,460	-
Total	6,583,109	5,080,649

f. Tax assesment letter

On June 30, 2025, the Company received a tax assessment letter (SKPLB) related to Corporate income tax (CIT). Based on the SKPLB related to corporate income tax (CIT), the Tax Office approved the claim for a refund of the excess tax for 2023 amounting to Rp781,432, the difference of Rp327,459 recorded as income tax expense in the current year. On July 31, 2025, the Company received the refund of the tax claim amounting to Rp453,973.

On May 28, 2024, the Company received Overpayment Tax Assessment Letter (SKPLB) Corporate income tax (CIT), Underpayment Tax Assessment Letter (SKPKB) Articles 21 and 26, and Tax Collection Letter (STP) penalties on VAT for fiscal year 2022. Based on the SKPLB, the Tax Office approved the Company's claim for tax refund for 2022 amounting to Rp718,285 and issued SKPKB and STP totaling Rp40,265. On June 28, 2024, the Company received the refund of the tax claim amounting to Rp678,020, after net-off with such SKPKB and STP.

12. ACCOUNT PAYABLES

	2025	2024
Third parties	2,791,507	3,577,541
Related parties (Note 20)	18,643,907	21,096,681
Total	21,435,414	24,674,222

Purchase of raw and indirect materials, both from local and foreign suppliers, have credit terms of 30 to 60 days. Account payables are non-interest bearing and unsecured.

13. ACCRUED EXPENSES

	2025	2024
Purchase of inventories	494,780	637,159
Professional fee	233,483	218,982
Employee bonuses and allowance	290,427	146,854
Management service fee	-	80,365
Others	62,200	56,986
Total	1,080,890	1,140,346

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

14. EMPLOYEE BENEFITS LIABILITIES

Post-employment benefits calculations as at 2025 and 2024 were each calculated based on the valuation reports of an independent actuary, PT Milliman Indonesia. The amounts included in the statement of financial position arising from the Company's obligation in respect of these employee benefit obligations are as follows:

	2025	2024
Post employment benefits	1,517,350	914,107
Other long-term employment benefits	108,226	98,797
Total	1,625,576	1,012,904
Presented as:		
Current portion	50,848	186,619
Non-current portion	1,574,728	826,285

Post employment benefits

Movements in the present value of the defined benefits obligations were as follows:

	2025	2024
Defined benefit liability - beginning balance	914,107	881,099
Included in profit or loss		
Current service costs	112,535	72,802
Interest expense	452,625	58,152
Past service costs	89,997	-
Included in other comprehensive income		
Remeasurements:		
Changes in financial assumption	142,078	(49,782)
Experience adjustments	(31,878)	(48,164)
Benefit paid	(162,114)	-
Defined benefit liability - ending balance	1,517,350	914,107

The main assumption used as follows:

	2025	2024
Discount rate	6.20%	7.00%
Future salary increases	7.00%	7.00%
Mortality rate	TMI IV - 2019	TMI IV - 2019
Normal retirement age	55 Years	55 Years

The Company is exposed to a number of risks through its defined benefit pension plans such as interest rate risk, longevity risk, and salary risk.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at 2025 and 2024 are as follows:

	2025	2024
Increase in interest rate by 1%	(175,823)	(111,864)
Decrease in interest rate by 1%	196,895	128,862
Increase in salary increment rate by 1%	212,815	142,709
Decrease in salary increment rate by 1%	(208,020)	(133,789)

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 recognized in the statement of financial position.

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

The weighted average duration of the defined benefit pension obligation as at 2025 and 2024 are 7.63 and 7.9 years, respectively. Expected maturity analysis of undiscounted pension benefits are as follows:

	2025	2024
Within less than 1 year	50,848	186,619
Within 1-5 years	240,060	227,642
Within 5-10 years	1,028,623	512,472
Within more than 10 years	15,046,349	5,648,859

Other long-term employment benefits

Other long-term employment benefits include service award is discounted to present value.

The movements of the present value of liability for other long-term employment were as follows:

	2025	2024
Balance at beginning of year	98,797	92,755
Included in profit or loss		
Current service costs	10,535	6,383
Past service costs	23,782	-
Interest expense	8,232	6,122
Remeasurement:		
Changes in financial assumption	2,883	(1,221)
Experience adjustments	(26,003)	(5,242)
Subtotal	19,429	6,042
Benefits paid	(10,000)	-
Balance at end of year	108,226	98,797

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

15. SHARE CAPITAL

The composition of shareholders as at 2025 and 2024 were as follows:

Shareholders	Number of shares	Percentage of ownership	Amount
Sudarshan Switzerland HLD1 AG (formerly Heubach Holding Switzerland AG)	1,499,850	99.99%	21,747,825
Sudarshan Switzerland Consulting AG (formerly Heubach Colorants Consulting Switzerland AG)	150	0.01%	2,175
Total	1,500,000	100%	21,750,000

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

16. ADDITIONAL PAID IN CAPITAL

On January 1, 2020, the Company purchased the Pigment Production Business Unit from PT Sudarshan Indonesia SLO (formerly Heubach Colorants Indonesia) (an entity under common control) at the total transfer price of Rp12,955,000. The related book value of the net assets of the acquired business unit was Rp12,061,890 which resulted into a difference in value of transaction with entities under common control after tax amounting to Rp794,829.

17. REVENUE

	2025	2024
Domestic	27,886,651	35,370,623
Export	28,523,033	23,912,469
Total	56,409,684	59,283,092

Refer to Note 20 for details of related parties transactions and balances.

All the above revenue are recognized when the products are transferred at a point in time.

18. COST OF REVENUE

The details by nature:

	2025	2024
Raw materials and packaging materials used	44,713,723	45,684,574
Salaries and allowance	3,684,530	2,874,495
Professional fees	2,375,586	2,456,406
Freight	1,096,943	931,552
Depreciation (Note 9 and Note 10)	697,214	678,171
Supplies	522,298	383,006
Repair and maintenance	427,120	328,749
Others	605,512	702,902
Cost of goods manufactured	54,122,926	54,039,855
Balance of finished goods inventories (Note 8)		
- Beginning of the year	2,601,668	1,636,893
- Ending of the year	(2,914,280)	(2,601,668)
Total	53,810,314	53,075,080

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Refer to Note 20 for details of related parties transactions and balances.

19. GENERAL AND ADMINISTRATIVE EXPENSES

The details by nature:

	2025	2024
Management services fee	5,354,193	6,763,888
Professional fees	377,867	319,928
Others	239,533	50,436
Total	5,971,593	7,134,252

20. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

The related parties and the nature of relationship are as follows:

Related parties	Nature of relationship
Sudarshan Switzerland Hld1 AG (Formerly Heubach Holding Switzerland AG)	Parent entity
Sudarshan Malaysia SLO Sdn. Bhd. (Formerly Heubach Colorants Malaysia Sdn. Bhd.)	Entities under common control
Sudarshan MFG (Thailand) Ltd. (Formerly Heubach Colorants (Thailand) Ltd)	Entities under common control
Sudarshan Singapore SLO Pte. Ltd. (Formerly Heubach Colorants Singapore Pte. Ltd.)	Entities under common control
PT Sudarshan Indonesia SLO (Formerly PT Heubach Colorants Indonesia)	Entities under common control
Sudarshan Germany Horizon GmbH (Formerly Heubach Group GmbH)	Entities under common control

Related party transactions and balances are as follows:

	2025	2024
<u>Account receivable</u>		
Entities under common control	973,310	5,551,016
Total	973,310	5,551,016

	2025	2024
<u>Account payables</u>		
Parent entity	392,131	638,693
Entities under common control	18,251,776	20,457,988
Total	18,643,907	21,096,681

	2025	2024
<u>Sales</u>		
Entities under common control	56,409,684	59,283,092
Total	56,409,684	59,283,092

	2025	2024
<u>Purchases</u>		
Parent entity	3,583,883	4,682,845
Entities under common control	22,737,965	24,002,482
Total	26,321,848	28,685,327

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

	2025	2024
<u>Management services fee</u>		
Entities under common control	2,513,612	3,564,574
Total	2,513,612	3,564,574
	2025	2024
<u>Professional fee</u>		
Parent entity	2,226,570	2,302,482
Total	2,226,570	2,302,482

21. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL MANAGEMENT

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled between knowledgeable and willing parties in an arm's length transactions.

The short-term financial instruments are expected to be realized or settled in the near term. Fair value of short-term financial instruments approximates their carrying amount as the impact of discounting is not significant.

Financial risk management policies and objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The Company's financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

Risk management is carried out by the Company's Board of Directors. The Board of Directors identifies, evaluates and manages financial risks. The Board of Directors determine the basic principles of the overall Company's risk management including market risk, credit risk and liquidity risk.

Foreign currency risk management

The Company is exposed to the effect of foreign currency exchange rate fluctuation mainly because of foreign currency denominated transactions such as export sales and purchases of goods.

To manage its foreign currency fluctuation exposure, the Company maintains the exposure at an acceptable level by buying foreign currencies that will be needed to avoid exposure from short term fluctuations. When considered necessary, the Company also entered into forward foreign exchange contracts within established parameters.

The Company believes that a change in of foreign currency exchange rate at the end of the reporting period, with all other variables remain constant, would not have significant impact to equity and profit or loss.

Interest rate risk management

As at 2025 and 2024, interest rate risk is not considered significant on the Company since the majority of financial assets and liabilities are fixed rate or non interest-bearing.

Credit risk

The Company's credit risk is primarily attributed to its cash in banks, account receivable, and other receivable. The Company has policies to place its cash in banks only in banks with good reputation.

To avoid potential losses due to bad debts, the Company monitor the receivable aging and entering transactions with reputable customers. It is the Company's policy that all customers who wish to trade on credit are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the exposure to bad debts.

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

When a customer fails to make payment within the credit term granted, the Company contacts the customer to act on the overdue receivables. If the customer does not settle the overdue receivable within a reasonable time, the Company proceeds to commence legal proceedings. To mitigate credit risk, the Company ceases the transactions to the customer in the event of late payment and/or default.

At December 31, 2025 the Company only has three customers with balance of receivables Rp973.310 (2024: two customers with balance of Rp5,551,016). The Company does not hold collateral as security for any account receivables.

Management is confident in its ability to continue to control and sustain minimal exposure to credit risk given that the Company has clear policies on the selection of customers, legally binding agreements in place for sales transactions and historically low levels of bad debt.

The expected loss rates are based on the payment profiles of sales and the historical credit losses experienced. The historical loss rates are adjusted to reflect current and include forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified several macroeconomic information that are most relevant, and accordingly adjusts the historical loss rates based on expected changes in such information. No significant changes to estimation techniques or assumptions were made during the reporting period.

At the reporting date, the Company assess and believe that the loss allowance of account receivable are immaterial.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Liquidity risk

Currently the Company expects to pay all liabilities upon maturity. In order to meet the cash commitments, the Company expects its operating activities to generate sufficient cash inflows.

The Company manages its liquidity risk by monitoring actual cashflow projections continuously and supervises the maturity of its financial liabilities.

The table below describes the Company's financial liabilities based on their maturities. The amounts disclosed in the table are the contractual undiscounted cash flow:

	Carrying amount	Contractual cash flow	Not later than 1 year	Between 1 and 2 years	More than 2 years
December 31, 2025					
Account payables	21,435,414	21,435,414	21,435,414	-	-
Other payables	22,823	22,823	22,823	-	-
Accrued expenses	1,080,890	1,080,890	1,080,890	-	-
Lease liabilities	2,606,767	2,987,167	761,137	742,010	1,484,020
Total	25,145,894	25,526,294	23,300,264	742,010	1,484,020
	Carrying amount	Contractual cash flow	Not later than 1 year	Between 1 and 2 years	More than 2 years
December 31, 2024					
Account payables	24,674,222	24,674,222	24,674,222	-	-
Other payables	22,981	22,981	22,981	-	-
Accrued expenses	1,140,346	1,140,346	1,140,346	-	-
Lease liabilities	3,300,897	3,895,492	847,753	776,280	2,271,459
Total	29,138,446	29,733,041	26,685,302	776,280	2,271,459

PT SUDARSHAN INDONESIA MFG
(formerly PT HEUBACH COLORANTS COATINGS INDONESIA)
NOTES TO THE FINANCIAL STATEMENTS

For the year ended
December 31, 2025

(Expressed in thousands of Rupiah, unless otherwise stated)

Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company's strategy during 2025 and 2024, were to maintain or adjust the capital structure and it may adjust the amount of dividends paid to shareholders and return capital to shareholders.

There were no changes in the Company's approach to capital management during the year.

As generally accepted practice, the Company evaluates its capital structure through a debt-to-equity ratio (gearing ratio) which is calculated by dividing the net debt to capital. Net debt is total liabilities as presented in the statement of financial position reduced by the amount of cash in banks. While capital includes all components of equity in the statement of financial position.

As at 2025 and 2024, the ratio calculation are as follows:

	2025	2024
Total liabilities	26,824,162	30,189,974
Less: cash in banks	<u>(2,894,470)</u>	<u>(3,861,336)</u>
Net debt	23,929,692	26,328,638
Total equity	<u>9,352,033</u>	<u>13,451,412</u>
Debt to equity ratio	<u>2.56</u>	<u>1.96</u>

Offsetting financial instruments

As at 2025 and 2024, there were no offsetting financial assets and liabilities from enforceable master netting arrangements and similar agreements.

22. SIGNIFICANT AGREEMENTS

Agreements	Parties	Validity period	Arrangement
Service Agreement	PT Clariant Indonesia	18 June 2019 - terminated by both parties	Services by PT Clariant Indonesia
Service Agreement	Clariant Services (Poland) Sp. z.o.o	1 January 2020 - terminated by both parties	Services by Clariant Services (Poland) Sp. z.o.o
Information Technology Framework Agreement	Clariant International AG	1 January 2020 - terminated by both parties	Services by Clariant International AG
License agreement	Sudarshan Switzerland HLD1 AG (Formerly Heubach Holding Switzerland AG)	1 Januari 2020 - dihentikan oleh kedua belah pihak	Pelayanan oleh Sudarshan Switzerland HLD1 AG (Formerly Heubach Holding Switzerland AG)

23. NON-CASH TRANSACTIONS

	2025	2024
Addition of right-of-use assets through lease liabilities	-	2,339,395

SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)



Balance Sheet as at March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Notes	March 31, 2026	March 31, 2025
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3A	136.67	128.44
(b) Capital work-in-progress	3B	7.63	4.75
(c) Right of use asset	4A	19.82	22.96
(d) Goodwill	3C	8.94	8.94
(e) Financial assets			
(i) Investments	5	4.23	4.23
(ii) Loans	6	0.02	0.02
(iii) Other financial assets	7	10.27	10.82
(f) Other non-current assets	8	10.81	4.01
(g) Non-current tax assets (net)		18.36	23.36
Total Non-Current Assets		216.75	207.53
Current assets			
(a) Inventories	9	156.15	131.41
(b) Financial assets			
(i) Trade receivables	10	179.39	153.67
(ii) Cash and cash equivalents	11	133.36	177.08
(iii) Bank balances other than (ii) above	11	102.01	13.53
(iv) Loans	12	0.06	0.28
(v) Other financial assets	13	3.39	31.93
(c) Other current assets	14	13.72	42.68
Total Current Assets		588.08	550.58
TOTAL ASSETS		804.83	758.11
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	23.08	23.08
(b) Other equity	16	547.00	500.26
TOTAL EQUITY		570.08	523.34
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4B	20.41	22.81
(b) Provisions	17	10.28	13.85
(c) Deferred tax liabilities (net)	18	0.71	1.49
Total Non-Current Liabilities		31.40	38.15
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	4C	2.57	2.28
(ii) Trade payables	19		
(a) Total outstanding dues of micro and small enterprises		6.09	1.82
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		160.24	157.21
(iii) Other financial liabilities	20	16.19	20.38
(b) Other current liabilities	21	5.74	2.37
(c) Provisions	22	9.55	9.59
(d) Current tax liabilities (net)		2.97	2.97
Total Current Liabilities		203.35	196.62
TOTAL EQUITY AND LIABILITIES		804.83	758.11

Summary of material accounting policies
The accompanying notes form an integral part of the Financial Statements

2

In terms of our report attached
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

For and on behalf of the Board of Directors
Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Udit Brijesh Parikh
Partner
Membership No. 151016
Place: Dallas, United States of America
Date: May 11, 2026



Sambit Roy
Managing Director
DIN: 08291664
Place: Navi Mumbai
Date: May 11, 2026

Sudha Navandar
Director
DIN: 02804964
Place: Mumbai
Date: May 11, 2026

Nilkanth Natu
Chief Financial Officer
Place: Frankfurt, Germany
Date: May 11, 2026

Adwait Joshi
Company Secretary
Membership No. A39132
Place: Pune
Date: May 11, 2026

SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)



Statement of Profit and Loss for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2026	Year Ended March 31, 2025
REVENUE			
Revenue from operations	23	780.63	825.06
Other income	24	26.84	18.77
Total Income		807.47	843.83
EXPENSES			
Cost of materials consumed	25	354.83	376.05
Purchase of stock-in-trade		135.93	104.31
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(16.62)	(3.11)
Employee benefits expense	27	71.10	84.78
Finance costs	28	2.52	2.62
Depreciation and amortisation expense	29	19.66	21.02
Other expenses	30	177.44	181.23
Total Expenses		744.86	766.90
Profit before exceptional items and tax		62.61	76.93
Exceptional items (Note 42 & Note 49)		(4.99)	(8.82)
Profit before tax		57.62	68.11
Tax expense			
Current tax		16.40	18.52
Deferred tax		(1.52)	(0.99)
Tax expense of prior years	32	(1.79)	(0.87)
Total Tax Expenses		13.09	16.66
Profit for the year		44.53	51.45
Other comprehensive income (OCI)(net of tax) (Items that will not be reclassified to profit or loss)			
(a) Remeasurement of the defined benefit plans		2.95	(0.73)
(b) Income tax relating to items that will not be reclassified to profit or loss		(0.74)	0.18
Total other comprehensive income/(loss) for the year		2.21	(0.55)
Total comprehensive income for the year		46.74	50.90
Earnings per share (of ₹ 10 each)			
Basic (in ₹)	36	19.29	22.29
Diluted (in ₹)		19.29	22.29

Summary of material accounting policies

2

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For M S K A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration Number 105047W / W101187

For and on behalf of the Board of Directors

Sudarshan Colorants India Limited

(Formerly known as Heubach Colorants India Limited)

U. Brijesh

Udit Brijesh Parikh

Partner

Membership No. 151016

Place: Dallas, United States of America

Date: May 11, 2026



Sambit Roy

Sambit Roy

Managing Director

DIN 08291664

Place: Navi Mumbai

Date: May 11, 2026

Sudha

Sudha Navandar

Director

DIN 02804964

Place: Mumbai

Date: May 11, 2026



Nilkanth Natu

Chief Financial Officer

Place: Frankfurt, Germany

Date: May 11, 2026

SS

Adwait Joshi

Adwait Joshi

Company Secretary

Membership No. A39132

Place: Pune

Date: May 11, 2026

SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)



Statement of Cash Flows for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

Particulars	Year Ended March 31, 2026	Year Ended March 31, 2025
A. Cash flow from operating activities :		
Profit before tax	57.62	68.11
Adjustments for:		
Depreciation and amortisation expense	19.66	21.02
Unrealised foreign exchange loss/(gain)(net)	(2.26)	0.37
Interest income	(16.49)	(9.71)
(Gain)/Loss on sale of property, plant and equipment	0.01	(0.04)
(Reversal of)/Provision for allowances for credit losses - net	2.15	(1.74)
Finance costs	2.52	2.62
Insurance Claim	-	(0.30)
Exceptional Item	-	8.82
Operating profit before working capital changes	63.21	89.15
Adjustments for (Increase)/Decrease in working capital :		
(Increase)/Decrease in Trade receivables	(22.46)	42.47
(Increase)/Decrease in Other current assets	28.96	0.45
(Increase)/Decrease in Other non-current assets	(6.72)	15.47
(Increase)/Decrease in Other financial assets	2.52	0.46
(Increase)/Decrease in Inventories	(24.74)	(16.85)
Increase/(Decrease) in Trade payables	4.14	(16.02)
Increase/(Decrease) in Non-current provisions	(0.62)	2.51
Increase/(Decrease) in Current provisions	(0.04)	(1.15)
Increase/(Decrease) in Other liabilities	3.37	(0.36)
Increase/(Decrease) in Other financial liabilities	(3.77)	7.52
Cash generated from operations	43.85	123.65
Income taxes paid (net of refunds)	(9.61)	(13.06)
Net cash generated from operating activities	34.24	110.59
B. Cash flow from investing activities :		
Purchase of property, plant and equipment (Including Capital work-in-progress)	(28.72)	(11.89)
Sale proceeds of property, plant and equipment	0.59	0.91
Investment in fixed deposits	(98.52)	(33.96)
Redemption of fixed deposits	35.34	-
Proceeds from Insurance Claim	-	1.50
Interest received	17.98	6.75
Cash generated from investing activities	(73.33)	(36.69)
C. Cash flow from financing activities :		
Finance costs paid	(0.38)	(0.30)
Principal payment of lease liabilities	(2.11)	(1.93)
Interest payment of lease liabilities	(2.14)	(2.32)
Net cash used in financing activities	(4.63)	(4.55)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(43.72)	69.35
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	177.08	107.73
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	133.36	177.08

The above Statement of Cash Flows is prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'
The accompanying notes are an integral part of these financial statements
Refer Note 11b for reconciliations of liabilities from financing activities

In terms of our report attached
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number 105047W / W101187

For and on behalf of the Board of Directors
Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Udit Brijesh Parikh
Partner
Membership No. 151016
Place: Dallas, United States of America
Date: May 11, 2026



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Place: Mumbai
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Nilkanth Natu
Chief Financial Officer
Place: Frankfurt, Germany
Date: May 11, 2026

Adwait Joshi
Company Secretary
Membership No. A39132
Place: Pune
Date: May 11, 2026

SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)



Statement of Changes in Equity
(All amounts in ₹ Crores, unless otherwise stated)

A) Equity share capital (Refer Note - 15)

For the year ended March 31, 2026

Particulars	No. of Shares	Amount
Balance as at 1 April 2025	23,081,798	23.08
Changes in equity share capital during the year	-	-
Balance as at 31 March 2026	23,081,798	23.08

For the year ended March 31, 2025

Particulars	No. of Shares	Amount
Balance as at 1 April 2024	23,081,798	23.08
Changes in equity share capital during the year	-	-
Balance as at 31 March 2025	23,081,798	23.08

B) Other equity (Refer Note - 16)

For the year ended March 31, 2026

Particulars	Reserves and Surplus				Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	
Balance as at April 01, 2025	7.30	4.95	104.92	383.09	500.26
Profit for the year	-	-	-	44.53	44.53
Other comprehensive income/(loss) for the year	-	-	-	2.21	2.21
Total comprehensive income for the year	-	-	-	46.74	46.74
Balance as at March 31, 2026	7.30	4.95	104.92	429.83	547.00

For the year ended March 31, 2025

Particulars	Reserves and Surplus				Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	
Balance as at April 01, 2024	7.30	4.95	104.92	332.18	449.35
Profit for the year	-	-	-	51.45	51.45
Other comprehensive income/(loss) for the year	-	-	-	(0.54)	(0.54)
Total comprehensive income for the year	-	-	-	50.91	50.91
Balance as at March 31, 2025	7.30	4.95	104.92	383.09	500.26

Nature and purpose of items in other equity

- (a) **Capital Reserve:** During amalgamation, the excess of share capital of transferor companies over the cost of consideration paid is treated as capital reserve.
- (b) **Capital Redemption Reserve:** The Company had recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- (c) **General Reserve:** The Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- (d) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For **M S K A & Associates LLP**
(Formerly known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W / W101187

For and on behalf of the Board of Directors
Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Udit Brijesh Parikh
Partner
Membership No. 151016
Place: Dallas, United States of America
Date: May 11, 2026



Sambit Roy
Managing Director
DIN: 08291664
Place: Navi Mumbai
Date: May 11, 2026

Sudha Navandar
Director
DIN: 02804964
Place: Mumbai
Date: May 11, 2026



Nilkanth Natu
Chief Financial Officer
Place: Frankfurt, Germany
Date: May 11, 2026

Adwait Joshi
Company Secretary
Membership No. A39132
Place: Pune
Date: May 11, 2026

SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

Note 1 Corporate information :

Sudarshan Colorants India Limited (Formerly known as Heubach Colorants India Limited) (the 'Company') is a public limited Company domiciled in India and is listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Its registered office is situated at Rupa Renaissance, B Wing, 25th Floor, D-33, MIDC Road, TTC Industrial Area, Juinagar, Navi Mumbai - 400705, Maharashtra, India. The Company manufactures, sells and trades in a wide range of Organic, Inorganic and Effect Pigments. The Company has its own manufacturing sites in the State of Maharashtra, Tamil Nadu and Madhya Pradesh. The name of the Company was changed to Sudarshan Colorants India Limited on December 12, 2025.

These financial statements were approved for issue in accordance with a resolution of the directors on May 11, 2026.

Note 2 Summary of material accounting policies

2.1 Statement of Compliance

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the 'Act' (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Act, (Ind AS Compliant Schedule III), as applicable to financial statements.

2.2 Basis of preparation of financial statements:

Basis of measurement

These financial statements have been prepared on historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value,
- defined benefit plans — plan assets measured at fair value, and

Presentation currency and rounding off

The financial statements are presented in Indian Rupee (INR) and all values are rounded to nearest crores (INR 00,00,000), except when otherwise indicated. In the previous year, amounts were rounded to the nearest lakhs (INR 00 000).

Going Concern

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3 Summary of material accounting policy

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Segment reporting

Information reported to the Chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods delivered or provided. Operating segments are reported in a manner consistent with the internal reporting provided to CODM.

The Company's business activity falls within a single primary business reportable segment viz "Pigments" in line with Ind AS 108 "Operating Segments" which includes pigments, pigment preparations, dyestuff, synthetic resins, functional effects and coating, auxiliaries and chemicals.

The operating segment has been identified on the basis of the nature of products.

(c) Foreign currency translation

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency and presentation currency of the Company is Indian National Rupee (INR). The Company's financial statements are presented in INR.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz Indian Rupee, are recognised at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss in the period in which they arise. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(d) Revenue from contracts with customers

Sales of goods and services are recognized in line with the requirements of Ind AS 115, Revenue from contracts with customers.

Revenue from contracts with customers is recognised at the point in time when control of the goods or services is transferred to the customer, measured at the transaction price, which is an amount that reflects the amount of consideration to which the Company expects to be entitled in exchange for those goods or services. Apart from this, the Company also considers its present right to payment, the legal title to the goods, inco-terms, the physical possession and the customer acceptance in determining the point in time where control has been transferred. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer.

Revenue from services is recognized when the respective services have been rendered. Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.



Revenue is reported net of taxes, returns, discounts and rebates. Rebates to customers are provided for in the same period that the related sales are recorded based on the contract terms.

The Company does not expect to have any contracts where the period between transfer of the promised goods or services to customer and payment by the customer exceed one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to the customer as specified in the contract. Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Contract asset

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

Contract liabilities

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

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less allowances for credit losses.

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(e) Other Operating Revenue

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled. Commission income is recognised at a point in time or over time, as applicable, when the relevant services have been rendered or control of the goods has been transferred to the customer, and the amount of revenue can be measured reliably.

Income from Scrap sales is recognized when right to receive the income is established as per the terms of the contract.

(f) Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

Insurance claims are accounted on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Other revenue is recognised when it is received or when the right to receive payment is established.

(g) Income tax

Income tax expense represents the sum of current tax and deferred tax.

The current tax expense for the year is the tax payable on the current period's taxable income based on the applicable enacted income tax rate in accordance with the Income Tax Act, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, items that are never taxable/deductible and unused tax losses/ tax credits.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full, using the balance sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction (other than in a business combination) that affects neither accounting profit nor taxable profit. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Leases

i. As a Lessee:

Leases are recognised as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees, if any

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment and based on company's standalone credit worthiness.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs for new leases

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. A lease contract is modified and the lease modification is not accounted for as a separate lease in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the note 2.3(i) impairment of assets. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in profit or loss.



ii. **As a lessor:**

Lease income from operating leases where the Company is lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

(i) **Impairment of non-financial assets**

Goodwill that have an indefinite useful life is not subject to amortisation and is tested annually for impairment or more frequently if events or changes are indicative in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment.

1. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the Asset.

2. The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations generally cover a period of five years. To estimate cash flow projections beyond periods covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses including impairment on inventories are recognised in the Statement of Profit and Loss. For the assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(j) **Cash and cash equivalents, and Bank balances**

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, balances with banks of current and term deposit account, 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 change in value, and bank overdraft.

(k) **Inventories**

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, stores and spares and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

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

(l) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Classification

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

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

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

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income or through statement of profit or loss account.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain significant financing component are measured at transaction price.

a. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i. **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 amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

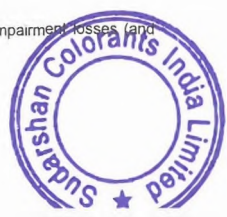
ii. **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income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

iii. **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

b. Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At all reporting dates, these historical default rates are reviewed and changes in the forward-looking estimates are analysed.

Derecognition of financial assets

A financial asset is derecognised only when the Company

- has transferred the rights to receive cash flows from the financial asset or,
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity 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. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Financial Liabilities

Classification

All financial liabilities are recognised at fair value.

The Company's financial liabilities include trade and other payables. For purposes of subsequent measurement, financial liabilities are classified in two categories:

- those to be measured subsequently at fair value through statement of profit or loss, and
- those measured at amortised cost.

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

Measurement

Financial Liabilities at amortized cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, plant and equipment

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Freehold land is not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment on a pro-rata basis on the straight-line method ('SLM') over the estimated useful lives of the assets specified in Schedule II of the Act, except in case of certain assets wherein based on technical evaluation, a different useful life has been considered. The estimated useful lives of such assets are as follows:

Asset Class	In years
	Useful Life Adopted
Building (including Roads)	5-60
Plant & Machinery	6-10
Computer and peripherals	4
Vehicles	5-8

The Company reviews the residual value, useful lives and depreciation method annually and if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Improvements to lease premises are amortised over the remaining non-cancellable period of the lease.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit and loss when the asset is derecognised.

Cost of assets not ready for intended use, as at the reporting date, are classified as capital work-in progress. Capital work-in progress is stated at cost, net of accumulated impairment loss, if any.

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognised when there is a present or constructive obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.



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

The Company does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37. The cases which have been determined as remote by the Company have not been disclosed

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the Company recognises such assets

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

(o) **Employee benefits**

Short-term obligations

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short-term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service

Other long-term employee benefit obligations

These liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. It is therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss

The Company presents provision for Compensated Absences as current and non-current based on actuarial valuation considering estimates of availing of leave, separation of employee, etc.

Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, ex-gratia gratuity, and
- defined contribution plans such as provident fund, superannuation fund, employee state insurance and other funds

Defined Benefit Plans

The Company has Defined Benefit Plans for post-employment benefits in the form of Gratuity. The Gratuity fund are recognised by the Income-tax authorities and administered through trustees and/or Life Insurance Corporation of India Limited. Liability for Defined Benefit Plans is provided on the basis of valuations, as at the Balance Sheet date, carried out by an independent actuary

The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost

Defined contribution plans

The Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available

(p) **Dividends**

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity

(q) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing

- the profit attributable to equity holders of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

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

(r) **Fair Value measurement**

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

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

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

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

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

Transfers of items between levels are recognised in the period they occur



(s) **Climate-related matters**

The Company considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the Company due to both physical and transition risks. Even though the Company believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- i) Useful life of property, plant and equipment: When reviewing the residual values and expected useful lives of assets, the Company considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- ii) Impairment of non-financial assets: The Company assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

(t) **New and amended standards:**

The Company applied for the first-time certain standards and amendments which are effective for annual periods beginning on or after 1st April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendment to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants:

The amendment specifies the requirements for classifying liabilities as current or non-current in the balance sheet, and clarifies the following:

- i) An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- ii) If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- iii) In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements. The company did not make retrospective adjustments as a result of adopting the amendments to Ind AS 1.

i) Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.

ii) Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

Ind AS 1 has been amended to remove the previous treatment under which a lender's post reporting date waiver—granted before the financial statements were approved for issue—of a breach of a material covenant in a long term loan arrangement that occurred on or before the end of the reporting period, resulting in the liability becoming payable on demand at the reporting date, was regarded as an adjusting event.

For annual reporting periods beginning on or after 1 April 2026, any breach of a covenant—whether material or immaterial—occurring on or before the reporting date will, in accordance with Ind AS 1, require the related liability to be classified as current, unless the lender has granted a waiver of the breach on or before the reporting date and has agreed not to demand repayment for at least 12 months after the reporting date as a consequence of the breach. Such a waiver shall be treated as a non-adjusting event.

The amendments are effective for annual reporting periods beginning on or after 1 April 2026 retrospectively in accordance with Ind AS 8.

iii. Amendments to Ind AS 7 and Ind AS 107 - Supplier Finance Arrangements

In August 2025, the MCA notified amendments to Ind AS 7 Statement of Cash Flows and Ind AS 107 Financial Instruments. Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have an impact on the Company's financial statements.

iv. International Tax Reform—Pillar Two Model Rules – Amendments to Ind AS 12

In August 2025, the MCA notified amendments to Ind AS 12 Income Taxes in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules, and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 April 2025, but not for any interim periods ending on or before 31 March 2026.

The amendments do not have an impact on the Company's financial statements.

2.4 Significant accounting judgements, estimates and assumptions:

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

This note provides an overview of the areas that involved a higher degree of judgement 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 judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Deferred Taxes - Note 18
- Impairment of non-financial assets - Note 2.3(i) and Note 3C
- Defined benefit obligation - Note 2.3(o) and Note 39
- Impairment of financial assets - Note 2.3 (l) and Note 10
- Measurement of useful lives for property, plant and equipment - Note 2.3 (m)
- Estimation of Provision for inventory obsolescence - Note 2.3(k) and Note 9
- Determination of Lease term - Note 2.3(h) and 4
- Assessment of Litigation outcomes - Note 35

Estimates and judgements 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.



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

3 Property, plant and equipment, capital work-in-progress and goodwill

Note 3A: Property, plant and equipment

Description	Cost				Depreciation				Net carrying amount
	As at April 01, 2025	Additions	Deductions	As at March 31, 2026	As at April 01, 2025	For the year	Disposals	As at March 31, 2026	As at March 31, 2026
Freehold Land	2.36	-	-	2.36	-	-	-	-	2.36
Buildings	97.37	8.53	0.31	105.59	30.84	3.22	0.27	33.79	71.80
Plant and equipment	211.63	15.96	8.76	218.83	157.40	11.40	8.75	160.05	58.78
Furniture and fixtures	3.25	0.41	0.55	3.11	1.95	0.17	0.55	1.67	1.54
Office equipment	8.63	0.30	0.37	8.56	7.37	0.94	0.37	7.94	0.62
Vehicles	6.99	0.14	3.17	3.96	4.23	0.78	2.62	2.39	1.57
Total	330.23	25.34	13.16	342.41	201.79	16.51	12.56	205.74	136.67

Note 3A: Property, plant and equipment

Description	Cost				Depreciation				Net carrying amount
	As at April 01, 2024	Additions	Deductions	As at March 31, 2025	As at April 01, 2024	For the year	Disposals	As at March 31, 2025	As at March 31, 2025
Freehold Land	2.36	-	-	2.36	-	-	-	-	2.36
Buildings	96.80	1.80	1.23	97.37	28.02	3.19	0.37	30.84	66.53
Plant and equipment	205.06	7.25	0.68	211.63	145.35	12.73	0.68	157.40	54.23
Furniture and fixtures	3.42	0.19	0.36	3.25	2.03	0.28	0.36	1.95	1.30
Office equipment	8.51	0.12	-	8.63	6.45	0.92	-	7.37	1.26
Vehicles	6.39	0.78	0.18	6.99	3.65	0.75	0.17	4.23	2.76
Total	322.54	10.14	2.45	330.23	185.50	17.87	1.58	201.79	128.44

Notes:

- The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3A to the financial statements, are held in the name of the company.
- The Company has not revalued its property, plant and equipment during financial year ended March 31, 2026 and March 31, 2025.
- Refer Note 35 (b) for details on contractual commitments for acquiring property, plant and equipment.
- On transition to Ind AS (i.e. 1 April 2015), the Company had elected to continue with the net carrying value of all property, plant and equipment measured as per the Previous GAAP and use that net carrying value as the deemed cost of property, plant and equipment.

Note 3B: Capital Work-in-Progress

Particulars	March 31, 2026	March 31, 2025
Balances at the Beginning of the year	4.75	3.87
add: Additions during the year	28.22	11.21
less: Capitalisation during the year	25.34	10.14
less: Written-off during the year	-	0.18
Total	7.63	4.75

Refer Note 43 for ageing and project completion status

Note 3C: Goodwill

Impairment testing mechanism to the cash-generating unit is as follows

Cash generating unit (CGU)	March 31, 2026	March 31, 2025
Pigments	8.94	8.94
Total	8.94	8.94

The Company after obtaining necessary approvals from the Board of Directors, vide an agreement dated March 31, 2015, acquired the "Carbon Black Business" from Lanxess India Private Limited (Lanxess), comprising the Carbon Black Dispersion plant located at Nagda, India, together with its respective assets, liabilities and employees as a going concern on a slump sale basis for a lump sum consideration of INR 13.46 Crores after working capital adjustment, as at March 31, 2015. The excess of consideration paid to Lanxess over the fair value of net assets acquired is considered as goodwill.

The recoverable amount of the CGU is determined based on "Value in Use" calculation which uses cash flow projections covering a five-year period and a discount rate 9.03% per annum (March 31, 2025) 17.17% per annum. Cash flow projections during the five year period are based on the historical growth rate and margins. The cash flows beyond that five-year period have been extrapolated using a steady 5% per annum (March 31, 2025) 5% per annum growth rate which is the projected long-term average growth rate.

The Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

4 Leases

4A Right-of-use Assets	As at March 31, 2026	As at March 31, 2025
Building	19.74	22.88
Land	0.08	0.08
	19.82	22.96

4B Non - Current Lease liabilities	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer note 46)	20.41	22.81
	20.41	22.81

4C Current Lease liabilities	As at March 31, 2026	As at March 31, 2025
Lease liabilities (Refer note 46)	2.57	2.28
	2.57	2.28

5 Non-Current Financial Assets - Investments

	As at March 31, 2026	As at March 31, 2025
Equity Instrument at fair value through profit or loss (Unquoted)		
Investments in other Entities		
First Energy 2 Private Limited	3.00	3.00
30,00,000 (Previous Year: 30,00,000) Equity Shares of ₹ 10 each, fully paid up		
Dalavaipuram Renewables Private Limited	1.23	1.23
3,07,896 (Previous Year: 3,07,896) Equity Shares of Rs 10 each, fully paid up and		
9,23,662 (Previous Year: 9,23,662) Non-interest bearing optionally convertible debenture		
of Rs 10 each		
	4.23	4.23

These investments are for operational purpose and are obligatory in nature. On disposal, these will fetch only the principal amount invested and hence the Company considers their cost and fair value to be the same.

Refer Note 33 for information about the Company's exposure to financial risks and Note 34 for fair value measurements.

6 Non-current financial assets : Loans	As at March 31, 2026	As at March 31, 2025
<u>Unsecured, considered good</u>		
Loans to employees	0.02	0.02
	0.02	0.02

The Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Managerial Personnel and other related parties, either severally or jointly with any other person.

Note 33 for information about the Company's exposure to financial risks.

7 Non-current financial assets : Others	As at March 31, 2026	As at March 31, 2025
<u>Unsecured, considered good</u>		
Security and other deposits	6.17	6.43
Fixed Deposits with Bank (Maturity more than 12 Months)	-	0.29
Other receivables	4.10	4.10
	10.27	10.82

Note 33 for information about the Company's exposure to financial risks.

8 Other non-current assets	As at March 31, 2026	As at March 31, 2025
Capital advances (unsecured, considered good)	0.24	0.16
Balance with Government authorities	9.49	2.64
Prepayments	1.08	1.21
	10.81	4.01

9 Current assets : Inventories (Valued at the lower of cost and net realisable value)	As at March 31, 2026	As at March 31, 2025
Raw materials	46.22	40.20
Packing materials	2.46	1.56
Work-in-progress	29.26	27.40
Finished goods	48.79	47.85
Stock-in-trade	21.79	7.97
Stores and spares	7.63	6.43
	156.15	131.41
Included above, goods in transit		
Raw materials	0.07	0.03
Finished goods	13.62	16.66
Stock-in-trade	14.21	3.92
	27.90	20.61



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

10	Current financial assets :Trade receivables	As at March 31, 2026	As at March 31, 2025
	Secured considered good	4 05	8 03
	Unsecured, considered good	177 65	145 64
	Significant increase in Credit Risk	-	-
	Credit impaired	2 80	2 96
		184.50	156.63
	Less Allowances for credit losses	5 11	2 96
		179.39	153.67
Further classified as:			
	Receivable from related parties (Refer note 40)	56 56	45 30
	Receivable from others	122 83	108 37
		179.39	153.67

No trade receivables are due from directors or other officers of the company either severally or jointly with any other person or firms or private companies in which any director is a partner, a director or a member

Trade receivables are non-interest bearing and are generally on credit terms of 60 to 120 days

Refer Note 33 for information about the Company's exposure to financial risks, and details of impairment losses for trade receivables and fair values

Trade Receivables Ageing Schedule

March 31, 2026

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of receipts					Total
			Less than 6 months	6 months - 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	164 34	15 56	1 00	-	0 11	0 69	181.70
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	1 43	1 37	-	-	2.80
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	164.34	15.56	2.43	1.37	0.11	0.69	184.50
Less Allowances for credit losses (Undisputed)								5 11
Total								179.39

March 31, 2025

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of receipts					Total
			Less than 6 months	6 months - 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	136 22	17 18	0 27	-	-	-	153 67
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0 71	0 78	0 03	-	0 01	1 43	2 96
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
	-	136.93	17.96	0.30	-	0.01	1.43	156.63
Less Allowances for credit losses (Undisputed)	-	-	-	-	-	-	-	2 96
Total								153.67

There are no unbilled dues, hence the same is not disclosed in the ageing schedule



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

11	Current financial assets : Cash and bank balances	As at March 31, 2026	As at March 31, 2025
a)	Cash and cash equivalents :		
	Balances with Banks		
	- In current accounts	29.86	15.50
	- In term deposits with original maturity of less than three months	103.50	161.58
		133.36	177.08
b)	Bank balances other than cash and cash equivalents:		
	Earmarked balances with banks Unclaimed dividends*	3.16	3.48
	Earmarked balances with banks Fixed Deposit	0.33	10.05
	Deposits with banks with original maturity of more than three months but less than 12 months	98.52	-
		102.01	13.53

*Unclaimed dividend accounts are restricted in use as it relates to unclaimed dividends.

Refer Note 33 for information about the Company's exposure to financial risks.

c) Changes in liabilities arising from financing activities

For the year ended March 31, 2026

Particulars	Amount
Balance as at April 01, 2025	25.10
Cash flow (net)	(4.25)
Non-cash changes	2.14
Balance as at March 31, 2026	22.99

For the year ended March 31, 2025

Particulars	Amount
Balance as at April 01, 2024	27.02
Cash flow (net)	(4.25)
Non-cash changes	2.33
Balance as at March 31, 2025	25.10

12	Current financial assets : Loans	As at March 31, 2026	As at March 31, 2025
	<u>Unsecured, considered good</u>		
	Loans to employees	0.06	0.28
		0.06	0.28

The Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Managerial Personnel and other related parties, either severally or jointly with any other person.

Note 33 for information about the Company's exposure to financial risks.

13	Current financial assets : Others	As at March 31, 2026	As at March 31, 2025
	<u>Unsecured, considered good</u>		
	Export incentives receivable	2.00	4.04
	Fixed Deposits with Bank (Original Maturity more than 12 Months but remaining Maturity less than 12 Months)	-	25.01
	Interest accrued on Fixed Deposits	1.37	2.86
	Others	0.02	0.02
		3.39	31.93

14	Other current assets	As at March 31, 2026	As at March 31, 2025
	Advances to suppliers	3.14	4.07
	Balance with Government authorities	6.05	33.43
	Prepayments	1.32	3.43
	Other current assets*	3.21	1.75
		13.72	42.68

*Other current asset includes amount to be received from gratuity trust.

The Company has not granted any loans or advances in the nature of loans to promoters, directors, Key Managerial Personnel and other related parties, either severally or jointly with any other person.

15	Equity Share Capital	As at March 31, 2026	As at March 31, 2025
	Authorised		
	3,00,00,000 (Previous Year 3,00,00,000) equity shares of ₹ 10/- each	30.00	30.00
	Issued, subscribed and paid up		
	2,30,81,798 (Previous Year 2,30,81,798) equity shares of ₹ 10/- each fully paid up	23.08	23.08

15 a Reconciliation of the number of equity shares outstanding as at the beginning and at the end of the year

Equity shares :
Outstanding as at the beginning of the year

Issued / converted during the year
Outstanding as at the end of the year

As at March 31, 2026		As at March 31, 2025	
Number	Amount	Number	Amount
23,081,798	23.08	23,081,798	23.08
23,081,798	23.08	23,081,798	23.08



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

15 b Shares held by subsidiaries of the ultimate holding Company "Sudarshan Chemical Industries Limited"

Equity shares of INR 10 each, fully paid up

Name of Shareholder / Promoters

Sudarshan Europe B V

Sudarshan Switzerland HLD2 AG (formerly Heubach EBITO Chemiebetreibungen AG)

Sudarshan Switzerland HLD1 AG (formerly Heubach Holding Switzerland AG)

As at March 31, 2026		As at March 31, 2025	
Number	%	Number	%
3,668,036	15.89%	-	0.00%
4,109,426	17.80%	4,109,426	17.80%
8,439,385	36.56%	8,439,385	36.56%

There are no shareholders holding more than 5% of the aggregate equity shares of the Company except above

Also refer Note 48

15 c The Company has not allotted any equity shares for consideration other than cash and bonus shares during the period of five financial years immediately preceding the Balance Sheet date

15 d Shares bought back (during 5 financial years immediately preceding March 31, 2026)

No equity shares bought back during 5 financial years immediately preceding March 31, 2026

15 e Rights, preferences and restrictions attached to shares

The Company has one class of equity share having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining asset of the Company after distribution of all preferential amounts, in proportion to their shareholding.

16 Other equity	As at March 31, 2026	As at March 31, 2025
Capital reserve	7.30	7.30
Capital redemption reserve	4.95	4.95
General reserve	104.92	104.92
Retained earnings	429.83	383.09
	547.00	500.26

For nature and purpose of items in other equity, refer to the Statement of changes in equity

17 Non - current liabilities : Provisions	As at March 31, 2026	As at March 31, 2025
Provision for employee benefits		
Compensated absences	5.90	6.21
Gratuity (Refer note no. 39)	4.38	7.63
	10.28	13.85

18 Deferred tax liabilities (Net)	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Property, plant and equipment	6.30	6.44
Goodwill	2.25	2.25
	8.55	8.69
Deferred tax assets		
Allowance credit losses and doubtful receivables	2.32	1.78
Provision for employee benefits	2.91	3.90
Other temporary differences	2.61	1.52
	7.84	7.20
A-B	0.71	1.49

Movements in deferred tax liabilities (net) for the year ended March 31, 2026

Particulars	Opening Balance	Recognized in Profit and Loss	Recognized in Other comprehensive income	Closing Balance
Property, plant and equipment	(6.44)	0.14	-	(6.30)
Goodwill	(2.25)	-	-	(2.25)
Allowance credit losses and doubtful receivables	1.78	0.54	-	2.32
Provision for employee benefits	3.89	(0.24)	(0.74)	2.91
Other Provision	1.51	1.09	-	2.60
Intangible Assets	0.01	-	-	0.01
Net Deferred Tax Liabilities / Asset	(1.60)	1.52	(0.74)	(0.71)

Movements in deferred tax liabilities (net) for the year ended March 31, 2025

Particulars	Opening Balance	Recognized in Profit and Loss	Recognized in Other comprehensive income	Closing Balance
Property, plant and equipment	(7.23)	0.79	-	(6.44)
Goodwill	(2.25)	-	-	(2.25)
Allowance credit losses and doubtful receivables	2.23	(0.45)	-	1.78
Provision for employee benefits	3.02	0.69	0.18	3.90
Other Provision	1.55	(0.04)	-	1.51
Intangible Assets	0.01	0.31	-	0.01
Net Deferred Tax Liabilities / Asset	(2.67)	0.99	0.18	(1.49)



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

19 Current financial liabilities :Trade payables	As at March 31, 2026	As at March 31, 2025
Trade Payables:		
- Total outstanding dues of micro and small enterprises (Refer Note 37)	6.09	1.82
- Total outstanding dues of creditors other than micro enterprises and small enterprises *	160.24	157.21
	166.33	159.03

*Refer Note 40 for trade payables to related parties.

Trade payables are non-interest bearing and are normally settled on 90-150 days terms.

Refer Note 33 for information about the Company's financial risks management process

Trade Payables ageing schedule

March 31, 2026

Particulars	Unbilled Dues*	Payables Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	Total
(i) MSME	-	6.09	-	-	-	-	6.09
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	32.67	65.25	53.13	7.16	1.79	0.24	160.24
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	32.67	71.34	53.13	7.16	1.79	0.24	166.33

March 31, 2025

Particulars	Unbilled Dues*	Payables Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	Total
(i) MSME	-	1.82	-	-	-	-	1.82
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	22.46	133.50	0.34	0.62	0.07	0.21	157.21
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	22.46	135.32	0.34	0.62	0.07	0.21	159.03

* Unbilled represents accrual for expenses.



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026

(All amounts in ₹ Crores, unless otherwise stated)

20	Current financial liabilities - Others	As at March 31, 2026	As at March 31, 2025
	Security and other deposits	0.63	0.63
	Employee benefits payable	5.82	9.60
	Payables for capital expenditure	1.87	2.29
	Unclaimed dividend *	3.16	3.48
	Other liabilities	4.71	4.39
		16.19	20.38

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund

21	Other current liabilities	As at March 31, 2026	As at March 31, 2025
	Advances from customers - Contract liabilities *	1.14	0.66
	Statutory dues (including provident fund and withholding taxes)	4.45	1.65
	Other liabilities	0.15	0.06
		5.74	2.37

* There has been no significant change in the contract liabilities and major portion has been recognised as a revenue during current year from opening contract liabilities

22	Current liabilities : Provisions	As at March 31, 2026	As at March 31, 2025
	Provision for employee benefits		
	Compensated absences	1.29	1.61
	Other Provisions		
	Provision for indirect tax and other matters	8.26	7.98
		9.55	9.59

22 a	Movements in provision for indirect tax and other matters	As at March 31, 2026	As at March 31, 2025
	Opening balance	7.98	9.34
	Provision made during the year	0.34	3.27
	Amount utilised / reversed	(0.06)	(4.63)
	Closing balance	8.26	7.98

The above provision is management's best estimate towards various indirect tax & other matters, pending settlement with government authorities



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

23	Revenue from operations	Year Ended March 31, 2026	Year Ended March 31, 2025
	Revenue from contracts with customers		
	Sale of products	750.11	791.48
	Sale of services	24.83	26.56
	Other operating revenue		
	Export incentives	3.78	4.79
	Commission income	0.47	0.93
	Scrap sale	1.44	1.30
		780.63	825.06

24	Other income	Year Ended March 31, 2026	Year Ended March 31, 2025
	Interest income on		
	Fixed deposits with Banks	11.74	8.47
	Others	4.75	1.25
	Other non-operating income		
	Net Gain/(loss) on disposal of property, plant and equipment	(0.01)	0.04
	Foreign exchange gain (net)	9.52	4.07
	Rental income	0.84	0.64
	Reversal of provision for credit losses	-	4.00
	Insurance claims	-	0.30
		26.84	18.77

25	Cost of materials consumed	Year Ended March 31, 2026	Year Ended March 31, 2025
	Inventories of raw materials & packing material at the beginning of the year	41.76	37.20
	Add: Purchases	361.75	380.61
	Inventories of raw materials & packing materials at the end of the year	48.68	41.76
	Cost of raw materials & packing materials consumed	354.83	376.05

26	Changes in inventories	Year Ended March 31, 2026	Year Ended March 31, 2025
	Opening inventories		
	Finished goods	47.85	45.64
	Stock-in-trade	7.97	8.88
	Work - in - progress	27.40	25.60
		83.22	80.12
	Less: Closing inventories		
	Finished goods	48.79	47.85
	Stock-in-trade	21.79	7.97
	Work - in - progress	29.26	27.40
		99.84	83.22
	Changes in inventories		
	Finished goods	(0.94)	(2.21)
	Stock-in-trade	(13.82)	0.91
	Work - in - progress	(1.86)	(1.80)
		(16.62)	(3.11)



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

27	Employee benefits expense	Year Ended March 31, 2026	Year Ended March 31, 2025
	Salaries and Wages	57.61	71.17
	Gratuity expense (refer to note 39)	2.76	2.47
	Contribution to provident and other funds	3.35	3.56
	Contribution to superannuation fund	0.81	0.87
	Staff welfare expenses	6.57	6.71
		71.10	84.78
28	Finance costs	Year Ended March 31, 2026	Year Ended March 31, 2025
	Interest expenses on lease liabilities (refer note 46)	2.14	2.33
	Bank charges	0.38	0.29
		2.52	2.62
29	Depreciation and amortisation expenses	Year Ended March 31, 2026	Year Ended March 31, 2025
	Depreciation of property, plant and equipment (refer note 3)	16.51	17.87
	Depreciation on right-of-use assets (refer note 46)	3.15	3.15
		19.66	21.02
30	Other expenses	Year Ended March 31, 2026	Year Ended March 31, 2025
	Consumption of stores and spares	5.86	6.94
	Power and fuel	46.71	49.94
	Water charges	2.36	2.35
	Clearing, forwarding and transport	13.98	19.38
	Jobwork and processing charges	24.23	25.49
	Environmental and treatment cost	7.61	8.62
	Repairs and maintenance :		
	Plant and machinery	13.70	15.79
	Buildings	3.26	3.54
	Others	1.47	1.66
	Rent	1.36	0.98
	Rates and taxes	2.20	3.96
	Information technology services	19.18	12.89
	Insurance	3.19	2.28
	Travelling and conveyance	2.05	2.66
	Commission	2.24	0.39
	Royalty	1.61	1.71
	Legal and professional	13.71	9.41
	Directors' commission	0.43	0.15
	Director's sitting fees	0.49	0.88
	Payment to statutory auditors (refer note 30.1)	0.27	0.29
	Security expenses	2.30	1.97
	Allowances for credit losses	2.15	2.26
	Expenditure towards corporate social responsibility (CSR) activities (refer note 38)	1.29	1.02
	Miscellaneous expenses*	5.79	6.68
		177.44	181.23

*Miscellaneous expenses includes mainly of Laboratory expenses, Postage & communication charges, Subscription and membership fees and others



SUDARSHAN COLORANTS INDIA LIMITED
(Formerly known as Heubach Colorants India Limited)

Notes forming part of the financial statements for year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

30.1	Auditor's remuneration	Year Ended 31-03-2026	Year Ended March 31, 2025
	As auditor:		
	Statutory audit (including for quarterly limited reviews)	0.24	0.22
	Tax audit	0.02	0.02
	Reimbursement of expenses	0.01	0.01
	For other services	-	0.04
		0.27	0.29
31	Reconciliation of income tax expenses with accounting profit	Year Ended March 31, 2026	Year Ended March 31, 2025
	Profit before tax	57.62	68.11
		57.62	68.11
	Income tax using the Company's domestic tax rate @ 25.17% (PY 25.17%)	14.50	17.14
	Effect of expenses that are not deductible in determining taxable profit	0.38	0.39
	Effect of tax adjustments of prior years (net) (refer note 32)	(1.79)	(0.87)
		13.09	16.66
	Income tax expense recognised in profit or loss	14.88	17.53
	Effect of tax adjustments of prior years (net) (refer note 32)	(1.79)	(0.87)
		13.09	16.66

- 32 Based on detailed review of its income tax positions relating to long-outstanding tax balances from prior assessment years, the Company has recognised reversal of Rs 1.79 crores (Previous year Rs. 0.87 crores) . This review was conducted based on internal evaluations, available documentation and consultation with an external tax advisor.



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

33 Financial instruments and risk review

Capital management

The Company's objectives when managing capital are to

- (i) Safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares

The capital structure of the Company consists of equity (comprising issued capital, reserves and retained earnings as detailed in notes 15 and 16) The Company is debt free with no long-term borrowings as at March 31, 2026 and is not subject to any externally imposed capital requirements

Categories of financial instruments

Particulars	March 31, 2026	March 31, 2025
Financial assets		
Measured at amortised cost		
Cash and bank balances	235 37	190 61
Trade receivables	179 39	153 67
Loans	0 08	0 30
Other financial assets	13 66	42 75
Measured at fair value through profit and loss (FVTPL)		
Investment in Equity shares at fair value through profit or loss (Unquoted)	4 23	4 23
Financial liabilities		
Measured at amortised cost		
Lease Liabilities	22 98	25 09
Trade payables	166 33	159 03
Other financial liabilities	16 19	20 38

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets measured at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets

Financial risk management framework

The Company is primarily exposed to financial risks, market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and addresses the risk associated with the financial assets and liabilities

Management identifies, evaluates and hedges financial risks under approved policies to manage overall foreign exchange risk, credit risk and investing surplus liquidity (counterparty risk)

Market risks

Foreign exchange risk

The Company has exports to and imports from other countries and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and the US-dollar. Foreign exchange risk arises from recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee

The exchange rates have been volatile in the recent years and may continue to be volatile in the future. The Company mitigates the foreign exchange risk by setting appropriate exposure limits, periodic monitoring of the exposures, etc

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

Particulars	March 31, 2026	March 31, 2025
Amount receivable		
USD (Amount in foreign currency)	0.53	0.53
₹	49.53	45.00
EURO (Amount in foreign currency)	0.07	-
₹	7.56	3.00
Amount payable		
USD (Amount in foreign currency)	0.22	-
₹	20.56	15.00
EURO (Amount in foreign currency)	0.11	-
₹	11.89	8.00

Following is the analysis of foreign exchange risk sensitivity impacting the profit where the Indian Rupee strengthens and weakens by 1% against the relevant currency. A positive number below indicates an increase in profit and negative number below indicates a decrease in profit.

Foreign currency	Year ended March 31, 2026		Year ended March 31, 2025	
	1% strengthening	1% weakening	1% strengthening	1% weakening
USD	(0.29)	0.29	(0.30)	0.30
EURO	0.04	(0.04)	0.05	(0.05)

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables.

Customer credit risk exposure is triggered by customer default risk and country risk. As at balance sheet date, the Company does not have significant concentration of credit risk either due to size of customers or due to country risk.

Company has a credit risk policy in place to ensure that sales are made to customers only after an appropriate credit risk rating and credit line allocation process. Procedures are standardized within credit risk policy and supported by the IT system with respective credit management tools. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining collaterals viz Security Deposit or Bank Guarantee as per Credit Policy, as a means of mitigating the risk of financial loss from defaults. The average credit period on sales of goods is 60 to 120 days.

Credit risk from balances with cash & cash equivalent is managed by the Company's treasury department in accordance with the Company's policy. Also, the credit risk on security deposits for rental premises and loans to employees have low credit risk because of no history of defaults and no concerns for the counterparties to meet their obligations in the future.

Movement in the credit loss allowance

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance at the beginning of the year	2.96	4.77
(Reversal of) / Provision for credit losses - net	2.15	(1.80)
Balance at the end of the year	5.11	2.96

Liquidity risk

Liquidity risk management.

The Company is currently debt free having no long term financial liabilities. Management monitors the forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs while maintaining sufficient headroom on its undrawn borrowing facilities. Considering the liquidity advantage, funds surplus to the operational needs are invested in the short term bank deposits. The cash & cash equivalents and bank deposits are highly liquid and are readily available for payment of liabilities.



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

The following table analysis the maturity profile of the Company's financial liabilities. The amounts disclosed are the contractual undiscounted cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 year	1 to 5 years	5 years and above
As at March 31, 2026			
Trade payables	166.33	-	-
Lease liabilities	4.52	24.25	1.37
Other financial liabilities	16.19	-	-
As at March 31, 2025			
Trade payables	159.03	-	-
Lease liabilities	2.28	12.49	10.32
Other financial liabilities	20.38	-	-

34 Fair value measurement and related disclosures

Fair value of the Company's financial assets that are measured at fair value on a recurring basis:

Some of the Company's financial assets are measured at fair value at the end of each reporting period.

The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair Value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2026	March 31, 2025		
Financial assets at fair value through profit and loss	4.23	4.23	Level 3	Valuation techniques with significant unobservable inputs (Level 3). This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The management considers that the carrying amounts of such financial assets and financial liabilities recognised in the balance sheet approximate their fair values.



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

35 Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities :	March 31, 2026	March 31, 2025
Claims against the Company not acknowledged as debt (i) in respect of Sales Tax / VAT / GST matters (ii) in respect of excise / service tax matters (iii) Other matters in dispute The Company has various ongoing Direct tax, Indirect tax and other matters under litigation. The assessment of likely outcome of tax and other matters and related outflow of resources involves significant judgement on positions undertaken by the Management which are based on the application and interpretation of law.		
(b) Commitments :		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	3 87	4 28

36 Earnings per share :

Particular	March 31, 2026	March 31, 2025
(a) Basic and diluted earnings per share (Amount in Rupees)	19 29	22 29
(b) Profit attributable to the equity shareholders of the company (in crores)	44 53	51 45
Weighted average number of equity shares (Numbers)	23,081,798	23,081,798

The Company does not have any dilutive potential ordinary shares and therefore diluted earning per share is the same as basic earning per share.

37 Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). This information has been determined to the extent such parties have been identified on the basis of intimations received from suppliers.

Particular	March 31, 2026	March 31, 2025
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(b) Principal amount not yet due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6 09	1 82
(c) Interest thereon due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
(d) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	56 99	26 93
(e) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(f) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0 32	-
(g) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	0 09	0 14
(h) Further interest remaining due and payable for earlier years	0 04	0 22

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company.



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

38 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting educations, healthcare supports, women empowerments etc.

A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	March 31, 2026	March 31, 2025
A) Amount approved by the Board to be spent by the Company during the year	1.25	1.02
B) Amount required to be spent by the Company during the year	1.19	1.02
C) Amount available for set-off from preceding financial years	-	-
D) Net CSR obligation (B-C)	1.19	1.02
E) Amount of expenditure incurred during the year:		
i) For construction or acquisition of any assets		
- In cash	-	-
- Yet to be paid in cash	-	-
ii) On purposes other than (i) above		
- In cash	1.29	1.02
- Yet to be paid in cash	-	-
F) Shortfall at the end of the year	-	-
G) Total of previous year's shortfall	-	-
H) Reason for shortfall	Not Applicable	Not Applicable
I) Excess amount spent, available for set-off in succeeding financial years (D-C)	0.10	-
J) Excess amount spent, carried forward to be set-off in succeeding financial years	-	-
K) Details of related party transactions	Nil	Nil

The Company does not have any ongoing projects as at March 31, 2026 and March 31, 2025.



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

39 Employee benefits :

1) Defined contribution plan - Provident fund and superannuation fund

Amount recognized as an expense in the Statement of Profit and Loss in respect of defined contribution plan is Rs 4 16 crores (Previous year Rs 4.43 crores) (Refer Note 27 & 53)

2) Defined benefit plan - Funded

The Company has a defined benefit gratuity plan for its employees and every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. An employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service. The scheme is funded with insurance companies in the form of qualifying insurance policies. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

(a) Gratuity

	March 31, 2026	March 31, 2025
	Funded	Funded
(i) Expenses recognised in the statement of profit and loss for the year		
1 Current service cost	2.25	2.24
2 Past service cost	3.82	-
3 Interest on net defined benefit liability / (asset)	0.44	0.23
4 Expense recognised in statement of profit and loss (refer note 27)	6.51	2.47
(ii) Expenses recognised in other comprehensive income		
1 Return on plan assets	(0.54)	(0.89)
2 Loss/(Gain) from change in financial assumptions	(1.02)	0.87
3 Loss/(Gain) from change in demographic assumptions	-	-
4 Experience (Gain)/Loss	(1.39)	0.75
5 (Income)/Expense recognised in Other comprehensive income	(2.95)	0.73
(iii) Actual return on plan assets for the year		
1 Expected return on plan assets	1.48	1.66
2 Actuarial gain on plan assets	(0.54)	(0.89)
3 Actual return on plan assets	2.02	2.55
(iv) Net asset/(liability) recognised in the balance sheet as at the year end		
1 Present value of the defined benefit obligation	31.53	32.37
2 Fair value of plan assets	27.15	24.74
3 Net (liability)/asset recognised in the balance sheet (refer note 17)	(4.38)	(7.63)
(v) Change in defined benefit obligation during the year		
1 Present value of obligation at the beginning of the year	32.37	29.59
2 Current service cost	2.25	2.24
3 Past service cost	3.82	-
4 Interest cost	1.92	1.89
5 Benefits paid	(6.43)	(2.98)
6 Actuarial (Gain)/Loss on obligation	(2.40)	1.63
7 Present value of obligation as at the end of the year	31.53	32.37
(vi) Changes in fair value of plan asset during the year		
1 Fair value of plan assets as at the beginning of the year	24.74	25.17
2 Expected return on plan assets	1.48	1.66
3 Contributions made	6.82	-
4 Benefits paid	(6.43)	(2.98)
5 Actuarial gain on plan assets	0.54	0.89
6 Fair value of plan assets as at the end of the year	27.15	24.74



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

(vii) Major categories of plan assets as a percentage of total plan assets

- 1 Government debt instruments
- 2 Other debt instruments
- 3 Insurer managed funds
- 4 Others

27%	40%
27%	44%
9%	9%
37%	7%

(viii) Actuarial assumptions

- 1 Discount rate
- 2 Expected rate of return on plan assets
- 3 Salary escalation

7.25%	6.75%
7.25%	6.75%
6.6%-9.0%	6.6%-9.0%

(ix) The company expects to contribute ₹ 2.50 crores (Previous year : ₹ 2.50 crores) to the funded gratuity plans in the next year

(b) Sensitivity analysis

Impact of increase in 25 bps on DBO

- 1 Discount Rate Gratuity
- 2 Salary Escalation Gratuity

(1.54%)	(1.51%)
1.57%	1.53%

Impact of decrease in 25 bps on DBO

- 1 Discount Rate Gratuity
- 2 Salary Escalation Gratuity

1.59%	1.56%
(1.53%)	(1.49%)

(c) The weighted average duration of the defined benefit obligation is 6.31 years for gratuity.

The expected maturity analysis for Gratuity is as follows:

Expected benefits for year 1
Expected benefits for year 2
Expected benefits for year 3
Expected benefits for year 4
Expected benefits for year 5
Expected benefits for year 6
Expected benefits for year 7
Expected benefits for year 8
Expected benefits for year 9
Expected benefits for year 10 and above

March 31, 2026	March 31, 2025
6.43	7.75
3.24	3.65
4.06	2.85
2.90	3.62
2.21	2.44
3.65	1.79
3.58	2.85
2.36	2.98
1.67	2.02
25.64	24.41

(d) Gratuity is administered through duly constituted and approved independent trusts and also through Group gratuity scheme with Life Insurance Corporation of India

(e) Future salary increases considered in actuarial valuation take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

(f) Basis used to determine expected rate of return on plan assets

The expected rate of return on plan assets is based on market expectation at the beginning of the year for returns over the entire life of the related obligation



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

**40 Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below :
Relationship :**

(a) Enterprises where control exists:

- (i) Ultimate Holding Company
 - Sudarshan Chemical Industries Limited (wef March 03, 2025)
 - SK Neptune Husky Holdings S.à.r.l. (upto March 03, 2025)
- (ii) Principal Shareholders (subsidiaries of the Ultimate Holding Company)
 - Sudarshan Switzerland HLD1 AG (formerly Heubach Holding Switzerland AG)
 - Sudarshan Switzerland HLD2 AG (formerly Heubach EBITO Chemiebeteteiligungen AG)
 - Sudarshan Europe B.V. (wef October 03, 2025)

Country of Incorporation

India
Luxemborg

Switzerland
Switzerland
Netherlands

(b) Other related parties in the Sudarshan Chemical group with whom the Company has transactions:

Fellow subsidiary companies :

Sudarshan Singapore SLO Pte. Ltd
(formerly Heubach Colorants Singapore Pte Ltd)

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Heubach Colorants (Shanghai) Ltd
Sudarshan USA SLO LLC
(formerly Heubach Colorants USA LLC)
Sudarshan Brasil MFG Ltda.
(formerly Heubach Colorants Brasil Ltda.)
Sudarshan Germany Horizons GmbH
(formerly Blitz F24-522 GmbH)
Sudarshan Gujarat MFG Private Limited
(formerly Heubach Colour Private Limited)
Sudarshan Mexico MFG, SA de CV
(formerly Heubach Colorants México, S.A. de CV)
Heubach Colorants Germany GmbH (up to March 03, 2025)
Heubach GmbH (up to March 03, 2025)
Sudarshan Langelsheim PLT GmbH
Hangzhou Baihe Heubach Pigments Co Ltd

Sudarshan Japan MFG K K
(formerly Heubach Colorants Japan K.K)
Sudarshan Fairless Hills MFG Ltd , LP
(formerly Heubach Ltd)
Sudarshan Southern Africa MFG (Pty) Ltd.
(formely Heubach Colorants Southern Africa (Pty) Ltd.)

Singapore

China
China
USA

Brasil

Germany

India

Mexico

Germany
Germany
Germany
China
Japan

USA

South Africa

(c) Key management personnel:

Executive Directors

Mr Bharath Sessa (upto August 31,2024)
Mr Sambit Roy (wef November 25, 2024)
Mr. Jugal Sahu (upto August 11, 2025)

Non-Executive Directors

Mr Ravi Kapoor (upto July 16, 2025)
Mr Rajesh Rathi (wef April 14, 2025)
Mr Sunirmal Talukdar (upto March 31, 2026)
Mr Kewal Handa (upto October 28, 2025)
Mrs Diana Dhote
Mrs Sudha Navandar (wef February 03, 2026)
Mrs Anu Wakhlu (wef April 14, 2025)
Mr. Naresh Raisinghani (wef April 14, 2025)
Mr. Amitabha Mukhopadhyay (wef April 14, 2025 upto August 11, 2025 and reappointed wef October 31, 2025)
Mr. Mandar Velankar (wef May 02, 2025)

Chief Financial Officer

Mr Jugal Sahu (upto March 09, 2026)
Mr Nilkanth Natu (wef May 11, 2026) - Interim

Company Secretary

Ms Amee Joshi (upto June 30,2024)
Ms. Ashwini Natekar (wef September 20,2024,upto July 16,2025) - Interim
Mr. Adwait Joshi (wef August 01,2025)



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

Transactions entered into with related parties during the year and balances as at the year end:

(i) Principal Shareholders :

Transactions during the year :

Sudarshan Switzerland HLD1 AG

Purchase of goods	99.62	45 38
Indenting commission received	0.47	0 92
Royalty expenses	1.61	1 71
Services rendered		0 06

Sudarshan Chemical Industries Limited

Sale of Goods	10.15	-
Purchase of goods	0.16	-
Services rendered	0.13	-

Sudarshan Europe B.V.

Services received	0 07	-
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(ii) Fellow subsidiaries :

Transactions during the year :

Sales of goods

Sudarshan Singapore SLO Pte. Ltd	137.25	132.83
Heubach Colorants Pigment Preparations (Tianjin) Ltd	2.37	1.65
Sudarshan Japan MFG K K	-	2 16
Heubach Colorants (Shanghai) Ltd.	19 30	19 37
Sudarshan USA SLO LLC	20.99	77 42
Sudarshan Gujarat MFG Private Limited	0.80	1 48
Sudarshan Brasil MFG Ltda.	0.54	-

Purchase / (Return) of goods

Sudarshan Singapore SLO Pte. Ltd	4 67	6 70
Sudarshan Gujarat MFG Private Limited	40 95	22 70
Sudarshan Mexico MFG, SA de C V	0.26	0 18
Sudarshan Brasil MFG Ltda.	-	0 07
Heubach GmbH	-	5 08
Heubach Colorants Germany GmbH	-	0 09
Sudarshan USA SLO LLC	-	0 03
Sudarshan Langelsheim PLT GmbH	12 34	0 54
Sudarshan Southern Africa MFG (Pty) Ltd	-	(0 05)
Hangzhou Baihe Heubach Pigments Co Ltd	1 01	-
Sudarshan Germany Horizons GmbH	0 14	-

Services rendered

Heubach Colorants Pigment Preparations (Tianjin) Ltd	0 09	0 16
Heubach Colorants Germany GmbH	-	1 73
Sudarshan Mexico MFG, SA de C V.	0.21	0 48
Sudarshan Singapore SLO Pte Ltd	0 03	0 12
Sudarshan Japan MFG K K	0.22	0 45
Heubach Colorants (Shanghai) Ltd	0 24	0 63
Heubach GmbH	-	0 78
Sudarshan USA SLO LLC	0 15	0 56
Sudarshan Fairless Hills MFG Ltd , LP	0 11	0 28
Sudarshan Brasil MFG Ltda	0 33	0 91
Sudarshan Germany Horizons Gmb	1.67	-
Sudarshan Langelsheim PLT GmbH	0.71	-

Services received

Sudarshan Germany Horizons GmbH	9 49	-
Heubach Group GmbH	-	6 12
Sudarshan Gujarat MFG Private Limited	0 18	0 23



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026

(iii) Key management personnel :

Executive Directors
Salary*
Sitting fees
Commission
Total Remuneration
Company Secretary
Salary*
Total Remuneration

March 31, 2026	March 31, 2025
5.57	4.86
0.49	0.88
0.43	0.15
6.49	5.89
0.19	0.73
0.19	0.73

(iv) Balances outstanding as at the year end :

Principal Shareholders :

Trade payables
Trade receivables

Fellow Subsidiaries :

Trade payables
Trade receivables

Key Management Personnel :

Payable balance

March 31, 2026	March 31, 2025
21.58	5.44
6.79	0.43
22.29	13.40
49.77	44.87
0.58	1.76

*Pertains to short-term employee benefits other than gratuity and leave encashment since the same is computed for all employees of the company as a whole

All transactions were made on normal commercial terms and conditions and at market rates



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

41 Segment Information :

(a) The Chief Operating Decision Maker ("CODM") reviews the operations of the Company as a whole under single primary business segment "Pigments", hence there are no reportable segments as per Ind AS 108 "Operating Segments."

(b) Disaggregated revenue information

Particulars	March 31, 2026	March 31, 2025
Sale of Goods - "Pigments"	750.11	791.48
Sale of Services	24.83	26.56
Total Revenue from contracts with customers	774.94	818.04
<u>Geographical Location of Customers</u>		
India	574.45	554.24
Outside India	200.49	263.80
Total Revenue from contracts with customers	774.94	818.04
<u>Timing of Revenue Recognition</u>		
Goods transferred at a point in time	750.11	791.48
Service transferred at a point over time	24.83	26.56
Total Revenue from contracts with customers	774.94	818.04

42 On November 21, 2025, the Government of India notified four new Labour Codes viz the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020, consolidating 29 existing labour laws

The Ministry of Labour & Employment has issued draft Central Rules and Frequently Asked Questions (FAQs) to facilitate implementation of the Codes. Based on actuarial valuation carried out, management's assessment and the guidance issued by the Institute of Chartered Accountants of India, the Company has recognised the incremental impact arising primarily due to the change in the definition of wages prescribed under the new Labour Codes.

The incremental impact, amounting to Rs 4.49 crores (comprising gratuity of Rs 3.81 crores and compensated absences of Rs 0.68 crores), represents past service cost arising from change in law and has been recognised immediately in the statement of profit and loss for the year ended March 31, 2026. Considering the non-recurring and regulatory-driven nature of this impact, the same has been presented as "Exceptional Item".



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

43 Capital-Work-in Progress (CWIP)

(a) For Capital-work-in progress ageing schedule
March 31, 2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress	4.81	2.65	0.13	0.04	7.63

March 31, 2025

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress	2.04	2.41	0.26	0.04	4.75

(b) In case of the following projects (CWIP), where completion is overdue or has exceeded its cost compared to its original plan:

March 31, 2026

CWIP	To be completed in				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress					
Project where completion is over due	4.57	-	-	-	4.57

March 31, 2025

CWIP	To be completed in				Total
	Less than 1 year	More than 1 years upto 2 years	More than 2 years upto 3 years	More than 3 years	
Projects in progress					
Project where completion is over due	3.56	0.02	-	-	3.58

No projects have been temporarily suspended and exceeded their original budgets for the year ended March 31, 2026 and March 31, 2025

44 Other Statutory Information

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder
- ii) The Company does not have borrowings from banks or financial institutions on the basis of security of current assets
- iii) The company has not been declared a willful defaulter as defined by RBI Circular
- iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
- v) Since, the Company does not have any subsidiary, the provisions of Section 2(87) of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017, are not applicable
- vi) The Company has not entered into any scheme of arrangement which has an accounting impact in the current or previous financial year
- vii) The Company has not traded or invested in Crypto currency or Virtual Currency during the current or previous year
- viii) (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- ix) (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- x) During the year, the Company has not surrendered or disclosed any income 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) Accordingly, there are no transaction which are not recorded in the books of accounts

The Company do not have any relationship and transactions with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act 1956



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

46 Leases

A) Leases where the Company is a Lessee

(i) The movement in Lease liabilities during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	25.09	27.02
Additions during the year	-	-
Finance costs incurred during the year	2.14	2.33
Payment for lease liabilities	(4.25)	(4.25)
Closing balance	22.98	25.09

(ii) The carrying value of the Rights-of-use and depreciation charged during the year

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	22.97	26.12
Additions during the year	-	-
Depreciation charged during the year	(3.15)	(3.15)
Closing balance	19.82	22.97

(iii) Amount Recognised in Statement of Profit & Loss Account during the Year

Particulars	As at March 31, 2026	As at March 31, 2025
Depreciation expense of right-of-use assets	3.15	3.15
Interest expense on lease liabilities	2.14	2.33
Expense relating to short-term leases/Low value leases (included in other expenses)	1.36	0.98
Total Expenses	6.65	6.46

(iv) Amounts recognised in statement of cash flows

Particulars	As at March 31, 2026	As at March 31, 2025
Total Cash outflow for Leases	(4.25)	(4.25)

(v) Maturity analysis of lease liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity Analysis of contractual undiscounted cash flows		
Less than one year	4.52	2.28
One to five years	24.25	12.49
More than five years	1.37	10.32
Total undiscounted Lease Liability	30.14	25.09

(vi) Balances of Lease Liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Non current lease liabilities	20.41	22.81
Current lease liabilities	2.57	2.28
Total lease liabilities	22.98	25.09

B) Leases where the Company is a Lessor

Operating lease

Particulars	As at March 31, 2026	As at March 31, 2025
Rental income	0.84	0.64

Maturity analysis of lease payment receivables

Particulars	As at March 31, 2026	As at March 31, 2025
Less than one year	0.56	0.47
One to five years	2.95	-
More than five years	0.20	-
Total lease liabilities	3.71	0.47



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

47 Ratios

S No	Ratio	Formula	Particulars		March 31, 2026		Ratio as on	March 31, 2025		Ratio as on	Variation
			Numerator	Denominator	Numerator	Denominator	March 31, 2026	Numerator	Denominator	March 31, 2025	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Trade Receivable + Cash & Cash Equivalents + Other Current Assets	Current Liability= Trade Payables + Other financial Liability+ Current tax (Liabilities)+ Provisions + Other Current Liability	588.08	203.35	2.89	550.58	196.62	2.80	3%
(b)	Debt-Equity Ratio	Debt / Equity	Debt= Lease Liabilities	Equity= Equity + Reserve and Surplus	22.98	570.08	0.04	25.09	523.34	0.05	(20%)
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	66.71	4.25	15.70	75.09	4.25	17.67	(11%)
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Average Shareholder's Equity	Net Income= Net Profits after taxes	(Opening Shareholder's Equity + Closing Shareholder's Equity)/2	44.53	546.71	0.0815	51.45	497.89	0.1033	(21%)
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	474.14	143.78	3.30	477.25	127.71	3.74	(12%)
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivable)/2	774.94	166.53	4.65	818.04	174.30	4.69	(1%)
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	675.12	162.68	4.15	666.15	167.11	3.99	4%
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	780.63	369.35	2.11	825.06	309.04	2.67	(21%)
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	44.53	774.94	0.06	51.45	818.04	0.06	0%
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest, taxes and exceptional items	Capital Employed= Total Assets – Current Liability	65.13	601.48	0.11	79.55	561.49	0.14	(21%)
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	44.53	570.08	0.08	51.45	523.34	0.10	(20%)



Sudarshan Colorants India Limited
(Formerly known as Heubach Colorants India Limited)

Notes to the financial statements for the year ended March 31, 2026
(All amounts in ₹ Crores, unless otherwise stated)

- 48 During the previous year, Heubach GmbH, erstwhile related party of the Company and a member of the Heubach Group, had filed an application for opening of regu insolvency proceedings over its assets with the competent insolvency court in Braunschweig Germany and, a preliminary Insolvency Administrator and Prelimin Custodian had been appointed by the competent court Further, Heubach Group GmbH, also a member of the Heubach Group and the holding company of Heub Holding Switzerland AG (a promoter shareholder of the Company and formerly known as Colorants International AG), had also filed an application for insolve proceedings over its assets with the competent insolvency court in Braunschweig together with certain of its affiliate companies

On October 11, 2024 Sudarshan Europe BV ("the Acquirer"), a subsidiary of Sudarshan Chemical Industries Ltd ("PAC"), had entered into a purchase agreement acquire all shares held by the promoters in the Company

Subsequently, the Company received a copy of the Public Announcement dated October 16, 2024 ("Public Announcement") regarding an Open Offer for acquisition of up to 6,001,268 fully paid equity shares with a face value of INR 10 each, representing 26% of the Company's Equity Share Capital, from pul shareholders (as defined in the Public Announcement) This Open Offer was issued by the Acquirer along with PAC in compliance with the Securities and Exchar Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

On March 3, 2025, the Acquirer completed the acquisition of business from the insolvent German Group Companies, including the participations held by Heub Holding Switzerland AG ("PAC-2") in its subsidiary companies This included the investment in the Company's equity shares through a Sale and Purchase Agreeem ("SPA") with SK Neptune Husky Finance S a r l The acquisition involved the entire shareholding in Heubach Holdings S a r l, which further held investments companies based in India and the USA As a result, the Acquirer became entitled to indirectly exercise 54 36% of the Voting Share Capital and control over Company Consequently, the Acquirer had acquired indirect control over the Company

Accordingly, as per the provisions of SEBI SAST Regulations, 2011, the Acquirer along with PACs submitted / published Detailed Public Statement dated March 2025 and Letter of Offer dated September 01, 2025 relating to the Open Offer process The Acquirer directly acquired 36,68,036 (15 89%) equity shares of Company As a result, the promoter and promoter group of the Company now holds 70 25% Voting Share Capital of the Company

- 49 On January 1, 2025, a fire occurred at the Company's warehouse located at Plot No 113/114 MIDC Dhatav, Raigad, used for storage of "Pigment in Process Goo The Company has adequate insurance coverage and is in discussion with the insurer for settlement of the claim

The Company had lodged an initial insurance claim aggregating to Rs 10 32 crores towards loss of property, plant and equipment and inventories in the previous ye Pending final settlement, an interim payment of Rs 1 50 crores was received in the previous year During the year, the Company disposed of the burnt material v the insurer's consent and incurred disposal expenses of Rs 0 50 crores These amounts have been disclosed as "Exceptional item" in the statement of profit and lo for the respective years

- 50 During the year 2019, the Company, on the basis of an independent valuation, obtained approval from its Board of Directors for the transfer of certain furniture e fixtures and other assets located at the Airoli Office to Clariant India Private Limited ('CIPL'), a related party at Rs 25 81 crores Due to various reasons, the transfer these assets could not be concluded till 2021 The current management noticed that certain identified assets belonging to the Company were unauthorise transferred to CIPL without due approval from the Board of Directors Upon becoming aware of the matter, the Board of Directors engaged external independ agencies to conduct a fact-finding exercise relating to the transaction The Company continued to engage in negotiations to recover the assets and mitigate e potential adverse impact arising from the transaction On October 29, 2025, an agreement was signed between the Company and CIPL to transfer the afores identified assets from CIPL to the Company and transfer of the said assets from CIPL to the Company is completed

- 51 The Company has maintained its books of account using an accounting software that is managed and maintained by a third-party service provider This softw includes a feature for recording an audit trail (edit log) of transactions as required under Rule 3(1) of the Companies (Accounts) Rules, 2014 The audit trail feat was enabled and operated for all relevant transactions recorded in the accounting software during the year However, the audit trail feature was not enabled at database level of the said software to log any direct data changes Further, the audit trail of prior year, has been preserved by the Company as per the statut requirements for record retention to the extent it was enabled and recorded in the previous year

- 52 The Company maintains its books of account and other relevant books and papers in electronic mode as permitted under the Companies Act, 2013 Daily backups such books and papers are taken and properly maintained However, the servers on which the backups of the books of account and other relevant records maintained are physically located outside India, which is in compliance with the provisions of Rule 3 of the Companies (Accounts) Rules, 2014, and Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, to the extent applicable

- 53 During the year ended March 31, 2024, the Company commenced the process of surrendering the Provident Fund Trust Consequently, the Regional Provident Fu Commissioner-II, Nariman Point (the "RPFC") had directed that the Company's employees provident fund known as 'Clariant Chemicals India Limited Emplo Provident Fund' ("EPF Trust") comply as an un-exempted establishment with effect from March 1, 2024 In this regard, the RPFC had inter alia asked the EPF Trus comply with the necessary conditions as specified in its cancellation/transfer letter Accordingly, the EPF Trust had transferred securities to the RPFC, and also l liquidated securities and transferred the proceeds to the RPFC, Further, the RPFC had appointed a third-party auditor to review the EPF Trust accounts, who had a completed a third-party audit of the EPF Trust accounts, with no material observations The EPF Trust will be formally closed after obtaining final confirmation from RPFC As per the Company's assessment, it does not expect any material adjustments to these financial results as a consequence of above



54 Change in Rounding Off Norms for Presentation in Ind-AS Financial Statements :

Until March 31, 2025, the Company's Ind-AS Financial Statements were presented in Indian Rupees (Rs) with values rounded off to the nearest lakhs, except where otherwise indicated

The management has re-evaluated rounding off norms adopted by the Company for presentation in the Ind-AS Financial Statements. Basis re-evaluation, the Company has revised its presentation approach, and henceforth, all amounts in these financial statements for all periods presented will be rounded off to the nearest crores, except where otherwise stated

The management believes that this change will enhance the comparability and readability of the Ind-AS Financial Statements, without obscuring any material information. This amendment pertains solely to presentation and disclosure. It does not affect the recognition or measurement of any items in the financial statements and, consequently, has no impact on total equity or profit/(loss) for the current or prior periods. Similarly, there is no impact on the presentation of the cash flow statement

Given the nature of this change, the management is of the view that it does not affect the statement of financial position as at the beginning of the comparative period, and, therefore, there is no need for separate presentation of an additional balance sheet.

Certain notes and disclosures in the Ind-AS Financial Statements have been presented as zero ("0") where the absolute amount is below the revised rounding off threshold adopted by the Company

The accompanying notes form an integral part of the Financial Statements

In terms of our report attached

For M S K A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047W / W101187

Udit Brijesh Parikh
Udit Brijesh Parikh

Partner

Membership No. 151016

Place: Dallas, United States of America

Date: May 11, 2026



For and on behalf of the Board of Directors

Sudarshan Colorants India Limited

(Formerly known as Heubach Colorants India Limited)

Sambit Roy
Sambit Roy

Managing Director

DIN: 08291664

Place: Navi Mumbai

Date: May 11, 2026

Sudha Navandar
Sudha Navandar

Director

DIN: 02804964

Place: Mumbai

Date: May 11, 2026

Nilkanth Natu
Nilkanth Natu

Chief Financial Officer

Place: Frankfurt, Germany

Date: May 11, 2026

Adwait Joshi
Adwait Joshi

Company Secretary

Membership No. A39132

Place: Pune

Date: May 11, 2026



**Independent auditor's report pursuant to
art. 14 of legislative decree n. 39 dated 27 January 2010**

(Translation from the original Italian text)

Ria Grant Thornton S.p.A.
Via Melchiorre Gioia, 8
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F +39 02 33104195

*To the Shareholder of
Sudarshan Italy SLO Srl*

Audit report on the Financial Statements

Opinion

We have audited the Financial Statements of Sudarshan Italy SLO Srl (from now onwards also the "Company"), which comprise the statement of financial position as of 31 December 2025, the income statement, the statement of cash flow for the year then ended and notes to the Financial Statements.

In our opinion, the Financial Statements give a true and fair view of the financial position of Sudarshan Italy SLO Srl as of 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with the Italian legislation framework.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). 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 ethical requirements that are relevant to our audit of the Financial Statements in Italy and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the financial statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Italian legislation framework and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the Financial Statements

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 International Standards on Auditing (ISA Italia) 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.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by sole director;
- conclude on the appropriateness of sole director 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;
- 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;

We communicate with those charged with governance identified at an appropriate level, as required by ISA Italia, 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.

Report on other legal and regulatory requirements

Opinion pursuant to art. 14, comma 2, letter e), e-bis) and e-ter) of the legislative decree n. 39/10

Management of Sudarshan Italy SLO Srl is responsible for the preparation of the report on operations of the Company as of 31 December 2025, as well as its consistency with the Financial Statements and its conformity with the Italian legislation framework.

We performed the procedures required by Italian Auditing Standard SA Italia No. 720B in order to:

- express an opinion on the consistency of the management report with the Financial Statements;
- express an opinion on the compliance of the management report with applicable laws and regulations;
- issue a statement on any material misstatements in the management report;

In our opinion, the report on operations is consistent with the Financial Statements of the Company as of 31 December 2025.

With regard to the statement pursuant to Article 14, point 2 letter e) of Legislative Decree 39/10, issued based on the understanding of the entity and its environment and information gathered throughout the audit process, we have nothing to report.

Milan, 12 June 2026

Ria Grant Thornton Spa

Signed by
Fabrizio Fitto
Partner

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

General information about the company

Master data

Designation: SUDARSHAN ITALY SLO S.R.L.
Location: VIA VITTOR PISANI N. 20 MILANO MI
Social capital: 5.200.000,00
Fully paid-up share capital: Yes
Chamber of Commerce Code: MI
VAT number: 10719350968
Tax number: 10719350968
REA Number: 2552142
Legal form: LIMITED LIABILITY COMPANY
Main sector of activity (ATECO): 468509
Companies in liquidation: No
Sole shareholder companies: Yes
Company subject to management and coordination activities: Yes
Name of the company or entity that carries out the management and coordination activity: SUDARSHAN SWITZERLAND HLD1 AG
Group membership: Yes
Name of the parent company: SUDARSHAN CHEMICAL INDUSTRIES LIMITED
Country of the parent company: INDIA
Registration number in the register of cooperatives:

Financial statements as at 31/12/2025

Ordinary Balance Sheet

	31/12/2025	31/12/2024
Active		
B) Fixed assets		
I - Intangible assets	-	-

	31/12/2025	31/12/2024
5) Goodwill	-	139.313
<i>Total intangible assets</i>	-	139.313
III - Financial fixed assets	-	-
2) credits	-	-
c) to parent companies	300.000	-
due within the following financial year	300.000	-
(d) to undertakings subject to the control of the parent companies	-	300.000
due within the following financial year	-	300.000
<i>Total receivables</i>	300.000	300.000
<i>Total financial assets</i>	300.000	300.000
<i>Total fixed assets (B)</i>	300.000	439.313
C) Current assets		
II - Credits	-	-
1) to customers	907.186	239.801
due within the following financial year	907.186	239.801
4) To parent companies	1.491.999	-
due within the following financial year	1.491.999	-
5) to undertakings subject to the control of the parent companies	233.899	10.233
due within the following financial year	233.899	10.233
5-bis) tax credits	122.051	59.024
due within the following financial year	122.051	59.024
5-ter) Deferred tax assets	134.673	104.459
5-quarter) to others	11.747	6.950
due within the following financial year	11.747	6.950
<i>Total receivables</i>	2.901.555	420.467
III - Financial assets that do not constitute fixed assets	-	-
financial activities for the centralised management of the treasury	10.652.129	11.447.000
<i>Total financial assets that do not constitute fixed assets</i>	10.652.129	11.447.000
IV - Cash and cash equivalents	-	-
1) bank and postal deposits	136.936	126.409
<i>Total cash and cash equivalents</i>	136.936	126.409
<i>Total current assets (C)</i>	13.690.620	11.993.876
D) Accruals and deferrals	37.600	1.721

	31/12/2025	31/12/2024
<i>Total assets</i>	<i>14.028.220</i>	<i>12.434.910</i>
Passive		
A) Shareholders' equity	6.988.832	6.606.648
I - Capital	5.200.000	5.200.000
IV - Legal reservation	125.352	89.893
VIII - Retained earnings (losses)	1.281.296	607.585
IX - Profit (loss) for the year	382.184	709.170
Total Shareholders' Equity	6.988.832	6.606.648
C) Employee severance pay	13.304	10.287
D) Debts		
6) Down payments	3.268	72.104
due within the following financial year	3.268	72.104
7) payables to suppliers	135.984	42.275
due within the following financial year	135.984	42.275
11) payables to parent companies	891.779	-
due within the following financial year	891.779	-
11-bis) payables to companies subject to the control of parent companies	5.920.735	5.551.433
due within the following financial year	5.920.735	5.551.433
12) Tax debts	22.562	13.298
due within the following financial year	22.562	13.298
13) Payables to social security institutions	10.561	25.659
due within the following financial year	10.561	25.659
14) Other payables	41.195	113.206
due within the following financial year	41.195	113.206
<i>Total payables</i>	<i>7.026.084</i>	<i>5.817.975</i>
<i>Total liabilities</i>	<i>14.028.220</i>	<i>12.434.910</i>

Ordinary Income Statement

	31/12/2025	31/12/2024
A) Value of production		
1) revenues from sales and services	7.841.341	12.523.307

	31/12/2025	31/12/2024
5) other revenues and income	-	-
Other	124.287	37.346
<i>Total other revenues and income</i>	<i>124.287</i>	<i>37.346</i>
<i>Total value of production</i>	<i>7.965.628</i>	<i>12.560.653</i>
B) Production costs		
6) for raw materials, ancillary, consumer and goods	7.089.751	11.072.159
7) For services	570.778	706.158
8) for the use of third-party assets	18.902	24.619
9) For staff	-	-
a) Wages and salaries	95.404	262.728
b) social security contributions	43.726	63.392
c) severance pay	9.526	12.672
<i>Total personnel costs</i>	<i>148.656</i>	<i>338.792</i>
10) Depreciation, amortization and write-downs	-	-
a) Depreciation of intangible assets	139.313	142.241
d) write-downs of receivables included in current assets and cash and cash equivalents	-	5.597
<i>Total depreciation, amortization and impairment losses</i>	<i>139.313</i>	<i>147.838</i>
11) changes in inventories of raw materials, supplies, consumables and goods	-	181.810
14) Miscellaneous management charges	19.494	7.188
<i>Total production costs</i>	<i>7.986.894</i>	<i>12.478.564</i>
Difference between value and costs of production (A - B)	(21.266)	82.089
C) Financial income and expenses		
16) Other financial income	-	-
d) income other than the above	-	-
by parent companies	697.128	854.307
Other	5.852	9.652
<i>Total income other than the above</i>	<i>702.980</i>	<i>863.959</i>
<i>Total other financial income</i>	<i>702.980</i>	<i>863.959</i>
17) interest and other financial charges	-	-
to companies subject to the control of the parent companies	183.106	-
<i>Total interest and other borrowing costs</i>	<i>183.106</i>	<i>-</i>
17-bis) Foreign exchange gains and losses	6.298	(1.723)
<i>Total financial income and expenses (15+16-17+-17-bis)</i>	<i>526.172</i>	<i>862.236</i>

	31/12/2025	31/12/2024
Profit before taxes (A-B+-C+-D)	504.906	944.325
20) Income taxes for the year, current, deferred and prepaid		
Current taxes	152.936	261.250
Deferred and deferred tax assets	(30.214)	(26.095)
<i>Total income taxes for the year, current, deferred and prepaid</i>	<i>122.722</i>	<i>235.155</i>
21) Profit (loss) for the year	382.184	709.170

Cash flow statement, indirect method

	Amount as of 31/12/2025	Amount as of 31/12/2024
A) Cash flows from operating activities (indirect method)		
Profit (loss) for the year	382.184	709.170
Income taxes	122.722	235.155
Interest expense/(income)	(519.874)	(863.959)
<i>1) Profit (loss) for the year before income taxes, interest, dividends and capital gains/losses on disposals</i>	<i>(14.968)</i>	<i>80.366</i>
Adjustments for non-monetary items that have not been offset in net working capital		
Provisions for funds	9.526	12.672
Depreciation of fixed assets	139.313	142.241
Other up/(down) adjustments for non-monetary items		5.597
<i>Total adjustments for non-monetary items that were not offset in net working capital</i>	<i>148.839</i>	<i>160.510</i>
<i>2) Cash flow before changes in net working capital</i>	<i>133.871</i>	<i>240.876</i>
Changes in net working capital		
Decrease/(Increase) in inventories		181.810
Decrease/(Increase) in receivables from customers	(667.385)	2.070.967
Increase/(decrease) in payables to suppliers	73.462	(48.105)
Decrease/(Increase) in accrued income and deferred income	(35.879)	9.624
Other decreases/(Other Increases) in net working capital	(679.056)	1.736.970
<i>Total changes in net working capital</i>	<i>(1.308.858)</i>	<i>3.951.266</i>
<i>3) Cash flow after changes in net working capital</i>	<i>(1.174.987)</i>	<i>4.192.142</i>
Other adjustments		
Interest received/(paid)	519.874	863.959
(Income taxes paid)	(122.722)	(235.155)
(Use of funds)		(8.085)
Other receipts/(payments)	(6.509)	
<i>Total other corrections</i>	<i>390.643</i>	<i>620.719</i>
Cash flow from operating activities (A)	(784.344)	4.812.861
B) Cash flows from investment activities		
Financial fixed assets		
(Investments)		(300.000)
Non-fixed financial assets		
(Investments)	794.871	(4.727.971)

	Amount as of 31/12/2025	Amount as of 31/12/2024
Cash flow of investment activity (B)	794.871	(5.027.971)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	10.527	(215.110)
Cash and cash equivalents at the beginning of the year		
Bank and postal deposits	126.409	341.519
Total cash and cash equivalents at the beginning of the year	126.409	341.519
Cash and cash equivalents at the end of the year		
Bank and postal deposits	136.936	126.409
Total cash and cash equivalents at the end of the year	136.936	126.409
Quadrature difference		

Information at the end of the cash flow statement

The change in non-fixed financial assets of Euro 794,871 for the year 2025, and Euro (Euro 4,727,971) for the comparative period, refers exclusively to the change in the balance of the treasury current account managed in cash pooling and centralized at the parent company, Heubach Holding Switzerland AG.

Notes to the financial statements, initial part

Mr. Shareholder, these notes to the financial statements are an integral part of the financial statements as at 31/12/2025.

These financial statements for the year ended 31/12/2025 show a profit for the year of Euro 382,184.

The financial statements comply with the provisions of Articles 2423 et seq. of the Italian Civil Code and with national accounting standards as published by the Italian Accounting Body; it therefore clearly and truthfully and correctly represents the company's financial position and the economic result for the year.

The content of the balance sheet and income statement is that provided for by articles 2424 and 2425 of the Civil Code, while the cash flow statement was prepared pursuant to art. 2425-ter.

The explanatory notes, drawn up pursuant to art. 2427 of the Italian Civil Code, also contains all the information useful for providing a correct interpretation of the financial statements.

Training criteria

Preparation of the financial statements

The information contained in this document is presented in the order in which the relevant items are disclosed in the balance sheet and income statement.

With reference to the provisions of the introductory part of these notes, we certify that, pursuant to art. 2423, paragraph 3 of the Italian Civil Code, if the information required by specific legal provisions is not sufficient to give a true and correct representation of the company's situation, the additional information deemed necessary for the purpose is provided.

The financial statements, as well as these notes to the financial statements, have been prepared in units of euro.

Drafting principles

The valuation of the balance sheet items was carried out in compliance with the principle of prudence, materiality and with a view to continuing the business. Pursuant to art. 2423-bis c.1 point 1-bis of the Italian Civil Code, the recognition and presentation of items is carried out taking into account the substance of the transaction or contract. In preparing the financial statements, income and expenses were recorded on an accrual basis, regardless of when they were recorded in number, and only the profits made at the end of the year were disclosed. However, the risks and losses pertaining to the year were taken into account, even if they became known after the end of the year.

The valuation of the components of the individual items of assets or liabilities took place separately, to prevent the gains on some items from offsetting the losses on others.

In cases where offsetting is permitted by law, the gross amounts subject to offsetting are indicated in the notes to the financial statements.

Structure and content of the financial statements

The balance sheet, income statement, cash flow statement and accounting information contained in these notes are in accordance with the accounting records, from which they were directly derived.

In the presentation of the balance sheet and income statement, no grouping of items preceded by Arabic numerals has been carried out, as is optionally provided for by art. 2423 ter of the Civil Code.

Pursuant to art. 2424 of the Civil Code, it is confirmed that there are no elements of assets or liabilities that fall under more than one item in the financial statements.

Exceptional cases pursuant to Article 2423, fifth paragraph, of the Civil Code

There have been no exceptional cases that have made it necessary to resort to the exceptions referred to in art. 2423, paragraphs 4 and 5 of the Civil Code.

Changes in accounting policies

There have been no exceptional cases that have made it necessary to resort to the exceptions referred to in art. 2423-bis, paragraph 2 of the Civil Code.

Comparability and adaptation issues

Pursuant to art. 2423 ter of the Italian Civil Code, it should be noted that all the items in the financial statements were comparable with the previous year; There was therefore no need to adjust any items from the previous year.

Evaluation criteria applied

The valuation criteria applied for the preparation of these financial statements comply with the provisions of art. 2426 of the Civil Code.

Carrying amounts expressed in foreign currency have been recorded after conversion into euro at the exchange rate in force at the time of their recognition, or at the exchange rate at the end of the financial year in accordance with accounting standard OIC 26.

Intangible assets

Intangible assets are assets that are normally characterized by a lack of tangibility. They consist of costs that do not exhaust their usefulness in a single period but manifest the economic benefits over a period of several years.

Intangible assets include:

- installation and expansion costs;
- goodwill;

Future economic benefits from an intangible asset include revenue from the sale of products or services, cost savings or other benefits from the company's use of the intangible asset.

Intangible assets, under the conditions set out in accounting standards, are recorded on the assets side of the balance sheet at purchase and/or production cost and are depreciated on a straight-line basis according to their future usefulness.

The value of fixed assets is shown net of accumulated depreciation and impairment losses.

Depreciation was carried out in accordance with the following pre-established plan, which is considered to ensure a correct distribution of the cost incurred over the useful life of the fixed assets in question:

Intangible assets	Period
Set-up and expansion costs	5 years
Start-up	10 years

Any disposals of intangible assets that took place during the year led to the elimination of their residual value.

The depreciation criterion of intangible assets has been applied systematically and in each financial year, in relation to the residual possibility of economic use of each individual asset or expense.

Pursuant to and for the purposes of art. 10 of Law no. 72 of 19 March 1983, and as also referred to by subsequent laws on monetary revaluation, it should be noted that no monetary revaluation has ever been carried out for intangible assets still existing in assets.

It should be noted that it was not necessary to make write-downs on these fixed assets pursuant to Article 2426, paragraph 1, no. 3 of the Italian Civil Code since, as required by accounting standard OIC 9, no indicators of potential impairment losses of intangible assets were found.

Set-up and expansion costs

Plant and expansion costs have been recorded in the assets of the balance sheet because they have a multi-year utility; these costs were amortized over five years.

Start-up

The goodwill, meeting the conditions indicated by the accounting standards, was recorded in the assets of the balance sheet as it was acquired for consideration, and was amortized, within 10 years according to its useful life in accordance with the provisions of art. 2426, paragraph 1, no. 6 of the Civil Code. The assumptions that allowed the recognition of goodwill and the continuation of its future usefulness are reviewed annually in order to assess the possible need to make reductions in the residual net value.

If, at the closing date, the existence of an impairment indicator (as indicated in OIC 9) is assessed that indicates the probability that a fixed asset may have suffered a lasting loss in value, its recoverable value will be estimated and a write-down will be made if the latter is lower than the corresponding net book value.

Receivables booked to current assets

Receivables represent the right to claim, at an identified or identifiable maturity, fixed or determinable amounts of cash and cash equivalents, or goods/services of equivalent value, from customers or other parties.

Receivables recognised in current assets have been recognised in the financial statements on the basis of amortised cost, as defined by art. 2426 paragraph 2 of the Civil Code, taking into account the time factor and the presumed realisable value, in accordance with the provisions of art. 2426, paragraph 1, no. 8 of the Civil Code.

For receivables for which the application of the amortised cost method and/or discounting has been verified to be irrelevant, for the purposes of the need to give a true and fair representation of the company's financial and economic position, the recognition according to the presumed realisable value has been maintained. This has occurred, for example, in the case of receivables with a maturity of less than twelve months or, with reference to the amortised cost method, in the event that transaction costs, commissions and any other difference between the initial value and the value at maturity are of little significance or, again, in the case of discounting, in the presence of an interest rate that can be inferred from the contractual conditions that is not significantly different from the market interest rate.

Financial assets that do not constitute fixed assets

Centralized treasury management

Pursuant to art. 2423-ter, paragraph 3 of the Italian Civil Code, and having verified the short-term terms of receivable as provided for by OIC 14, the company recorded the receivable from the company that administers the group's centralised treasury in the specific item "Financial assets for centralised treasury management" under "Financial assets that do not constitute fixed assets"; this item has been specifically added with respect to the items provided for by art. 2424 of the Civil Code.

Cash and cash equivalents

Cash and cash equivalents are valued according to the following criteria:

- money, at face value;
- bank deposits and cheques in cash, at the presumed realisable value. In this specific case, the realisable value coincides with the nominal value.

Net Worth

The items are presented in the financial statements at their carrying amount in accordance with the indications contained in accounting standard OIC 28.

Employee severance pay

The severance indemnity (TFR) represents the benefit to which the employee is entitled in any case of termination of the employment relationship, pursuant to Article 2120 of the Civil Code "Discipline of severance pay".

Following the reform of supplementary pension schemes (Legislative Decree 252/2005), the severance indemnity accrued during the year is paid to the "INPS Treasury Fund" or to the "Pension Funds" depending on the choice, express or tacit, made by employees.

Debts

Payables are liabilities of a determined nature and certain existence, which represent obligations to pay fixed or determinable amounts of cash and cash equivalent, or goods/services of equivalent value, usually on a set date. These obligations are to lenders, suppliers and other parties.

Payables have been recognised in the financial statements according to the amortised cost method, as defined by Article 2426, paragraph 2 of the Italian Civil Code, taking into account the time factor, in accordance with the provisions of Art. 2426, paragraph 1, no. 8 of the Civil Code. For payables for which the application of the amortised cost method and/or discounting has been verified to be irrelevant, for the purposes of the need to give a true and fair representation of the company's financial and economic position, the recognition at nominal value has been maintained. This has occurred, for example, in the presence of debts with a maturity of less than twelve months or, with reference to the amortised cost method, in the event that transaction costs, commissions and any other difference between the initial value and the value at maturity are of little significance or, again, in the case of discounting, in the presence of an interest rate that can be inferred from the contractual conditions that is not significantly different from the market interest rate.

The classification of debts among the various debt items is carried out on the basis of the nature (or origin) of the same with respect to ordinary management, regardless of the period of time within which the liabilities must be settled.

Other information

Transactions with a retrocession obligation

The company, pursuant to Article 2427 no. 6-ter of the Italian Civil Code, certifies that during the year it did not carry out any transaction subject to the obligation of forward retrocession.

Notes to the financial statements, assets

The movements of the individual items in the financial statements are analysed in detail below, in accordance with the provisions of current legislation.

Fixed assets

Intangible assets

Movements in intangible assets

The item intangible assets changed during the year exclusively due to the recognition of depreciation for the period totalling Euro 139,313.

The table shows the movements of the fixed assets in question.

	Setup and expansion costs	Start-up	Total intangible assets
Year-to-date value			
Cost	14.641	1.393.130	1.407.771
Depreciation (Accumulated Depreciation)	14.641	1.253.817	1.268.458
Balance sheet value	-	139.313	139.313
Changes in the year			
Depreciation for the year	-	139.313	139.313
<i>Total changes</i>	-	<i>(139.313)</i>	<i>(139.313)</i>
Year-end value			
Cost	14.641	1.393.130	1.407.771
Depreciation (Accumulated Depreciation)	14.641	1.393.130	1.407.771
Balance sheet value	-	-	-

Finance leasing transactions

At the end of the year, the company did not have any financial lease contract in progress, the value of which is significant.

Financial fixed assets

Financial fixed assets include only the value of a security deposit of Euro 300,000 paid in favour of Sudarshan Europe B.V. as a guarantee for the successful outcome of the sales of goods made between the parties.

Current assets

Receivables booked to current assets

Changes and maturity of receivables booked to current assets

The following table shows information on changes in receivables recorded in current assets and, if significant, information on their maturity.

	Year-to-date value	Change in the year	Year-end value	Quota expiring within the year
Receivables from customers	239.801	667.385	907.186	907.186
Receivables from parent companies	-	1.491.999	1.491.999	1.491.999
Receivables from companies under the control of parent companies	10.233	223.666	233.899	233.899
Tax credits	59.024	63.027	122.051	122.051
Deferred tax assets	104.459	30.214	134.673	-
Receivables from others	6.950	4.797	11.747	11.747
Total	420.467	2.481.088	2.901.555	2.766.882

There are no receivables maturing beyond the following year.

Receivables from customers amounting to Euro 907,186 (Euro 239,801 as of December 31, 2024) are stated net of a provision for doubtful accounts of Euro 57,296.

Receivables from parent companies amounting to Euro 1,491,999 refer exclusively to trade receivables due from Sudarshan Switzerland HLD1 AG.

The item "receivables from companies under the control of the parent companies" amounts to Euro 233,899 and relates to commercial receivables from Sudarshan Germany Horizons Gmb for Euro 223,666, and from Sudarshan Middle East General Trading LLC for Euro 10,233.

Tax receivables amounting to Euro 122,051 refer to advances for income taxes. And they refer to:

- IRES for Euro 93,880;
- IRAP for Euro 28,171.

Deferred tax assets relate to deductible temporary differences. For a description of the same, please refer to the relevant paragraph in the last part of this explanatory note.

Breakdown of receivables booked to current assets by geographical area

The following table shows the geographical breakdown of receivables recorded in current assets.

Region	Receivables from customers recognised as current assets	Receivables from parent companies recognised as current assets	Receivables from companies under the control of parent companies recorded in current assets	Tax receivables recorded in current assets	Deferred tax assets recognised as current assets	Receivables from other current assets	Total receivables booked to current assets
Italy	907.186	-	-	122.051	134.673	11.747	1.175.657
EU	-	-	223.666	-	-	-	223.666
Extra UE	-	1.491.999	10.233	-	-	-	1.502.232
Total	907.186	1.491.999	233.899	122.051	134.673	11.747	2.901.555

Financial assets that do not constitute fixed assets

Changes in financial assets that do not constitute fixed assets

The following table shows information on changes in financial assets that do not constitute fixed assets.

Item description	Year-to-date value	Changes in the year	Year-end value
financial activities for the centralised management of the treasury	11.447.000	(794.871)	10.652.129
<i>Total</i>	<i>11.447.000</i>	<i>(794.871)</i>	<i>10.652.129</i>

The item in question refers to the cash pooling receivable outstanding from the parent company, Sudarshan Switzerland HLD1 AG.

Cash and cash equivalents

The following table shows information about changes in cash and cash equivalents.

	Year-to-date value	Changes in the year	Year-end value
bank and postal deposits	126.409	10.527	136.936
Total	126.409	10.527	136.936

Accrued income and deferred income

The balance of the item is determined on the basis of the criterion of the actual accrual of the period and measures the income and expenses whose accrual is anticipated or postponed with respect to the numerical and/or documentary manifestation; they are independent of the date of payment or collection of the related income and expenses, common to two or more financial years and apportioned according to time.

The following table shows information relating to changes in accrued income and deferred income.

	Year-to-date value	Change in the year	Year-end value
Deferred income	1.721	35.879	37.600
Total accrued income and deferred income	1.721	35.879	37.600

Capitalised financial charges

In the year at the end of the year, no financial charges were charged to the values recorded in the assets of the Balance Sheet.

Notes to the financial statements, liabilities and shareholders' equity

The movements of the individual items in the financial statements are analysed in detail below, in accordance with the provisions of current legislation.

Net Worth

Changes in equity

With reference to the year at the end of the year, the following tables show the changes in the individual items of equity, as well as the details of the other reserves, if present in the financial statements.

	Year-to-date value	Destination of the result of the es. prev. - Other destinations	Operating profit	Year-end value
Capital	5.200.000	-	-	5.200.000
Legal reserve	89.893	35.459	-	125.352
Retained earnings (losses)	607.585	673.711	-	1.281.296
Profit (loss) for the year	709.170	(709.170)	382.184	382.184
Total	6.606.648	-	382.184	6.988.832

During the year, the shareholders' meeting, at the same time as approving the financial statements for the year ended 31 December 2024, resolved to allocate the profit for the year of Euro 709,170 as follows:

- Euro 35,459 to the legal reserve;
- Euro 673,711 new.

Availability and use of equity

The following tables provide an analytical breakdown of the items of equity, specifying their origin, possibility of use and distribution, as well as their use in the previous three years.

Description	Amount	Origin/Nature	Possible uses	Available Quota
Capital	5.200.000	Capital	B	5.200.000
Legal reserve	125.352	Useful	B	125.352
Retained earnings (losses)	1.281.296	Useful	A; B; C	1.281.296
Total	6.606.648			6.606.648
Non-distributable portion				5.325.352
Remaining distributable portion				1.281.296
Key: A: for capital increase; B: to cover losses; C: for distribution to members; D: for other statutory constraints; And: more				

Employee severance pay

The following table shows information on changes in employee severance pay.

	Year-to-date value	Changes during the year - Provision	Changes during the year - Other changes	Change during the year - Total	Year-end value
EMPLOYEE SEVERANCE PAY	10.287	9.526	(6.509)	3.017	13.304
Total	10.287	9.526	(6.509)	3.017	13.304

"Other changes", amounting to Euro (6,509), mainly refer to the amounts paid into supplementary pension schemes.

Debts

Changes and maturity of debts

The following table shows information on changes in payables and any information on their maturity.

	Year-to-date value	Change in the year	Year-end value	Quota expiring within the year
Down payments	72.104	(68.836)	3.268	3.268
Payables to suppliers	42.275	93.709	135.984	135.984
Payables to parent companies	-	891.779	891.779	891.779
Payables to companies under the control of parent companies	5.551.433	369.302	5.920.735	5.920.735
Tax debts	13.298	9.264	22.562	22.562
Payables to social security institutions	25.659	(15.098)	10.561	10.561
Other payables	113.206	(72.011)	41.195	41.195
Total	5.817.975	1.208.109	7.026.084	7.026.084

The item "payables to parent companies" amounting to Euro 891,779 refers only to trade payables to Sudarshan Europe B.V.

Payables to companies belonging to the Group and subject to the control of the parent company amount to Euro 5,920,735, and refer to payables to:

- Sudarshan Middle East General Trading LLC per Euro 5.336.176;
- Sudarshan Germany Horizons Gmb per Euro 584.559.

Tax payables amount to Euro 22,562 and refer to:

- Payables to the VAT Treasury for Euro 12,789;
- IRPEF on employment income for Euro 4,466;
- Withholding taxes on self-employment income for Euro 5,307.

Payables to social security institutions amount to Euro 10,561 and relate solely to payables due to INPS and supplementary pension funds for the company's share of accrued salaries.

The item "other payables" amounting to a total of Euro 41,195 refers to payables to employees for bonuses, charges, holidays and leave accrued but not yet paid at the end of the year.

Breakdown of payables by geographical area

The following table shows the breakdown of payables by geographical area.

Region	Down payments	Payables to suppliers	Payables to parent companies	Payables to companies under the control of parent companies	Tax debts	Payables to social security institutions	Other payables	Debts
Italy	3.268	115.737	-	-	22.562	10.561	41.195	193.323
EU	-	20.247	891.779	584.559	-	-	-	1.496.585
Extra UE	-	-	-	5.336.176	-	-	-	5.336.176
Total	3.268	135.984	891.779	5.920.735	22.562	10.561	41.195	7.026.084

Debts secured by collateral on company assets

Pursuant to and for the purposes of art. 2427, paragraph 1 no. 6 of the Civil Code, it is certified that there are no corporate debts secured by real guarantees.

Loans made by shareholders of the company

The company has not received any funding from the shareholders.

Notes to the financial statements, income statement

The income statement shows the economic result for the year.

It provides a representation of the operating operations, through a summary of the positive and negative components of income that contributed to determining the economic result. The positive and negative components of income, recorded in the financial statements in accordance with the provisions of art. 2425-bis of the Civil Code, are distinguished according to the belonging to the various managements: characteristic, ancillary and financial.

Core business identifies the components of income generated by transactions that occur on a continuous basis and in the sector relevant to the performance of operations, which identify and qualify the peculiar and distinctive part of the economic activity carried out by the company, for which it is aimed.

Financial assets consist of transactions that generate financial income and expenses.

On a residual basis, ancillary activities consist of transactions that generate income components that are part of ordinary activities but are not part of core and financial activities.

Value of production

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and bonuses, as well as taxes directly related to them.

As regards the sale of assets, the related revenues are recorded when the substantial and non-formal transfer of ownership has occurred, taking the transfer of risks and benefits as a reference parameter for the substantial transfer.

The item "other revenues" amounting to a total of Euro 124,287 mainly refers to a contribution for the reorganization of the distribution network for the amount of Euro 120,000.

In particular, this income, of a non-recurring nature, is related to the early termination of a previous distribution agreement and the consequent start of a new business relationship, and represents a partial compensation of the costs incurred by the company for the termination of the original contract.

Breakdown of sales and service revenues by geographical area

The following table shows the breakdown of revenues from sales and services according to geographical areas.

Sales and performance revenue details by region:

Geographical Area	2025	2024	Change
Sales Italy	5.774.598	9.475.937	-3.701.339
Foreign Sales	2.066.743	3.047.370	-980.627
Total	7.841.341	12.523.307	-4.681.966

Production costs

Costs and charges are allocated on an accrual basis and according to nature, net of returns, allowances, discounts and premiums, in compliance with the principle of correlation with revenues, and recorded in the respective items in accordance with the provisions of accounting standard OIC 12. As regards the purchase of goods, the related costs are recorded when the substantial and non-formal transfer of the title of ownership has occurred, taking the transfer of risks and benefits as a reference parameter for the substantial transfer. In the case of the purchase of services, the related costs are recorded when the service has been received, or when the service has been concluded, while, in the case of continuous provision of services, the related costs are recorded for the portion accrued.

Financial income and expenses

Financial income and expenses are recorded on an accrual basis in relation to the portion accrued during the year. Financial income totalling Euro 702,980 refers to interest income accrued on the central treasury current account held with the parent company, Sudarshan Switzerland HLD1 AG, for the remainder of Euro 5,852, and to bank interest income accrued on the current account credit balance.

Financial charges, amounting to Euro 183,106, refer to interest expense accrued on the debt to Sudarshan Middle East General Trading LLC.

Breakdown of income from equity investments

There is no income from equity investments referred to in art. 2425, no. 15 of the Civil Code.

Foreign exchange gains/losses

The information relating to foreign exchange gains or losses is provided below, distinguishing the part realized from the portion deriving from the valuations of foreign currency assets and liabilities recorded in the financial statements at the end of the year.

Description	Amount in the budget	Evaluation part	Part made
<i>Foreign exchange gains and losses</i>	<i>6.298</i>		
Profit on foreign exchange		6.592	8
Foreign exchange loss		-	302
Total item		6.592	294-

Amount and nature of individual revenue/expense items of exceptional magnitude or impact

No revenue or other positive components deriving from events of exceptional magnitude or impact were recognised during the current year.

No costs or other negative components deriving from events of exceptional magnitude or impact were recognised during the current year.

Current, deferred and deferred income taxes

The company has allocated the taxes for the year on the basis of the application of the tax regulations in force. Current taxes refer to taxes pertaining to the year; Taxes relating to previous years include direct taxes from previous years, including interest and penalties and also refer to the positive (or negative) difference between the amount due following the settlement of a dispute or an assessment compared to the value of the provision set aside in previous years. Finally, deferred tax assets and deferred tax assets relate to positive or negative income components that are subject to taxation or deduction in years other than those in which they are accounted for.

For the year 2025, the Company recorded current taxes totalling Euro 152,936, of which:

- €149,336 for IRES;
- and Euro 3,600 for IRAP.

Deferred and deferred tax assets

This item includes the impact of deferred tax on these financial statements. The same is due to the temporary differences between the values attributed to an asset or liability according to civil law criteria and the corresponding values recognized to these elements for tax purposes.

The company determined the deferred taxation with reference to IRES and IRAP.

Deferred and deferred tax assets were calculated using the following rates, respectively:

Rates	E.g. n+1	E.g. n+2	E.g. n+3	E.g. n+4	Over
IRES	24%	24%	24%	24%	24%
IRAP	3,9%	3,9%	3,9%	3,9%	3,9%

The following tables are analytically indicated:

- a description of the temporary differences that led to the recognition of deferred and deferred tax assets, specifying the rate applied and the changes compared to the previous year, the amounts credited or debited to the income statement or to equity;
- the amount of deferred tax assets recorded in the financial statements relating to losses in the year or in previous years and the reasons for the recognition, the amount not yet accounted for and the reasons for the non-recognition;
- the items excluded from the calculation and the related reasons.

Recognition of deferred and deferred tax assets and consequent effects

	IRES	IRAP
A) Temporary differences		
Total deductible temporary differences	490.714	433.418
Net temporary differences	(490.714)	(433.418)
B) Tax effects		
Provision for deferred (deferred) tax assets at the beginning of the year	(91.781)	(12.678)
Deferred tax assets (deferred) for the year	(25.989)	(4.225)
Provision for deferred (deferred) tax assets at the end of the year	(117.770)	(16.903)

Detail of deductible temporary differences

Description	Amount at the end of the previous year	Change occurred during the year	Amount at the end of the year	Aliquota IRES	IRES tax effect	IRAP rate	IRAP tax effect
Goodwill in excess of 1/18 franked cost	108.352	325.066	433.418	24,00	104.019	3,90	16.903
F.do Taxed Write-Down Receivables	(1.749)	59.045	57.296	24,00	13.751	3,90	-
Total	93.290	397.424	490.714	24,00	117.770	3,90	16.903

Notes to the financial statements, cash flow statement

The company has prepared the cash flow statement, which represents the summary document that links the changes that occurred during the year in the company's assets with the changes in the financial situation; it highlights the values relating to the financial resources that the company needed during the year as well as the related uses.

With regard to the method used, it should be noted that the company has adopted, in accordance with the provision of OIC 10, the indirect method on the basis of which the flow of liquidity is reconstructed by adjusting the result for the year of the non-monetary components.

Notes to the financial statements, other information

The other information required by the Civil Code is set out below.

Employment data

The company's workforce during the year underwent the following evolution:

	Employees	Total employees
Medium Number	1	1

Remuneration, advances and credits granted to directors and statutory auditors and commitments undertaken on their behalf

The company has not resolved remuneration, nor are there advances and credits, in favor of the Administrative Body. Furthermore, it has not entered into commitments on behalf of that body as a result of guarantees of any kind given.

Remuneration to the statutory auditor or auditing firm

Pursuant to art. 2427, no. 16/bis, of the Italian Civil Code, it should be noted that the fees paid to the independent auditors amount to Euro 12,000. No fees were paid to the auditor for services other than the statutory audit.

Classes of shares issued by the company

This paragraph of the notes to the financial statements is not relevant as the share capital is not represented by shares.

Securities issued by the company

The company has not issued any security or similar value falling within the provision of art. 2427 no. 18 of the Civil Code.

Details of other financial instruments issued by the company

The company has not issued any other financial instruments pursuant to Article 2346, paragraph 6 of the Italian Civil Code.

Commitments, guarantees and contingent liabilities not shown in the balance sheet

The company has no commitments, guarantees and contingent liabilities not shown in the balance sheet.

Information on assets and loans for a specific business

Assets allocated to a specific business

The Company does not highlight any of the cases in question.

Financing for a specific business

It is hereby certified that at the balance sheet date there are no loans allocated to a specific business referred to in no. 21 of art. 2427 of the Civil Code.

Information on transactions with related parties

During the year, transactions with related parties were carried out; These are transactions that include commercial and financial relationships concluded at market conditions. For more details, please refer to the Directors' Report.

Information on agreements not reflected in the balance sheet

No agreements were entered into during the year that are not shown on the balance sheet.

Information on significant events occurring after the end of the financial year

Pursuant to art. 2427, point 22-quarter, of the Italian Civil Code, it should be noted that, after the end of the financial year as at 31 December 2025, no events have occurred that could significantly affect the company's financial position, financial position and income statement.

The integration process of the Heubach Group, acquired in March 2025 by the Sudarshan Chemical Industries Limited group through its subsidiary Sudarshan Europe B.V., continues in 2026. This transaction has created a globally important industrial group in the pigments sector, with an extensive international presence and a significant expansion of its product portfolio and production capabilities.

The activities following the acquisition were mainly focused on the operational, organisational and information systems integration of the companies involved, as well as on the harmonisation of structures and processes, with the aim of achieving operational synergies and efficiency improvements.

At the date of preparation of these financial statements, this process is ongoing and there are no effects such as to change the valuations made for the purposes of preparing the financial statements as at 31 December 2025.

Undertakings drawing up the balance sheet of the largest/smallest set of undertakings to which it belongs as a controlled undertaking

In the following table, pursuant to art. 2427, numbers 22-quinquies and 22-sexies of the Civil Code, the name and registered office of the company that prepares the consolidated financial statements, of the largest or smallest group of companies, of which the company is a part as a consolidated company, is reported.

The same also indicates the place where the copy of the consolidated financial statements is available.

Larger set	
Company name	Sudarshan Chemical Industries Limited
City (if in Italy) or foreign state	India

Information relating to derivative financial instruments pursuant to Article 2427-bis of the Italian Civil Code

It is hereby certified that no derivative financial instrument has been subscribed.

Summary statement of the financial statements of the company that carries out the management and coordination activity

It is hereby announced that the company is subject to the management and coordination of the company Sudarshan Switzerland HLD1 AG.

The following summary tables provide the essential data of the last approved financial statements of the aforementioned company exercising management and coordination. The values are shown in CHF currency.

Summary statement of the balance sheet of the company that carries out the management and coordination activity

	Previous year	Date
Date of the last approved financial statements		31/12/2021
B) Fixed assets	353.415.277	
C) Current assets	133.187.505	
D) Accrued income and deferred income	10.701	
Total assets	486.613.483	
Social capital	30.000.000	
Reserves	106.083.770	
Profit (loss) for the year	1.824.380	
Total Shareholders' Equity	137.908.150	
D) Debts	348.627.093	
E) Accrued income and deferred income	78.240	

	Previous year	Date
Total liabilities	486.613.483	

Summary statement of the income statement of the company that carries out the management and coordination activity

	Previous year	Date
Date of the last approved financial statements		31/12/2021
A) Value of production	271.384.478	
B) Production costs	297.270.889	
C) Financial income and expenses	27.710.791	
Profit (loss) for the year	1.824.380	

Proposed allocation of profits or coverage of losses

With reference to the result for the year of Euro 382,184, any decision regarding its allocation is referred to the Sole Shareholder.

Notes to the financial statements, final part

Mr. Shareholder, we confirm that these financial statements, consisting of the balance sheet, income statement, cash flow statement and explanatory notes, truthfully and fairly represent the company's financial position, as well as the economic result for the year and correspond to the accounting records. We therefore invite you to approve the draft financial statements as at 31/12/2025 together with the proposal for the allocation of the result for the year, as prepared by the Administrative Body.

The Financial Statements are true and real and correspond to the accounting records

Milan,

D'Hondt Bram Sebastiaan Kristiaan, Sole Director

11th Fiscal Year

From January 1, 2025

To December 31, 2025

Financial Statements

Balance Sheet

Sudarshan Japan MFG K.K.

[1] Balance Sheet

As of December 31, 2025

(Amounts in Japanese Yen)

Assets		Liabilities	
Account Title	Amount	Item	Amount
【 Current Assets 】	【 4,859,828,998 】	【 LIABILITIES 】	【 1,658,046,875 】
Cash and Deposits	755,198,364	Accounts Payable	1,281,726,981
Accounts Receivable	765,159,923	Other Payables	99,843,210
Finished Goods and Merchandise	1,948,792,407	Deposits Received	32,851,372
Raw Materials and Supplies	188,322,956	Accrued Expenses	18,147,312
Semi-finished Goods	128,606,851	Income Taxes Payable	225,478,000
Other Receivables	38,394,010		
Prepaid Expenses	31,479,725		
Consumption Tax Receivable	3,874,762		
Loans to Related Companies	1,000,000,000		
【 Non-current Assets 】	【 3,120,395,992 】	【 Non-current Liabilities 】	【 39,483,346 】
Property, Plant and Equipme	3,064,258,261	Business Guarantee Deposits	30,000,000
Land	2,307,776,415	Provision for Directors' Retire	6,456,594
Buildings and Structures	318,641,483	Provision for Retirement Ben	3,026,752
Machinery and Equipment	329,117,455		
Tools, Furniture and Fixtures	23,415,642		
Vehicles	1		
Construction in Progress	85,307,265	Total Liabilities	1,697,530,221
		NET ASSETS	
Investments and Other Asset	56,137,731	【 Shareholders' Equity 】	6,282,694,769
Lease and Guarantee Depx	25,175,300	Share Capital	250,000,000
Deferred Tax Assets	30,962,431	Retained Earnings	6,032,694,769
		Other Retained Earnings	6,032,694,769
		Retained Earnings Brought Forward	6,032,694,769
		Total Net Assets	6,282,694,769
Total Assets	7,980,224,990	Total Liabilities and Net Assets	7,980,224,990

7,980,224,990
0

Net Income for the Period 907,267,921
Balance Check 0

[2] Statement of Profit and Loss

For the Year Ended December 31, 2025

(Amounts in Japanese Yen)

Account Title	Amount	
Revenue		8,323,486,001
Cost of Sales		<u>6,119,116,571</u>
Gross Profit		2,204,369,430
Selling, General and Administrative Expenses		<u>882,338,164</u>
Operating Profit		1,322,031,266
Non-operating Income		
Interest Income	48,909,861	
Other Income	<u>28,020,314</u>	76,930,175
Non-operating Expenses		
Interest Expense	1,751	
Foreign Exchange Gain (Loss)	<u>82,852,057</u>	82,853,808
Ordinary Profit		1,316,107,633
Profit Before Income Taxes		1,316,107,633
Income Taxes – Current	595,985,479	
Income Taxes – Deferred	<u>▲ 187,145,767</u>	408,839,712
Net Income for the Period		907,267,921

[3] Statement of Changes in Shareholders' Equity
For the Year Ended December 31, 2025

(Amounts in Japanese Yen)

	Shareholders' Equity						Total Shareholders' Equity
	Share Capital	Capital Surplus		Retained Earnings			
		Capital Surplus	Other Capital Surplus	Legal Retained Earnings Reserve	Other Retained Earnings Brought Forward		
Balance at Beginning of the Year	250,000,000	-	-		5,475,426,848	5,725,426,848	
Changes During the Year							
Dividends Paid	-	-	-	-	▲ 350,000,000	▲ 350,000,000	
Net Income for the Period	-	-	-	-	907,267,921	907,267,921	
Total Changes During the Year	0	-	-	0	557,267,921	557,267,921	
Balance at End of the Year	250,000,000	-	-	0	6,032,694,769	6,282,694,769	

250,000,000
0

6,032,694,769
0

Statements of Financial Position

As of December 31, 2025

As of December 31, 2024

Heubach Colorants Korea Ltd

(Unit : KRW)

Account	FY 2025		FY 2024	
	Amount		Amount	
I. Current Assets		1,41,54,03,024		99,30,66,579
(1) Quick assets		1,41,54,03,024		99,30,66,579
Cash and cash equivalents	1,08,85,32,215		57,26,08,851	
Account receivables	32,40,92,703		41,87,54,291	
Prepaid expenses	-		-	
Prepaid tax	-		-	
VAT receivable	27,78,106		17,03,437	
Other receivable	-		-	
II. Non-current Assets		21,76,60,167		26,79,88,483
(1) Fixed assets		5,07,37,777		9,10,34,915
Office equipment	56,19,090		56,19,090	
Accumulated depreciation (Office equipment)	(56,19,090)		(56,19,090)	
RoU - Buildings	5,05,39,215		5,05,39,215	
Accumulated depreciation (RoU - Buildings)	(5,05,39,215)		(2,52,69,608)	
RoU - Vehicles	10,82,79,876		10,82,79,876	
Accumulated depreciation (RoU - Vehicles)	(5,75,42,099)		(4,25,14,568)	
(2) Other non-current assets		16,69,22,390		17,69,53,568
Long-term guarantee deposits	4,39,52,000		4,39,52,000	
Deferred income tax assets(Non-current)	12,29,70,390		13,30,01,568	
Assets Total		1,63,30,63,191		1,26,10,55,062
I. Current Liabilities		27,18,65,588		43,08,37,116
Account payables	1,73,83,211		66,16,961	
Other payables	17,25,17,863		14,36,97,324	
Accrued expenses	3,12,22,658		3,92,42,187	
Withholdings	18,49,090		79,30,370	
Accrued Income taxes	4,88,92,766		23,33,50,274	
II. Non-current Liabilities		2,02,60,466		5,94,27,507
Intercompany loan	-		-	
Lease liability	2,02,60,466		5,94,27,507	
Liabilited Total		29,21,26,054		49,02,64,623
I. Capital stock		60,00,00,000		60,00,00,000
Capital stock	60,00,00,000		60,00,00,000	
II. Capital Reserve		(97,24,22,880)		(97,24,22,880)
Capital Reserve	(97,24,22,880)		(97,24,22,880)	
II. Retained earnings		1,71,33,60,017		1,14,32,13,319
Retained earnings	1,14,32,13,319		90,74,01,721	
Net Income	57,01,46,698		23,58,11,598	
Equities Total		1,34,09,37,137		77,07,90,439
Liabilites and Equities Total		1,63,30,63,191		1,26,10,55,062

Statements of Income

For the years ended December 31, 2025

For the years ended December 31, 2024

Heubach Colorants Korea Ltd

(Unit : KRW)

Account	FY 2025		FY 2024	
	Amount		Amount	
I. Sales		1,03,14,28,554		93,82,47,907
Revenue	1,03,14,28,554		93,82,47,907	
II. Cost of Sales		-		-
III. Gross profit		1,03,14,28,554		93,82,47,907
IV. Operating expenses		59,24,14,663		60,90,77,349
Salary	31,27,02,610		27,62,25,729	
Severance pay	4,02,61,868		2,50,69,440	
Bonus	-		-	
Fringe benefits	3,63,65,448		5,08,20,309	
Travel expenses	88,96,559		1,31,10,747	
Rent	96,10,253		65,46,568	
Communication	44,86,439		53,14,235	
Service charges	11,89,40,835		14,28,21,422	
Office supplies	4,11,420		9,02,120	
Repair & maintenance	1,07,79,049		3,06,91,085	
Training	-		-	
Advertising	7,01,840		-	
Insurance	11,94,618		43,02,889	
Entertainment	56,48,860		75,27,900	
Tax and due	4,62,500		62,500	
Depreciation on lease	4,02,97,138		4,20,14,528	
Interest on lease	16,55,226		36,67,877	
Other expenses	-		-	
V. Operating Income		43,90,13,891		32,91,70,558
VI. Non-operating income		2,56,69,513		9,94,59,863
Interest income	35,602		30,997	
Gain on foreign currency translation	5,36,078		8,50,75,876	
Gain on foreign currency transaction	2,48,28,775		1,43,07,318	
Other income	2,69,058		45,672	
VII. Non-operating expenses		5,45,61,396		8,54,20,643
Interest expenses	-		2,70,61,185	
Loss on foreign currency transaction	4,49,06,560		71,85,316	
Loss on foreign currency translation	96,54,808		5,11,74,142	
Other loss	28		-	
VIII. Income before Tax		41,01,22,008		34,32,09,778
IX. Income tax expense	(16,00,24,690)		10,73,98,180	
X. Net income		57,01,46,698		23,58,11,598

-

Statement of Appropriation of Retained Earnings

For the years ended December 31, 2025

For the years ended December 31, 2024

Heubach Colorants Korea Ltd

(Unit : KRW)

Account	FY 2025		FY 2024	
	Amount		Amount	
I. Unappropriated retained earning		1,71,33,60,017		1,14,32,13,319
Retained earnings (Prior year)	1,14,32,13,319		90,74,01,721	
Net income	57,01,46,698		23,58,11,598	
II. Proposal of appropriation		-		-
Dividend				
Legal Appropriated Retained Earnings	-		-	
III. Unappropriated retained earnin (Carrying forward)		1,71,33,60,017		1,14,32,13,319

**Sudarshan México MFG México
Productos Químicos, S. A. de C. V.**

Notes to the financial statements

December 31, 2024 and 2023

(With the Independent Auditors' Report)

Independent Auditors' Report

To the Board of Directors and Stockholders
Sudarshan México MFG México Productos Químicos, S. A. de C. V.
(Formerly Heubach Colorants México Productos Químicos, S. A. de C. V.):

(pesos)

Qualified opinion

We have audited the financial statements of Sudarshan México MFG México Productos Químicos, S. A. de C. V. (the Company), which comprise the statements of financial position as of December 31, 2024 and 2023, and the statements of comprehensive income, of changes in stockholders' equity and of cash flows for the years then ended, and notes comprising material accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Sudarshan México MFG México Productos Químicos, S. A. de C. V. as of December 31, 2024 and 2023, and its results of operations and its cash flows for the years then ended, in accordance with Mexican Financial Reporting Standards (NIF).

Basis for qualified opinion

As mentioned in note 4 to the financial statements, as of December 31, 2024, the Company recognized directly in retained earnings an amount of \$7,574,405 to adjust the value of deferred income taxes, arising from the failure to recognize a temporary difference in prior years. However, the Company did not comply with NIF B-1 "Accounting changes and error corrections", which requires restating the financial statements of prior periods when correcting an error. Had the correction been made as of December 31, 2023 in accordance with NIF, retained earnings and deferred income taxes would have increased by the same amount.

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethics requirements that are applicable to our audit of the financial statements in Mexico, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter

We draw attention to note 3(j), which describes that all lease and interest income in 2024 and 2023 was obtained from a related party. Our opinion has not been modified in respect of this matter.

Responsibilities of Management and those charged with governance of the entity in relation to the financial statements

Management is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with NIF, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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 ISA 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.

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

- We 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.
- We obtain an understanding of internal 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 Company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- We 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We 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.

(Continued)

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.

Other matters

On November 5, 2024 we issued our unqualified opinion on the Company's financial statements as of December 31, 2023 and for the year then ended. Due to the unrecognized effects on deferred income taxes described in the Basis for qualified opinion section of this report, our opinion on the financial statements as of December 31, 2023 differs from the one originally issued.

KPMG CÁRDENAS DOSAL, S.C.

C.P.C. David Arturo Arenas González

Mexico City, December 10, 2025.

Sudarshan México MFG México Productos Químicos, S. A. de C. V.
(formerly Heubach Colorants México Productos Químicos, S. A. de C. V.)

Statements of financial position

December 31, 2024 and 2023

(Pesos)

	December 31		December 31		December 31
Assets	<u>2024</u>	<u>2023</u>	Liabilities and stockholders' equity	<u>2024</u>	<u>2023</u>
Current assets:			Current liabilities:		
Cash and cash equivalents (note 5)	\$ 1,526,168	3,426,776	Trade and other accounts payable	\$ 1,321,978	826,948
Related parties (note 9)	49,750,320	51,244,615	Accrued liabilities (note 10)	9,405,546	19,629,896
Other accounts receivable (note 6)	2,031,453	1,763,735	Employee statutory profit sharing	97,897	196,768
Recoverable income tax	2,841,780	11,333,234	Related parties (note 9)	114,576	99,713
Prepaid expenses	1,256,543	489,872			
			Total current liabilities	10,939,997	20,753,325
Total current assets	57,406,264	68,258,232			
			Employee benefits (note 12)	55,289	33,375
Property, plant and equipment, net (note 11)	36,995,817	37,362,833			
			Total liabilities	10,995,286	20,786,700
Deferred income taxes (note 13)	13,495,729	7,262,337			
			Stockholders' equity (note 14):		
Deferred employee statutory profit sharing (note 13)	4,597,620	2,703,004	Capital stock	52,408,665	52,408,665
			Legal reserve	24,500,000	24,500,000
			Retained earnings	24,518,394	17,828,896
			Other comprehensive income	73,085	62,145
			Total stockholders' equity	101,500,144	94,799,706
			Commitments and contingent liabilities (note 16)		
	<u>\$ 112,495,430</u>	<u>115,586,406</u>		<u>\$ 112,495,430</u>	<u>115,586,406</u>

See accompanying notes to the financial statements.

Sudarshan México MFG México Productos Químicos, S. A. de C. V.
(formerly Heubach Colorants México Productos Químicos, S. A. de C. V.)

Statements of comprehensive income
Years ended December 31, 2024 and 2023
(Pesos)

	December 31	
	<u>2024</u>	<u>2023</u>
Lease income (notes 9 and 15)	\$ 43,875,668	44,928,427
General expenses (notes 9 and 15):	(54,408,541)	(53,394,013)
Other income	7,269,177	6,450,497
Operating loss	<u>(3,263,696)</u>	<u>(2,015,089)</u>
Comprehensive financing result:		
Financial income (note 9)	3,811,064	4,655,090
Exchange (loss) gain, net	<u>(79,425)</u>	<u>11,193</u>
Comprehensive financing result, net	<u>3,731,639</u>	<u>4,666,283</u>
Income before income taxes	467,943	2,651,194
Income taxes (note 13):		
Current	-	1,215,044
Deferred	<u>(1,352,850)</u>	<u>(1,467,284)</u>
Total income taxes	<u>(1,352,850)</u>	<u>(252,240)</u>
Net (loss) income	(884,907)	2,903,434
Other comprehensive income (note 14(b))	10,940	21,068
Comprehensive income	<u>\$ (873,967)</u>	<u>2,924,502</u>

See accompanying notes to the financial statements.

Sudarshan México MFG México Productos Químicos, S. A. de C. V.
(formerly Heubach Colorants México Productos Químicos, S. A. de C. V.)

Statements of changes in stockholders' equity

Years ended December 31, 2024 and 2023

(Pesos)

	Capital stock	Reserve legal	Retained earnings	Other comprehensive income	Total stockholders' equity
Balances as of December 31, 2022	\$ 52,408,665	24,500,000	14,925,462	41,077	91,875,204
Comprehensive income	-	-	2,903,434	21,068	2,924,502
Balances as of December 31, 2023	52,408,665	24,500,000	17,828,896	62,145	94,799,706
Effect of recognition of deferred taxes of prior years	-	-	7,574,405	-	7,574,405
Comprehensive income	-	-	(884,907)	10,940	(873,967)
Balances as of December 31, 2024	\$ 52,408,665	24,500,000	24,518,394	73,085	101,500,144

See accompanying notes to the financial statements.

Sudarshan México MFG México Productos Químicos, S. A. de C. V.
(formerly Heubach Colorants México Productos Químicos, S. A. de C. V.)

Statements of cash flows

Years ended December 31, 2024 and 2023

(Pesos)

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Operating activities:		
Income before income taxes	\$ 467,943	2,651,194
Items related to investing activities:		
Depreciation	329,758	431,167
Interest earned	(3,811,064)	(4,655,090)
Subtotal	(3,013,363)	(1,572,729)
Accounts receivable from related parties	(8,505,705)	(3,922,773)
Other accounts receivable	(267,718)	3,976,903
Recoverable income tax	8,491,454	(1,660,406)
Prepaid expenses	(766,671)	(374,189)
Suppliers	495,030	(2,597,531)
Accrued liabilities	(10,224,350)	4,588,747
Employee benefits and employee statutory profit sharing	(1,972,470)	(642,207)
Accounts payable to related parties	14,863	80,365
Net cash flows from operating activities	(15,748,930)	(2,123,820)
Investing activities:		
Cash loans granted not related to operations	-	(5,000,000)
Collection of loan principal	10,000,000	-
Proceeds from the sale of property, plant and equipment	37,258	-
Interest collected	3,811,064	4,655,090
Net cash flows from investing activities	13,848,322	(344,910)
Net decrease in cash and cash equivalents	(1,900,608)	(2,468,730)
Cash and cash equivalents at beginning of period	3,426,776	5,895,506
Cash and cash equivalents at end of period	\$ 1,526,168	3,426,776

See accompanying notes to the financial statements.

Sudarshan México MFG México Productos Químicos, S. A. de C. V.

Notes to the financial statements

For the years ended December 31, 2024 and 2023

(Pesos)

(1) Activity of the Company-

Sudarshan México MFG México Productos Químicos, S. A. de C. V. (formerly Heubach Colorants México Productos Químicos, S. A. de C. V.) (the Company) is a company incorporated under Mexican law with its domicile at Plásticos No. 28, Santa Clara Coatitla, Ecatepec, Estado de México, CP. 55540. The Company is a subsidiary of Sudarshan México MFG México, S. A. de C. V., with which it carries out some of the operations described in note 9. Its main activity is providing lease services for its plant, machinery and industrial equipment.

(2) Authorization and basis of presentation-

Authorization

On December 10, 2025, Chief Operating Officer Gustavo Palacios Sánchez and Regional Head of Finance - LATAM Juan Hector Alcala González authorized the issuance of the accompanying financial statements and their notes.

In accordance with the General Law of Commercial Companies (LGSM) and the bylaws of Sudarshan México MFG México Productos Químicos, S. A. de C. V., the stockholders are empowered to modify the financial statements after their issuance. The financial statements will be submitted for approval at the next Stockholders' Meeting.

Basis of presentation

a) Statement of compliance

The accompanying financial statements were prepared in accordance with Mexican Financial Reporting Standards (NIF), except for the matter mentioned in note 4 to these financial statements.

The preparation of the financial statements requires Management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of income and expenses during the year. Actual results may differ from these estimates and assumptions.

b) Use of judgments and estimates

The preparation of the financial statements requires Management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of income and expenses during the year. Actual results may differ from these estimates and assumptions.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year is included in the following notes:

- Note 3(f) – Impairment testing of long-lived assets: key assumptions for the recoverable amount.
- Note 3(g) – Measurement of defined benefit obligations: key actuarial assumptions;

— Note 3(h) – Recognition of deferred tax assets: availability of future taxable income against which they can be utilized.

Determination of fair value

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are classified into different levels within a fair value hierarchy based on the inputs (observability of inputs) used in the valuation techniques, as follows:

Level 1: quoted (unadjusted) prices 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 (i.e., prices) or indirectly (i.e., derived from prices).

Level 3: inputs for measuring the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability are classified into different levels of the fair value hierarchy, then the fair value measurement is classified in its entirety at the same level of the fair value hierarchy as the lowest-observability input that is significant to the entire measurement.

The Company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

c) Functional and reporting currency

The aforementioned financial statements are presented in the Mexican peso as the reporting currency, which is the same as the recording currency and its functional currency.

For disclosure purposes in the notes to the financial statements, references to pesos or "\$" mean Mexican pesos, and references to dollars mean United States dollars.

d) Presentation of the statement of comprehensive income

The Company elected to present comprehensive income in a single statement that presents in one document all the items comprising net income or loss, as well as Other Comprehensive Income (OCI) and the share of OCI of other entities, and it is called the "Statement of comprehensive income".

Because the Company is a service company, it presents its ordinary costs and expenses based on their function, since it considers that the information presented in this way is clearer.

Additionally, the operating (loss) income line item is presented, which is the result of deducting general expenses and adding other income to revenues, as this item is considered to contribute to a better understanding of the Company's economic and financial performance.

(3) Summary of significant accounting policies-

The accounting policies set out below have been applied uniformly in the preparation of the financial statements presented and have been applied consistently by the Company.

(a) Recognition of the effects of inflation-

The accompanying financial statements were prepared in accordance with NIF, which, because the Company operates in a non-inflationary economic environment, include the recognition of the effects of inflation on the financial information through December 31, 2007, based on the National Consumer Price Index (INPC).

The annual and cumulative inflation percentage for the last three years is shown below:

<u>December 31,</u>	<u>Inflation</u> <u>For the year</u>	<u>Cumulative</u>
2024	4.21%	17.60%
2023	4.66%	21.14%
2022	7.82%	18.33%

(b) Cash and cash equivalents-

Cash and cash equivalents include deposits in bank accounts and foreign currencies. At the date of the financial statements, interest earned and gains or losses on valuation are included in the results of the year, as part of the comprehensive financing result.

(c) Financial instruments-

i. Initial recognition and measurement

Financial assets and liabilities – including accounts receivable and payable – are initially recognized when these assets are originated or acquired, or when these liabilities are issued or assumed, in both cases contractually.

Financial assets and financial liabilities (unless it is an account receivable or payable without a significant financing component) are initially measured and recognized at fair value, plus transaction costs directly attributable to their acquisition or issuance when they are subsequently measured at amortized cost. An account receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets –

On initial recognition, financial assets are classified into the following categories, according to the business model and the contractual cash flow characteristics thereof, as:

- Accounts receivable, which includes accounts receivable arising from the sale of goods and services and other accounts receivable arising from activities other than the sale of goods.
- Financial instruments to collect principal and interest (IFCPI), the purpose of which, when held, is to recover the contractual cash flows entailed by the instrument. The terms of the contract provide for cash flows on pre-established dates, corresponding only to payments of principal and interest (yield), usually on the outstanding principal amount. The IFCPI must have the characteristics of financing granted and be managed on the basis of its contractual yield.

The classification of financial assets is based both on the business model and on the contractual cash flow characteristics thereof. Based on the business model, a financial asset or a class of financial assets (a portfolio) may be managed as shown on the following page.

- A model that seeks to recover the contractual cash flows (represented by the amount of principal and interest).
- A business model that seeks both the recovery of the contractual cash flows, as in the previous model, and obtaining a gain through the sale of the financial assets, which entails moving to a combined management model for these financial assets.
- A model that seeks to obtain maximum yield through the purchase and sale of financial assets.

Financial assets are not reclassified after their initial recognition, unless the Company changes its business model, in which case all affected financial assets are reclassified to the new category at the moment the change in the business model has occurred.

Reclassification of investments in financial instruments between categories is applied prospectively from the date of the change in the business model, without modifying any previously recognized gain or loss, such as interest or impairment losses.

A financial asset is measured at amortized cost if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

- the financial asset is held within a business model whose objective is to hold financial assets to obtain the recovery of the contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (Solely Payments of Principal and Interest, or SPPI).

Financial assets: Business model assessment –

The Company makes an assessment of the objective of the business model in which a financial asset is held at the portfolio level, since this is what best reflects the way the business is managed and information is provided to Management. The information considered includes:

- the policies and objectives established for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on collecting contractual interest income, maintaining a specific interest rate profile or matching the duration of the financial assets with that of the liabilities that those assets are financing or the expected cash outflows, or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and how this is reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial assets held within the business model) and, specifically, the way in which those risks are managed;
- how business managers are compensated (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows obtained); and
- the frequency, volume and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continued recognition of the assets.

Financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI) –

For the purposes of this assessment, the amount of "principal" is defined as the fair value of the financial asset at initial recognition. "Interest" is defined as the consideration for the time value of money and for the credit risk associated with the outstanding principal amount, over a specific period of time and for other basic lending risks and costs (for example, liquidity risk and administrative costs), as well as a profit margin.

In assessing whether contractual cash flows are solely payments of principal and interest (SPPI), the Company considers the contractual terms of the instrument. This includes assessing whether a financial asset contains a contractual condition that could change the timing or amount of the contractual cash flows in such a way that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that could adjust the coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's right to cash flows from specific assets (for example, "non-recourse" features).

A prepayment feature is consistent with the solely-payments-of-principal-and-interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount, which may include reasonable additional compensation for early termination of the contract. Additionally, in the case of a financial asset acquired at a significant discount or premium to its contractual nominal amount, a feature that permits or requires prepayment of an amount that substantially represents the contractual nominal amount plus accrued (but unpaid) contractual interest is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses –

<i>Financial instruments to collect principal and interest (IFCPI)</i>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign currency translation gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
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Financial liabilities: Classification, subsequent measurement, gains and losses

In the case of financial liabilities, they are initially recognized at fair value and subsequently measured at amortized cost.

Interest income and foreign currency translation gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows of the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards related to ownership and does not retain control over the financial assets.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are paid or cancelled, or have expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognized at fair value based on the new terms.

On derecognition of a financial liability, the difference between the carrying amount of the extinguished financial liability and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

A financial asset and a financial liability shall be offset, so that the net amount is presented in the statement of financial position, when and only when the Company currently has the legally enforceable right to offset the recognized amounts and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

v. Impairment

Financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost;

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which is measured as the amount of twelve-month expected credit losses:

- bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade accounts receivable are always measured at an amount equal to lifetime expected credit losses.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience and an informed credit assessment, and including forward-looking information.

The Company assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days past due, except in cases where the Company has information that the risk has not increased significantly.

The Company considers a financial asset to be in default when:

- it is unlikely that the borrower will pay its credit obligations to the Company in full, without recourse by the Company such as actions to enforce collateral (if any); or
- the financial asset is 90 days past due, or when the Company has reasonable and supported information to consider that a longer period is a more appropriate criterion.

Lifetime expected credit losses are the credit losses that result from all possible default events over the expected life of a financial instrument, based on past events, current conditions and forecasts of future economic conditions.

Twelve-month expected credit losses are the portion of lifetime expected credit losses that result from default events that are possible within the 12 months after the date of the financial statements (or a shorter period if the instrument has a life of less than twelve months).

The maximum period considered in estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are the probability-weighted average of credit losses and are measured as the present value of cash shortfalls (i.e., the difference between the cash flow owed to the Company under the contract and the cash flows it expects to receive).

Expected credit losses are discounted using the effective interest rate of the financial asset.

Credit-impaired financial assets

At the date of the financial statements, the Company assesses whether financial assets recorded at amortized cost and debt instruments at fair value through other comprehensive income are credit-impaired. A financial asset is "credit-impaired" when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or the borrower;
- a breach of contract, such as a default or past-due event of more than 90 days;
- the restructuring of a loan or advances by the Company on terms that it would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset in question, due to financial difficulties.

Presentation of the allowance for expected credit losses in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off (partially or in full) to the extent that there is no realistic possibility of recovery. For individual customers, the Company normally has a policy of writing off the gross carrying amount when the financial asset is 180 days past due, based on historical experience of recoveries of similar assets. For corporate customers, the Company performs an individual assessment regarding the timing and amount of the write-off based on whether there is a reasonable expectation of recovery.

Nevertheless, financial assets that are written off could be subject to legal actions in order to comply with the Company's procedures for the recovery of amounts owed.

(d) Prepaid expenses-

They mainly include advances for the purchase of services that are received after the date of the financial statements and in the normal course of operations, and are presented as short- or long-term based on the classification of the destination item.

(e) Property, plant and equipment-

Property, plant and equipment are recorded at acquisition cost and, through December 31, 2007, were restated using factors derived from the INPC.

Depreciation of property, plant and equipment is calculated using the straight-line method, based on the useful lives estimated by the Company's Management. The total useful lives and annual depreciation rates of the main asset groups are mentioned on the following page.

	<u>Years</u>	<u>Depreciation rates</u>
Buildings and constructions	20 years	5%
Machinery and equipment	16 to 20 years	5-6%
Transportation equipment	5 years	20%
Furniture and office equipment	20 years	5%

Maintenance expenses and minor repairs are recorded in results when incurred.

(f) Impairment of the recovery value of property, plant and equipment and other non-current assets-

The Company evaluates the net carrying amount of property, plant and equipment to determine the existence of indications that such value exceeds its recovery value.

The recovery value represents the amount of potential net revenues reasonably expected to be obtained as a consequence of the use or realization of such assets. If it is determined that the net carrying amount exceeds the recovery value, the Company records the necessary allowances, recognizing the effect in the results of the period.

(g) Employee benefits-

Direct short-term benefits

Direct short-term employee benefits are recognized in the results of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Company has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

Direct long-term benefits

The Company's net obligation in relation to direct long-term benefits (except for deferred PTU – see item (h) Income taxes and employee statutory profit sharing) that the Company is expected to pay after twelve months from the date of the most recent statement of financial position presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and prior years. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they are accrued.

Termination benefits

A liability for termination benefits and a cost or expense is recognized when the Company has no realistic alternative other than to make the payments or cannot withdraw the offer of those benefits, or when it meets the conditions for recognizing the costs of a restructuring, whichever occurs first.

Defined benefit plans

The Company's net obligation for defined benefit plans is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current and prior years, discounting that amount and deducting the fair value of the plan assets.

The calculation of the obligations for defined benefit plans is performed annually by actuaries certified in contingent labor liabilities, using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of the economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. In calculating the present value of the economic benefits, any minimum funding requirement must be considered.

The current service cost, which represents the cost of the period of employee benefits for having completed one more year of working life based on the benefit plans, is recognized in operating expenses.

Modifications to plans that affect past service cost are recognized in results immediately in the year in which the modification occurs, with no possibility of deferral in subsequent years. Likewise, the effects of settlement or curtailment events during the period that significantly reduce future service cost and/or significantly reduce the population subject to the benefits, respectively, are recognized in the results of the period.

Remeasurements (formerly actuarial gains and losses), resulting from differences between projected and actual actuarial assumptions at the end of the period, are recognized in the period in which they are incurred as part of OCI within stockholders' equity.

(h) *Income taxes and employee statutory profit sharing (PTU)-*

Current income taxes and PTU for the year are determined in accordance with the tax provisions in force.

Deferred income taxes and deferred PTU are recorded in accordance with the asset and liability method, which compares their accounting and tax values. Deferred income taxes and PTU (assets and liabilities) are recognized for the future tax consequences attributable to temporary differences between the values reflected in the financial statements of existing assets and liabilities and their respective tax bases and, in the case of income taxes, for tax loss carryforwards and other recoverable tax credits. Deferred income tax and PTU assets and liabilities are calculated using the rates established in the corresponding law that will be applied to taxable income in the years in which the temporary differences are estimated to reverse. The effect of changes in tax rates on deferred income taxes and PTU is recognized in the results of the period in which such changes are approved.

Current and deferred income taxes and PTU are presented and classified in the results of the period, except for those originating from a transaction that is recognized in OCI or directly in a line item of stockholders' equity.

(i) *Revenue from contracts with customers-*

Revenue is measured based on the performance obligation specified in a contract with a customer. The Company recognizes revenue when it transfers control over the goods or services to the customer.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the corresponding revenue recognition policies:

Type of product/ service	Nature and timing of the satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Administrative services and lease contracts	Revenue arising from the rendering of services in the normal course of the Company's operations is obtained from its related party Sudarshan México MFG México S. A. de C. V. Invoices for services are issued monthly and are usually payable within a term of 90 days.	Service revenue is recognized over time, as the services are rendered. The determination of the progress toward complete satisfaction of a performance obligation over time, in order to calculate the amount of revenue to be recognized, is made based on the rendering of the service. The Company transfers control of the services over time and, therefore, satisfies the performance obligation and recognizes revenue from ordinary activities over time, since the criterion is met whereby the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs. If the services under an agreement are rendered over different reporting periods, the consideration is allocated based on their relative stand-alone selling price. The relative stand-alone selling price is determined based on the price list at which the Company sells the services in separate transactions.

(j) Business and credit concentration-

Sales made to Sudarshan México MFG México, S. A. de C. V. represent all of the Company's revenue in 2024 and 2023.

Interest income from Sudarshan México MFG México, S. A. de C. V. represents 99% of the Company's interest in 2024 and 2023.

(k) Comprehensive financing result (RIF)-

The RIF includes financial income and expenses composed of the following:

- interest income;
- gain or loss in foreign currency on financial assets and liabilities;

Foreign currency transactions are recorded at the exchange rate prevailing on the dates of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the date of the statement of financial position. Exchange differences incurred in relation to assets or liabilities contracted in foreign currency are taken to the results of the year.

(l) Contingencies-

Significant obligations or losses related to contingencies are recognized when it is probable that their effects will materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, qualitative disclosure is included in the notes to the financial statements. Contingent income, earnings or assets are recognized only when there is certainty of their realization.

(4) Correction of error-

As of December 31, 2024, the Company recognized directly in retained earnings an amount of \$7,574,405 to adjust the value of deferred income taxes, arising from the failure to recognize a temporary difference in prior years. However, the Company did not comply with NIF B-1 "Accounting changes and error corrections", which requires restating the financial statements of prior periods when correcting an error. Had the correction been made as of December 31, 2023 in accordance with NIF, retained earnings and deferred income taxes would have increased by the same amount.

(5) Cash and cash equivalents-

Cash and cash equivalents are made up as shown below:

	<u>2024</u>	<u>2023</u>
Bank deposits	\$ 1,526,168	3,426,776
Cash and cash equivalents	\$ 1,526,168	3,426,776

(6) Foreign currency position and translation-

Monetary assets and liabilities denominated in foreign currencies translated into the reporting currency, as of December 31, 2024 and 2023, are as follows:

	<u>Mexican pesos</u>	
	<u>2024</u>	<u>2023</u>
Assets:		
Short-term	\$ -	-
Liabilities:		
Short-term	\$ (954,511)	(35,000)
Net liability position	\$ (954,511)	(35,000)

As of December 31, 2024 and 2023, (\$79,425) and \$11,193 of exchange gain and loss were recorded, respectively.

The following currency exchange rates were used for translation purposes:

<u>Country of origin</u>	<u>Currency</u>	<u>Exchange rate</u>	
		<u>2024</u>	<u>2023</u>
United States of America	Dollar	20.77	16.89
European Union	Euro	21.58	18.69

As of December 31, 2024 and 2023, the Company had no hedging instruments against exchange risks.

(7) Financial instruments

A. Accounting classifications and fair values

The tables below show the carrying amounts and fair values of financial assets and financial liabilities as of December 31, 2024 and 2023, including their levels in the fair value hierarchy and based on the business models determined by the Company.

The tables do not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets not measured at fair value

<u>As of December 31, 2024</u>	<u>Related parties</u>	<u>Cash and cash equivalents</u>
	Notes (8)	(4)
Carrying amount:		

Financial assets	49,750,320	1,526,168
Total	49,750,320	1,526,168
Fair value:		
Level 2	49,750,320	1,526,168

Financial assets not measured at fair value

<u>As of December 31, 2023</u>	<u>Related parties</u>	<u>Cash and cash equivalents</u>
	Notes (8)	(4)
Carrying amount:		
Financial assets	51,244,615	3,426,776
Total	51,244,615	3,426,776
Fair value:		
Level 2	51,244,615	3,426,776

B Financial risk management

The Company is exposed to the following financial risks from its operations with financial instruments:

- credit risk
- liquidity risk
- market risk

Financial risk management policies

The Company's Management has overall responsibility for establishing and supervising the Company's risk management policies. The Company's Management has established the Risk Management Committee, which is responsible for developing and supervising the Company's risk management policies, and reports regularly to general management on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, establish appropriate risk limits and controls, and monitor risks and compliance with limits. The risk management policies and systems are reviewed periodically to reflect changes in market conditions and in the Company's activities.

The Company, through its training and management procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk:

Credit risk represents the potential loss that an issuer of a financial instrument may cause to the counterparty by failing to meet its obligations, and arises mainly from accounts receivable and investments in debt instruments.

The carrying amount of financial assets represents the maximum exposure to credit risk.

Accounts receivable

The Company's exposure to credit risk is mainly affected by the individual characteristics of each customer. However, management also considers the factors that may affect the credit risk of its customer base, including the risk of default of the industry and the country in which the customer operates.

Management has established a credit policy under which each new customer is analyzed individually with respect to creditworthiness before offering the Company's standard payment and delivery terms.

The Company's review includes external ratings when available, financial statements, credit agency information, industry information and, in some cases, bank references. Sales limits are established for

each customer and reviewed every three months. Any sale exceeding those limits requires the approval of the risk management committee.

Cash and cash equivalents

The Company held cash and cash equivalents of \$1,526,168 and \$3,426,776 as of December 31, 2024 and 2023, respectively.

Liquidity risk:

Liquidity risk is the risk that the Company will have difficulty meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, to the greatest extent possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the date of the financial statements. Amounts are presented gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

<u>December 31, 2024</u>	<u>Carrying amount</u>	<u>Total</u>	<u>12 months</u>
Non-derivative financial liabilities			
Related parties	\$ 114,576	114,576	114,576
Trade and other accounts payable	1,321,978	1,321,978	1,321,978
	\$ 1,436,554	1,436,554	1,436,554

<u>December 31, 2023</u>	<u>Carrying amount</u>	<u>Total</u>	<u>12 months</u>
Non-derivative financial liabilities			
Related parties	\$ 99,713	99,713	99,713
Trade and other accounts payable	826,948	826,948	826,948
	\$ 926,661	926,661	926,661

The inflows/(outflows) disclosed in the table above represent the undiscounted contractual cash flows related to derivative financial liabilities held for risk management purposes and which are generally not settled before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are settled net in cash, and gross cash inflows and outflows for derivatives that are settled simultaneously in gross cash.

Market risk

Market risk is the risk that changes in market prices, for example in exchange rates, interest rates or share prices, will affect the Company's income or the value of the financial instruments it holds. The objective of market risk management is to manage and control exposures to this risk within reasonable parameters while optimizing profitability.

(8) Other accounts receivable-

Accounts receivable are made up as follows:

	<u>2024</u>	<u>2023</u>
Rendering of services	\$ 1,967,563	1,616,475
Officers and employees	63,890	147,260
	\$ 2,031,453	1,763,735

(9) Transactions and balances with related parties-

Transactions carried out with related parties in the years ended December 31, 2024 and 2023 were as shown below:

	<u>2024</u>	<u>2023</u>
Income:		
Sudarshan México MFG México, S. A. de C. V. (Holding)		
Interest	\$ 3,798,528	4,637,710
Sudarshan México MFG México, S. A. de C. V. (Holding)		
Leases	\$ 43,875,668	44,928,427
Expense reimbursement:		
SK Neptune Husky Intermediate IV, S. a. r. l.	\$ 658,407	-
Administrative services expenses:		
Heubach Group GmbH	\$ 994,836	36,940
Loans granted to:		
Sudarshan México MFG México, S. A. de C. V. (Holding)	\$ -	5,000,000
Loans collected from:		
Sudarshan México MFG México, S. A. de C. V. (Holding)	\$ 10,000,000	-

Balances receivable from and payable to related parties are made up as follows:

	<u>2024</u>	<u>2023</u>
Accounts receivable:		
Sudarshan México MFG México S. A. de C. V. (Holding)(1) (2)	\$ 48,931,720	51,244,615
SK Neptune Husky Intermediate IV S.à r.l	818,600	-
	\$ 49,750,320	51,244,615
Accounts payable:		
Heubach Group GmbH (Affiliate) (3)	\$ 114,576	99,713
	\$ 114,576	99,713

(1) As of December 31, 2024 and 2023, the Company has a short-term account receivable of \$30,000,000 and \$40,000,000, respectively. This account receivable has a term of 180 days and will be settled in fiscal year 2026 at a TIIE rate.

(2) As of December 31, 2024 and 2023, the Company has a short-term account receivable for the lease of goods.

(3) As of December 31, 2024 and 2023, the Company has a short-term account payable for the rendering of services.

(10) Accrued liabilities-

Other liabilities are made up as follows:

	<u>2024</u>	<u>2023</u>
Value added tax	\$ 3,935,063	9,785,955
Provisions for services	4,799,292	8,107,835
Sundry	671,191	1,736,106
	\$ 9,405,546	19,629,896

(11) Property, plant and equipment-

Property, plant and equipment are analyzed as follows:

<u>Original amount of the investment</u>	<u>Land</u>	<u>Machinery and equipment</u>	<u>Buildings and constructions</u>	<u>Furniture and office equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
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Balance as of January 1, 2023	\$ 36,991,793	247,513,263	178,897,887	13,809,853	3,961,315	481,174,111
Balances as of December 31, 2023	36,991,793	247,513,263	178,897,887	13,809,853	3,961,315	481,174,111
Balances as of January 1, 2024	36,991,793	247,513,263	178,897,887	13,809,853	3,961,315	481,174,111
Disposals	-	-	(37,258)	-	-	(37,258)
Balances as of December 31, 2024	\$ 36,991,793	247,513,263	178,860,629	13,809,853	3,961,315	481,136,853

<u>Accumulated depreciation</u>	<u>Land</u>	<u>Machinery and equipment</u>	<u>Buildings and constructions</u>	<u>Furniture and office equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Balance as of January 1, 2023	\$ -	247,513,263	178,095,679	13,809,583	3,961,315	443,379,840
Depreciation	-	-	431,168	-	-	431,168
Balances as of December 31, 2023	-	247,513,263	178,526,847	13,809,583	3,961,315	443,811,008
Balances as of January 1, 2024	-	247,513,263	178,526,847	13,809,583	3,961,315	443,811,008
Depreciation	-	-	329,758	-	-	329,758
Balances as of December 31, 2024	\$ -	247,513,263	178,856,605	13,809,583	3,961,315	440,140,766

	<u>Land</u>	<u>Machinery and equipment</u>	<u>Buildings and constructions</u>	<u>Furniture and office equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
As of January 1, 2023	\$ 36,991,793	-	802,208	-	-	36,189,585
As of December 31, 2023	36,991,793	-	371,040	-	-	37,362,833
As of December 31, 2024	36,991,793	-	4,024	-	-	36,995,817

Depreciation charges to results for property, plant and equipment as of December 31, 2024 and 2023 were \$329,758 and \$431,168, respectively.

(12) Employee benefits-

The components of the defined benefit cost for the years ended December 31, 2024 and 2023 are shown on the following page.

	<u>Seniority premium</u>	<u>Legal severance</u>	<u>Pension plan</u>	<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
Current service cost (CLSA)	\$ 3,208	3,732	1,928	2,310	6,430
Net interest on the NDBL	4,304	3,647	2,660	2,595	8,241
Remeasurements of the NDBL recognized in results of the period	(793)	908	-	(407)	(11,347)
Net cost of the period	\$ 6,719	8,287	4,588	4,498	3,324
					(2,066)
					14,631
					10,719

	<u>Seniority premium</u>	<u>Legal severance</u>	<u>Pension plan</u>	<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>
Opening balance of remeasurements of the NDBL in OCI	\$ (915)	12,107	(9,088)	(2,785)	(93,572)
Remeasurements generated	19,970	(12,114)	(4,725)	(6,710)	(7,961)
Recycling of remeasurements	70	(908)	778	407	5,356
Increase (decrease) of remeasurements of the NDBL in OCI	\$ 19,125	(915)	(13,035)	(9,088)	(96,177)
Defined benefit cost	\$ 6,719	8,287	4,588	4,498	3,324
					(2,066)
					14,631
					10,719
Opening balance of the NDBL	\$ 36,014	40,749	29,223	31,028	(31,862)
Defined Benefit Cost	3,208	3,732	1,928	2,310	6,430
Net interest	3,511	3,647	2,660	2,595	(3,106)
Recycling of NDBL remeasurement	-	-	-	-	-
Movement in OCI	19,970	(12,114)	(4,725)	(6,710)	(7,961)
Closing balance of the NDBL	\$ 62,703	36,014	29,086	29,223	(36,499)
					(31,862)
					55,289
					33,375

The funded status of the defined benefit obligation as of December 31, 2024 and 2023 is detailed below:

<u>Seniority premium</u>	<u>Legal severance</u>	<u>Pension plan</u>	<u>Total</u>
<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>

Amount of the defined benefit obligations (DBO)	\$ 29,086	46,134	73,876	29,223	92,003	84,521	194,965	159,878
Plan assets	(11,174)	(10,120)	-	-	(128,502)	(116,383)	(139,676)	(126,503)
Funded status of the obligation	\$ 17,912	36,014	73,876	29,223	(36,499)	(31,862)	55,289	33,375

	<u>2024</u>	<u>2023</u>
Nominal discount rate used to calculate the present value of the obligations	10%	9%
Minimum wage increase rate	5%	5%
Expected rate of return on plan assets	5%	5%
Nominal salary increase rate	4%	5%
Working life duration	13 years	13 years

(13) Income taxes (income tax (ISR) and employee statutory profit sharing (PTU))-

The current Income Tax Law establishes an ISR rate of 30%.

a) Income taxes

Income tax expense (benefit) is made up as follows:

	<u>2024</u>	<u>2023</u>
In the results of the period:		
Current	\$ -	1,215,044
Deferred ISR	(1,352,850)	(1,467,284)
	<u>\$ (1,352,850)</u>	<u>(252,240)</u>
In OCI:		
Deferred ISR	\$ (17,496)	(10,525)
	<u>\$ (17,496)</u>	<u>(10,535)</u>

The tax benefit attributable to income from continuing operations before income taxes and OCI differed from that which would result from applying the 30% ISR rate to income before income taxes, as a result of the items mentioned below:

	<u>2024</u>	<u>2023</u>
"Expected" expense	\$ 140,383	795,358
Increase (reduction) resulting from:		
Tax effect of inflation, net	(75,491)	(1,043,499)
Non-deductible expenses (non-taxable income)	1,287,958	(4,099)
Income tax benefit	<u>\$ 1,352,850</u>	<u>(252,240)</u>

The income tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities, as of December 31, 2024 and 2023, are detailed below:

	<u>Balance December 31, 2024</u>	<u>Balance December 31, 2023 previously reported</u>	<u>Recognition of cumulative effects</u>	<u>Adjusted balances January 1, 2024</u>
Deferred assets:				
Property, plant and equipment	\$ 12,383,257	4,808,854	7,574,405	12,383,259
Accrued liabilities	1,562,429	2,400,517	-	2,400,517
Employee statutory profit sharing	29,369	59,030	-	59,030
Pension plan	8,791	5,306	-	5,306
Tax loss	1,624,956	266,800	-	266,800
Liability shortfall	-	496,999	-	496,999
Total gross deferred assets	15,608,802	8,037,506	7,574,405	15,611,911
Deferred liabilities:				
Prepaid expenses	376,963	30,024		30,024

Deferred employee statutory profit sharing	1,379,286	745,145		745,145
Excess in liability	356,824	-	-	-
Total deferred liabilities	1,846,274	775,169		775,169
Deferred asset, net	\$ 13,495,729	7,262,337	7,574,405	14,836,742

As of December 31, 2024, tax loss carryforwards expire as shown below:

<u>Year</u>	<u>Restated amount as of December 31, 2024</u>
2032	\$ 889,333
2034	4,527,189
Total tax losses	\$ 5,416,522

b) PTU

The deferred PTU benefit is made up as follows:

	<u>2024</u>	<u>2023</u>
In the results of the period	\$ (1,893,888)	(641,919)
In OCI	(728)	(10,358)
Total deferred PTU	\$ (1,894,616)	(652,277)

The PTU effects of temporary differences that give rise to significant portions of deferred PTU assets and liabilities, as of December 31, 2024 and 2023, are detailed below:

	<u>2024</u>	<u>2023</u>
Deferred assets:		
Property, plant and equipment	\$ 4,127,752	1,602,951
Liability provisions	520,810	800,172
Pension plan	2,930	1,769
Tax loss	-	88,933
Liability shortfall	71,782	219,187
Total gross deferred assets	4,723,274	2,713,012
Prepaid expenses	125,654	10,008
Total gross deferred liabilities	125,654	-
Deferred asset, net	\$ 4,597,620	2,703,004

(14) Stockholders' equity-

The main characteristics of the accounts comprising stockholders' equity are described on the following page.

(a) Structure of capital stock-

Capital stock includes \$100,000 in fixed capital stock and \$2,375,012 in its variable portion; additionally, there is a cumulative restatement effect of \$49,933,653 through December 31, 2007. It is represented by 100,000 series "A" shares and 2,375,012 series "B" shares, with no par value. Series "A" and "B" shares may be divided into two classes: class I shares, which will represent Mexican capital, and class II shares, which will represent foreign capital.

OCI includes:

(b) Other comprehensive income (OCI)-

	<u>OCI before income taxes and PTU</u>	<u>Income taxes</u>	<u>PTU</u>	<u>Total</u>
Balances as of January 1, 2023	\$ 68,462	(20,539)	(6,846)	41,077
Remeasurements generated	42,392	(12,718)	(4,239)	25,435

Recycling of remeasurements	(7,278)	2,183	728	(4,367)
Balances as of December 31, 2023	103,576	(31,074)	(10,357)	62,145
Remeasurements generated	(7,284)	1,158	728	(5,398)
Other	-	16,340	-	16,340
Balances as of December 31, 2024	\$ 96,292	(13,576)	(9,629)	73,087

(c) Restrictions on stockholders' equity-

In accordance with the LGSM, net income for the year is subject to a 5% appropriation to constitute the legal reserve, until it reaches one-fifth of capital stock. As of December 31, 2023, the legal reserve amounts to \$24,500,000, a figure that exceeds the required amount.

The restated amount, on a tax basis, of contributions made by stockholders, for a total of \$873,214,430, may be refunded to them tax-free, to the extent that such amount is equal to or greater than stockholders' equity.

Earnings on which ISR has not been paid, and the other stockholders' equity accounts, will give rise to a payment of ISR payable by the Company, in the event of distribution, at the rate of 30%; therefore, stockholders may only dispose of 70% of the amounts mentioned.

The Company may not distribute dividends until accumulated losses have been restored.

(15) Net sales and general expenses-

Revenue is made up as follows:

	<u>2024</u>	<u>2023</u>
Lease income (related parties)	\$ 44,534,075	44,928,427
Total lease income	\$ 44,534,075	44,928,427

	<u>2024</u>	<u>2023</u>
Other income (Electric power, security)	\$ 7,269,177	6,450,497
Total other income	\$ 7,269,177	6,450,497

The main items comprising the general expenses line item as of December 31, 2024 and 2023 are the following:

<u>General expenses</u>	<u>2024</u>	<u>2023</u>
Energy and fuels	\$ 39,662,719	42,071,369
Water transportation	4,139,960	4,235,478
Insurance and bonds	3,695,846	1,386,789
Legal and advisory services	2,304,361	1,924,199
Employer contributions and dues to the IMSS	1,120,998	1,269,230
Personnel benefits	2,715,134	1,873,075
Wages and salaries	402,895	364,631
Depreciation	329,758	431,168
Travel expenses	318,807	7,668
Administrative services	126,353	420,067
Employee statutory profit sharing - Net	(1,795,017)	(641,919)
Other operating costs and expenses	1,386,727	52,258
Total	\$ 54,408,541	53,394,013

(16) Commitments and contingent liabilities-

(a) On March 3, 2025, Grupo Sudarshan acquired this Company and registered it under the name Sudarshan México MFG México Productos Químicos, S. A. de C. V..

- (b) The Company maintains a lease agreement with its related party Sudarshan México MFG México, S. A. de C. V. with no expiration date.
- (c) There is a contingent liability arising from employee benefits, which is mentioned in note 3(g).
- (d) The Company is involved in lawsuits and claims arising in the normal course of its operations, which are expected not to have a significant effect on its financial position and future results.
- (e) In accordance with the tax legislation in force, the authorities have the power to review up to the five fiscal years prior to the last income tax return filed.
- (f) In accordance with the Income Tax Law, companies that carry out transactions with related parties are subject to tax limitations and obligations regarding the determination of agreed prices, since these must be comparable to those that would be used with or between independent parties in comparable transactions. In the event that the tax authorities were to review the prices and reject the amounts determined, they could demand, in addition to the collection of the tax and corresponding accessory charges (restatement and surcharges), fines on the omitted contributions, which could amount to up to 100% of the restated amount of the contributions.
- (g) On December 8, 2023, the tax authorities initiated a direct review of certain aspects of the Company's operations, and on August 23, 2024 a final resolution was obtained from the tax authorities, in which an amount payable of \$409,473 was determined for differences payable plus accessory charges, which were paid in 2024.
- (h) On February 25, 2022, the tax authorities initiated a direct review of certain aspects of the Company's operations, in which the Company has been requested to provide various information and documentation in order to verify due compliance with its ISR and VAT obligations for the fiscal year ended December 31, 2020.

On March 21, 2023, the Company filed a brief before the Taxpayer Defense Office (Procuraduría de la Defensa del Contribuyente) requesting the adoption of a conclusive agreement, which was partially reached and certain items were successfully rebutted; however, on September 13, 2024, a tax assessment of \$25,916,372 for ISR and VAT was determined.

The Company is currently in the process of filing an administrative motion for revocation before the General Legal Administration of the Tax Administration Service, in order to rebut the irregularities regarding said tax assessment.

In the opinion of the Company's external advisors, it is considered that there are elements to obtain a favorable outcome in the Company's interests; however, as this is a litigation matter, a positive outcome cannot be guaranteed.

(17) Recently issued accounting pronouncements-

The Mexican Financial Reporting Standards Board (Consejo Mexicano de Normas de Información Financiera, A. C. – CINIF) has issued the Improvements mentioned below:

Improvements to NIF 2024 and 2025

In December 2023 and 2024, the CINIF issued the documents called "Improvements to NIF 2025" and "Improvements to NIF 2024", respectively, which contain specific modifications to some existing NIF. The main improvements that generate accounting changes are the following:

NIF A-1 Conceptual Framework of Financial Reporting Standards - Effective for fiscal years beginning on or after January 1, 2025, with early application permitted from 2024 if the disclosures of the particular NIF applicable to the corresponding type of entity are adopted early. It includes the definition of public interest entities and requires disclosure of whether the entity is considered a public interest entity or an entity that is not of public interest. It divides the disclosure requirements of the NIF into: i) disclosures applicable to all entities in general (public interest entities and entities that are not), and ii) additional disclosures mandatory only for public interest entities. Management estimates that the adoption of this improvement to the NIF will not generate significant effects.

Sudarshan México MFG, S. A. de C. V.

Financial statements

December 31, 2024 and 2023

(With the Independent Auditors' Report)

(Continued)

Sudarshan México MFG, S. A. de C. V.
(formerly Heubach Colorants México, S. A. de C. V.)

Statements of financial position

December 31, 2024 and 2023

(Pesos)

	December 31		December 31		
Assets	<u>2024</u>	<u>2023</u>	Liabilities and stockholders' equity	<u>2024</u>	<u>2023</u>
Current assets:			Current liabilities:		
Cash and cash equivalents (note 4)	\$ 54,111,997	8,689,672	Suppliers	\$ 111,449,597	68,223,005
Accounts receivable, net (note 7)	102,411,368	96,126,146	Lease liabilities (note 13)	1,228,520	2,236,442
Related parties (note 8)	118,035,067	130,816,647	Accrued liabilities	54,191,750	45,068,910
Recoverable income tax	260,541,180	282,793,054	Employee statutory profit sharing	12,268,046	4,615,053
Other accounts receivable (note 9)	11,857,466	19,091,588	Related parties (note 8)	59,728,219	129,303,167
Inventories, net (note 10)	301,322,617	257,968,530			
Prepaid expenses	3,987,949	3,046,489	Total current liabilities	238,866,132	249,446,577
Total current assets	852,267,644	798,532,126	Related parties (note 8)	320,736,806	333,160,387
			Employee benefits (note 14)	33,699,255	23,899,909
Investment in subsidiary (note 11)	101,603,417	94,902,999			
			Total liabilities	593,302,193	606,506,873
Property and equipment, net (note 12)	267,688,859	297,373,279			
			Stockholders' equity (note 16):		
Right-of-use assets (note 13)	1,113,445	2,126,795	Capital stock	11,454,268	11,454,268
			Legal reserve	5,370,954	5,370,954
Deferred income taxes (note 15)	40,778,986	25,955,085	Retained earnings	663,956,397	598,085,153
			Other comprehensive income	5,985,512	8,713,321
Deferred employee statutory profit sharing (note 15)	16,616,973	11,240,285	Total stockholders' equity	686,767,131	623,623,696
			Commitments and contingencies (note 18)		
	<u>\$ 1,280,069,324</u>	<u>1,230,130,569</u>		<u>\$ 1,280,069,324</u>	<u>1,230,130,569</u>

See accompanying notes to the financial statements.

Sudarshan México MFG, S. A. de C. V.
(formerly Heubach Colorants México, S. A. de C. V.)

Statements of comprehensive income
Years ended December 31, 2024 and 2023

(Pesos)

	<u>2024</u>	<u>2023</u>
Net sales (note 17)	\$ 993,684,875	1,068,414,056
Cost of sales (note 17)	690,971,642	914,069,439
Gross profit	302,713,233	154,344,617
Administrative expenses (note 17)	(221,878,763)	(199,317,502)
Other income (note 17)	73,459,695	65,367,029
Operating income	154,294,165	20,394,144
Comprehensive financing result:		
Interest expense (note 8)	(42,186,601)	(19,104,378)
Exchange (loss) gain, net	(27,560,794)	12,614,401
Comprehensive financing result, net	(69,747,395)	(6,489,977)
Equity in the results of subsidiary	6,580,031	2,903,434
Income before income taxes and other comprehensive income	91,126,801	16,807,601
Income taxes (note 15):		
Current	37,113,023	15,332,097
Deferred	(11,661,829)	(792,260)
Total income taxes	25,451,194	14,539,837
Net income	65,675,607	2,267,764
Other comprehensive income (note 16 b)	(2,732,077)	10,864,767
Comprehensive income	\$ 68,407,684	13,132,531

See accompanying notes to the financial statements.

Sudarshan México MFG, S. A. de C. V.
(formerly Heubach Colorants México, S. A. de C. V.)

Statements of changes in stockholders' equity

Years ended December 31, 2024 and 2023

(Pesos)

	Capital stock	Legal reserve	Retained earnings	Other comprehensive income	Total stockholders' equity
Balances as of December 31, 2022	\$ 11,454,268	5,370,954	595,817,389	-2,172,518	610,470,093
Other movements in subsidiaries	-	-	-	21,072	21,072
Comprehensive income	-	-	2,267,764	10,864,767	13,132,531
Balances as of December 31, 2023	11,454,268	5,370,954	598,085,153	8,713,321	623,623,696
Other movements in subsidiaries	-	-	195,637	4,268	199,905
Comprehensive income	-	-	65,675,607	(2,732,077)	62,943,530
Balances as of December 31, 2024	\$ 11,454,268	5,370,954	663,956,397	5,985,512	686,767,131

See accompanying notes to the financial statements.

Sudarshan México MFG, S. A. de C. V.
(formerly Heubach Colorants México, S. A. de C. V.)

Statements of cash flows
Years ended December 31, 2024 and 2023
(Pesos)

	<u>2024</u>	<u>2023</u>
Operating activities:		
Income before income taxes	\$ 91,126,801	16,807,601
Items related to investing activities:		
Depreciation and amortization	33,272,229	33,778,945
Lease depreciation	480,300	863,179
Lease disposals	533,050	-
Equity in permanent investments	(9,727,669)	(2,903,434)
Items related to financing activities:		
Interest payable	42,186,601	19,104,378
Subtotal	157,871,312	67,650,669
Accounts receivable	28,013,935	(6,285,222)
Accounts receivable from related parties	12,781,580	(6,302,279)
Other accounts receivable	7,234,122	44,921,283
Inventories	17,520,438	(43,354,087)
Prepaid expenses	(2,423,161)	(941,460)
Suppliers and accrued liabilities	52,349,432	(45,510,946)
Income taxes paid	(14,801,100)	(69,558,220)
Employee benefits and employee statutory profit sharing	4,925,951	(6,166,377)
Deferred employee statutory profit sharing	(5,376,688)	(2,697,792)
Accounts payable to related parties	(62,199,183)	(18,213,398)
Net cash flows from operating activities	102,204,657	7,234,152
Investing activities:		
Acquisitions of property and equipment	(3,587,809)	(21,523,413)
Net cash flows from investing activities	(3,587,809)	(21,523,413)
Excess cash to be applied in financing activities (Cash to be obtained from financing activities)	98,616,848	(14,289,261)
Financing activities:		
Interest paid	(19,025,071)	(42,186,601)
Cash loans granted not related to operations	-	40,000,000
Payments of principal of loans not related to operations	(10,000,000)	-
Payments of lease liabilities	(1,007,922)	(855,196)
Net cash flows from financing activities	(53,194,523)	20,119,733
Net increase in cash and cash equivalents	45,422,325	5,830,472
Cash and cash equivalents at beginning of period	8,689,672	2,859,200
Cash and cash equivalents at end of period	\$ 54,111,997	8,689,672

See accompanying notes to the financial statements.

Sudarshan México MFG, S. A. de C. V.
(formerly Heubach Colorants México, S. A. de C. V.)

Notes to the financial statements

For the years ended December 31, 2024 and 2023

(Pesos)

(1) Activity of the Company-

Sudarshan México MFG, S. A. de C. V. (the Company) (formerly Heubach Colorants México, S. A. de C. V.) is a company incorporated under Mexican law with its domicile at Plásticos No. 28, Santa Clara Coatitla, Ecatepec, Estado de México, CP. 55540. The Company is a subsidiary of Heubach Holding Switzerland AG, and in turn the ultimate parent of both is Sudarshan Chemical Industries Limited, with which it carries out some of the operations described in note 9. Its main activity is the manufacture, import, export, marketing and distribution of chemical specialties.

On March 3, 2025, the Company changed its corporate name, so that as of that date it is known as Sudarshan México MFG, S. A. de C. V.; likewise, the Company changed stockholders due to the acquisition of its shares.

(2) Authorization and basis of presentation-

Authorization

On March 6, 2026, Chief Operating Officer Gustavo Palacios Sánchez and Regional Head of Finance and LATAM Juan Hector Alcala González authorized the issuance of the accompanying financial statements and their notes.

In accordance with the General Law of Commercial Companies (LGSM) and the bylaws of Sudarshan México MFG, S. A. de C. V. (formerly Heubach Colorants México, S. A. de C. V.), the stockholders are empowered to modify the financial statements after their issuance. The financial statements will be submitted for approval at the next Stockholders' Meeting.

Basis of presentation

a) Statement of compliance

The accompanying financial statements were prepared in accordance with Mexican Financial Reporting Standards (NIF).

The preparation of the financial statements requires Management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of income and expenses during the year. Actual results may differ from these estimates and assumptions.

b) Use of judgments and estimates

The preparation of the financial statements requires Management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the recorded amounts of income and expenses during the year. Actual results may differ from these estimates and assumptions.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is described in the following notes mentioned on the next page.

— Note 3(g) Leases: determining whether an arrangement contains a lease;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the following year is included in the following notes:

- Note 3(k) – Revenue recognition: estimation of expected returns.
- Note 3(i) – Measurement of defined benefit obligations: key actuarial assumptions;

Determination of fair value

Some of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are classified into different levels within a fair value hierarchy based on the inputs (observability of inputs) used in the valuation techniques, as follows:

Level 1: quoted (unadjusted) prices 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 (i.e., prices) or indirectly (i.e., derived from prices).

Level 3: inputs for measuring the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability are classified into different levels of the fair value hierarchy, then the fair value measurement is classified in its entirety at the same level of the fair value hierarchy as the lowest-observability input that is significant to the entire measurement.

The Company recognizes transfers between the levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

c) Functional and reporting currency

The aforementioned financial statements are presented in the Mexican peso as the reporting currency, which is the same as the recording currency and its functional currency.

For disclosure purposes in the notes to the financial statements, references to pesos or “\$” mean Mexican pesos, and references to dollars mean United States dollars.

d) Presentation of the financial statements

The financial statements mentioned above were prepared for the internal use of the Management of Sudarshan México MFG, S. A. de C. V. (formerly Heubach Colorants México, S. A. de C. V.), as well as to comply with certain legal and tax requirements. The financial information contained therein does not include the consolidation of the financial statements of its subsidiary, which has been recorded using the equity method.

e) Presentation of the statement of comprehensive income

The Company elected to present comprehensive income in a single statement that presents in one document all the items comprising net income or loss, as well as Other Comprehensive Income (OCI) and the share of OCI of other entities, and it is called the “Statement of comprehensive income”.

Because the Company is an industrial company, it presents its ordinary costs and expenses based on their function, which allows its gross profit margin to be known.

Additionally, the operating income line item is presented, which is the result of deducting cost of sales and operating expenses from net sales and adding other income, as this item is considered to contribute to a better understanding of the Company's economic and financial performance.

(3) Summary of significant accounting policies-

The accounting policies set out below have been applied uniformly in the preparation of the financial statements presented and have been applied consistently by the Company.

(a) Recognition of the effects of inflation-

The accompanying financial statements were prepared in accordance with NIF, which, because the Company operates in a non-inflationary economic environment, include the recognition of the effects of inflation on the financial information through December 31, 2007, based on the National Consumer Price Index (INPC).

The annual and cumulative inflation percentage for the last three years is shown below:

<u>December 31,</u>	<u>Inflation</u> <u>For the year</u>	<u>Cumulative</u>
2024	4.21%	17.60%
2023	4.66%	21.14%
2022	7.82%	18.33%

(b) Cash and cash equivalents-

Cash and cash equivalents include deposits in bank accounts and foreign currencies. At the date of the financial statements, interest earned and gains or losses on valuation are included in the results of the year, as part of the comprehensive financing result.

(c) Financial instruments-

i. Initial recognition and measurement

Financial assets and liabilities – including accounts receivable and payable – are initially recognized when these assets are originated or acquired, or when these liabilities are issued or assumed, in both cases contractually.

Financial assets and financial liabilities (unless it is an account receivable or payable without a significant financing component) are initially measured and recognized at fair value, plus transaction costs directly attributable to their acquisition or issuance when they are subsequently measured at amortized cost. An account receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets-

On initial recognition, financial assets are classified into the following categories, according to the business model and the contractual cash flow characteristics thereof, as:

- Accounts receivable, which includes accounts receivable arising from the sale of goods and services and other accounts receivable arising from activities other than the sale of goods.
- Financial instruments to collect principal and interest (IFCPI), the purpose of which, when held, is to recover the contractual cash flows entailed by the instrument. The terms of the contract provide for cash flows on pre-established dates, corresponding only to payments of principal and interest (yield), usually on the outstanding principal amount. The IFCPI must have the characteristics of financing granted and be managed on the basis of its contractual yield.

The classification of financial assets is based both on the business model and on the contractual cash flow characteristics thereof. Based on the business model, a financial asset or a class of financial assets (a portfolio) may be managed as shown below:

- A model that seeks to recover the contractual cash flows (represented by the amount of principal and interest).

- A business model that seeks both the recovery of the contractual cash flows, as in the previous model, and obtaining a gain through the sale of the financial assets, which entails moving to a combined management model for these financial assets.
- A model that seeks to obtain maximum yield through the purchase and sale of financial assets.

Financial assets are not reclassified after their initial recognition, unless the Company changes its business model, in which case all affected financial assets are reclassified to the new category at the moment the change in the business model has occurred.

Reclassification of investments in financial instruments between categories is applied prospectively from the date of the change in the business model, without modifying any previously recognized gain or loss, such as interest or impairment losses.

A financial asset is measured at amortized cost if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

- the financial asset is held within a business model whose objective is to hold financial assets to obtain the recovery of the contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (Solely Payments of Principal and Interest, or SPPI).

An investment in a debt instrument is measured at fair value through other comprehensive income (OCI) if the following two conditions are met and it is not classified as measured at fair value through profit or loss:

- the financial asset is held within a business model whose objective is achieved both by obtaining the contractual cash flows and by selling the financial assets; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are represented solely by payments of principal and interest on the outstanding principal amount (SPPI).

Financial assets: Business model assessment –

The Company makes an assessment of the objective of the business model in which a financial asset is held at the portfolio level, since this is what best reflects the way the business is managed and information is provided to Management. The information considered includes:

- the policies and objectives established for the portfolio and the operation of those policies in practice. These include whether Management's strategy focuses on collecting contractual interest income, maintaining a specific interest rate profile or matching the duration of the financial assets with that of the liabilities that those assets are financing or the expected cash outflows, or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and how this is reported to the Company's Management;
- the risks that affect the performance of the business model (and the financial assets held within the business model) and, specifically, the way in which those risks are managed;
- how business managers are compensated (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows obtained); and
- the frequency, volume and timing of sales in prior periods, the reasons for those sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continued recognition of the assets.

Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss.

Financial assets: Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI) –

For the purposes of this assessment, the amount of “principal” is defined as the fair value of the financial asset at initial recognition. “Interest” is defined as the consideration for the time value of money and for the credit risk associated with the outstanding principal amount, over a specific period of time and for other basic lending risks and costs (for example, liquidity risk and administrative costs), as well as a profit margin.

In assessing whether contractual cash flows are solely payments of principal and interest (SPPI), the Company considers the contractual terms of the instrument. This includes assessing whether a financial asset contains a contractual condition that could change the timing or amount of the contractual cash flows in such a way that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that could adjust the coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's right to cash flows from specific assets (for example, “non-recourse” features).

A prepayment feature is consistent with the solely-payments-of-principal-and-interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount, which may include reasonable additional compensation for early termination of the contract. Additionally, in the case of a financial asset acquired at a significant discount or premium to its contractual nominal amount, a feature that permits or requires prepayment of an amount that substantially represents the contractual nominal amount plus accrued (but unpaid) contractual interest is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses-

<i>Financial instruments to collect principal and interest (IFCPI)</i>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign currency translation gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
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Financial liabilities: Classification, subsequent measurement, gains and losses

In the case of financial liabilities, they are initially recognized at fair value and subsequently measured at amortized cost.

Interest income and foreign currency translation gains and losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

iii Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows of the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards related to ownership and does not retain control over the financial assets.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are paid or cancelled, or have expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognized at fair value based on the new terms.

On derecognition of a financial liability, the difference between the carrying amount of the extinguished financial liability and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

iv. Offsetting

A financial asset and a financial liability shall be offset, so that the net amount is presented in the statement of financial position, when and only when the Company currently has the legally enforceable right to offset the recognized amounts and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

v. Impairment

Financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which is measured as the amount of twelve-month expected credit losses:

- bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade accounts receivable are always measured at an amount equal to lifetime expected credit losses.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information and analysis, based on the Company's historical experience and an informed credit assessment, and including forward-looking information.

The Company assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days past due, except in cases where the Company has information that the risk has not increased significantly.

The Company considers a financial asset to be in default when:

- it is unlikely that the borrower will pay its credit obligations to the Company in full, without recourse by the Company such as actions to enforce collateral (if any); or
- the financial asset is 90 days past due, or when the Company has reasonable and supported information to consider that a longer period is a more appropriate criterion.

Lifetime expected credit losses are the credit losses that result from all possible default events over the expected life of a financial instrument, based on past events, current conditions and forecasts of future economic conditions.

Twelve-month expected credit losses are the portion of lifetime expected credit losses that result from default events that are possible within the 12 months after the date of the financial statements (or a shorter period if the instrument has a life of less than twelve months).

The maximum period considered in estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are the probability-weighted average of credit losses and are measured as the present value of cash shortfalls (i.e., the difference between the cash flow owed to the Company under the contract and the cash flows it expects to receive).

Expected credit losses are discounted using the effective interest rate of the financial asset.

Credit-impaired financial assets

At the date of the financial statements, the Company assesses whether financial assets recorded at amortized cost and debt instruments at fair value through other comprehensive income are credit-impaired. A financial asset is "credit-impaired" when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulties of the issuer or the borrower;
- a breach of contract, such as a default or past-due event of more than 90 days;
- the restructuring of a loan or advances by the Company on terms that it would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for the financial asset in question, due to financial difficulties.

Presentation of the allowance for expected credit losses in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off (partially or in full) to the extent that there is no realistic possibility of recovery. For individual customers, the Company normally has a policy of writing off the gross carrying amount when the financial asset is 180 days past due, based on historical experience of recoveries of similar assets. For corporate customers, the Company performs an individual assessment regarding the timing and amount of the write-off based on whether there is a reasonable expectation of recovery.

Nevertheless, financial assets that are written off could be subject to legal actions in order to comply with the Company's procedures for the recovery of amounts owed.

(d) Inventories and cost of sales-

Inventories are valued at the lower of cost or net realizable value. Cost is determined by the acquisition method. The average cost formula is used to assign the unit cost of inventories.

Cost of sales represents the cost of inventories at the time of sale, increased, where applicable, by reductions in the net realizable value of inventories during the year.

The Company records the necessary allowances to recognize decreases in the value of its inventories due to impairment, obsolescence, slow movement and other causes indicating that the use or realization of the items forming part of the inventory will be lower than the recorded value.

(e) Prepaid expenses-

They mainly include advances for the purchase of services that are received after the date of the financial statements and in the normal course of operations, and are presented as short- or long-term based on the classification of the destination item.

(f) Property and equipment-

Property and equipment are recorded at acquisition cost and, through December 31, 2007, were restated using factors derived from the INPC.

Depreciation of property and equipment is calculated using the straight-line method, based on the useful lives estimated by the Company's Management. The total useful lives and annual depreciation rates of the main asset groups are mentioned below:

	<u>Years</u>	<u>Depreciation rates</u>
Buildings and major constructions	16 to 40	2.5 to 6.25%
Machinery and technical equipment	16 to 20	5 to 6.25%
Transportation equipment	5	20%
Furniture and office equipment	8	13%

Leasehold improvements are amortized over the useful life of the improvement or the term of the contract, whichever is shorter.

Maintenance expenses and minor repairs are recorded in results when incurred.

(g) Leases-

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in NIF D-5.

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease or service component on the basis of their relative stand-alone prices.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability, such as changes in the rent amount due to inflation adjustments.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, [the Company's incremental borrowing rate or the risk-free rate determined by reference to the lease term. Generally, the Company uses its incremental interest rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

— the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option, or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets under right-of-use assets and lease liabilities under lease liabilities in the statement of financial position.

(h) Impairment of the recovery value of property and equipment

The Company evaluates the net carrying amount of property and equipment to determine the existence of indications that such value exceeds its recovery value.

The recovery value represents the amount of potential net revenues reasonably expected to be obtained as a consequence of the use or realization of such assets. If it is determined that the net carrying amount exceeds the recovery value, the Company records the necessary allowances, recognizing the effect in the results of the period.

(i) Employee benefits-

Direct short-term benefits

Direct short-term employee benefits are recognized in the results of the period in which the services rendered are accrued. A liability is recognized for the amount expected to be paid if the Company has a legal or assumed obligation to pay this amount as a result of past services provided and the obligation can be reasonably estimated.

Direct long-term benefits

The Company's net obligation in relation to direct long-term benefits (except for deferred PTU – see item (j) Income taxes and employee statutory profit sharing) that the Company is expected to pay after twelve months from the date of the most recent statement of financial position presented, is the amount of future benefits that employees have obtained in exchange for their service in the current and prior years. This benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they are accrued.

Termination benefits

A liability for termination benefits and a cost or expense is recognized when the Company has no realistic alternative other than to make the payments or cannot withdraw the offer of those benefits, or when it meets the conditions for recognizing the costs of a restructuring, whichever occurs first.

Defined benefit plans

The Company's net obligation for defined benefit plans is calculated separately for each plan, estimating the amount of future benefits that employees have earned in the current and prior years, discounting that amount and deducting the fair value of the plan assets.

The calculation of the obligations for defined benefit plans is performed annually by actuaries certified in contingent labor liabilities, using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of the economic

benefits available in the form of future refunds from the plan or reductions in future contributions to the plan. In calculating the present value of the economic benefits, any minimum funding requirement must be considered.

The current service cost, which represents the cost of the period of employee benefits for having completed one more year of working life based on the benefit plans, is recognized in operating expenses.

Modifications to plans that affect past service cost are recognized in results immediately in the year in which the modification occurs, with no possibility of deferral in subsequent years. Likewise, the effects of settlement or curtailment events during the period that significantly reduce future service cost and/or significantly reduce the population subject to the benefits, respectively, are recognized in the results of the period.

Remeasurements (formerly actuarial gains and losses), resulting from differences between projected and actual actuarial assumptions at the end of the period, are recognized in the period in which they are incurred as part of OCI within stockholders' equity.

(j) Income taxes and employee statutory profit sharing (PTU)-

Current income taxes and PTU for the year are determined in accordance with the tax provisions in force.

Deferred income taxes and deferred PTU are recorded in accordance with the asset and liability method, which compares their accounting and tax values. Deferred income taxes and PTU (assets and liabilities) are recognized for the future tax consequences attributable to temporary differences between the values reflected in the financial statements of existing assets and liabilities and their respective tax bases and, in the case of income taxes, for tax loss carryforwards and other recoverable tax credits. Deferred income tax and PTU assets and liabilities are calculated using the rates established in the corresponding law that will be applied to taxable income in the years in which the temporary differences are estimated to reverse. The effect of changes in tax rates on deferred income taxes and PTU is recognized in the results of the period in which such changes are approved.

Current and deferred income taxes and PTU are presented and classified in the results of the period, except for those originating from a transaction that is recognized in OCI or directly in a line item of stockholders' equity.

(k) Revenue from contracts with customers-

Revenue is measured based on the performance obligation specified in a contract with a customer. The Company recognizes revenue when it transfers control over the goods or services to the customer.

The following page provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms and the corresponding revenue recognition policies.

Type of product	Nature and timing of the satisfaction of performance obligations, including significant payment terms	Revenue recognition policy
Chemical Products	The customer obtains control of the chemical products when the products are delivered to and accepted at its facilities. Invoices are generated at the time control over the products sold is transferred. Invoices are generally payable within the term established by the commercial policy in which the customer participates. Some contracts allow the customer to return items. Returned goods are exchanged only for new products.	Revenue related to the sale of products is recognized when they have been delivered to and accepted by the customer at its facilities. For those contracts that allow the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on historical data for specific types of chemical products. In these circumstances, a refund liability and

		an asset for the right to recover the goods to be returned are recognized. The right to recover returned goods is measured at the former carrying amount of the inventory less the expected costs to recover the goods. The refund obligation is included in other accounts payable and the right to recover returned goods is included in inventory. The Company reviews the estimate of expected returns at the date of the financial statements and updates the amounts of the asset and liability accordingly.
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(l) Business and credit concentration-

Sales made to related parties represent 40% and 48% in 2024 and 2023, respectively, of the Company's net sales.

The main suppliers are related parties, to whom approximately 40% of total purchases were made in 2024 and 2023, respectively, with no significant concentration with any of them.

(m) Research and advertising expenses-

Research and advertising expenses are taken to results as incurred.

(n) Comprehensive financing result (RIF)-

The RIF includes financial income and expenses composed of the following:

- interest expense;
- gain or loss in foreign currency on financial assets and liabilities;

Foreign currency transactions are recorded at the exchange rate prevailing on the dates of execution or settlement. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate in effect at the date of the statement of financial position. Exchange differences incurred in relation to assets or liabilities contracted in foreign currency are taken to the results of the year.

(o) Contingencies-

Significant obligations or losses related to contingencies are recognized when it is probable that their effects will materialize and there are reasonable elements for their quantification. If these reasonable elements do not exist, qualitative disclosure is included in the notes to the financial statements. Contingent income, earnings or assets are recognized only when there is certainty of their realization.

(4) Cash and cash equivalents-

Cash and cash equivalents are made up as shown below:

	<u>2024</u>	<u>2023</u>
Cash	\$ 8,000	8,000
Bank deposits	54,103,997	8,681,672
Cash and cash equivalents	\$ 54,111,997	8,689,672

(5) Foreign currency position and translation-

Monetary assets and liabilities denominated in foreign currencies translated into the reporting currency, as of December 31, 2024 and 2023, are as follows:

Mexican pesos

	<u>2024</u>	<u>2023</u>
Assets:		
Short-term	\$ 213,516,075	93,227,719
Liabilities:		
Short-term	(40,904,305)	(42,321,094)
Net asset position	\$ 172,611,770	50,906,625

As of December 31, 2024 and 2023, \$(27,560,794) and \$12,614,401 of exchange (loss) gain were recorded, respectively.

The exchange rates used in the various translation processes in relation to the reporting currency as of December 31, 2024 and 2023 are as follows:

<u>Country of origin</u>	<u>Currency</u>	<u>Exchange rate</u>	
		<u>2024</u>	<u>2023</u>
United States of America	Dollar	20.7660	16.8935
European Union	Euro	21.5828	18.6896

As of December 31, 2024 and 2023, the Company had no hedging instruments against exchange risks.

(6) Financial instruments-

A. Accounting classifications and fair values

The tables below show the carrying amounts and fair values of financial assets and financial liabilities as of December 31, 2024 and 2023, including their levels in the fair value hierarchy and based on the business models determined by the Company.

The tables do not include information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

<u>Balances as of December 31, 2024</u>	<u>Accounts receivable, related parties and other accounts receivable</u>	<u>Cash and cash equivalents</u>
	Notes 8, 9 and 10	5
Carrying amount:		
Financial assets	232,303,902	54,111,997
Total	232,303,902	54,111,997
Fair value:		
Level 2	232,303,902	54,111,997

<u>Balances as of December 31, 2023</u>	<u>Accounts receivable, related parties and other accounts receivable</u>	<u>Cash and cash equivalents</u>
	Notes 8, 9 and 10	5
Carrying amount:		
Financial assets	\$ 237,060,020	8,689,672
Total	\$ 237,060,020	8,689,672
Fair value:		
Level 2	\$ 237,060,020	8,689,672

Financial liabilities not measured at fair value

<u>As of December 31, 2024</u>	<u>Lease obligations</u>	<u>Suppliers</u>	<u>Related parties</u>
	Notes 14		9
Carrying amount:			

Financial liabilities	1,228,520	111,449,597	380,465,025
Total	1,228,520	111,449,597	380,465,025
Fair value:			
Level 2	1,228,520	111,449,597	380,465,025

Financial liabilities not measured at fair value

<u>As of December 31, 2023</u>	<u>Lease obligations</u>	<u>Suppliers</u>	<u>Related parties</u>
	Notes	14	9
Carrying amount:			
Financial liabilities	\$ 2,236,442	68,223,005	462,463,554
Total	\$ 2,236,442	68,223,005	462,463,554
Fair value:			
Level 2	\$ 2,236,442	68,223,005	462,463,554

B Financial risk management

The Company is exposed to the following financial risks from its operations with financial instruments:

- credit risk,
- liquidity risk
- market risk

Financial risk management policies

The Company's Management has overall responsibility for establishing and supervising the Company's risk management policies. The Company's Management is responsible for developing and supervising the Company's risk management policies, and reports regularly to general management on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, establish appropriate risk limits and controls, and monitor risks and compliance with limits. The risk management policies and systems are reviewed periodically to reflect changes in market conditions and in the Company's activities.

The Company, through its training and management procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit Risk:

Credit risk represents the potential loss that an issuer of a financial instrument may cause to the counterparty by failing to meet its obligations, and arises mainly from accounts receivable and investments in debt instruments.

The carrying amount of financial assets represents the maximum exposure to credit risk.

Impairment losses on financial assets recognized in results were as follows.

	2024	2023
Impairment loss on accounts receivable	\$ (472,249)	273,767

Accounts receivable

The Company's exposure to credit risk is mainly affected by the individual characteristics of each customer. However, management also considers the factors that may affect the credit risk of its customer base, including the risk of default of the industry.

Management has established a credit policy under which each new customer is analyzed individually with respect to creditworthiness before offering the Company's standard payment and delivery terms.

The Company's review includes external ratings when available, financial statements, credit agency information, industry information and, in some cases, bank references. Sales limits are established for each customer and reviewed every three months. Any sale exceeding those limits requires the approval of General Management.

Expected credit loss assessment for individual customers

The Company uses an allowance matrix to measure the expected credit losses of accounts receivable from individual customers, which include a large number of small balances.

<u>December 31, 2024</u>	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit-impaired</u>
Current (not past due)	0%	65,603,055	-	No
1 - 30 days past due	0%	26,072,042	-	No
31 - 60 days past due	0%	8,778,175	-	No
61 - 90 days past due	0%	1,958,096	-	No
More than 90 days past due	100%	68,108	(68,108)	Yes
		102,479,476	(68,108)	

<u>December 31, 2023</u>	<u>Weighted average loss rate</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Credit-impaired</u>
Current (not past due)	0%	2,313,363	-	No
1 - 30 days past due	0%	34,124,747	-	No
31 - 60 days past due	0%	38,558,731	-	No
61 - 90 days past due	0%	21,129,305	-	No
More than 90 days past due	100%	540,357	(540,357)	Yes
		96,666,503	(540,357)	

Cash and cash equivalents

The Company held cash and cash equivalents of \$54,111,997 and \$8,689,672 as of December 31, 2024 and 2023, respectively.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, to the greatest extent possible, that it will always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking the Company's reputation.

Exposure to liquidity risk

The following tables show the remaining contractual maturities of financial liabilities at the date of the financial statements. Amounts are presented gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

<u>December 31, 2024</u>	<u>Carrying amount</u>	<u>Total</u>	<u>12 months</u>	<u>1 to 5 years</u>
Non-derivative financial liabilities				
Related parties	\$ 380,465,025	380,465,025	59,728,219	320,736,806
Finance lease obligations	1,228,520	1,228,520	1,228,520	
Suppliers	111,449,597	111,449,597	111,449,597	-
	\$ 493,143,142	493,143,142	171,177,816	321,965,326

<u>December 31, 2023</u>	<u>Carrying amount</u>	<u>Total</u>	<u>12 months</u>	<u>1 to 5 years</u>
Non-derivative financial liabilities				

Related parties	\$ 462,463,554	462,463,554	129,303,167	333,160,387
Finance lease obligations	2,236,442	2,236,442	2,236,442	-
Suppliers	68,223,005	68,223,005	68,223,005	-
	<u>\$ 532,923,001</u>	<u>532,923,001</u>	<u>199,762,614</u>	<u>333,160,387</u>

Market risk

Market risk is the risk that changes in market prices, for example in exchange rates, interest rates or share prices, will affect the Company's income or the value of the financial instruments it holds. The objective of market risk management is to manage and control exposures to this risk within reasonable parameters while optimizing profitability.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated. The currencies in which these transactions are mainly denominated are the US dollar (USD) and the euro (EUR).

The summary of quantitative information related to the Company's exposure to foreign currency risks reported to the Company's Management was as shown on the following page.

	<u>2024</u>		<u>2023</u>	
<u>December 31</u>	<u>USD</u>	<u>EUR</u>	<u>USD</u>	<u>EUR</u>
Financial assets	10,281,976		5,518,555	-
Financial liabilities	(1,117,011)	(820,486)	(2,051,823)	(404,964)
Net exposure	9,164,965	(820,486)	3,466,732	(404,964)

(7) Accounts receivable-

Accounts receivable are made up as follows:

	<u>2024</u>	<u>2023</u>
From the sale of goods	\$ 102,479,476	96,666,503
Less:		
Allowance for expected credit losses	(68,108)	(540,357)
Total accounts receivable	\$ 102,411,368	96,126,146

(8) Transactions and balances with related parties-

Transactions carried out with related parties in the years ended December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Income from:		
Heubach Colorants USA LLC	\$ 322,369,784	390,594,398
Heubach Colorants Brasil Ltda.	23,850,745	34,094,369
Heubach Colorants Germany GmbH	18,300,126	29,141,925
Heubach Colorants Southern (Africa)	13,429,311	163,878
Heubach Colorants Chile Industria	10,234,862	21,750,999
Heubach Colorants Colombia S. A. S.	8,846,841	7,524,641
Heubach Colorants Singapore	5,476,701	4,100,684
Heubach Colorants Japan K.K.	4,652,537	10,535,355
Heubach Colorants (Shanghai) Ltd.	4,417,792	2,942,115
Heubach Colorants India Limited	492,854	129,616
Heubach Colorants Argentina S. A. U.	181,408	9,622,827
Sale of products	\$ 412,252,961	510,600,807
Purchases of inventory:		

Heubach Holding Switzerland AG	\$ 134,321,160	212,207,705
Colorants Solutions Singapore PTE	51,647,953	72,862,380
Heubach Colorants Brasil Ltda.	27,051,009	29,532,982
Heubach Colorants USA LLC	2,977,524	6,636,293
Heubach Colorants Chile Industria	3,357	
Heubach Colorants Solutions Colombia S. A. S	367,816	998,688
Heubach Colorants Deutschland GMBH	3,373,115	828,426
Heubach Colorants Southern	-	850
Heubach Colorants Ltd. China	20	
Heubach Colorants India Limited	-	475
Heubach Colour Private Limited (India)	13,859,871	4,292,105
Total purchases of inventory	\$ 233,598,468	327,363,261
Expense for the use of property and equipment to: Sudarshan México MFG		
México México Productos Químicos, S. A. de C. V.	\$ 43,875,668	44,928,427
Royalties to: Heubach Holding Switzerland AG	\$ 27,415,138	28,476,833
Fees to:		
Heubach Holding Switzerland AG	\$ 40,837,222	-
Heubach Group GMBH	-	38,943,397
Total fees	\$ 40,837,222	38,943,397
Interest paid:		
Heubach Holding Switzerland AG	\$ 4,137,316	14,387,361
Sudarshan México MFG México Productos Químicos S. A. de C. V.	3,798,528	4,637,710
Total interest paid	\$ 7,935,844	19,025,071
GBS services to: Heubach Group GmbH	\$ 941,212	-
Expense reimbursement to:		
Heubach Colorants Perú, S. A. C	\$ 658,012	-
Heubach Group GMBH (Germany)	-	3,677,919
Total expense reimbursement	\$ 658,012	3,677,919

Balances receivable from and payable to related parties are made up as follows:

	<u>2024</u>	<u>2023</u>
Accounts receivable:		
Colorants Solutions USA LLC (1)	\$ 57,035,640	73,252,422
Heubach Colorants Chile Industria Química Limitada (1)	19,662,714	16,631,437
Heubach Colorants Germany GmbH (1)	17,962,107	15,030,293
Colorants Solutions (Argentina) SAU (1)	12,901,532	13,230,430
Heubach Colorants Colombia S. A. S. (1)	5,636,559	2,692,998
Heubach Colorants Southern (1)	2,453,201	162,392
Colorants Solutions Brasil Industria Quimica LTDA. (1)	899,283	4,488,105
Sudarshan Lux Holding S. A. (1)	818,491	-
Sudarshan Japan K.K. (1)	665,540	-
Heubach Colorants (Shanghai) Ltd. (1)	-	1,883,375
Heubach Colorants Japan K. K. (1)	-	1,847,727
Heubach Colorants India Limited (1)	-	125,015
Heubach Colorants Peru S. A. C.	-	4,180
Heubach Colorants USA LLC	-	1,468,273
	\$ 118,035,067	130,816,647
Accounts payable:		
Sudarshan AG (3)	\$ 303,734,964	293,160,387
Sudarshan México MFG México Productos Químicos, S. A. de C. V.(4)	30,000,000	40,000,000
Sudarshan México MFG México Productos Químicos, S. A. de C. V.(2)	20,826,135	11,244,615

Heubach Group GmbH (2)	19,609,047	21,521,031
Heubach Colorants Singapore (2)	3,893,998	18,410,421
Sudarshan Gujarat MFG Private Ltd. (2)	1,572,103	-
Sudarshan Shanghai Ltd. (2)	347,462	-
Heubach GmbH (2)	341,020	794,594
Sudarshan India Limited(2)	140,296	-
Heubach Holding Switzerland AG (2)	-	2,989,798
Heubach Colour Private Limited (2)	-	3,663,446
Heubach Holding Switzerland AG (2)	-	70,679,262
	<u>380,465,025</u>	<u>462,463,554</u>
Less: long-term maturity	<u>320,736,806</u>	<u>333,160,387</u>
	\$ 59,728,219	129,303,167

(1) As of December 31, 2024 and 2023, the Company has a short-term account receivable for the sale of goods that does not bear interest and has no specific maturity.

(2) As of December 31, 2024 and 2023, the Company has a short-term account payable for the purchase of goods that does not bear interest and has no specific maturity.

(3) As of December 31, 2024 and 2023, the Company has a long-term account payable of \$293,160,387 and \$322,150,720, respectively. This account payable has a term of 5 years and will be settled in fiscal year 2026 at a TIIE rate plus 1.20 points.

(4) As of December 31, 2024 and 2023, the Company has a short-term account payable of \$40,000,000 and \$5,000,000, respectively. This account payable has a term of 180 days and will be settled in fiscal year 2025 at a TIIE rate plus 1.20 points.

(9) Other accounts receivable-

Other accounts receivable are made up as follows:

	<u>2024</u>	<u>2023</u>
Customs brokers	\$ 11,736,288	8,974,361
Sundry debtors	121,178	10,117,227
	\$ 11,857,466	19,091,588

(10) Inventories-

Inventories are made up as follows:

	<u>2024</u>	<u>2023</u>
Finished goods	\$ 121,060,485	118,820,053
Raw materials	78,791,877	90,969,188
Goods in transit	95,805,779	35,324,987
Semi-finished goods	10,015,229	16,061,375
Materials and other	8,847,328	5,720,641
	<u>314,520,698</u>	<u>266,896,244</u>
Less: allowance for obsolete and/or slow-moving inventories	<u>(13,198,081)</u>	<u>(8,927,714)</u>
	\$ 301,322,617	257,968,530

(11) Investment in subsidiary-

The investment in the subsidiary company is presented valued using the equity method, considering the results and stockholders' equity of the issuers. The subsidiary is shown on the following page.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 94,902,999	91,874,931

Equity in the results of subsidiary	6,689,478	2,903,434
Other comprehensive income	10,940	21,068
Other	-	103,566
	\$ 101,603,417	94,902,999

	<u>Equity interest</u>		<u>Main activity and location</u>
	<u>2024</u>	<u>2023</u>	
Sudarshan México MFG México Productos Químicos, S. A. de C. V.	100%	100%	Lease of plant and machinery

The investment in shares of the subsidiary company is made up as follows:

	<u>%</u>	<u>Stockholders' equity</u>	<u>Interest in stockholders' equity</u>
December 31, 2024			
Sudarshan México MFG México Productos Químicos, S. A. de C. V.	100%	\$ 101,500,144	101,500,144
December 31, 2023			
Sudarshan México MFG México Productos Químicos, S. A. de C. V.	100%	\$ 94,799,706	94,799,706

The equity in the comprehensive income of the subsidiary is made up as follows:

	<u>%</u>	<u>Comprehensive income</u>	<u>Interest in comprehensive income</u>
December 31, 2024			
Sudarshan México MFG México Productos Químicos, S. A. de C. V.	100%	\$ 884,907	884,907
December 31, 2023			
Sudarshan México MFG México Productos Químicos, S. A. de C. V.	100%	\$ 2,903,434	2,903,434

The investment in subsidiary is valued using the equity method, which was determined based on the financial information of Sudarshan México MFG México Productos Químicos, S. A. de C. V., which is prepared in accordance with NIF and with the accounting policies of Sudarshan México MFG, S. A. de C. V. Management decided not to consolidate said subsidiary because the financial information as of December 31, 2024 and 2023 is considered immaterial in the context of the Group's financial information.

(12) Property and equipment-

Property and equipment are analyzed as follows:

Acquisition cost:

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Furniture and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Balance as of January 1, 2023	\$ 137,446,138	314,818,168	39,060,996	11,521,152	65,837,256	568,683,710
Additions	647,302	7,426,820	163,833	1,518,209	11,767,249	21,523,413
Balances as of December 31, 2023	138,093,440	322,244,988	39,224,829	13,039,361	77,604,505	590,207,123
Balances as of January 1, 2024	138,093,440	322,244,988	39,224,829	13,039,361	77,604,505	590,207,123
Additions	-	1,903,677	-	1,742,663	-	3,646,340
Disposals	-	-	(58,571)	-	-	(58,571)
Balances as of December 31, 2024	\$ 138,093,440	324,148,665	39,166,258	14,782,024	77,604,505	593,794,892

Accumulated depreciation:

	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Furniture and equipment</u>	<u>Transportation equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Balance as of January 1, 2023	\$ 48,063,433	169,642,874	26,502,805	8,966,270	5,879,518	259,054,900
Depreciation	6,746,072	23,904,556	2,060,527	1,054,760	13,029	33,778,944

Carrying amount:

Depreciation charges to results for property and equipment as of December 31, 2024 were \$33,272,229 and \$33,778,944 in 2023, respectively.

The Company leases plant facilities and vehicles. Leases are generally executed for a period of 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect the rental market. Some leases provide for additional rental payments that are based on changes in local price indices. For certain leases.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets related to leased properties are made up of the following:

	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Machinery and equipment</u>
Balance as of January 1, 2023	\$ 420,244	410,256	60,357
Additions	-	2,099,117	-
Depreciation for the year	-	(863,179)	-
Balance as of December 31, 2023	\$ 420,244	1,646,194	60,357

	<u>2024</u>	<u>2023</u>
Interest on lease liabilities	\$ 177,474	156,497
Expenses related to short-term leases	1,228,520	2,236,442
Lease depreciation expense	\$ 480,300	863,179

Total cash outflows for leases during 2024 were \$1,007,922 and during 2023 were \$855,196.

The components of the defined benefit cost for the years ended December 31, 2024 and 2023 are shown below:

<u>Seniority premium</u>		<u>Legal severance</u>		<u>Pension plan</u>		<u>Total</u>	
2024	2023	2024	2023	2024	2023	2024	2023

Current service cost (CLSA)	\$ 526,740	567,976	348,722	445,814	1,438,806	2,062,820	2,314,268	3,076,610
Net interest on the NDBL	768,001	574,242	316,322	305,343	2,987,589	2,256,664	4,071,912	3,136,249
Remeasurements of the NDBL recognized in results of the period	(102,081)	41,395		(67,786)	(1,674,489)	248,504	(1,776,570)	222,113
Net cost of the period	\$ 1,192,660	1,183,613	665,044	683,371	2,751,906	4,567,988	4,609,610	6,434,972
Opening balance of remeasurements of the NDBL in OCI	\$ (363,900)	406,498	(1,227,188)	(379,117)	(12,723,369)	3,593,482	(14,314,457)	3,620,863
Remeasurements generated	33,789	(41,395)	126,514	67,786	934,168	(248,504)	1,094,471	(222,113)
Recycling of remeasurements	3,202,803	(729,003)	(841,722)	(915,857)	2,828,635	(16,068,347)	5,189,736	(17,713,207)
Closing balance of remeasurements of the NDBL in OCI	\$ 2,872,712	(363,900)	(1,942,396)	(1,227,188)	(8,960,566)	(12,723,369)	(8,030,250)	(14,314,457)
Opening balance of the NDBL	\$ 6,829,951	6,416,736	3,602,273	3,766,973	13,467,685	25,216,548	23,899,909	35,400,257
Defined Benefit Cost (income)	526,740	567,976	348,722	445,814	1,438,806	2,062,820	2,314,268	3,076,610
Net Interest	665,920	574,242	316,322	305,343	1,313,100	2,256,664	2,295,342	3,136,249
Payments charged to the NDBL OCI for the year	3,202,823	(729,003)	(841,722)	(915,857)	2,828,635	(16,068,347)	5,189,736	(17,713,207)
Closing balance of the NDBL	\$ 11,225,434	6,829,951	3,425,595	3,602,273	19,048,226	13,467,685	33,699,255	23,899,909

The funded status of the defined benefit obligation as of December 31, 2024 and 2023 is detailed below:

	<u>Seniority premium</u>		<u>Legal severance</u>		<u>Pension plan</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Amount of the defined benefit obligations (DBO)	\$ 12,621,700	8,262,340	3,425,595	3,602,273	34,757,253	31,523,956	50,804,548	43,388,569
Plan assets	(1,396,266)	(1,432,389)		-	(15,709,027)	(18,056,271)	(17,105,293)	(19,488,660)
Funded status of the obligation	\$ 11,225,434	6,829,951	3,425,595	3,602,273	19,048,226	13,467,686	33,699,255	23,899,909

	<u>2024</u>	<u>2023</u>
Nominal discount rate used to calculate the present value of the obligations	9.75%	9.75%
Minimum wage increase rate	3.5%	3.5%
Expected rate of return on plan assets	8%	5%
Nominal salary increase rate	5%	5%
Average duration of workers	13 years	14 years

(15) Income taxes (income tax (ISR) and employee statutory profit sharing (PTU))-

The current Income Tax Law establishes an ISR rate of 30%.

a) Income taxes

Income tax expense is made up as follows:

	<u>2024</u>	<u>2023</u>
In the results of the period:		
Current	\$ 37,052,974	15,332,097
Deferred ISR	(11,661,829)	(792,260)
	\$ 25,391,145	14,539,837

The tax expense attributable to income from continuing operations before income taxes and OCI differed from that which would result from applying the 30% ISR rate to income before income taxes, as a result of the items mentioned below:

	<u>2024</u>	<u>2023</u>
"Expected" expense	\$ 27,370,874	5,042,280
Tax effect of inflation	(4,134,279)	(4,513,101)
Non-deductibles	2,438,996	14,130,744
Other	(284,446)	(120,087)

Income tax expense	\$ 25,391,145	14,539,836
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The income tax effects of temporary differences that give rise to significant portions of deferred income tax assets and liabilities, as of December 31, 2024 and 2023, are detailed on the following page.

	<u>2024</u>	<u>2023</u>
Deferred assets:		
Property and equipment	\$ 19,389,910	17,934,547
Accrued liabilities	14,771,752	4,271,547
Employee benefits	4,751,595	3,800,088
Allowance for obsolete inventories	3,959,424	2,678,314
Current PTU	3,680,414	1,382,516
Leases	34,523	32,894
Allowance for uncollectible accounts	20,432	162,107
Total gross deferred assets	46,608,050	30,262,013
Deferred liabilities:		
Deferred profit sharing	4,173,125	3,372,086
Prepaid expenses	1,196,385	835,493
Customer advances	-	99,349
Liability shortfall	459,554	-
Total deferred liabilities	5,829,064	4,306,928
Deferred asset, net	\$ 40,778,986	25,955,085

b) PTU

Deferred PTU expense is made up as follows:

	<u>2024</u>	<u>2023</u>
Current PTU	\$ 12,268,046	4,615,053
Deferred PTU	5,376,688	2,697,792
Total PTU	\$ 17,644,734	7,312,845

The PTU effects of temporary differences that give rise to significant portions of deferred PTU assets and liabilities, as of December 31, 2024 and 2023, are detailed on the following page.

	<u>2024</u>	<u>2023</u>
Deferred assets:		
Property and equipment	\$ 6,463,303	5,978,182
Accrued liabilities	4,923,917	1,424,001
Allowance for obsolete inventories	1,319,808	892,771
Allowance for uncollectible accounts	6,811	54,036
Employee benefits	1,583,865	2,698,141
Leases	11,508	10,965
Excess in provision	2,706,556	493,955
Total gross deferred assets	17,015,768	11,552,051
Deferred liabilities:		
Customer advances	-	33,116
Prepaid expenses	398,795	278,650
Total deferred liabilities	398,795	311,766
Deferred asset, net	\$ 16,616,973	11,240,285

(16) Stockholders' equity (deficit)-

The main characteristics of the accounts comprising stockholders' equity (deficit) are described below:

(a) Structure of capital stock-

On August 31, 2022, the Stockholders' Meeting agreed to change the Company's corporate name. Leaving capital stock at \$11,454,268 (\$11,454,268 historical), represented by \$10,000 in fixed capital stock and \$348,095, plus its restatement of \$11,096,173, in variable capital, through the issuance of 10,000 series "A" shares and 348,095 series "B" shares, with no par value.

After the movements mentioned above, capital stock as of December 31, 2022 is made up of 358,095 ordinary, registered shares, with a par value of one peso each, divided into two series: 10,000 of series "A", corresponding to the fixed portion, and 348,095 of series "B", corresponding to the variable portion, which is unlimited. Series "A" and "B" shares may be divided into two classes: class I shares, which will represent Mexican capital, and class II shares, which will represent foreign capital.

(b) Other comprehensive income (OCI)-

OCI includes what is shown on the following page.

	<u>OCI before income taxes and PTU</u>	<u>Income taxes</u>	<u>PTU</u>	<u>Total</u>
Balances as of January 1, 2023	\$ 3,176,892	(753,280)	(251,094)	2,172,518
Remeasurements generated	(17,935,320)	5,380,596	1,793,532	(10,761,192)
Share of OCI of the subsidiary company	(103,575)	31,073	10,358	(62,144)
Other	(62,502)	-	-	(62,502)
Balances as of December 31, 2023	(14,924,505)	4,658,389	1,552,795	(8,713,321)
Remeasurements generated	5,189,736	(1,556,921)	(518,974)	3,113,842
Share of OCI of the subsidiary company	135,588	(40,676)	(13,557)	81,355
Other	(462,353)	-	-	(462,353)
Balances as of December 31, 2024	\$ (10,061,534)	3,060,792	1,020,264	5,980,477

(c) Restrictions on stockholders' equity-

In accordance with the LGSM, net income for the year is subject to a 5% appropriation to constitute the legal reserve, until it reaches one-fifth of capital stock. As of December 31, 2022, the legal reserve amounts to \$5,370,954, a figure that has reached the required amount.

(17) Net sales, costs and general expenses-

Revenue is made up as follows:

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers		
From the sale of chemical products to third parties	\$ 581,431,914	557,813,248
From the sale of chemical products, intercompany	412,252,961	510,600,808
Total revenue	993,684,875	1,068,414,056
Other income (Electric power, security, dining services)	73,459,695	65,367,029
Total revenue	\$ 1,067,144,570	1,113,781,084

The main items comprising the cost and general expense line items as of December 31, 2024 and 2023 are those shown on the following page.

<u>As of December 31, 2024</u>	<u>Cost of sales</u>	<u>Administrative expenses</u>	<u>Total</u>
Consumption of materials	\$ 538,535,608	-	538,535,608
Services received from related parties	59,837,290	72,072,841	131,910,131
Wages, salaries and benefits	66,485,878	47,945,936	114,431,814
Depreciation and amortization	26,112,866	7,639,663	33,752,529
Other	-	35,939,641	35,939,641
Freight	-	49,680,376	49,680,376
Maintenance and cleaning	-	8,600,306	8,600,306
Total	\$ 690,971,642	221,878,763	912,850,405

<u>As of December 31, 2023</u>	<u>Cost of sales</u>	<u>Administrative expenses</u>	<u>Total</u>
Consumption of materials	\$ 759,971,747	-	759,971,747
Services received from related parties	42,137,973	70,299,519	112,437,492
Wages, salaries and benefits	61,578,253	44,131,415	105,709,668
Depreciation and amortization	26,607,766	8,034,358	34,642,124
Other	14,456,299	34,643,722	49,100,021
Impairment loss on accounts receivable	-	273,767	273,767
Freight	-	30,304,413	30,304,413
Maintenance and cleaning	9,317,401	11,630,308	20,947,709
Total	\$ 914,069,439	199,317,502	1,113,386,941

(18) Commitments and contingencies

(a) The Company rents buildings, transportation equipment and machinery and equipment, under lease agreements with defined terms. Total rental expense amounted to \$1,228,520 in 2024 and \$846,265 in 2023 and is included in cost of sales and administrative expenses in the statement of comprehensive income.

(b) The Company has entered into service agreements with related parties, under which they undertake to provide it with the administrative services, royalties and rendering of services necessary for its operation. These agreements are for an indefinite term. Total payments under this concept were \$213,055,432 in 2024 and \$112,437,492 in 2023 and are included in administrative expenses in the statements of comprehensive income.

(c) In accordance with the tax legislation in force, the authorities have the power to review up to the five fiscal years prior to the last income tax return filed.

(d) In accordance with the Income Tax Law, companies that carry out transactions with related parties are subject to tax limitations and obligations regarding the determination of agreed prices, since these must be comparable to those that would be used with or between independent parties in comparable transactions. In the event that the tax authorities were to review the prices and reject the amounts determined, they could demand, in addition to the collection of the tax and corresponding accessory charges (restatement and surcharges), fines on the omitted contributions, which could amount to up to 100% of the restated amount of the contributions.

(e) On June 14, 2022, the Company and its subsidiary signed a first-priority non-possessory pledge agreement over all movable assets (tangible or intangible) in favor of Bank of America, NA as bank creditor. Subsequently, on January 39, 2024, the amendment to the pledge agreement was signed to replace the pledgee creditor with Wilmington Saving Fund Society, FSB in place of Bank of America, NA. For purposes of registration in the Single Registry of Movable Property Guarantees, a maximum guaranteed amount of eight hundred and five million US dollars (USD 805,000,000) is indicated, plus ordinary interest, default interest, commissions and accessory charges.

(19) Recently issued accounting pronouncements-

Improvements to NIF 2025

In December 2023 and 2024, the CINIF issued the documents called "Improvements to NIF 2025" and "Improvements to NIF 2024", respectively, which contain specific modifications to some existing NIF. The main improvements that generate accounting changes are the following:

NIF A-1 Conceptual Framework of Financial Reporting Standards - Effective for fiscal years beginning on or after January 1, 2025, with early application permitted from 2024 if the disclosures of the particular NIF applicable to the corresponding type of entity are adopted early. It includes the definition of public interest entities and requires disclosure of whether the entity is considered a public interest entity or an entity that is not of public interest. It divides the disclosure requirements of the NIF into: i) disclosures applicable to all entities in general (public interest entities and entities that are not), and ii) additional disclosures

mandatory only for public interest entities. Any change it generates must be recognized in accordance with NIF B-1 Accounting changes and error corrections. Management estimates that the adoption of this improvement to the NIF will not generate significant effects.

Sudarshan Malaysia SLO Sdn. Bhd.
(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)
(Registration No. 197801001591 (38607-X))
(Incorporated in Malaysia)

**Financial statements for the year
ended 31 December 2024**

Sudarshan Malaysia SLO Sdn. Bhd.

(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)

(Registration No. 197801001591 (38607-X))

(Incorporated in Malaysia)

Directors' report for the year ended 31 December 2024

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

Principal activity

The Company is principally engaged in the trading of specialty chemicals. There has been no significant change in the nature of this activity during the financial year.

Ultimate holding company

The Company is a subsidiary of SK Capital Partners V-A, L.P., of which is incorporated in Cayman Islands and regarded by the Directors as the Company's ultimate holding company for financial year ended 31 December 2024.

Results

	RM
Loss for the year	<u>479,668</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividend

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Chong Han Kim

Sim Ek Kiang (appointed on 5 August 2024)

Sambit Roy (appointed on 3 June 2025)

Seow Lea Bing (resigned on 2 August 2024)

Takayoshi Miyatani (resigned on 9 April 2025)

Directors' interests in shares

None of the Directors holding office at 31 December 2024 had any interest in the ordinary shares, options over ordinary shares and units convertible into ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2024 are as follows:

	RM
Directors of the Company:	
Remuneration	<u>215,502</u>

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2024 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Subsequent events

- i) On 3 March 2025, the Company was acquired by Sudarshan Chemical Industries Limited, of which is incorporated in India and regarded by the Directors as the Company's ultimate holding company from the date of acquisition to the date of this report.
- ii) On 14 July 2025, the Company changed its registered name from Heubach Colorants Malaysia to Sudarshan Malaysia SLO Sdn. Bhd..

Registration No. 197801001591 (38607-X)

Auditors

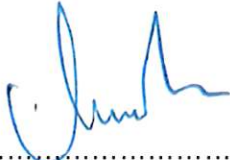
The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the year is RM60,000.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Chong Han Kim
Director



.....
Sim Ek Kiang
Director

Shah Alam,

Date: **10** SEP 2025

Sudarshan Malaysia SLO Sdn. Bhd.

(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)

(Registration No. 197801001591 (38607-X))

(Incorporated in Malaysia)

Statement of financial position as at 31 December 2024

	Note	2024 RM	2023 RM
Assets			
Property, plant and equipment	2	6,913	27,653
Right-of-use asset	3	-	-
Deferred tax assets	4	83,524	83,524
Total non-current assets		<u>90,437</u>	<u>111,177</u>
Inventories	5	2,059,344	2,017,263
Trade and other receivables	6	2,229,426	5,862,542
Current tax assets		559,661	473,713
Prepayments		104,795	57,007
Cash and cash equivalents	7	2,429,505	2,544,006
Total current assets		<u>7,382,731</u>	<u>10,954,531</u>
Total assets		<u>7,473,168</u>	<u>11,065,708</u>
Equity			
Share capital	8	5,000,000	5,000,000
Retained earnings		314,770	794,438
Total equity		<u>5,314,770</u>	<u>5,794,438</u>
Liabilities			
Trade and other payables	9	2,158,398	5,271,270
Lease liability		-	-
Total current liabilities		<u>2,158,398</u>	<u>5,271,270</u>
Total liabilities		<u>2,158,398</u>	<u>5,271,270</u>
Total equity and liabilities		<u>7,473,168</u>	<u>11,065,708</u>

The notes on pages 10 to 26 are an integral part of these financial statements.

Sudarshan Malaysia SLO Sdn. Bhd.

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Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	2024 RM	2023 RM
Revenue	10	19,437,319	18,470,392
Cost of sales		<u>(15,391,530)</u>	<u>(15,068,976)</u>
Gross profit		4,045,789	3,401,416
Other operating income		1,864,834	1,466,280
Staff costs		(2,122,613)	(1,380,650)
Depreciation	2	(20,740)	(20,740)
Other operating expenses		<u>(4,065,778)</u>	<u>(3,495,414)</u>
Results from operating activities		(298,508)	(29,108)
Finance income	11	-	22,455
Finance cost	12	<u>-</u>	<u>(766)</u>
Loss before tax		(298,508)	(7,419)
Tax expense	13	<u>(181,160)</u>	<u>(11,325)</u>
Loss and total comprehensive expense for the year	14	<u><u>(479,668)</u></u>	<u><u>(18,744)</u></u>

The notes on pages 10 to 26 are an integral part of these financial statements.

Sudarshan Malaysia SLO Sdn. Bhd.

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Statement of changes in equity for the year ended 31 December 2024

	Share capital RM	<i>Distributable</i> Retained earnings RM	Total equity RM
At 1 January 2023	5,000,000	813,182	5,813,182
Loss and total comprehensive expense for the year	-	(18,744)	(18,744)
At 31 December 2023/1 January 2024	5,000,000	794,438	5,794,438
Loss and total comprehensive expense for the year	-	(479,668)	(479,668)
At 31 December 2024	<u>5,000,000</u>	<u>314,770</u>	<u>5,314,770</u>

Note 8

Sudarshan Malaysia SLO Sdn. Bhd.

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Statement of cash flows for the year ended 31 December 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Loss before tax		(298,508)	(7,419)
Adjustments for:			
Depreciation of property, plant and equipment	2	20,740	20,740
Depreciation of right-of-use asset	3	-	133,861
Finance income	11	-	(22,455)
Finance cost	12	-	766
Net unrealised loss on foreign exchange	14	11,614	15,004
Net reversal on provision for slow-moving stock	5	(70,760)	(42,653)
Write-down of inventory	5	56,807	-
Operating (loss)/profit before changes in working capital		(280,107)	97,844
Changes in working capital:			
Inventories		(28,128)	435,255
Trade and other receivables		3,617,343	(1,757,419)
Trade and other payables		(3,156,501)	1,893,959
Cash generated from operations		152,607	669,639
Interest received		-	22,455
Interest paid		-	(766)
Tax paid		(267,108)	(73,672)
Tax refunded		-	583,767
Net cash (used in)/generated from operating activities		(114,501)	1,201,423
Cash flow from financing activity			
Payment of lease liability		-	(181,146)
Net cash used in financing activity		-	(181,146)
Net (decrease)/increase in cash and cash equivalents		(114,501)	1,020,277
Cash and cash equivalents at 1 January		2,544,006	1,523,729
Cash and cash equivalents at 31 December		2,429,505	2,544,006

Statement of cash flows for the year ended 31 December 2024 (continued)

Cash outflow for leases as a lessee

	Note	2024 RM	2023 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	14	307,500	153,750
Payment relating to leases of low-value assets	14	-	4,127
Interest paid in relation to lease liability	12	-	766
Included in net cash from financing activities:			
Payment of lease liability		-	181,146
Total cash outflows for leases		<u>307,500</u>	<u>339,789</u>

Reconciliation of movements of liability to cash flows arising from financing activities

	RM
Lease liability	
At 1 January 2023	181,146
Net changes from financing cash flows	<u>(181,146)</u>
At 31 December 2023/1 January 2024/31 December 2024	<u>-</u>

Sudarshan Malaysia SLO Sdn. Bhd.

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Notes to the financial statements

Sudarshan Malaysia SLO Sdn. Bhd. (formerly known as Heubach Colorants Malaysia Sdn. Bhd.) is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

No. 79 & 80 HICOM Sector B,
Jalan Teluk Gadung 27/93A,
40000 Shah Alam,
Selangor Darul Ehsan.

Registered office

Level 25, Menara Hong Leong,
No. 6, Jalan Damanlela, Bukit Damansara,
50490 Kuala Lumpur,
Wilayah Persekutuan Kuala Lumpur.

The Company is principally engaged in the trading of specialty chemicals. There has been no significant change in the nature of this activity during the financial year.

The Company is a subsidiary of SK Capital Partners V-A, L.P., of which is incorporated in Cayman Islands and regarded by the Directors as the Company's ultimate holding company for financial year ended 31 December 2024.

These financial statements were authorised for issue by the Board of Directors on 10 September 2025.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.
- from the annual period beginning on 1 April 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standard that is effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on historical cost basis.

1. Basis of preparation (continued)

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Property, plant and equipment

	Building and renovation RM	Plant and machinery RM	Furniture, fittings, equipment and motor vehicles RM	Total RM
Cost				
At 1 January 2023/ 31 December 2023/ 1 January 2024/ 31 December 2024	2,190,990	2,545,422	1,096,594	5,833,006
Accumulated depreciation				
At 1 January 2023	2,190,990	2,497,029	1,096,594	5,784,613
Depreciation for the year	-	20,740	-	20,740
At 31 December 2023/ 1 January 2024	2,190,990	2,517,769	1,096,594	5,805,353
Depreciation for the year	-	20,740	-	20,740
At 31 December 2024	2,190,990	2,538,509	1,096,594	5,826,093
Carrying amounts				
At 1 January 2023	-	48,393	-	48,393
At 31 December 2023/ 1 January 2024	-	27,653	-	27,653
At 31 December 2024	-	6,913	-	6,913

2.1 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Building and renovation 5 to 20 years
- Plant and machinery 5 to 8 years
- Furniture, fittings, equipment and motor vehicles 5 to 8 years

3. Right-of-use asset

	Building RM
Cost	
At 1 January 2023/31 December 2023/1 January 2024/ 31 December 2024	<u>400,097</u>
Accumulated depreciation	
At 1 January 2023	266,236
Depreciation for the year	<u>133,861</u>
At 31 December 2023/1 January 2024	400,097
Depreciation for the year	<u>-</u>
At 31 December 2024	<u>400,097</u>
Carrying amounts	
At 1 January 2023	<u>133,861</u>
At 31 December 2023/1 January 2024	<u>-</u>
At 31 December 2024	<u>-</u>

3.1 Material accounting policy information

Recognition exemption

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. Deferred tax assets/(liabilities)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
	RM	RM	RM	RM	RM	RM
Property, plant and equipment	-	-	(28)	(28)	(28)	(28)
Provisions	32,159	32,159	-	-	32,159	32,159
Right-of-use asset	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-
Tax losses	47,792	47,792	-	-	47,792	47,792
Others	3,601	3,601	-	-	3,601	3,601
Tax assets/(liabilities)	<u>83,552</u>	<u>83,552</u>	<u>(28)</u>	<u>(28)</u>	<u>83,524</u>	<u>83,524</u>

4. Deferred tax assets/(liabilities) (continued)

Movements in temporary differences during the year

	At 1.1.2023 RM	Recognised in profit or loss (Note 13) RM	At 31.12.2023/ 1.1.2024 RM	Recognised in profit or loss (Note 13) RM	At 31.12.2024 RM
Property, plant and equipment	(2,233)	2,205	(28)	-	(28)
Provisions	84,590	(52,431)	32,159	-	32,159
Right-of-use asset	(32,127)	32,127	-	-	-
Lease liability	43,475	(43,475)	-	-	-
Tax losses	-	47,792	47,792	-	47,792
Others	7,500	(3,899)	3,601	-	3,601
	<u>101,205</u>	<u>(17,681)</u>	<u>83,524</u>	<u>-</u>	<u>83,524</u>

5. Inventories

	2024 RM	2023 RM
Finished goods	1,694,412	1,763,087
Goods-in-transit	<u>364,932</u>	<u>254,176</u>
	<u>2,059,344</u>	<u>2,017,263</u>
Recognised in profit or loss:		
- Inventories recognised as cost of sales	15,405,483	15,111,629
- Write-down to net realisable value	56,807	-
- Net reversal on provision for slow-moving stock	<u>(70,760)</u>	<u>(42,653)</u>

5.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

6. Trade and other receivables

	Note	2024 RM	2023 RM
Current			
Trade			
Trade receivables		<u>1,456,542</u>	<u>3,414,450</u>
Non-trade			
Amount due from related companies	6.1	435,099	2,317,985
Other receivables		332,639	124,961
Deposits		<u>5,146</u>	<u>5,146</u>
		<u>772,884</u>	<u>2,448,092</u>
		<u>2,229,426</u>	<u>5,862,542</u>

6. Trade and other receivables (continued)

6.1 The non-trade amount due from related companies are unsecured, interest free and repayable on demand.

7. Cash and cash equivalents

	2024 RM	2023 RM
Cash at bank	<u>2,429,505</u>	<u>2,544,006</u>

8. Share capital

	Number of shares 2024	Amount 2024 RM	Number of shares 2023	Amount 2023 RM
Issued and fully paid shares with no par value classified as equity instruments:				
"A" ordinary shares				
At 1 January/31 December	4,900,000	4,900,000	4,900,000	4,900,000
"B" ordinary shares				
At 1 January/31 December	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

Ordinary shares

Ordinary shares rank pari passu in all respects except that the holders of "A" ordinary shares shall be entitled to vote in relation to the election of the two "A" directors and holders of "B" ordinary shares shall be entitled to vote in relation to the election of three "B" directors and except for the provision of a quorum at a General Meeting.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

9. Trade and other payables

	Note	2024 RM	2023 RM
Trade			
Amount due to a related company	9.1	<u>403,384</u>	<u>3,775,253</u>
Non-trade			
Amount due to related companies	9.2	486,338	615,694
Other payables		630,422	348,404
Accrued expenses		<u>638,254</u>	<u>531,919</u>
		<u>1,755,014</u>	<u>1,496,017</u>
		<u>2,158,398</u>	<u>5,271,270</u>

9. Trade and other payables (continued)

- 9.1 The trade amount due to a related company is unsecured, interest free and subject to normal trade terms. These amounts are mainly denominated in United States Dollar ("USD").
- 9.2 The non-trade amount due to related companies are unsecured, interest free and repayable on demand. These amounts are mainly denominated in United States Dollar ("USD").

10. Revenue

	2024 RM	2023 RM
Sales of goods	<u>19,437,319</u>	<u>18,470,392</u>

10.1 Nature of goods and services

The following information reflects the typical transactions of the Company:

Nature of goods and services	Timing of recognition or method used to recognise revenue	Significant payment terms	Obligation for returns or refunds	Warranty
Specialty chemicals	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 45 to 90 days from invoice date.	Not applicable.	Not applicable.

11. Finance income

	2024 RM	2023 RM
Interest income of financial assets calculated using the effective interest method that are:		
- at amortised cost	<u>-</u>	<u>22,455</u>

12. Finance cost

	2024 RM	2023 RM
Interest expense on lease liability	<u>-</u>	<u>766</u>

13. Tax expense

Recognised in profit or loss

	2024 RM	2023 RM
Current tax expense		
Current year	56,435	5,389
Under/(Over) provision in prior years	124,725	(11,745)
	<u>181,160</u>	<u>(6,356)</u>
Deferred tax expense		
Origination of temporary differences	-	7,044
Under provision in prior years	-	10,637
	<u>-</u>	<u>17,681</u>
Total tax expense	<u>181,160</u>	<u>11,325</u>
Reconciliation of tax expense		
Loss before tax	<u>(298,508)</u>	<u>(7,419)</u>
Income tax calculated using Malaysian tax rate at 24% (2023: 24%)	(71,642)	(1,781)
Non-deductible expenses	128,077	14,214
Under/(Over) provision in prior years:		
- Current tax	124,725	(11,745)
- Deferred tax	-	10,637
	<u>181,160</u>	<u>11,325</u>

14. Loss for the financial year

	Note	2024 RM	2023 RM
Loss for the financial year is arrived at after charging:			
Auditors' remuneration:			
KPMG PLT		<u>60,000</u>	<u>60,000</u>
Material expenses			
Depreciation of property, plant and equipment	2	20,740	20,740
Depreciation of right-of-use asset	3	-	133,861
Management fees		1,274,323	950,644
Personnel expenses (including key management personnel):			
- Wages, salaries and others		1,826,829	1,212,324
- Contribution to Employees Provident Fund		295,785	168,326
Foreign exchange loss:			
- unrealised		11,614	15,004
- realised		<u>253,944</u>	<u>337,351</u>

14. Loss for the financial year (continued)

	Note	2024 RM	2023 RM
Expenses arising from leases:			
Expenses relating to short-term leases	a	307,500	153,750
Expenses relating to leases of low-value assets	b	<u>-</u>	<u>4,127</u>

Note a

In year 2023, the Company leases a space in the warehouse with contract term of less than a year. The Company has elected not to recognise right-of-use assets and lease liabilities for the lease.

Note b

The Company leases electrical and IT equipment which is low-value in nature. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

15. Financial instruments

15.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Note	Carrying amount RM	AC RM
2024			
Financial assets			
Trade and other receivables	6	2,229,426	2,229,426
Cash and cash equivalents	7	<u>2,429,505</u>	<u>2,429,505</u>
		<u>4,658,931</u>	<u>4,658,931</u>
Financial liability			
Trade and other payables	9	<u>(2,158,398)</u>	<u>(2,158,398)</u>
2023			
Financial assets			
Trade and other receivables	6	5,862,542	5,862,542
Cash and cash equivalents	7	<u>2,544,006</u>	<u>2,544,006</u>
		<u>8,406,548</u>	<u>8,406,548</u>
Financial liability			
Trade and other payables	9	<u>(5,271,270)</u>	<u>(5,271,270)</u>

15. Financial instruments (continued)

15.2 Net losses arising from financial instruments

	2024 RM	2023 RM
Net losses on:		
Financial assets at amortised cost	(65,845)	(77,821)
Financial liabilities at amortised cost	<u>(199,713)</u>	<u>(252,079)</u>
	<u>(265,558)</u>	<u>(329,900)</u>

15.3 Financial risk management

The Company has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

15.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers and related companies.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

15. Financial instruments (continued)

15.4 Credit risk (continued)

Trade receivables (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these trade receivables are regular customers that have been transacting with the Company. In managing credit risk of trade receivables, the Company uses ageing analysis to monitor the credit quality of the trade receivables. The Company manages its trade receivables and takes appropriate actions to recover long overdue balances. Any trade receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Company uses an allowance matrix to measure ECLs of trade receivables.

Loss rates are based on actual credit loss experience over the past three years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the trade receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
2024			
Current (not past due)	1,338,871	-	1,338,871
1 - 30 days past due	16,500	-	16,500
31 - 60 days past due	101,171	-	101,171
	<u>1,456,542</u>	<u>-</u>	<u>1,456,542</u>
2023			
Current (not past due)	3,304,122	-	3,304,122
1 - 30 days past due	110,328	-	110,328
	<u>3,414,450</u>	<u>-</u>	<u>3,414,450</u>

There was no allowance for impairment and amount written off in respect of trade receivables during the year.

15. Financial instruments (continued)

15.4 Credit risk (continued)

Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks have low credit risks. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The receivables from related companies principally arise from service fee charged for providing support services and pigment sale. The Company monitors the results of the related companies on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

Generally, the Company considers the amount due from related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the amount due from related companies, the Company considers the amount due from a related companies to be in default when the related companies are not able to pay when demanded. The Company considers the amount due from related companies to be credit impaired when:

- The related companies are unlikely to repay its amount due to the Company in full; or
- The related companies are continuously loss making and is having a deficit shareholders' fund.

At the end of the reporting period, there was no indication that the amount due from related companies are not recoverable.

15. Financial instruments (continued)

15.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables.

The Company monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM
2024				
<i>Financial liabilities</i>				
Trade and other payables	<u>2,158,398</u>	-	<u>2,158,398</u>	<u>2,158,398</u>
2023				
<i>Financial liabilities</i>				
Trade and other payables	<u>5,271,270</u>	-	<u>5,271,270</u>	<u>5,271,270</u>

15.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's financial position or cash flows.

15.6.1 Currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than its functional currency. The currency giving rise to this risk is primarily United States Dollar ("USD") and Euro ("EUR").

Risk management objectives, policies and processes for managing the risk

The Company actively monitors its exposure to currency risk. The Company does not hedge this risk however it keeps this policy under review.

15. Financial instruments (continued)

15.6 Market risk (continued)

15.6.1 Currency risk (continued)

Exposure to foreign currency risk

The Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period are as follows:

	Denominated in USD RM	EUR RM
2024		
Balances recognised in the statement of financial position		
Cash and cash equivalents	31,406	-
Trade payables	(625,984)	(498,453)
Net exposure	<u>(594,578)</u>	<u>(498,453)</u>
2023		
Balances recognised in the statement of financial position		
Cash and cash equivalents	632,997	-
Trade payables	(3,847,978)	(420,288)
Net exposure	<u>(3,214,981)</u>	<u>(420,288)</u>

Currency risk sensitivity analysis

A 10% (2023: 10%) strengthening of the Ringgit Malaysia against the following currency at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or (Loss)/Equity 2024 RM	2023 RM
USD	45,188	244,339
EUR	37,882	31,942
	<u>83,070</u>	<u>276,281</u>

A 10% (2023: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had an equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

15. Financial instruments (continued)

15.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

16. Capital management

The Company's capital is represented by its total equity in the statement of financial position. The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders.

The Directors monitor the adequacy of capital on an ongoing basis and there were no changes in the Company's approach to capital management during the financial year.

17. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in Notes 6 and 9.

	2024 RM	2023 RM
Related companies		
Sales	13,995	67,983
Purchases	(14,044,483)	(14,272,268)
Commissions received	179,241	193,802
Recovery of service cost	1,685,593	1,272,478
Service fee payable	(726,187)	(658,650)
Management fees	<u>(1,274,323)</u>	<u>(950,644)</u>

17. Related parties (continued)**Significant related party transactions (continued)**

	2024 RM	2023 RM
Key management personnel		
<i>Directors</i>		
- Remuneration	(181,013)	(186,112)
- Other short-term employee benefits	<u>(34,489)</u>	<u>(23,302)</u>
	<u>(215,502)</u>	<u>(209,414)</u>

18. Subsequent events

- i) On 3 March 2025, the Company was acquired by Sudarshan Chemical Industries Limited, of which is incorporated in India and regarded by the Directors as the Company's ultimate holding company from the date of acquisition to the date of this financial statements.
- ii) On 14 July 2025, the Company changed its registered name from Heubach Colorants Malaysia to Sudarshan Malaysia SLO Sdn. Bhd..

Sudarshan Malaysia SLO Sdn. Bhd.

(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)
(Registration No. 197801001591 (38607-X))
(Incorporated in Malaysia)

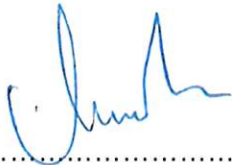
**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 5 to 26 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2024 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



.....
Chong Han Kim
Director



.....
Sim Ek Kiang
Director

Shah Alam,

Date: 10 SEP 2025

Sudarshan Malaysia SLO Sdn. Bhd.

(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)

(Registration No. 197801001591 (38607-X))

(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

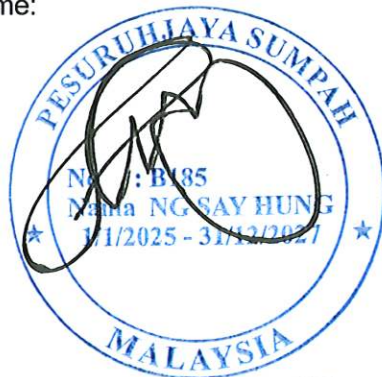
I, **Chong Han Kim**, the Director primarily responsible for the financial management of Sudarshan Malaysia SLO Sdn. Bhd. (formerly known as Heubach Colorants Malaysia Sdn. Bhd.) do solemnly and sincerely declare that the financial statements set out on pages 5 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Chong Han Kim, NRIC: 761205-04-5285, at Petaling Jaya in the state of Selangor on **10 SEP 2025**



.....
Chong Han Kim

Before me:



No. 71-1, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor.



KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants
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47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388
Fax +60 (3) 7721 3399
Website www.kpmg.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SUDARSHAN MALAYSIA SLO SDN. BHD.

(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)
(Registration No. 197801001591 (38607-X))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sudarshan Malaysia SLO Sdn. Bhd. (formerly known as Heubach Colorants Malaysia Sdn. Bhd.), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



Sudarshan Malaysia SLO Sdn. Bhd.
(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)
(Registration No. 197801001591 (38607-X))
Independent Auditors' Report for the
Financial Year Ended 31 December 2024

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 approved standards on auditing in Malaysia and International 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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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.



Sudarshan Malaysia SLO Sdn. Bhd.
(Formerly known as Heubach Colorants Malaysia Sdn. Bhd.)
(Registration No. 197801001591 (38607-X))
Independent Auditors' Report for the
Financial Year Ended 31 December 2024

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal 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 control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the 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 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors 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.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Nabeel bin Ghazi
Approval Number: 03850/10/2026 J
Chartered Accountant

Petaling Jaya

Date: 10 September 2025

Sudarshan Singapore SLO Pte. Ltd.
(formerly known as Heubach Colorants Singapore Pte. Ltd.)

Registration Number: 201910038Z

Annual Report
Year ended 31 December 2025

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2025.

In our opinion:

- (a) the financial statements as set out on pages FS1 to FS30 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors of the Company in office at the date of this statement is as follows:

Sambit Roy
Robert Kurniadi Kwok (Appointed on 11 February 2026)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the Act), no director who held office at the end of the financial year (including those held by their spouses and children) had interests in shares, debentures, warrants or share options of the Company, or of related company, either at the beginning of the financial year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company.
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under options.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

Signed by the Board of Directors



Robert Kurniadi Kwok
Director



Sambit Roy
Director

29 April 2026



KPMG LLP
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Singapore 018961

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Independent auditors' report

Member of the Company
Sudarshan Singapore SLO Pte. Ltd.
(formerly known as Heubach Colorants Singapore Pte. Ltd.)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sudarshan Singapore SLO Pte. Ltd. (formerly known as Heubach Colorants Singapore Pte. Ltd.) ('the Company'), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages FS1 to FS30.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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 directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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 auditors' 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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism 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 controls.

- Obtain an understanding of internal controls 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 Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
29 April 2026

Statement of financial position
As at 31 December 2025

	Note	2025 \$'000	2024 \$'000
Assets			
Property, plant and equipment	4	99	164
Deferred tax assets	5	8	8
Non-current assets		<u>107</u>	<u>172</u>
Inventories	6	9,406	7,637
Trade and other receivables	7	13,739	26,087
Cash and cash equivalents	8	10,755	4,384
Current assets		<u>33,900</u>	<u>38,108</u>
Total assets		<u>34,007</u>	<u>38,280</u>
Equity			
Share capital	9	3,000	3,000
Retained earnings		11,988	8,457
Total equity		<u>14,988</u>	<u>11,457</u>
Liabilities			
Lease liabilities	10	43	85
Non-current liabilities		<u>43</u>	<u>85</u>
Trade and other payables	11	17,030	25,072
Lease liabilities	10	64	62
Income tax liabilities	18(b)	1,882	1,604
Current liabilities		<u>18,976</u>	<u>26,738</u>
Total liabilities		<u>19,019</u>	<u>26,823</u>
Total equity and liabilities		<u>34,007</u>	<u>38,280</u>

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

Statement of profit or loss and other comprehensive income
Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Revenue	12	111,975	121,626
Other income	13	428	2,500
Other (losses)/gains	14	(994)	306
Expenses			
- Depreciation and impairment	15	151	(2,631)
- Commission		(2,773)	(2,340)
- Employee compensation	16	(1,802)	(2,206)
- Intercompany cross-charges		(1,540)	(3,357)
- Cost of inventories		(91,867)	(101,852)
- Royalty		(1,145)	(1,745)
- Finance	17	(2)	(669)
- Other		(1,645)	(1,523)
Total expenses		(100,623)	(116,323)
Profit before tax		10,786	8,109
Tax expense	18(a)	(755)	(1,535)
Profit for the year, representing total comprehensive income for the year		10,031	6,574

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

Statement of changes in equity
Year ended 31 December 2025

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
At 1 January 2024	3,000	1,883	4,883
Total comprehensive income for the year			
Profit for the year	—	6,574	6,574
Total comprehensive income for the year	—	6,574	6,574
At 31 December 2024	3,000	8,457	11,457
At 1 January 2025	3,000	8,457	11,457
Total comprehensive income for the year			
Profit for the year	—	10,031	10,031
Total comprehensive income for the year	—	10,031	10,031
Transaction with owner, recognised directly in equity			
Distribution to owner			
Dividends paid (note 9(b))	—	(6,500)	(6,500)
Total transaction with owner	—	(6,500)	(6,500)
At 31 December 2025	3,000	11,988	14,988

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

Statement of cash flows
Year ended 31 December 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Profit for the year		10,031	6,574
Adjustments for:			
- Tax expense		755	1,535
- Depreciation and impairment		(151)	2,631
- Interest income		(389)	(2,421)
- Interest expense		2	669
		<u>10,248</u>	<u>8,988</u>
Changes in working capital:			
- Inventories		(1,769)	(1,814)
- Trade and other receivables		12,626	4,706
- Trade and other payables		(8,042)	(7,526)
Cash generated from operations		<u>13,063</u>	<u>4,354</u>
Interest received		330	1,817
Tax paid		(477)	(1,187)
Net cash from operating activities		<u>12,916</u>	<u>4,984</u>
Cash flows from investing activity			
Purchase of property, plant and equipment		(3)	(39)
Net cash used in investing activity		<u>(3)</u>	<u>(39)</u>
Cash flows from financing activities			
Interest paid		—	(741)
Payment of lease liabilities		(42)	(43)
Dividends paid		(6,500)	—
Net cash used in financing activities		<u>(6,542)</u>	<u>(784)</u>
Net increase in cash and cash equivalents		6,371	4,161
Cash and cash equivalents at beginning of financial year		4,384	223
Cash and cash equivalents at end of financial year	8	<u>10,755</u>	<u>4,384</u>

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 April 2026.

1 General information

Sudarshan Singapore SLO Pte. Ltd. (the “Company”) is incorporated in the Republic of Singapore. The registered office and principal place of business of the Company is 3A International Business Park, #08-17, Icon@IBP, Singapore 609935.

The principal activities of the Company are wholesale of chemicals and trading of speciality of chemical products for the segments of plastics and coatings. The Company earns service fee income from related corporations in South East Asia and Pacific.

During the financial year, the Company’s immediate holding corporation is Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG), incorporated in Switzerland. The ultimate holding corporation was SK Neptune Husky Intermediate IV S.à r.l., incorporated in Luxembourg.

On 3 March 2025, Sudarshan Chemical Industries Limited (“SCIL”) through its wholly owned subsidiary, Sudarshan Europe B.V., completed the acquisition of the Germany-based Heubach Group by way of a combination of asset and share deal. As a result, the Company’s ultimate holding corporation changed to Sudarshan Chemical Industries Limited, incorporated in India.

On 14 July 2025, the Company changed its name from Heubach Colorants Singapore Pte. Ltd. to Sudarshan Singapore SLO Pte. Ltd..

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (‘FRSs’).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of these financial statements in conformity with FRSs requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related communications where appropriate. Revisions to accounting estimates are recognised prospectively.

There are no significant areas of estimation uncertainty in the application of accounting policies that have a significant effect on the amounts recognised in the financial statements.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

Assessment of functional currency

The Company determines the functional currency by assessing the primary environment in which the Company operates as well as the currency that determines the pricing of the transactions that it undertakes. Based on management's judgement, the Singapore dollar is the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

2.5 Changes in material accounting policies

New accounting standards and amendments

The Company has applied Amendments to FRS 21 *Lack of Exchangeability* for the first time for the annual period beginning on 1 January 2025. The application of these amendments to accounting standards did not have a material effect on the financial statements.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
 - substantially all of the risks and rewards of ownership of the financial asset are transferred;
 - or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in fair value, and are used by the Company in the management of its short-term commitments.

3.4 Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with FRS 12.

3.5 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

The estimated useful lives for the current and comparative years are as follows:

- Plant and equipment 1 to 16 years
- Renovation 12 years
- Leased properties 3 years or the remaining lease period, whichever is lower

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out allocation method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

3.8 Impairment

(i) Non-derivative financial assets

The Company recognises loss allowances for expected credit losses ('ECLs') on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets.

Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.9 Employee compensation

(a) Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.10 Revenue recognition

Information about the Company's accounting policies relating to goods and services sold is provided in note 12.

3.11 Finance income and finance costs

The Company's finance income and finance costs include:

- interest income; and
- interest expense

Interest income or expense is recognised under the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset when the asset is not credit-impaired) or to amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.12 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3.13 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

None of the new or amended standards and interpretations are expected to have a significant impact on the financial statements of the Company.

4 Property, plant and equipment

	Plant and equipment \$'000	Renovation \$'000	Leased property (right-of-use) \$'000	Total \$'000
Cost				
At 1 January 2024	38	—	—	38
Additions	3	36	188	227
At 31 December 2024	41	36	188	265
Additions	3	—	—	3
Written off	(3)	—	—	(3)
At 31 December 2025	41	36	188	265
Accumulated depreciation				
At 1 January 2024	38	—	—	38
Depreciation charge for the year	3	2	58	63
At 31 December 2024	41	2	58	101
Depreciation charge for the year	3	3	62	68
Written off	(3)	—	—	(3)
At 31 December 2025	41	5	120	166
Carrying amounts				
At 1 January 2024	—	—	—	—
At 31 December 2024	—	34	130	164
At 31 December 2025	—	31	68	99

5 Deferred tax assets

Movements in deferred tax assets/(liabilities) during the year are as follows:

	At 1 January 2024 \$'000	Recognised in profit or loss (note 18) \$'000	At 31 December 2024 \$'000	Recognised in profit or loss (note 18) \$'000	At 31 December 2025 \$'000
Deferred tax assets/(liabilities)					
Provisions	21	(13)	8	—	8
Others	13	(13)	—	—	—
Total	34	(26)	8	—	8

6 Inventories

	2025 \$'000	2024 \$'000
Goods in transit	5,475	3,358
Finished goods	3,931	4,279
	9,406	7,637

7 Trade and other receivables

	2025 \$'000	2024 \$'000
Trade receivables:		
- Third parties	3,081	6,130
- Related corporations	8,973	12,441
- Immediate holding company	—	3
	12,054	18,574
Less: Allowance for impairment of trade receivables	(497)	(546)
Trade receivables - net	11,557	18,028
Other receivables:		
- Related corporations	—	135
- Immediate holding company	1,980	7,874
	1,980	8,009
	13,537	26,037
Prepayments	202	50
	13,739	26,087

At reporting date, included in the Company's other receivables is the amount of \$1,932,000 (2024: \$5,455,000) of receivables from its immediate holding corporation, which is unsecured, interest-bearing at three-month Secured Overnight Financing Rate ("SOFR") plus 1.70% (2024: daily interest rate of SOFR 0.75%), and repayable on demand.

The non-trade balances due from related corporations and immediate holding company are unsecured, interest-free, with payment term or repayable on demand. The amounts are classified as current as the Company expects to receive payment within the next 12 months. There are no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

The Company's exposure to credit and foreign currency risks, and impairment losses related to trade and other receivables are disclosed in note 20.

8 Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank	2,365	4,384
Fixed deposits with bank	8,390	—
	<u>10,755</u>	<u>4,384</u>

In 2025, the interest on fixed deposits at reporting date range from 2.73% to 3.51% per annum. Interest rate reprices at intervals of one to six months.

The Company's exposure to credit, foreign currency and interest rate risks related to cash and cash equivalents is disclosed in note 20.

9 Share capital

(a) Share capital

	2025		2024	
	No. of shares	\$	No. of shares	\$
Fully paid ordinary shares, with no par value:				
At 1 January and 31 December	3,000,000	3,000,000	3,000,000	3,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

(b) Dividends

The following exempt (one-tier) dividends were declared and paid by the Company.

	2025 \$'000	2024 \$'000
Paid by the Company to owners of the Company		
\$2.17 per ordinary share	<u>6,500</u>	<u>—</u>

10 Lease liabilities

	2025 \$'000	2024 \$'000
Non-current	43	85
Current	64	62
	107	147

Information about the Company's exposure to liquidity risk is included in note 20.

Terms and conditions of lease liabilities are as follows:

				2025		2024	
	Currency	Nominal interest rate %	Year of maturity	Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Lease liabilities	SGD	1.75%	2027	108	107	150	147

Reconciliation of movements of liabilities to cash flow arising from financing activities

	2025 \$'000	2024 \$'000
Balance at 1 January	147	—
Changes from financing cash flows		
Payment of lease liabilities	(42)	(43)
Other changes		
New leases	—	188
Interest expense	2	2
Balance at 31 December	107	147

11 Trade and other payables

	2025	2024
	\$'000	\$'000
Trade payables to:		
- Third parties	2,390	1,581
- Related corporations	8,030	11,618
- Immediate holding company	2,999	4,836
	13,419	18,035
Other payables to:		
- Third parties	592	3,168
- Related corporations	1,213	1,160
- Immediate holding company	—	181
	1,805	4,509
Accruals for operating expenses	700	808
Accruals for expenses with related corporations	1,026	1,623
Accruals for expenses with immediate holding company	80	97
	<u>17,030</u>	<u>25,072</u>

The non-trade amounts due to related corporations and immediate holding company are unsecured, interest-free, with payment term or repayable on demand.

The Company's exposure to foreign currency and liquidity risks related to trade and other payables is disclosed in note 20.

12 Revenue

	2025	2024
	\$'000	\$'000
Sale of goods	111,646	120,946
Service fee income	329	680
	<u>111,975</u>	<u>121,626</u>

Sale of goods

Nature of goods or services	The Company is principally engaged in the wholesale of chemical products for the segments of plastics and coatings.
When revenue is recognised	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied.
Significant payment terms	Invoices are issued when goods are delivered to the customers and are payable within 30 days to 90 days.

Service fee income

Nature of goods or services	The Company is providing support to related corporations in South East Asia and Pacific.
When revenue is recognised	Service fee income from related corporations is recognised over time when the service is rendered.
Significant payment terms	Invoices are issued when goods are delivered to the related corporations and are payable within 30 days to 90 days.

13 Other income

	2025	2024
	\$'000	\$'000
Interest income from immediate holding company	389	2,421
Government grant income	6	3
Other income	33	76
	<u>428</u>	<u>2,500</u>

14 Other (losses)/gains

	2025	2024
	\$'000	\$'000
Currency exchange (losses)/gains - net	<u>(994)</u>	<u>306</u>

15 Depreciation and impairment

	2025	2024
	\$'000	\$'000
Depreciation of property, plant and equipment	68	63
Reversal of impairment of trade receivables	(49)	(181)
Bad debts (recovered)/written off	(170)	2,749
	<u>(151)</u>	<u>2,631</u>

16 Employee compensation

	2025	2024
	\$'000	\$'000
Wages, salaries and bonus	1,433	1,988
Employer's contribution to defined contribution plans	146	152
Other benefits	223	66
	<u>1,802</u>	<u>2,206</u>

17 Finance expenses

	2025 \$'000	2024 \$'000
Interest expense to immediate holding company	—	73
Interest expense to related corporation	—	594
Interest expense on lease liabilities	2	2
	<u>2</u>	<u>669</u>

18 Tax expense

(a) Tax recognised in profit or loss

	2025 \$'000	2024 \$'000
Current tax expense		
Current year	1,882	1,604
Adjustment for prior years	(1,127)	(95)
	<u>755</u>	<u>1,509</u>
Deferred tax expense		
Origination and reversal of temporary difference	—	26
Adjustment for prior years	—	—
	<u>—</u>	<u>26</u>
Total tax expense	<u>755</u>	<u>1,535</u>

	2025 \$'000	2024 \$'000
Reconciliation of effective tax rate		
Profit before tax	<u>10,786</u>	<u>8,109</u>
Tax calculated using Singapore tax rate of 17% (2024: 17%)	1,834	1,379
Expenses not deductible for tax purposes	71	673
Tax exempt income and incentives	(17)	(55)
Adjustment for prior years	(1,127)	(95)
Others	(6)	474
Changes in unrecognised temporary differences	—	(841)
	<u>755</u>	<u>1,535</u>

(b) Movement in current income tax liabilities

	2025	2024
	\$'000	\$'000
At 1 January	1,604	1,282
Current year provision	1,882	1,604
Adjustment for prior years	(1,127)	(95)
Tax paid	(477)	(1,187)
At 31 December	<u>1,882</u>	<u>1,604</u>

19 Leases

Leases as lessee

The Company leases office premise. The leases typically run for a period of 3 years, with an option to renew the lease after that date. Lease payments are renegotiated every 3 years to reflect market rentals.

Information about leases for which the Company is a lessee is disclosed in note 4.

Amounts recognised in profit or loss

	2025	2024
	\$'000	\$'000
Leases under FRS 116		
Interest on lease liabilities	<u>2</u>	<u>2</u>

Amounts recognised in statement of cash flows

	2025	2024
	\$'000	\$'000
Total cash outflow for leases	<u>42</u>	<u>43</u>

20 Financial risk management

Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company has documented financial risk management policies. These policies set out the Company's overall business strategies and its risk management philosophy. The Company's overall financial risk management programme seeks to minimise potential adverse effects of financial performance of the Company.

The Company does not hold or issue any financial instruments for speculative purposes.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risks.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's major classes of financial assets are cash and cash equivalents and trade and other receivables.

For third party trade and other receivables, the Company has adopted a stringent procedure in extending credit terms to customers and in monitoring its credit risk, including assessment and valuation of customer's credit reliability and periodic review of their financial status to determine credit limits to be granted. For other financial assets, the Company adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management.

The Company's significant concentration of credit risk is with related corporations. As these related corporations are part of Sudarshan Chemical Industries Limited, management does not view it as being subject to significant credit risk.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Company assesses the credit risks of its customers based on their respective credit ratings and ability to meet contractual cash flows.

The Company has used relevant historical information and loss experience to determine the probability of default of its borrowers and incorporated forward looking information to reflect the expected credit loss.

Expected credit loss assessment for trade receivables

The Company uses an allowance matrix to measure ECLs of trade receivables.

At the reporting date, the following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Weighted average loss rate %	Gross carrying amount \$'000	Impairment loss allowance \$'000	Credit impaired
2025				
Neither past due nor impaired	—	5,935	—	No
Past due 1 –90 days	—	4,687	—	No
Past due more than 91 days	35%	1,432	(497)	Yes
		12,054	(497)	
2024				
Neither past due nor impaired	—	7,185	—	No
Past due 1 –90 days	—	8,970	—	No
Past due more than 91 days	23%	2,419	(546)	Yes
		18,574	(546)	

Loss rates are based on actual credit loss experience over the past years with management considered the economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of receivables.

Movement in credit loss allowance for trade receivables is set out as follows:

	2025 \$'000	2024 \$'000
At 1 January	546	4,967
Reversal of allowance	(49)	(181)
Allowance utilised	—	(4,240)
At 31 December	497	546

Expected credit loss assessment for non-trade balances with related corporations and immediate holding company

The Company held non-trade receivables from its related corporations and immediate holding company. The Company uses an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Expected credit loss assessment for cash and cash equivalents

Cash and bank balances are placed with bank and financial institution counterparties which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance is negligible.

Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Carrying amount \$'000	Cash flow		
		Contractual cash flow \$'000	Within 1 year \$'000	Between 2 to 5 years \$'000
2025				
Trade and other payables	17,030	(17,030)	(17,030)	—
Lease liabilities	107	(108)	(65)	(43)
	<u>17,137</u>	<u>(17,138)</u>	<u>(17,095)</u>	<u>(43)</u>
2024				
Trade and other payables	25,072	(25,072)	(25,072)	—
Lease liabilities	147	(150)	(64)	(86)
	<u>25,219</u>	<u>(25,222)</u>	<u>(25,136)</u>	<u>(86)</u>

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily United States dollar (“USD”).

	2025	2024
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	9,344	4,138
Trade and other receivables	13,066	20,126
	<u>22,410</u>	<u>24,264</u>
Financial liabilities		
Trade and other payables	<u>(14,234)</u>	<u>(22,012)</u>
Net exposure	<u>8,176</u>	<u>2,252</u>

Sensitivity analysis

A 10% (2024: 10%) strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit or (loss)	
	2025	2024
	\$'000	\$'000
USD	<u>(818)</u>	<u>(225)</u>

A 10% (2024: 10%) weakening of the US dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Company’s exposure to interest rate risk relates primarily to fixed deposits placed with bank and other receivables from immediate holding company. The Company does not use any derivative financial instruments to hedge against its interest rate risk.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments, as reported to the management, was as follows:

	Nominal amount	
	2025	2024
	\$'000	\$'000
Fixed rate instrument		
Fixed deposits with bank	8,390	—
Variable rate instrument		
Other receivables from immediate holding company	1,932	5,455

Sensitivity analysis

A reasonably change of 50 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or (loss)	
	50 bp	50 bp
	increase	decrease
	\$'000	\$'000
2025		
Fixed deposits with bank	42	(42)
Other receivables from immediate holding company	10	(10)
2024		
Fixed deposits with bank	—	—
Other receivables from immediate holding company	27	(27)

Capital management

The Company reviews its capital structure at least annually to ensure the Company will be able to continue as a going concern. The capital structure of the Company comprises only issued capital and retained earnings.

There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Accounting classifications and fair values

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of their short period to maturity. Further, the fair value disclosure of lease liabilities is not required.

Financial instruments by category

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements.

	Note	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Total carrying amount \$'000
2025				
Assets				
Trade and other receivables#	7	13,537	—	13,537
Cash and cash equivalents	8	10,755	—	10,755
		<u>24,292</u>	<u>—</u>	<u>24,292</u>
Liabilities				
Trade and other payables	11	—	(17,030)	(17,030)
Lease liabilities	10	—	(107)	(107)
		<u>—</u>	<u>(17,137)</u>	<u>(17,137)</u>
2024				
Assets				
Trade and other receivables#	7	26,037	—	26,037
Cash and cash equivalents	8	4,384	—	4,384
		<u>30,421</u>	<u>—</u>	<u>30,421</u>
Liabilities				
Trade and other payables	11	—	(25,072)	(25,072)
Lease liabilities	10	—	(147)	(147)
		<u>—</u>	<u>(25,219)</u>	<u>(25,219)</u>

Excluding prepayments

21 Related party transactions

Key management personnel compensation

The directors of the Company is considered key management personnel.

The key management personnel compensation are as follows:

	2025 \$'000	2024 \$'000
Short-term employee benefits	260	235
Post-employment benefits	12	14
	<u>272</u>	<u>249</u>

Other than disclosed above, none of the directors earned any directors' fees or other remuneration in respect of their appointments as directors of the Company during the current year and prior year. They are not paid directly by the Company but receive remuneration from the Company's holding company, in respect of their services to the larger group which includes the Company. No apportionment has been made as the services provided by these directors to the Company are incidental to their responsibilities to the larger group.

Other related party transactions

During the financial year, other than disclose elsewhere in the financial statements, there were the following significant transactions which were carried out in the normal course of business based on the terms agreed between the parties.

	2025	2024
	\$'000	\$'000
Immediate holding company		
Purchase of goods	27,271	27,993
Royalty expense	1,145	1,745
Interest income	(237)	(2,421)
Interest expense	—	73
Related corporations		
Sale of goods	(39,787)	(52,236)
Service fee income	(329)	(680)
Purchase of goods	59,027	64,371
Service fee expense	1,540	3,357
Commission expense	2,468	2,057
Interest expense	—	594

22 Subsequent event

On 2 February 2026, the Company declared a tax exempt 1-tier interim dividend amounting to \$7,000,000 for the financial year ended 31 December 2025. These financial statements do not reflect this dividend, which will be accounted for in the financial year ended 31 December 2026.

**SUDARSHAN MFG (THAILAND) LTD.
(FORMERLY NAMED "HEUBACH COLORANTS (THAILAND) LTD.")**

FINANCIAL STATEMENTS

31 DECEMBER 2025



Independent auditor's report

To the Shareholders of Sudarshan MFG (Thailand) Ltd.

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Sudarshan MFG (Thailand) Ltd. (the Company) (Formerly named "Heubach Colorants (Thailand) Ltd.") as at 31 December 2025, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS for NPAEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



Auditor's responsibilities for the audit of the financial statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Varaporn Vorathitikul', with a long, sweeping horizontal line extending to the right.

Varaporn Vorathitikul
Certified Public Accountant (Thailand) No. 4474
Bangkok
17 April 2026

Sudarshan MFG (Thailand) Ltd.
Statement of Financial Position
As at 31 December 2025

	Notes	2025 Baht	2024 Baht
Assets			
Current assets			
Cash and cash equivalents	3	51,169,800	17,686,767
Trade and other current receivables	4	24,350,492	26,855,601
Inventories (net)	5	32,270,123	39,435,359
Value added tax	6	3,116,748	3,026,984
Short-term loans to and interest receivable from a related company	7	-	20,051,964
Total current assets		110,907,163	107,056,675
Non-current assets			
Intangible assets (net)	8	29,528,728	36,910,910
Plant and equipment (net)	9	8,728,939	6,089,570
Corporate income tax refundable		754,143	-
Other non-current assets		418,910	540,677
Total non-current assets		39,430,720	43,541,157
Total assets		150,337,883	150,597,832

The accompanying notes are an integral part of these financial statements.

Sudarshan MFG (Thailand) Ltd.
Statement of Financial Position (Continued)
As at 31 December 2025

	Notes	2025 Baht	2024 Baht
Liabilities and equity			
Current liabilities			
Trade and other current payables	10	38,783,666	27,862,193
Current corporate income tax payable		-	493,710
Current provisions for employee benefits	11	358,054	-
Other current liabilities		285,627	231,348
Total current liabilities		39,427,347	28,587,251
Non-current liabilities			
Non-current provisions for employee benefits	11	9,285,216	7,381,737
Total non-current liabilities		9,285,216	7,381,737
Total liabilities		48,712,563	35,968,988
Equity			
Share capital			
Authorised share capital			
100,000 ordinary shares of par Baht 1,000 each		100,000,000	100,000,000
Issued and paid-up share capital			
100,000 ordinary shares of paid-up Baht 1,000 each		100,000,000	100,000,000
Retained earnings (Deficits)			
Appropriated - legal reserve	12	10,000,000	10,000,000
Unappropriated		(8,374,680)	4,628,844
Total equity		101,625,320	114,628,844
Total liabilities and equity		150,337,883	150,597,832

The accompanying notes are an integral part of these financial statements.

Sudarshan MFG (Thailand) Ltd.
Statement of Income
For the year ended 31 December 2025

	Notes	2025 Baht	2024 Baht
Sales of goods		210,001,920	275,336,863
Cost of goods sold		<u>(170,122,439)</u>	<u>(215,089,022)</u>
Gross profit		39,879,481	60,247,841
Other income	13	<u>655,831</u>	<u>1,548,185</u>
Profit before expenses		<u>40,535,312</u>	<u>61,796,026</u>
Selling expenses		(19,108,451)	(22,935,589)
Administrative expenses		(36,811,979)	(35,784,469)
Other gains (losses)	14	<u>2,517,069</u>	<u>(1,450,003)</u>
Total expenses		<u>(53,403,361)</u>	<u>(60,170,061)</u>
Profit (loss) before income tax		(12,868,049)	1,625,965
Income tax		<u>(135,475)</u>	<u>(771,776)</u>
Net profit (loss)		<u><u>(13,003,524)</u></u>	<u><u>854,189</u></u>

The accompanying notes are an integral part of these financial statements.

Sudarshan MFG (Thailand) Ltd.
Statement of Changes in Equity
For the year ended 31 December 2025

	Authorised, issued and paid-up share capital Baht	Retained earnings (Deficits)		Total Baht
		Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2024	100,000,000	10,000,000	3,774,655	113,774,655
Changes in equity for the year 2024				
Net profit	-	-	854,189	854,189
Ending balance as at 31 December 2024	100,000,000	10,000,000	4,628,844	114,628,844
Changes in equity for the year 2025				
Net loss	-	-	(13,003,524)	(13,003,524)
Ending balance as at 31 December 2025	100,000,000	10,000,000	(8,374,680)	101,625,320

The accompanying notes are an integral part of these financial statements.

1 General information

Sudarshan MFG (Thailand) Ltd. ("the Company") (Formerly named "Heubach Colorants (Thailand) Ltd.") is incorporated on 8 March 2019 as a limited company in Thailand. The address of its registered office is as follows:

Head office : 3195/11, 6th Floor Vibulthani Tower 1, Rama 4 Road, Klongton, Klongtoey, Bangkok.
Branch (1) : 851 Moo 4 Praksa, Mueang Samut Prakan, Samutprakan.
Branch (2) : 34/5 Moo 1 Chaengwattana Road, Klong Kluea, Pakkred, Nonthaburi.
Branch (3) : 240/1 Moo 14 Bangplee Yai, Bangplee, Samutprakan.

The Company's operations and its principal activities are the manufacturing and distribution of primary colors, primary pigments and paint for the paint and coating industry, for local and export markets.

As of 3 March 2025, the ultimate parent company was changed from Heubach Group GmbH to Sudarshan Chemical Industries Limited.

The Company is held by Sudarshan Switzerland HLD1 AG incorporated in Switzerland, which owned 99.9% of the Company's shares.

On 14 July 2025, the Company registered to change its name with Department of Business Development from Heubach Colorants (Thailand) Ltd. to be Sudarshan MFG (Thailand) Ltd.

These financial statements were authorised for issue by the Company's authorised director on 17 April 2026.

2 Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (TFRS for NPAEs) as issued by the Federation of Accounting Professions.

The financial statements have been prepared under the historical cost convention.

An English version of the Company's financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Foreign currency translation

Items included in the financial statements of the Company are measured using Thai Baht. The financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction.

At the end of each reporting period, foreign currency monetary balances are translated by using the exchange rate at the closing rate. Non-monetary balances denominated in a foreign currency are carried at cost using the exchange rate at the date of transaction.

Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

2.3 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call and short-term highly liquid investments with maturities of three months or less from acquisition date.

2.4 Trade accounts receivable

Trade receivables are initially recognised at the fair value of the consideration received or receivable and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Doubtful debts and bad debts are written off during the year in which they are identified and recognised in the statement of income.

2.5 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the moving average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. The amount of any write down of inventories to net realisable value is recognised as an expense in the period the write down occurs and presented as cost of sales.

2.6 Intangible assets

Acquired intangible assets

Separately acquired intangible assets such as goodwill and customer relationship are measured at historical cost which are subsequently carried at cost less accumulated amortisation and impairment losses. The amortisation is calculated using the straight-line method over their estimated useful lives, as follows:

Customer Relationship	10 years
Goodwill	10 years

2.7 Plant and equipment

An item of plant and equipment is stated at cost less any accumulated depreciation and any allowance for decrease in value (if any).

The cost of an item of plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

The cost of replacing part of plant and equipment is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Company and the carrying amount of those replaced parts is derecognised. Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line method to write-off the cost of each asset to its residual value over the estimated useful life as follows:

Building and building improvement	10 and 20 years
Machinery and factory equipment	5, 8 and 10 years
Furniture, fixtures and office equipment	3 and 5 years
Motor vehicle	5 years

The assets' residual value, useful lives, and depreciation method are regularly reviewed.

Whenever there is any indication showing a permanent decrease in the amount of plant and equipment; such as an evidence of obsolescence or physical damage of an asset, significant changes in the manner in which an asset is used or is expected to be used, the Company shall recognise loss on decrease in value of plant and equipment in statement of income where the carrying amount of asset is higher than its selling price less costs to sell or its value in use.

2.8 Income tax

Income tax paid to the tax authorities will be recognised as expenses in the statement of income. The Company recognises income taxes payable netting off withholding taxes in liabilities.

2.9 Leases - where a Company is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

2.10 Provident fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act. B.E. 2530 by joining a registered-pooled fund. The fund are held in a separate trustee - administered fund.

The employees and the Company must contribute with the percent of the employees' basic salary according to provident fund plan. The fund appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Ministerial Regulations issued under the Provident Fund Act B.E. 2530.

The Company's contributions to the provident fund are charged to the statement of income in the year to which they relate.

2.11 Provision

2.11.1 Employee benefit obligations

The employee benefit obligations consists of employee benefit obligations for retirement benefits and long-service awards.

- For retirement benefits, the Company makes payments to employees who leave the employment in accordance with the Thai Labour Law and the Company's regulations. The amounts payable in the future depend on the salary and years of service of the respective employees.
- For long-service awards, the amounts payable in the future depend on the gold and diamond price and years of service of the respective employees.

The benefit is not funded but a reserve for the liability is recorded in the financial statements. Employee benefit obligations arising as a result of such regulation is recorded at the present value of estimated future cash outflows using interest rates which have terms to maturities approximating the terms of the related liabilities. The valuation has been performed by an independent actuary. Employee benefit is charged to the statement of income in the period to which they relate.

2.11.2 General provision

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

2.12 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of output tax, rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering services is based on the stage of completion determined by reference to services performed to date as a percentage of total services to be performed.

Other revenue earned by the Company is recognised on the following basis:

- Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.
- Sales of scrap is recognised when the scrap is actually sold.

2.13 Dividend payments

Dividend payments are recorded in the Company's financial statements in the period in which they are approved by the shareholder meeting.

3 Cash and cash equivalents

	2025 Baht	2024 Baht
Cheques on hand	-	102,078
Cash at banks - current accounts	5,035,703	4,364,935
- savings accounts	46,134,097	13,219,754
	<u>51,169,800</u>	<u>17,686,767</u>

4 Trade and other current receivables

	2025 Baht	2024 Baht
Trade accounts receivable - related companies	1,633,189	3,478,400
- other companies	21,682,240	22,143,416
Prepaid expenses	1,035,063	1,233,785
	<u>24,350,492</u>	<u>26,855,601</u>

5 Inventories (net)

	2025 Baht	2024 Baht
Raw materials	10,096,146	6,727,684
Finished goods	21,538,550	26,430,408
Supplies	54,395	12,086
	<u>31,688,891</u>	<u>33,170,178</u>
<u>Less</u> Allowance for slow-moving inventories - raw materials	(1,190,649)	(914,043)
- finished goods	<u>(2,515,736)</u>	<u>(1,082,881)</u>
	27,982,506	31,173,254
Inventories in transit - raw materials	701,450	3,534,756
- finished goods	<u>3,586,167</u>	<u>4,727,349</u>
	<u>32,270,123</u>	<u>39,435,359</u>

The movement of allowance for slow-moving inventories for the years end 31 December 2025 and 2024 which was charged to the statement of income as a part of cost of goods sold, comprised the following:

	2025 Baht	2024 Baht
Balance as at 1 January	(1,996,924)	(1,786,668)
Increased during the year	<u>(1,709,461)</u>	<u>(210,256)</u>
Balance as at 31 December	<u>(3,706,385)</u>	<u>(1,996,924)</u>

6 Value added tax

	2025 Baht	2024 Baht
Value added tax claimed for refund	3,032,783	2,968,416
Undue input tax	83,965	58,568
	<u>3,116,748</u>	<u>3,026,984</u>

7 Loans to and interest receivable from a related company

Loans to and interest receivable from a related company is as follows:

	2025 Baht	2024 Baht
Loans	-	17,537,400
Interest receivables	-	2,514,564
	-	20,051,964

As at 31 December 2024, outstanding loans to a related company represented unsecured loans denominated in Euro amounting to Euro 500,000 or equivalent to Baht 17,537,400 and bears interest at the rate of 7.85% per annum. The loan principal and interest are due in March 2025.

8 Intangible assets (net)

	Customer relationship Baht	Goodwill Baht	Total Baht
At 1 January 2025			
Cost	60,000,000	13,821,821	73,821,821
<u>Less</u> Accumulated amortisation	(30,000,000)	(6,910,911)	(36,910,911)
Net book amount	30,000,000	6,910,910	36,910,910
Year ended 31 December 2025			
Opening net book amount	30,000,000	6,910,910	36,910,910
Amortisation charge	(6,000,000)	(1,382,183)	(7,382,183)
Closing net book amount	24,000,000	5,528,728	29,528,728
At 31 December 2025			
Cost	60,000,000	13,821,821	73,821,821
<u>Less</u> Accumulated amortisation	(36,000,000)	(8,293,093)	(44,293,093)
Net book amount	24,000,000	5,528,728	29,528,728

Sudarshan MFG (Thailand) Ltd.
Notes to the Financial Statements
For the year ended 31 December 2025

9 Plant and equipment (net)

	Building and building improvement Baht	Machinery and factory equipment Baht	Furniture, fixtures and office equipment Baht	Motor vehicle Baht	Assets under installation Baht	Total Baht
At 1 January 2025						
Cost	225,390	9,544,291	2,256,264	141,410	94,628	12,261,983
Less Accumulated depreciation	(51,661)	(5,109,192)	(990,309)	(21,251)	-	(6,172,413)
Net book amount	173,729	4,435,099	1,265,955	120,159	94,628	6,089,570
Year ended 31 December 2025						
Opening net book amount	173,729	4,435,099	1,265,955	120,159	94,628	6,089,570
Additions	70,550	3,939,540	372,315	-	-	4,382,405
Transfers in (out)	-	46,000	48,628	-	(94,628)	-
Depreciation charge	(21,246)	(1,170,046)	(523,462)	(28,282)	-	(1,743,036)
Closing net book amount	223,033	7,250,593	1,163,436	91,877	-	8,728,939
At 31 December 2025						
Cost	295,940	13,529,831	2,677,207	141,410	-	16,644,388
Less Accumulated depreciation	(72,907)	(6,279,238)	(1,513,771)	(49,533)	-	(7,915,449)
Net book amount	223,033	7,250,593	1,163,436	91,877	-	8,728,939

10 Trade and other current payables

	2025 Baht	2024 Baht
Trade accounts payable - related companies	19,332,068	11,845,202
- other companies	4,773,907	2,093,536
Other current payables - related companies	8,900,789	5,173,142
- other companies	2,616,635	2,694,343
Accrued expenses	3,160,267	6,055,970
	<u>38,783,666</u>	<u>27,862,193</u>

11 Provisions for employee benefits

a) Provisions for employee benefits for retirement benefits

	2025 Baht	2024 Baht
Balance as at 1 January	6,147,598	5,495,171
Increased during the year	1,647,470	652,427
Payments during the year	(538,840)	-
Balance as at 31 December	<u>7,256,228</u>	<u>6,147,598</u>

b) Provisions for employee benefits for long-service awards

	2025 Baht	2024 Baht
Balance as at 1 January	1,234,139	1,359,917
Increased during the year	1,279,903	126,822
Payments during the year	(127,000)	(252,600)
Balance as at 31 December	2,387,042	1,234,139
<u>Less</u> Current provisions for employee benefits	(358,054)	-
Non-current provisions for employee benefits	<u>9,285,216</u>	<u>7,381,737</u>

12 Legal reserve

Under the provisions of the Civil and Commercial Code, at each dividend distribution, the Company is required to set aside as a legal reserve at least 5% of profit derived from its business, until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

13 Other income

	2025 Baht	2024 Baht
Sales of scrap	46,109	19,579
Interest income	576,288	1,494,957
Others	33,434	33,649
	<u>655,831</u>	<u>1,548,185</u>

14 Other gains (losses)

	2025 Baht	2024 Baht
Net gain (loss) from foreign exchange rate	2,517,069	(1,497,914)
Net gain (loss) on disposals of property, plant and equipment	-	47,911
	<u>2,517,069</u>	<u>(1,450,003)</u>

15 Commitments

15.1 Capital expenditure commitments

As at 31 December 2025 and 2024, capital expenditure contracted for at the statement of financial position date but not recognised in the financial statements is as follows:

	2025 Baht	2024 Baht
Property, plant and equipment	-	1,563,148

15.2 Operating lease commitments

As at 31 December 2025 and 2024, the future aggregate minimum lease payments under operating leases for offices, vehicles and computers are as follows:

<u>Due for payable within the years ending</u>	2025 Baht	2024 Baht
31 December 2025	-	6,074,213
31 December 2026	6,074,213	1,422,584
31 December 2027	1,072,584	1,072,584
	<u>7,146,797</u>	<u>8,569,381</u>

PROFIT LOSS ACCOUNT

		PREVIOUS PERIOD		CURRENT PERIOD	
		2024		2025	
	A- GROSS SALES		-7,55,92,659.75		-6,50,83,381.54
600	DOMESTIC SALES	-1,12,44,599.75		-1,37,72,434.03	
601	EXPORT SALES	-6,43,48,060.00		-5,13,10,947.51	
	B- SALES ALLOWANCES & RETURNS (-)		38,490.96		0.00
610	SALES RETURNS (-)	38,490.96		0.00	
	C- NET SALES		-7,55,54,168.79		-6,50,83,381.54
	D- COST OF SALES		3,77,61,056.75		47,63,966.26
620	COST OF GOODS SOLD (-)	10,72,315.05		5,01,197.76	
621	COST OF MERCHANDISES SOLD (-)	3,66,88,741.70		42,62,768.50	
	GROSS PROFIT OR LOSS		-3,77,93,112.04		-6,03,19,415.28
	E- OPERATIONAL EXPENSES (-)		3,15,91,078.94		2,87,21,158.98
760	MARKETING, SELLING & DIST. EXPENSES (-)	2,10,73,202.10		2,34,63,783.42	
770	GENERAL & ADMINISTRATIVE EXPENSES (-)	1,05,17,876.84		52,57,375.56	
	OPERATIONAL PROFIT OR LOSS		-62,02,033.10		-3,15,98,256.30
	F- OTHER OPERATIONAL INCOME		-1,52,14,091.71		-45,21,235.48
642	INTEREST INCOME	-28,64,700.95		-31,11,107.51	
644	RECOVERY OF PRIOR YEARS' PROVISIONS	0.00		-97,264.99	
646	FOREIGN EXCHANGE INCOME	-1,23,49,390.76		-13,11,923.91	
649	OTHER OPERATIONAL INCOME	0.00		-939.07	
	G- OTHER OPERATIONAL EXPENSES (-)		1,26,02,394.21		1,806.30
656	FOREIGN EXCHANGE LOSS (-)	1,47,033.41		1,806.30	
658	INFLATION ADJUSTMENT (-)	1,19,78,909.13		0.00	
659	OTHER OPERATIONAL EXPENSES (-)	4,76,451.67		0.00	
	H- FINANCIAL EXPENSES (-)		34,53,991.29		0.00
780	SHORT- TERM DEBT EXPENSES (-)	34,53,991.29			
	LONG - TERM DEBT EXPENSES				
	ORDINARY PROFIT OR LOSS		-53,59,739.31		-3,61,17,685.48
	I- EXTRAORDINARY INCOME		-2,58,393.22		0.00
671	PREVIOUS PERIOD INCOME			0.00	
679	OTHER EXTRAORDINARY INCOME	-2,58,393.22		0.00	
	J- EXTRAORDINARY EXPENSES		4,77,061.05		42,74,054.96
681	PREVIOUS PERIOD EXPENSES & LOSSES (-)	32,168.50		0.00	
689	OTHER EXTRAORDINARY EXP. & LOSSES (-)	4,44,892.55		42,74,054.96	
690	NET PROFIT OR LOSS FOR THE CURR. PERIOD	0.00	-51,41,071.48	0.00	-3,18,43,630.52
691	K-PROVISION FOR TAXATION CUR.PERIOD PROFIT & OTHER LEGAL LIABILITIES (-)	26,10,600.57		91,55,744.62	
692	NET PROFIT OR LOSS FOR THE CURRENT PERIOD		-25,30,470.91		-2,26,87,885.90

BALANCE SHEET					
ASSETS		PREVIOUS PERIOD		CURRENT PERIOD	
		2024		2025	
1	CURRENT ASSETS		7,87,72,243.17		10,16,26,614.83
10	LIQUID ASSETS		1,05,03,971.97	1,02,93,491.42	1,02,93,491.42
103	OUTSTANDING CHEQUES & PAYMENT ORDERS	1,05,03,971.97			
12	TRADE RECEIVABLES		2,64,30,625.73		4,24,17,474.85
120	CUSTOMERS	2,64,30,625.73		4,24,17,474.85	
128	DOUBTFUL TRADE RECEIVABLES	1,50,159.25		1,17,524.70	
129	ALLOWANCE FOR DOUBTFUL TRADE RECEI (-)	-1,50,159.25		-1,17,524.70	
13	OTHER RECEIVABLES		3,11,07,822.83		3,86,91,984.38
133	DUE FROM AFFILIATED COMPANIES	2,81,78,640.00		3,42,89,840.00	
135	DUE FROM PERSONNEL	29,29,182.83		44,02,144.38	
136	OTHER MISCELLANEOUS RECEIVABLES	0.00		0.00	
15	INVENTORIES		20,32,984.59		20,424.70
153	MERCHANDISES	7,95,102.74		9,524.52	
159	ADVANCES GIVEN TO SUPPLIERS	12,37,881.85		10,900.18	
18	SHORT- TERM PREPAID EXPENSES & ACCRUED INCOME		41,55,356.62		83,74,970.80
180	SHORT- TERM PREPAID EXPENSES	0.00		2,02,773.64	
181	ACCRUED INCOME	41,55,356.62		81,72,197.16	
19	OTHER CURRENT ASSETS		45,41,481.43		18,30,268.68
190	DEFERRED V.A.T.	6,60,141.98		18,30,268.68	
193	PREPAID TAXES AND FUNDS	38,70,186.04		0.00	
195	JOB ADVANCES	11,153.41		0.00	
2	LONG-TERM ASSETS		3,22,637.83		3,99,920.27
22	TRADE RECEIVABLES		33,420.80		33,420.80
226	DEPOSITS & GUARANTIES GIVEN	33,420.80		33,420.80	
23	OTHER RECEIVABLES		22,400.00		19,775.00
235	DUE FROM PERSONNEL	22,400.00		19,775.00	
25	TANGIBLE ASSETS		1,97,935.37		68,58,086.38
252	BUILDINGS	0.00		70,12,231.13	
255	FURNITURE & FIXTURES	6,99,891.44		4,03,540.02	
257	ACCUMULATED DEPRECIATION (-)	-5,01,956.07		-5,57,684.77	
26	INTANGIBLE ASSETS		67,178.07		-66,48,701.64
261	GOODWILL	99,08,758.67		31,92,878.96	
268	ACCUMULATED AMORTIZATION (-)	-98,41,580.60		-98,41,580.60	
28	LONG-TERM PREPAID EXPENSES & ACCRUED INCOME		1,703.59		1,37,339.73
280	LONG-TERM PREPAID EXPENSES	1,703.59		1,37,339.73	
	TOTAL ASSETS		7,90,94,881.00		10,20,28,535.10
3	LIABILITIES		-2,62,93,945.72		-1,92,82,427.38
32	TRADE PAYABLES		-2,16,77,468.75		-1,58,06,194.32
320	SUPPLIERS	-2,16,77,468.75		-1,58,06,194.32	
33	OTHER PAYABLES		0.00		-28,040.98
335	DUE TO PERSONNEL	0.00		-1,760.09	
336	OTHER MISCELLANEOUS PAYABLES	0.00		-26,280.89	
36	TAXES PAYABLE & OTHER LIABILITIES		-7,28,483.87		-23,64,695.88
360	TAXES & FUNDS PAYABLE	-4,32,637.82		-18,65,083.66	
361	SOCIAL SECURITY PREMIUMS PAYABLE	-2,95,846.05		-4,99,612.22	
37	ALLOWANCES		-38,87,993.10		-10,83,496.20
370	ALLOWANCE TAXATION ON CUR.PER.PROF	-26,10,600.57		-91,55,744.62	
371	PREPAID TAX ON CURRENT YEAR PROFIT (-)	0.00		1,02,99,507.80	
372	ALLOWENCE FOR RETIREMENT PAY	-12,77,392.53		-22,27,259.38	
5	SHAREHOLDERS'EQUITY		-5,28,00,935.28		-8,27,46,107.72
50	PAID-IN SHARE CAPITAL		-1,21,90,797.08		-1,21,90,797.07
500	SHARE CAPITAL	-15,00,000.00		-15,00,000.00	
502	INFLATION ADJUSTMENT DIFFERENCES	-1,06,90,797.08		-1,06,90,797.07	
57	RETAINED EARNINGS		-3,80,79,667.29		-4,78,67,424.75
570	RETAINED EARNINGS	-3,80,79,667.29		-4,78,67,424.75	
59	NET PROFIT/LOSS FOR THE CURRENT PERIOD		-25,30,470.91		-2,26,87,885.90
590	NET PROFIT FOR THE CURRENT PERIOD	-25,30,470.91		-2,26,87,885.90	
591	NET LOSS FOR THE CURRENT PERIOD				
	TOTAL LIABILITIES		-7,90,94,881.00		-10,20,28,535.10

VP4 Frankfurt GmbH

Frankfurt am Main

Bericht über die Prüfung des
Jahresabschlusses zum 31.03.2026

Inhaltsverzeichnis

1.	Prüfungsauftrag	1
2.	Grundsätzliche Feststellungen	2
-	Sonstige Verstöße	2
3.	Wiedergabe des Bestätigungsvermerks	3
4.	Gegenstand, Art und Umfang der Prüfung	7
5.	Feststellungen und Erläuterungen zur Rechnungslegung	9
5.1.	Ordnungsmäßigkeit der Rechnungslegung	9
5.1.1.	Buchführung und weitere geprüfte Unterlagen	9
5.1.2.	Jahresabschluss	9
5.2.	Gesamtaussage des Jahresabschlusses	9
5.2.1.	Feststellungen zur Gesamtaussage des Jahresabschlusses	9
5.2.2.	Wesentliche Bewertungsgrundlagen	10
6.	Schlussbemerkung	11

Wir weisen darauf hin, dass aus rechentechnischen Gründen in den Tabellen Rundungsdifferenzen in Höhe von einer Einheit (EUR, % usw.) auftreten können.

Anlagenverzeichnis

- Anlage 1** Bilanz zum 31.03.2026
- Anlage 2** Gewinn- und Verlustrechnung für die Zeit
vom 01.04.2025 bis 31.03.2026
- Anlage 3** Anhang für das Geschäftsjahr 2026
- Anlagenspiegel zum 31.03.2026
(Anlage zum Anhang)
- Anlage 4** Bestätigungsvermerk des unabhängigen Abschlussprüfers
- Anlage** Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen,
Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften

1. Prüfungsauftrag

Wir wurden am 22.05.2026 von der Geschäftsführung der

**VP4 Frankfurt GmbH,
Frankfurt am Main,**
(im Folgenden auch „Gesellschaft“ genannt)

beauftragt, den Jahresabschluss der Gesellschaft zum 31.03.2026 unter Einbeziehung der Buchführung für das Geschäftsjahr 2026 in entsprechender Anwendung der §§ 317 ff. HGB zu prüfen.

Die gesetzlich nicht vorgeschriebene Prüfung erfolgte auf der Grundlage des Gesellschafterbeschlusses vom 22.05.2026.

Die VP4 Frankfurt GmbH ist eine kleine Kapitalgesellschaft gem. § 267 Abs. 1 und 4 HGB an.

Die Gesellschaft hat keinen Lagebericht aufgestellt, da dies gesetzlich nicht vorgeschrieben ist.

Wir bestätigen gemäß § 321 Abs. 4a HGB, dass wir bei unserer Abschlussprüfung die anwendbaren Vorschriften zur Unabhängigkeit beachtet haben.

Über Art und Umfang sowie über das Ergebnis unserer Prüfung erstatten wir diesen Bericht nach den Grundsätzen des IDW PS 450 n.F. (10.2021), dem der von uns geprüfte Jahresabschluss als Anlage beigelegt ist. Dieser Bericht ist an das geprüfte Unternehmen gerichtet.

Für die Durchführung des uns erteilten Auftrages und unsere Verantwortlichkeit sind, auch im Verhältnis zu Dritten, die als Anlage beigelegten Allgemeinen Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften in der Fassung vom 1. Januar 2024 (AAB) maßgebend.

Abweichend vom Wortlaut der vorgenannten AAB hinsichtlich Nr. 10 (3) wird ausschließlich der elektronische Prüfungsbericht ausgehändigt.

2. Grundsätzliche Feststellungen

- Sonstige Verstöße

Wir haben bei unserer Prüfung folgende Verstöße gegen sonstige gesetzliche Regelungen festgestellt:

Die Jahresabschlüsse zum 31.12.2024 sowie zum 31.03.2025 wurden durch die Gesellschafter am 13.07.2026 festgestellt und anschließend am 14.07.2026 im Unternehmensregister veröffentlicht; jeweils nach Ablauf der gesetzlich vorgesehenen Fristen.

3. Wiedergabe des Bestätigungsvermerks

Wir haben dem Jahresabschluss für das Geschäftsjahr vom 01.04.2025 bis 31.03.2026 der VP4 Frankfurt GmbH, Frankfurt am Main, in der diesem Bericht als Anlagen 1 bis 3 beigefügten Fassung den unter dem Datum vom 17.07.2026 in Düsseldorf unterzeichneten uneingeschränkten Bestätigungsvermerk erteilt, der hier wiedergegeben wird:

„BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die VP4 Frankfurt GmbH

Prüfungsurteil

Wir haben den Jahresabschluss der VP4 Frankfurt GmbH – bestehend aus der Bilanz zum 31.03.2026 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 01.04.2025 bis zum 31.03.2026 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31.03.2026 sowie ihrer Ertragslage für das Geschäftsjahr vom 01.04.2025 bis zum 31.03.2026.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.

Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen

Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zum Jahresabschluss zu dienen.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (d.h. Manipulationen der Rechnungslegung und Vermögensschädigungen) oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, sowie einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil zum Jahresabschluss beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass

sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher falscher Darstellungen im Jahresabschluss aufgrund von dolosen Handlungen oder Irrtümern, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass eine aus dolosen Handlungen resultierende wesentliche falsche Darstellung nicht aufgedeckt wird, ist höher als das Risiko, dass eine aus Irrtümern resultierende wesentliche falsche Darstellung nicht aufgedeckt wird, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können;
- erlangen wir ein Verständnis von den für die Prüfung des Jahresabschlusses relevanten internen Kontrollen, um Prüfungshandlungen zu planen, die unter den Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben;
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben;
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann;

- beurteilen wir Darstellung, Aufbau und Inhalt des Jahresabschlusses insgesamt einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel in internen Kontrollen, die wir während unserer Prüfung feststellen.“

4. Gegenstand, Art und Umfang der Prüfung

Gegenstand unserer Prüfung war der nach den für alle Kaufleute geltenden handelsrechtlichen Vorschriften (§§ 242 bis 256a HGB) und den ergänzenden Vorschriften für Kapitalgesellschaften sowie bestimmte Personenhandelsgesellschaften (§§ 264 bis 288 HGB) sowie den weiteren rechtsformspezifischen Vorschriften aufgestellte Jahresabschluss für das Geschäftsjahr vom 01.04.2025 bis zum 31.03.2026 – bestehend aus Bilanz, Gewinn- und Verlustrechnung sowie Anhang – unter Einbeziehung der Buchführung.

Im Bestätigungsvermerk sind die Verantwortung der gesetzlichen Vertreter für den Jahresabschluss sowie die Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses ausführlich beschrieben. In diesem Zusammenhang weisen wir darauf hin, dass die Prüfung der Einhaltung solcher gesetzlicher Vorschriften, die nicht die Rechnungslegung betreffen, nur insoweit zu den Aufgaben der Abschlussprüfung gehört, als sich aus diesen anderen Vorschriften üblicherweise Rückwirkungen auf den geprüften Jahresabschluss ergeben. Unsere Prüfung hat sich zudem grundsätzlich nicht darauf zu erstrecken, ob der Fortbestand des geprüften Unternehmens oder die Wirksamkeit und Wirtschaftlichkeit der Geschäftsführung zugesichert werden können.

Wir haben unsere Prüfung in den Monaten Mai bis Juli 2026 durchgeführt.

Die Grundzüge unseres Prüfungsvorgehens stellen wir im Folgenden dar:

Risikobeurteilung und Wesentlichkeit

- ▶ Erlangung eines Verständnisses des Unternehmens, seines Umfelds und seiner maßgeblichen Rechnungslegungsgrundsätze sowie seines internen Kontrollsystems (IKS)

- ▶ Festlegung der Wesentlichkeit für den Abschluss als Ganzes

- ▶ Identifikation und Beurteilung der Risiken falscher Darstellung sowie Festlegung von sonstigen Prüfungsschwerpunkten:
 - Umsatzerlösrealisierung
 - Falsche Angaben aufgrund von dolosen Handlungen auf Abschlussebene sowie auf der Ebene einzelner Aussagen
 - Bewertung des Vorratsvermögens
 - Vollständigkeit und Bewertung der Rückstellungen

-
- ▶ Beurteilung der Ausgestaltung und Implementierung von Kontrollen, die die Risiken wesentlicher falscher Darstellung behandeln (relevante Kontrollen), sowie genereller IT-Kontrollen in diesem Zusammenhang

Prüferische Reaktion auf die beurteilten Risiken

Durchführung von Prüfungshandlungen in Bezug auf die Eröffnungsbilanzwerte aufgrund der erstmaligen Prüfung des Abschlusses

-
- ▶ Ausschließliche aussagebezogene Prüfung der wesentlichen Abschlussposten und risikoaufweisenden Prüffelder mittels:
 - Durchführung und Beurteilung substantiell analytischer Prüfungshandlungen
 - Einzelfallprüfungen und Beurteilung von Einzelsachverhalten, insbesondere:
 - Einholung von Bestätigungen der Kunden für Forderungen aus Lieferungen und Leistungen und Umsatzerlöse
 - Einholung von Bestätigungen der Lieferanten
 - Einholung von Bestätigungen der Kreditinstitute
 - Einholung von Steuerberater- und Rechtsanwaltsbestätigungen

Gesamtbeurteilung der Prüfungsergebnisse und Berichterstattung

- ▶ Bildung des Prüfungsurteils
 - ▶ Berichterstattung in Prüfungsbericht und Bestätigungsvermerk
 - ▶ Mündliche Erläuterungen der Prüfungsergebnisse gegenüber dem Management
-

Von der Geschäftsführung und den von ihr beauftragten Mitarbeiterinnen und Mitarbeitern sind alle von uns erbetenen Aufklärungen und Nachweise erbracht und die berufssübliche schriftliche Vollständigkeitserklärung abgegeben worden. Darin wird insbesondere versichert, dass in der Buchführung alle buchungspflichtigen Vorgänge und in dem vorliegenden Jahresabschluss alle bilanzierungspflichtigen Vermögensgegenstände, Verpflichtungen und Abgrenzungen, außerdem sämtliche Aufwendungen und Erträge enthalten, ferner alle Wagnisse berücksichtigt sowie alle erforderlichen Angaben gemacht sind.

5. Feststellungen und Erläuterungen zur Rechnungslegung

5.1. Ordnungsmäßigkeit der Rechnungslegung

5.1.1. Buchführung und weitere geprüfte Unterlagen

Die Buchführung ist nach unseren Feststellungen in allen wesentlichen Belangen ordnungsgemäß und entspricht den gesetzlichen Vorschriften. Die den weiteren geprüften Unterlagen entnommenen Informationen sind ordnungsgemäß in Buchführung und Jahresabschluss abgebildet worden.

Bei unserer Prüfung haben wir keine Sachverhalte festgestellt, die dagegensprechen, dass die von der Gesellschaft getroffenen organisatorischen und technischen Maßnahmen geeignet sind, die Verlässlichkeit der rechnungslegungsrelevanten Daten zu gewährleisten.

5.1.2. Jahresabschluss

Der Jahresabschluss der Gesellschaft zum 31.03.2026 (Anlagen 1 bis 3) entspricht nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse in allen wesentlichen Belangen den Rechnungslegungsvorschriften des HGB unter Beachtung der rechtsformspezifischen Vorschriften zur Rechnungslegung.

Der Jahresabschluss wurde ordnungsgemäß aus der Buchführung und den weiteren geprüften Unterlagen abgeleitet. Dabei wurden die gesetzlichen Vorschriften zur Gliederung, Bilanzierung und Bewertung sowie zum Anhang in allen wesentlichen Belangen eingehalten.

Von den Aufstellungserleichterungen gemäß §§ 266 Abs. 1 Satz 3, 274a, 276 Satz 1 und 288 Abs. 1 HGB für kleine Kapitalgesellschaften wurde zulässigerweise teilweise Gebrauch gemacht.

Der Anhang entspricht den gesetzlichen Vorschriften. Die Angaben im Anhang sind in allen wesentlichen Belangen vollständig und zutreffend.

5.2. Gesamtaussage des Jahresabschlusses

5.2.1. Feststellungen zur Gesamtaussage des Jahresabschlusses

Der Jahresabschluss vermittelt insgesamt, d.h. aus dem Zusammenwirken von Bilanz, Gewinn- und Verlustrechnung und Anhang, unter Beachtung der Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft.

Zum besseren Verständnis der Gesamtaussage des Jahresabschlusses gehen wir nachfolgend pflichtgemäß auf die wesentlichen Bewertungsgrundlagen ein.

5.2.2. Wesentliche Bewertungsgrundlagen

Zu den wesentlichen Bewertungsgrundlagen verweisen wir auf die Darstellung im Anhang.

6. Schlussbemerkung

Den vorstehenden Bericht über die Prüfung des Jahresabschlusses der VP4 Frankfurt GmbH, Frankfurt am Main, für das Geschäftsjahr vom 01.04.2025 bis zum 31.03.2026 erstatten wir in Übereinstimmung mit den gesetzlichen Vorschriften und den Grundsätzen ordnungsmäßiger Erstellung von Prüfungsberichten (IDW PS 450 n.F. (10.2021)).

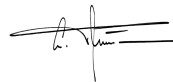
Der von uns erteilte Bestätigungsvermerk ist in Abschnitt 3. unter „Wiedergabe des Bestätigungsvermerks“ enthalten.

Düsseldorf, den 17.07.2026

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft



Patrick Helsper
Wirtschaftsprüfer



Leo Thissen
Wirtschaftsprüfer

VP4 Frankfurt GmbH, Frankfurt am Main

Bilanz zum 31.03.2026

Aktiva

	31.03.2026	31.03.2025
	EUR	EUR
A. Anlagevermögen		
- Sachanlagen		
1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken	357.083,04	387.229,00
2. Technische Anlagen und Maschinen	1.482.594,00	1.686.029,00
3. andere Anlagen, Betriebs- und Geschäftsausstattung	98.328,00	131.505,00
	<u>1.938.005,04</u>	<u>2.204.763,00</u>
B. Umlaufvermögen		
I. Vorräte		
1. Roh-, Hilfs- und Betriebsstoffe	97.399,56	128.060,53
2. unfertige Erzeugnisse	160.138,25	359.749,67
3. fertige Erzeugnisse und Waren	81,35	218,15
	<u>257.619,16</u>	<u>488.028,35</u>
II. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen aus Lieferungen und Leistungen	1.547.493,60	1.711.159,58
2. Forderungen gegen verbundene Unternehmen	2.093.580,02	0,00
3. sonstige Vermögensgegenstände	42.656,64	39.462,73
	<u>3.683.730,26</u>	<u>1.750.622,31</u>
III. Kassenbestand, Guthaben bei Kreditinstituten	<u>3.642.716,26</u>	<u>93.757,42</u>
	<u>7.584.065,68</u>	<u>2.332.408,08</u>
C. Rechnungsabgrenzungsposten	<u>76.415,80</u>	<u>0,00</u>
	<u>9.598.486,52</u>	<u>4.537.171,08</u>

VP4 Frankfurt GmbH, Frankfurt am Main

Bilanz zum 31.03.2026

Passiva

	31.03.2026	31.03.2025
	EUR	EUR
A. Eigenkapital		
I. Gezeichnetes Kapital	25.001,00	25.001,00
II. Kapitalrücklage	2.708.455,92	2.708.455,92
III. Gewinnvortrag	379.260,42	0,00
IV. Jahresüberschuss	2.545.900,68	379.260,42
	<u>5.658.618,02</u>	<u>3.112.717,34</u>
B. Rückstellungen		
1. Rückstellungen für Pensionen und ähnliche Verpflichtungen	3.362,00	1.486,00
2. Steuerrückstellungen	1.370.941,69	208.293,41
3. sonstige Rückstellungen	994.345,51	536.132,98
	<u>2.368.649,20</u>	<u>745.912,39</u>
C. Verbindlichkeiten		
1. Verbindlichkeiten gegenüber Kreditinstituten	20,35	0,00
2. Verbindlichkeiten aus Lieferungen und Leistungen	363.186,08	63.985,17
3. Verbindlichkeiten gegenüber verbundenen Unternehmen	662.943,72	257.517,96
4. sonstige Verbindlichkeiten	545.069,15	357.038,22
- davon aus Steuern		
EUR 542.174,05 (i.Vj.: EUR 294.401,22)		
- davon im Rahmen der sozialen Sicherheit		
EUR 2.895,10 (i.Vj.: EUR 62.637,00)		
	<u>1.571.219,30</u>	<u>678.541,35</u>
	<u>9.598.486,52</u>	<u>4.537.171,08</u>

VP4 Frankfurt GmbH, Frankfurt am Main

Gewinn-und Verlustrechnung für die Zeit vom 01.04.2025 bis zum 31.03.2026

	01.04.2025 - 31.03.2026	01.01.2025 - 31.03.2025
	EUR	EUR
1. Umsatzerlöse	15.722.520,66	1.437.949,23
2. Erhöhung oder Verminderung des Bestands an fertigen und unfertigen Erzeugnissen	-199.748,22	0,00
3. sonstige betriebliche Erträge	15,18	0,00
4. Materialaufwand		
a) Aufwendungen für Roh-, Hilfs- und Betriebsstoffe und für bezogene Waren	-902.376,11	-32.439,65
b) Aufwendungen für bezogene Leistungen	-4.624.278,83	-425.994,19
	-5.526.654,94	-458.433,84
5. Personalaufwand		
a) Löhne und Gehälter	-2.465.246,61	-226.497,98
b) soziale Abgaben und Aufwendungen für Altersversorgung und für Unterstützung	-517.069,31	-42.394,35
	-2.982.315,92	-268.892,33
6. Abschreibungen auf immaterielle Vermögensgegenstände des Anlagevermögens und Sachanlagen	-384.827,88	-33.194,84
7. sonstige betriebliche Aufwendungen	-2.914.148,86	-89.874,39
8. Zinsen und ähnliche Aufwendungen	-6.291,06	0,00
9. Steuern vom Einkommen und vom Ertrag	-1.162.648,28	-208.293,41
10. Ergebnis nach Steuern / Jahresüberschuss	2.545.900,68	379.260,42

VP4 Frankfurt GmbH, Frankfurt am Main

Anhang für das Geschäftsjahr vom 1. April 2025 bis 31. März 2026

I. Allgemeine Angaben

1. Angaben zur Identifikation der Gesellschaft laut Handelsregister

Firmenname laut Registergericht:	VP4 Frankfurt GmbH
Firmensitz laut Registergericht:	Frankfurt am Main
Registergericht:	Frankfurt am Main
Register-Nr.:	HRB 137624

2. Angaben zum Jahresabschluss

i. Allgemein

Die Gesellschaft ist eine kleine Kapitalgesellschaft im Sinne des § 267 Abs. 1 HGB.

Der Jahresabschluss wird nach den für alle Kaufleute geltenden allgemeinen handelsrechtlichen Vorschriften der §§ 242 ff. HGB und ergänzend unter Beachtung der für kleine Kapitalgesellschaften geltenden Regelungen der §§ 264 ff. und des GmbH-Gesetzes (GmbHG) aufgestellt.

Die Bilanzgliederung entspricht § 266 HGB. Die Gewinn- und Verlustrechnung wird nach dem Gesamtkostenverfahren gemäß § 275 Abs. 2 HGB aufgestellt.

Die Gesellschaft macht von den größenabhängigen Erleichterungsvorschriften für kleine Kapitalgesellschaften Gebrauch.

Der Jahresabschluss wurde unter der Annahme der Unternehmensfortführung aufgestellt.

II. Bilanzierungs- und Bewertungsgrundsätze

1. Allgemeine Angaben

Im Berichtsjahr wurden keine Abweichungen von in Vorperioden angewandten Darstellungs-, Bilanzierungs- und/oder Bewertungsmethoden vorgenommen.

2. Bilanzierung und Bewertung der Aktivposten

i. Sachanlagen

Die Sachanlagen der Gesellschaft werden zu Anschaffungs- bzw. Herstellungskosten, vermindert um planmäßige Abschreibungen, bewertet. Bei der Ermittlung der Herstellungskosten werden angemessene Teile der Material- und Fertigungsgemeinkosten berücksichtigt. Voraussichtlich dauerhaften Wertminderungen wird durch außerplanmäßige Abschreibungen Rechnung getragen.

Die immateriellen Vermögensgegenstände und Sachanlagen werden nach der linearen Methode, entsprechend den technischen und wirtschaftlichen Gegebenheiten, unter Zugrundelegung folgender betriebsgewöhnlicher Nutzungsdauern abgeschrieben:

	Nutzungsdauer Jahre
Bauten, einschließlich Bauten auf fremden Grundstücken	15 - 33
Technische Anlagen und Maschinen	5 – 10
Betriebs- und Geschäftsausstattung	1 – 10

ii. Vorräte

Die Vorräte sind zu Anschaffungs- bzw. Herstellungskosten und unter Berücksichtigung des Niederstwertprinzips bewertet.

Die Ermittlung der Anschaffungskosten bei den Roh-, Hilfs- und Betriebsstoffen sowie Waren erfolgt nach dem Durchschnittsverfahren.

Die fertigen und unfertigen Leistungen und Erzeugnisse sind zu Herstellungskosten bewertet. Die Herstellungskosten enthalten die aktivierungspflichtigen Bestandteile des § 255 Abs. 2 HGB.

iii. Forderungen und sonstige Vermögensgegenstände

a. Allgemein

Die Forderungen und sonstigen Vermögensgegenstände werden zum Nominalwert, gegebenenfalls abzüglich notwendiger Einzelwertberichtigungen, angesetzt.

b. Liquide Mittel

Die liquiden Mittel werden zum Nennwert angesetzt.

c. Aktive Rechnungsabgrenzungsposten

Als aktive Rechnungsabgrenzungsposten sind Ausgaben vor dem Abschlussstichtag angesetzt, soweit sie Aufwand für einen bestimmten Zeitraum nach diesem Zeitpunkt darstellen.

3. Bilanzierung und Bewertung der Passivposten

i. Eigenkapital

Das Stammkapital wird mit dem Nennbetrag angesetzt.

ii. Sonstige Rückstellungen

Die sonstigen Rückstellungen sind so bemessen, dass die erkennbaren Risiken und ungewissen Verpflichtungen berücksichtigt sind. Die Bewertung erfolgt jeweils in Höhe des Erfüllungsbetrags, der nach vernünftiger kaufmännischer Beurteilung erforderlich ist, um zukünftige Zahlungsverpflichtungen abzudecken. Zukünftige Preis- und Kostensteigerungen werden berücksichtigt, sofern ausreichende objektive Hinweise für deren Eintritt vorliegen. Die Steuerrückstellungen werden in Höhe der voraussichtlichen Steuerbelastung gebildet.

Rückstellungen mit einer Restlaufzeit von mehr als einem Jahr sind mit dem ihrer Restlaufzeit entsprechenden durchschnittlichen Marktzinssatz der vergangenen sieben Geschäftsjahre abgezinst.

Die Berechnung der Jubiläumsverpflichtungen erfolgt nach dem Anwartschaftsbarwertverfahren (Projected Unit Credit Methode) auf Grundlage anerkannter versicherungsmathematischer Grundsätze. Es wird der von der Deutschen Bundesbank veröffentlichte durchschnittliche Marktzinssatz gemäß § 253 Abs. 2 HGB bei einer angenommenen Restlaufzeit von 15 Jahren herangezogen. Ferner werden ein Gehaltstrend sowie eine altersabhängige Fluktuation bei der Ermittlung der Rückstellungshöhe berücksichtigt. Den versicherungsmathematischen Rückstellungsberechnungen liegen als Rechnungsgrundlagen die Richttafeln 2018 G von K. Heubeck zugrunde.

Die Berechnung der Pensionsverpflichtungen erfolgt nach dem Anwartschaftsbarwertverfahren (Projected Unit Credit Methode) auf Grundlage anerkannter versicherungsmathematischer Grundsätze. Es wird der von der Deutschen Bundesbank veröffentlichte durchschnittliche Marktzinssatz gemäß § 253 Abs. 2 HGB bei einer angenommenen Restlaufzeit von 15 Jahren herangezogen. Den versicherungsmathematischen Rückstellungsberechnungen liegen als Rechnungsgrundlagen die

Richttafeln 2018 G von K. Heubeck zugrunde. Bei der Bewertung werden zukünftige Gehalts- und Rentenentwicklungen sowie biometrische Rechnungsgrundlagen berücksichtigt.

Die Rückstellungen für Verpflichtungen aus der Lohnfortzahlung im Todesfall werden auf Grundlage anerkannter versicherungsmathematischer Grundsätze nach dem Anwartschaftsbarwertverfahren (Projected Unit Credit Methode) bewertet. Die Abzinsung erfolgt mit dem von der Deutschen Bundesbank veröffentlichten durchschnittlichen Marktzinssatz gemäß § 253 Abs. 2 HGB bei einer angenommenen Restlaufzeit von 15 Jahren. Den versicherungsmathematischen Berechnungen liegen die Richttafeln 2018 G von K. Heubeck zugrunde.

Erträge und Aufwendungen aus der Ab- bzw. Aufzinsung von Rückstellungen sowie aus Änderungen der Zinssätze werden aus Gründen der Übersichtlichkeit im Anhang unter den Erläuterungen zur Gewinn- und Verlustrechnung angegeben.

iii. Verbindlichkeiten

Die Verbindlichkeiten sind zu ihrem Erfüllungsbetrag angesetzt.

4. Sonstige Angaben

i. Fremdwährung

Geschäftsvorfälle in fremder Währung werden grundsätzlich mit dem historischen Kurs zum Zeitpunkt der Erstverbuchung erfasst.

Fremdwährungsforderungen mit einer Restlaufzeit von mehr als einem Jahr werden mit dem Kurs zum Zeitpunkt der erstmaligen Erfassung oder mit dem niedrigeren Devisenkassamittelkurs am Bilanzstichtag bewertet. Kurzfristige Fremdwährungsforderungen mit einer Restlaufzeit von einem Jahr oder weniger sind ohne Beachtung der Restriktion des Anschaffungskosten- und Realisationsprinzips zum Devisenkassamittelkurs am Bilanzstichtag umgerechnet.

Fremdwährungsverbindlichkeiten mit einer Restlaufzeit von mehr als einem Jahr werden mit dem Kurs zum Zeitpunkt der erstmaligen Erfassung oder mit dem höheren Devisenkassamittelkurs am Bilanzstichtag bewertet. Kurzfristige Fremdwährungsverbindlichkeiten mit einer Restlaufzeit von einem Jahr oder weniger sind am Abschlussstichtag ohne Beachtung des Höchstwert- bzw. Realisationsprinzips zum Devisenkassamittelkurs umgerechnet.

ii. Aufrechnung

Soweit zum Bilanzstichtag die Voraussetzungen zur Aufrechnung gemäß § 387 BGB gegeben sind, sind Forderungen und Verbindlichkeiten miteinander verrechnet bzw. saldiert worden.

III. Erläuterungen zur Bilanz

1. Erläuterungen zu Bilanzposten – Aktiva

i. Allgemeine Angaben zum Anlagevermögen

Die Entwicklung des Anlagevermögens im Geschäftsjahr vom 1. April 2025 bis zum 31. März 2026 wird in einem Anlagenspiegel dargestellt, der dem Anhang als Anlage beigefügt ist.

ii. Forderungen und sonstige Vermögensgegenstände

a. Laufzeit

Sämtliche Forderungen und sonstigen Vermögensgegenstände sind wie zum Vorjahresstichtag innerhalb eines Jahres fällig.

b. Mitzugehörigkeitsvermerke

Die Forderungen gegen verbundene Unternehmen resultieren wie im Vorjahr in voller Höhe aus dem aus dem Liefer- und Leistungsverkehr.

2. Erläuterungen zu Bilanzposten – Passiva

i. Verbindlichkeiten

a. Laufzeit

Sämtliche Verbindlichkeiten haben wie im Vorjahr eine Restlaufzeit von bis zu einem Jahr.

b. Mitzugehörigkeitsvermerk

Die Verbindlichkeiten gegenüber verbundenen Unternehmen resultieren aus:

Bezeichnung	31.03.2026 TEUR	31.03.2025 TEUR
Lieferungen und Leistungen	662.943,72	57.517,96
Sonstige Verbindlichkeiten (Darlehen)	0,00	200.000,00
Summe	662.943,72	257.517,96

IV. Erläuterungen zur Gewinn- und Verlustrechnung

1. Sonstige betriebliche Erträge

Die sonstigen betrieblichen Erträge enthalten Währungskursgewinne von EUR 15,18 (Vorjahr: EUR 0,00).

2. Personalaufwand

Der Personalaufwand beinhaltet Aufwendungen für Altersversorgung von EUR 64.416,49 (Vorjahr: EUR 8.646,14).

3. Sonstige betriebliche Aufwendungen

Die sonstigen betrieblichen Aufwendungen beinhalten Währungskursverluste von EUR 20,07 (Vorjahr: EUR 0,00).

4. Beteiligungs- und Finanzergebnis

i. Zinsen und ähnliche Aufwendungen

Die Zinsaufwendungen entfallen in Höhe von EUR 4.798,06 (Vorjahr: EUR 0,00) auf Aufwendungen gegenüber verbundenen Unternehmen. Des Weiteren entfallen EUR 1.493,00 (Vorjahr: EUR 0,00) auf die Aufzinsung langfristiger Rückstellungen.

V. Sonstige Angaben

1. Sonstige finanzielle Verpflichtungen

Die bis zum Ende der Grundmietzeit aus Miet- und Leasingverträgen resultierenden sonstigen finanziellen Verpflichtungen betrugen am 31. März 2026 insgesamt TEUR 20. Es bestanden wie zum Vorjahresstichtag keine sonstigen finanziellen Verpflichtungen gegenüber verbundenen Unternehmen.

2. Mitarbeiter

Im Geschäftsjahr vom 1. April 2025 bis zum 31. März 2026 beschäftigte die VP4 Frankfurt GmbH durchschnittlich 28 (Vorjahr: 28) Mitarbeiter.

3. Geschäftsführer

Als Geschäftsführer der VP 4 Frankfurt GmbH waren im Geschäftsjahr vom 1. April 2025 bis zum 31. März 2026 und bis zur Aufstellung des Jahresabschlusses bestellt:

- Nilkanth Jayant Natu, Pune, Maharashtra / Indien
CFO der Sudarshan Chemical Industries Ltd., Pune, Maharashtra / Indien
- Bram Sebastiaan Kristiaan D'hondt, Bree, Belgien,
(bis 11. Juli 2025)
- Deepak Jain, Kornberg im Taunus,
Regional CFO der VP4 Frankfurt GmbH, Frankfurt am Main
(vom 22. Juli 2025 bis 7. April 2026)
- Dr. Klaus-Dieter Baumgart, Pune, Maharashtra / Indien
Geschäftsführer der VP4 Frankfurt GmbH
(seit 1. Juni 2026)

4. Konzernzugehörigkeit

Die Sudarshan Chemical Industries Ltd., Pune, Maharashtra / Indien stellt als indirektes Mutterunternehmen der VP4 Frankfurt GmbH den Konzernabschluss für den größten und kleinsten Kreis der Unternehmen auf, in den die VP4 Frankfurt GmbH einbezogen wird.

VI. Nachtragsbericht

Darüber hinaus sind keine Vorgänge von besonderer Bedeutung bekannt, die nach dem Schluss des Rumpfgeschäftsjahres eingetreten und weder in der Gewinn- und Verlustrechnung noch in der Bilanz berücksichtigt sind.

Frankfurt am Main, den 17.07.2026

Nilkanth Natu

Geschäftsführer

VP4 Frankfurt GmbH, Frankfurt am Main

Anlagenspiegel zum 31.03.2026

Anlagevermögen

- Sachanlagen

1. Grundstücke, grundstücksgleiche Rechte und Bauten einschließlich der Bauten auf fremden Grundstücken
2. technische Anlagen und Maschinen
3. andere Anlagen, Betriebs- und Geschäftsausstattung

Anschaffungs- und Herstellungskosten				Abschreibungen				Buchwert	
01.04.2025	Zugänge	Abgänge	31.03.2026	01.04.2025	Zugänge	Abgänge	31.03.2026	31.03.2026	31.03.2025
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
389.743,00	0,00	0,00	389.743,00	2.514,00	30.145,96	0,00	32.659,96	357.083,04	387.229,00
1.713.581,00	116.401,92	0,00	1.829.982,92	27.552,00	319.836,92	0,00	347.388,92	1.482.594,00	1.686.029,00
134.633,84	136.301,84	-134.633,84	136.301,84	3.128,84	34.845,00	0,00	37.973,84	98.328,00	131.505,00
<u>2.237.957,84</u>	<u>252.703,76</u>	<u>-134.633,84</u>	<u>2.356.027,76</u>	<u>33.194,84</u>	<u>384.827,88</u>	<u>0,00</u>	<u>418.022,72</u>	<u>1.938.005,04</u>	<u>2.204.763,00</u>

BESTÄTIGUNGSVERMERK DES UNABHÄNGIGEN ABSCHLUSSPRÜFERS

An die VP4 Frankfurt GmbH

Prüfungsurteil

Wir haben den Jahresabschluss der VP4 Frankfurt GmbH – bestehend aus der Bilanz zum 31.03.2026 und der Gewinn- und Verlustrechnung für das Geschäftsjahr vom 01.04.2025 bis zum 31.03.2026 sowie dem Anhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der beigefügte Jahresabschluss in allen wesentlichen Belangen den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage der Gesellschaft zum 31.03.2026 sowie ihrer Ertragslage für das Geschäftsjahr vom 01.04.2025 bis zum 31.03.2026.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Jahresabschlusses geführt hat.

Grundlage für das Prüfungsurteil

Wir haben unsere Prüfung des Jahresabschlusses in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses“ unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von dem Unternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zum Jahresabschluss zu dienen.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses, der den deutschen, für Kapitalgesellschaften geltenden handelsrechtlichen Vorschriften

in allen wesentlichen Belangen entspricht, und dafür, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (d.h. Manipulationen der Rechnungslegung und Vermögensschädigungen) oder Irrtümern ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Verantwortung des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, sowie einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil zum Jahresabschluss beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher falscher Darstellungen im Jahresabschluss aufgrund von dolosen Handlungen oder Irrtümern, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen

Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass eine aus dolosen Handlungen resultierende wesentliche falsche Darstellung nicht aufgedeckt wird, ist höher als das Risiko, dass eine aus Irrtümern resultierende wesentliche falsche Darstellung nicht aufgedeckt wird, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können;

- erlangen wir ein Verständnis von den für die Prüfung des Jahresabschlusses relevanten internen Kontrollen, um Prüfungshandlungen zu planen, die unter den Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben;
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben;
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass die Gesellschaft ihre Unternehmenstätigkeit nicht mehr fortführen kann;
- beurteilen wir Darstellung, Aufbau und Inhalt des Jahresabschlusses insgesamt einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Jahresabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt.

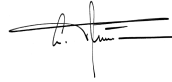
Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel in internen Kontrollen, die wir während unserer Prüfung feststellen.“

Düsseldorf, den 17.07.2026

Baker Tilly GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft



Patrick Helsper
Wirtschaftsprüfer



Leo Thissen
Wirtschaftsprüfer

Allgemeine Auftragsbedingungen

für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften

vom 1. Januar 2024

1. Geltungsbereich

- (1) Die Auftragsbedingungen gelten für Verträge zwischen Wirtschaftsprüferinnen, Wirtschaftsprüfern oder Wirtschaftsprüfungsgesellschaften (im Nachstehenden zusammenfassend „Wirtschaftsprüfer“ genannt) und ihren Auftraggebern über Prüfungen, Steuerberatung, Beratungen in wirtschaftlichen Angelegenheiten und sonstige Aufträge, soweit nicht etwas anderes ausdrücklich in Textform vereinbart oder gesetzlich zwingend vorgeschrieben ist.
- (2) Dritte können nur dann Ansprüche aus dem Vertrag zwischen Wirtschaftsprüfer und Auftraggeber herleiten, wenn dies vereinbart ist oder sich aus zwingenden gesetzlichen Regelungen ergibt. Im Hinblick auf solche Ansprüche gelten diese Auftragsbedingungen auch diesen Dritten gegenüber. Einreden und Einwendungen aus dem Vertragsverhältnis mit dem Auftraggeber stehen dem Wirtschaftsprüfer auch gegenüber Dritten zu.

2. Umfang und Ausführung des Auftrags

- (1) Gegenstand des Auftrags ist die vereinbarte Leistung, nicht ein bestimmter wirtschaftlicher Erfolg. Der Auftrag wird nach den Grundsätzen ordnungsmäßiger Berufsausübung ausgeführt. Der Wirtschaftsprüfer übernimmt im Zusammenhang mit seinen Leistungen keine Aufgaben der Geschäftsführung. Der Wirtschaftsprüfer ist für die Nutzung oder Umsetzung der Ergebnisse seiner Leistungen nicht verantwortlich. Der Wirtschaftsprüfer ist berechtigt, sich zur Durchführung des Auftrags sachverständiger Personen zu bedienen.
- (2) Die Berücksichtigung ausländischen Rechts bedarf – außer bei betriebswirtschaftlichen Prüfungen – der ausdrücklichen Vereinbarung in Textform.
- (3) Ändert sich die Sach- oder Rechtslage nach Abgabe der abschließenden beruflichen Äußerung, so ist der Wirtschaftsprüfer nicht verpflichtet, den Auftraggeber auf Änderungen oder sich daraus ergebende Folgen hinzuweisen.

3. Mitwirkungspflichten des Auftraggebers

- (1) Der Auftraggeber hat dafür zu sorgen, dass dem Wirtschaftsprüfer alle für die Ausführung des Auftrags notwendigen Unterlagen und weiteren Informationen rechtzeitig übermittelt werden und ihm von allen Vorgängen und Umständen Kenntnis gegeben wird, die für die Ausführung des Auftrags von Bedeutung sein können. Dies gilt auch für die Unterlagen und weiteren Informationen, Vorgänge und Umstände, die erst während der Tätigkeit des Wirtschaftsprüfers bekannt werden. Der Auftraggeber wird dem Wirtschaftsprüfer geeignete Auskunftspersonen benennen.
- (2) Auf Verlangen des Wirtschaftsprüfers hat der Auftraggeber die Vollständigkeit der vorgelegten Unterlagen und der weiteren Informationen sowie der gegebenen Auskünfte und Erklärungen in einer vom Wirtschaftsprüfer formulierten Erklärung in gesetzlicher Schriftform oder einer sonstigen vom Wirtschaftsprüfer bestimmten Form zu bestätigen.

4. Sicherung der Unabhängigkeit

- (1) Der Auftraggeber hat alles zu unterlassen, was die Unabhängigkeit der Mitarbeiter des Wirtschaftsprüfers gefährdet. Dies gilt für die Dauer des Auftragsverhältnisses insbesondere für Angebote auf Anstellung oder Übernahme von Organfunktionen und für Angebote, Aufträge auf eigene Rechnung zu übernehmen.
- (2) Sollte die Durchführung des Auftrags die Unabhängigkeit des Wirtschaftsprüfers, die der mit ihm verbundenen Unternehmen, seiner Netzwerkunternehmen oder solcher mit ihm assoziierten Unternehmen, auf die die Unabhängigkeitsvorschriften in gleicher Weise Anwendung finden wie auf den Wirtschaftsprüfer, in anderen Auftragsverhältnissen beeinträchtigen, ist der Wirtschaftsprüfer zur außerordentlichen Kündigung des Auftrags berechtigt.

5. Berichterstattung und mündliche Auskünfte

Soweit der Wirtschaftsprüfer Ergebnisse im Rahmen der Bearbeitung des Auftrags in gesetzlicher Schriftform oder Textform darzustellen hat, ist allein diese Darstellung maßgebend. Entwürfe solcher Darstellungen sind

unverbindlich. Sofern nicht anders gesetzlich vorgesehen oder vertraglich vereinbart, sind mündliche Erklärungen und Auskünfte des Wirtschaftsprüfers nur dann verbindlich, wenn sie in Textform bestätigt werden. Erklärungen und Auskünfte des Wirtschaftsprüfers außerhalb des erteilten Auftrags sind stets unverbindlich.

6. Weitergabe einer beruflichen Äußerung des Wirtschaftsprüfers

- (1) Die Weitergabe beruflicher Äußerungen des Wirtschaftsprüfers (Arbeitsergebnisse oder Auszüge von Arbeitsergebnissen – sei es im Entwurf oder in der Endfassung) oder die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber an einen Dritten bedarf der in Textform erteilten Zustimmung des Wirtschaftsprüfers, es sei denn, der Auftraggeber ist zur Weitergabe oder Information aufgrund eines Gesetzes oder einer behördlichen Anordnung verpflichtet.
- (2) Die Verwendung beruflicher Äußerungen des Wirtschaftsprüfers und die Information über das Tätigwerden des Wirtschaftsprüfers für den Auftraggeber zu Werbezwecken durch den Auftraggeber sind unzulässig.

7. Mängelbeseitigung

- (1) Bei etwaigen Mängeln hat der Auftraggeber Anspruch auf Nacherfüllung durch den Wirtschaftsprüfer. Nur bei Fehlschlägen, Unterlassen bzw. unberechtigter Verweigerung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung kann er die Vergütung mindern oder vom Vertrag zurücktreten; ist der Auftrag nicht von einem Verbraucher erteilt worden, so kann der Auftraggeber wegen eines Mangels nur dann vom Vertrag zurücktreten, wenn die erbrachte Leistung wegen Fehlschlagens, Unterlassung, Unzumutbarkeit oder Unmöglichkeit der Nacherfüllung für ihn ohne Interesse ist. Soweit darüber hinaus Schadensersatzansprüche bestehen, gilt Nr. 9.
- (2) Ein Nacherfüllungsanspruch aus Abs. 1 muss vom Auftraggeber unverzüglich in Textform geltend gemacht werden. Nacherfüllungsansprüche nach Abs. 1, die nicht auf einer vorsätzlichen Handlung beruhen, verjähren nach Ablauf eines Jahres ab dem gesetzlichen Verjährungsbeginn.
- (3) Offenbare Unrichtigkeiten, wie z.B. Schreibfehler, Rechenfehler und formelle Mängel, die in einer beruflichen Äußerung (Bericht, Gutachten und dgl.) des Wirtschaftsprüfers enthalten sind, können jederzeit vom Wirtschaftsprüfer auch Dritten gegenüber berichtigt werden. Unrichtigkeiten, die geeignet sind, in der beruflichen Äußerung des Wirtschaftsprüfers enthaltene Ergebnisse infrage zu stellen, berechtigen diesen, die Äußerung auch Dritten gegenüber zurückzunehmen. In den vorgenannten Fällen ist der Auftraggeber vom Wirtschaftsprüfer tunlichst vorher zu hören.

8. Schweigepflicht gegenüber Dritten, Datenschutz

- (1) Der Wirtschaftsprüfer ist nach Maßgabe der Gesetze (§ 323 Abs. 1 HGB, § 43 WPO, § 203 StGB) verpflichtet, über Tatsachen und Umstände, die ihm bei seiner Berufstätigkeit anvertraut oder bekannt werden, Stillschweigen zu bewahren, es sei denn, dass der Auftraggeber ihn von dieser Schweigepflicht entbindet.
- (2) Der Wirtschaftsprüfer wird bei der Verarbeitung von personenbezogenen Daten die nationalen und europarechtlichen Regelungen zum Datenschutz beachten.

9. Haftung

- (1) Für gesetzlich vorgeschriebene Leistungen des Wirtschaftsprüfers, insbesondere Prüfungen, gelten die jeweils anzuwendenden gesetzlichen Haftungsbeschränkungen, insbesondere die Haftungsbeschränkung des § 323 Abs. 2 HGB.
- (2) Sofern weder eine gesetzliche Haftungsbeschränkung Anwendung findet noch eine einzelvertragliche Haftungsbeschränkung besteht, ist der Anspruch des Auftraggebers aus dem zwischen ihm und dem Wirtschaftsprüfer bestehenden Vertragsverhältnis auf Ersatz eines fahrlässig verursachten Schadens, mit Ausnahme von Schäden aus der Verletzung von Leben, Körper und Gesundheit sowie von Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen, gemäß § 54a Abs. 1 Nr. 2 WPO auf 4 Mio. € beschränkt. Gleiches gilt für Ansprüche, die Dritte aus oder im Zusammenhang mit dem Vertragsverhältnis gegenüber dem Wirtschaftsprüfer geltend machen.

(3) Leiten mehrere Anspruchsteller aus dem mit dem Wirtschaftsprüfer bestehenden Vertragsverhältnis Ansprüche aus einer fahrlässigen Pflichtverletzung des Wirtschaftsprüfers her, gilt der in Abs. 2 genannte Höchstbetrag für die betreffenden Ansprüche aller Anspruchsteller insgesamt.

(4) Der Höchstbetrag nach Abs. 2 bezieht sich auf einen einzelnen Schadensfall. Ein einzelner Schadensfall ist auch bezüglich eines aus mehreren Pflichtverletzungen stammenden einheitlichen Schadens gegeben. Der einzelne Schadensfall umfasst sämtliche Folgen einer Pflichtverletzung ohne Rücksicht darauf, ob Schäden in einem oder in mehreren aufeinanderfolgenden Jahren entstanden sind. Dabei gilt mehrfaches auf gleicher oder gleichartiger Fehlerquelle beruhendes Tun oder Unterlassen als einheitliche Pflichtverletzung, wenn die betreffenden Angelegenheiten miteinander in rechtlichem oder wirtschaftlichem Zusammenhang stehen. In diesem Fall kann der Wirtschaftsprüfer nur bis zur Höhe von 5 Mio. € in Anspruch genommen werden.

(5) Ein Schadensersatzanspruch erlischt, wenn nicht innerhalb von sechs Monaten nach der in Textform erklärten Ablehnung der Ersatzleistung Klage erhoben wird und der Auftraggeber auf diese Folge hingewiesen wurde. Dies gilt nicht für Schadensersatzansprüche, die auf vorsätzliches Verhalten zurückzuführen sind, sowie bei einer schuldhaften Verletzung von Leben, Körper oder Gesundheit sowie bei Schäden, die eine Ersatzpflicht des Herstellers nach § 1 ProdHaftG begründen. Das Recht, die Einrede der Verjährung geltend zu machen, bleibt unberührt.

(6) § 323 HGB bleibt von den Regelungen in Abs. 2 bis 5 unberührt.

10. Ergänzende Bestimmungen für Prüfungsaufträge

(1) Ändert der Auftraggeber nachträglich den durch den Wirtschaftsprüfer geprüften und mit einem Bestätigungsvermerk versehenen Abschluss oder Lagebericht, darf er diesen Bestätigungsvermerk nicht weiterverwenden.

Hat der Wirtschaftsprüfer einen Bestätigungsvermerk nicht erteilt, so ist ein Hinweis auf die durch den Wirtschaftsprüfer durchgeführte Prüfung im Lagebericht oder an anderer für die Öffentlichkeit bestimmter Stelle nur mit in gesetzlicher Schriftform erteilter Einwilligung des Wirtschaftsprüfers und mit dem von ihm genehmigten Wortlaut zulässig.

(2) Widerruft der Wirtschaftsprüfer den Bestätigungsvermerk, so darf der Bestätigungsvermerk nicht weiterverwendet werden. Hat der Auftraggeber den Bestätigungsvermerk bereits verwendet, so hat er auf Verlangen des Wirtschaftsprüfers den Widerruf bekanntzugeben.

(3) Der Auftraggeber hat Anspruch auf fünf Berichtsausfertigungen. Weitere Ausfertigungen werden besonders in Rechnung gestellt.

11. Ergänzende Bestimmungen für Hilfeleistung in Steuersachen

(1) Der Wirtschaftsprüfer ist berechtigt, sowohl bei der Beratung in steuerlichen Einzelfragen als auch im Falle der Dauerberatung die vom Auftraggeber genannten Tatsachen, insbesondere Zahlenangaben, als richtig und vollständig zugrunde zu legen; dies gilt auch für Buchführungsaufträge. Er hat jedoch den Auftraggeber auf von ihm festgestellte wesentliche Unrichtigkeiten hinzuweisen.

(2) Der Steuerberatungsauftrag umfasst nicht die zur Wahrung von Fristen erforderlichen Handlungen, es sei denn, dass der Wirtschaftsprüfer hierzu ausdrücklich den Auftrag übernommen hat. In diesem Fall hat der Auftraggeber dem Wirtschaftsprüfer alle für die Wahrung von Fristen wesentlichen Unterlagen, insbesondere Steuerbescheide, so rechtzeitig vorzulegen, dass dem Wirtschaftsprüfer eine angemessene Bearbeitungszeit zur Verfügung steht.

(3) Mangels einer anderweitigen Vereinbarung in Textform umfasst die laufende Steuerberatung folgende, in die Vertragsdauer fallenden Tätigkeiten:

- Ausarbeitung und elektronische Übermittlung der Jahressteuererklärungen, einschließlich E-Bilanzen, für die Einkommensteuer, Körperschaftsteuer und Gewerbesteuer, und zwar auf Grund der vom Auftraggeber vorzulegenden Jahresabschlüsse und sonstiger für die Besteuerung erforderlichen Aufstellungen und Nachweise
- Nachprüfung von Steuerbescheiden zu den unter a) genannten Steuern
- Verhandlungen mit den Finanzbehörden im Zusammenhang mit den unter a) und b) genannten Erklärungen und Bescheiden
- Mitwirkung bei Betriebsprüfungen und Auswertung der Ergebnisse von Betriebsprüfungen hinsichtlich der unter a) genannten Steuern
- Mitwirkung in Einspruchs- und Beschwerdeverfahren hinsichtlich der unter a) genannten Steuern.

Der Wirtschaftsprüfer berücksichtigt bei den vorgenannten Aufgaben die wesentliche veröffentlichte Rechtsprechung und Verwaltungsauffassung.

(4) Erhält der Wirtschaftsprüfer für die laufende Steuerberatung ein Pauschalhonorar, so sind mangels anderweitiger Vereinbarungen in Textform die unter Abs. 3 Buchst. d) und e) genannten Tätigkeiten gesondert zu honorieren.

(5) Sofern der Wirtschaftsprüfer auch Steuerberater ist und die Steuerberatervergütungsverordnung für die Bemessung der Vergütung anzuwenden ist, kann eine höhere oder niedrigere als die gesetzliche Vergütung in Textform vereinbart werden.

(6) Die Bearbeitung besonderer Einzelfragen der Einkommensteuer, Körperschaftsteuer, Gewerbesteuer und Einheitsbewertung sowie aller Fragen der Umsatzsteuer, Lohnsteuer, sonstigen Steuern und Abgaben erfolgt auf Grund eines besonderen Auftrags. Dies gilt auch für

- die Bearbeitung einmalig anfallender Steuerangelegenheiten, z.B. auf dem Gebiet der Erbschaftsteuer und Grunderwerbsteuer,
- die Mitwirkung und Vertretung in Verfahren vor den Gerichten der Finanz- und der Verwaltungsgerichtsbarkeit sowie in Steuerstrafsachen,
- die beratende und gutachtliche Tätigkeit im Zusammenhang mit Umwandlungen, Kapitalerhöhung und -herabsetzung, Sanierung, Eintritt und Ausscheiden eines Gesellschafters, Betriebsveräußerung, Liquidation und dergleichen und
- die Unterstützung bei der Erfüllung von Anzeige- und Dokumentationspflichten.

(7) Soweit auch die Ausarbeitung der Umsatzsteuerjahreserklärung als zusätzliche Tätigkeit übernommen wird, gehört dazu nicht die Überprüfung etwaiger besonderer buchmäßiger Voraussetzungen sowie die Frage, ob alle in Betracht kommenden umsatzsteuerrechtlichen Vergünstigungen wahrgenommen worden sind. Eine Gewähr für die vollständige Erfassung der Unterlagen zur Geltendmachung des Vorsteuerabzugs wird nicht übernommen.

12. Elektronische Kommunikation

Die Kommunikation zwischen dem Wirtschaftsprüfer und dem Auftraggeber kann auch per E-Mail erfolgen. Soweit der Auftraggeber eine Kommunikation per E-Mail nicht wünscht oder besondere Sicherheitsanforderungen stellt, wie etwa die Verschlüsselung von E-Mails, wird der Auftraggeber den Wirtschaftsprüfer entsprechend in Textform informieren.

13. Vergütung

(1) Der Wirtschaftsprüfer hat neben seiner Gebühren- oder Honorarforderung Anspruch auf Erstattung seiner Auslagen; die Umsatzsteuer wird zusätzlich berechnet. Er kann angemessene Vorschüsse auf Vergütung und Auslagenersatz verlangen und die Auslieferung seiner Leistung von der vollen Befriedigung seiner Ansprüche abhängig machen. Mehrere Auftraggeber haften als Gesamtschuldner.

(2) Ist der Auftraggeber kein Verbraucher, so ist eine Aufrechnung gegen Forderungen des Wirtschaftsprüfers auf Vergütung und Auslagenersatz nur mit unbestrittenen oder rechtskräftig festgestellten Forderungen zulässig.

14. Streitschlichtungen

Der Wirtschaftsprüfer ist nicht bereit, an Streitbeilegungsverfahren vor einer Verbraucherschlichtungsstelle im Sinne des § 2 des Verbraucherstreitbeilegungsgesetzes teilzunehmen.

15. Anzuwendendes Recht

Für den Auftrag, seine Durchführung und die sich hieraus ergebenden Ansprüche gilt nur deutsches Recht.

**SUDARSHAN SOUTHER AFRICA MFG PROPRIETARY LIMITED
(REGISTRATION NUMBER 2015/293644/07)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The manufacture, distribution and selling of pigments
Directors	CD Bull A Ebrahim
Registered office	19 van Eck street Chamdor Krugersdorp Gauteng 1734
Holding company	Sudarshan Switzerland AG incorporated in Switzerland
Ultimate holding company	Sudarshan Chemicals Limited incorporated in India
Reviewer	HCS Lopes Chartered Accountant (SA) Registered Auditor BDO Business Services Proprietary Limited
Level of assurance	These financial statements have been independently reviewed in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The annual financial statements were independently compiled by: S Zietsman CA (SA) MOI Financial Services

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Contents

The reports and statements set out below comprise the financial statements presented to the shareholder:

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Reviewer's Report	6
Statement of Financial Position	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Accounting Policies	11 - 17
Notes to the Financial Statements	18 - 33
The following supplementary information does not form part of the financial statements and is not reviewed:	
Detailed Income Statement	34

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

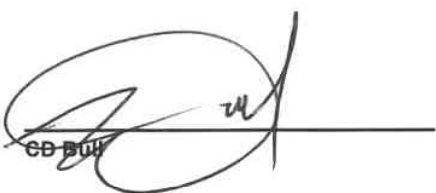
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the next 12 months and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

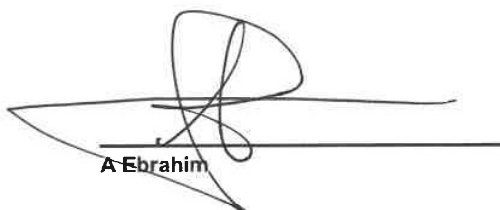
The independent reviewer is responsible for independently reviewing and reporting on the company's financial statements. The financial statements have been examined by the company's independent reviewer and their report is presented on page 6.

The annual financial statements set out on pages 1 to 34, which have been prepared on the going concern basis, were approved by the board of directors on 19th MAY 2026 and were signed on their behalf by:

Approval of financial statements



CD Buh



A Ebrahim

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Directors' Report

The directors have pleasure in submitting their report on the financial statements of Sudarshan Southern Africa MFG Proprietary Limited for the year ended 31 December 2025.

1. Nature of business

Sudarshan Southern Africa MFG Proprietary Limited was incorporated in South Africa with interests in the manufacture, distribution and selling of detergents and pigments industry. The company operates in South Africa, the rest of Africa and Europe.

Effective 17 June 2025, the company name was changed to Sudarshan Southern Africa MFG Proprietary Limited from Heubach Colorants Southern Africa Proprietary Limited due to Sudarshan BV in conjunction with Sudarshan India that bought over Heubach globally.

There have been no material changes to the nature of the company's business from the prior year.

2. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

3. Stated capital

There have been no changes to the authorised or issued share capital during the year under review.

4. Dividends

Given the current state of the global economic environment, the board of directors believes that it would be more appropriate for the company to conserve cash and maintain adequate debt headroom to ensure that the company is best placed to withstand any prolonged adverse economic conditions. Therefore the board of directors has resolved not to declare a dividend for the financial year ended 31 December 2025.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	Nationality	Changes
CD Bull	South African	
A Ebrahim	South African	Appointed 28 February 2025

6. Holding company

The company's holding company is Sudarshan Switzerland AG which holds 100% (2024: 100%) of the company's equity. Sudarshan Switzerland AG is incorporated in Switzerland.

7. Ultimate holding company

The company's ultimate holding company is Sudarshan Chemicals Limited which is incorporated in India.

8. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Directors' Report

9. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

10. Liquidity and solvency

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

11. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

12. Review

The financial statements are subject to an independent review and have been reviewed by HCS Lopes CA(SA).

13. Secretary

The company had no secretary during the year.

Independent Reviewer's Report

To the shareholders of

Sudarshan Southern Africa MFG Proprietary Limited

We have reviewed the financial statements of Sudarshan Southern Africa MFG Proprietary Limited set out on pages 7 to 33, which comprise the statement of financial position as at 31 December 2025 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these financial statements. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements (ISRE 2400 (Revised))*. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The independent reviewer performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Sudarshan Southern Africa MFG Proprietary Limited as at 31 December 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Other Reports required by the Companies Act of South Africa

The annual financial statements include the Directors' Report as required by the Companies Act of South Africa. The directors are responsible for the Directors' Report. Our conclusion on the financial statements does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our independent review of the financial statements, we have read the Directors' Report and, in doing so, considered whether the Directors' Report is materially inconsistent with the financial statements or our knowledge obtained in the independent review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we will report that fact. We have nothing to report in this regard.



HCS Lopes
Director
Chartered Accountant (SA)
Registered Auditor

19 May 2026

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Statement of Financial Position as at 31 December 2025

	Note(s)	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	8 002 739	7 053 289
Deferred tax	4	6 299 989	5 903 293
		14 302 728	12 956 582
Current Assets			
Inventories	5	35 165 662	30 231 079
Amounts owing by group companies	6	1 316 826	2 869 577
Trade and other receivables	7	17 722 246	24 597 686
Current tax receivable		542 330	-
Cash and cash equivalents	8	22 000 842	28 254 232
		76 747 906	85 952 574
Total Assets		91 050 634	98 909 156
Equity and Liabilities			
Equity			
Share capital	9	70 000 100	70 000 100
Accumulated loss		(9 577 924)	(7 985 064)
		60 422 176	62 015 036
Liabilities			
Non-Current Liabilities			
Lease liabilities	10	95 298	176 519
Current Liabilities			
Trade and other payables	11	17 352 252	9 853 856
Amounts owing to group companies	12	12 174 239	25 920 175
Lease liabilities	10	80 743	80 934
Current tax payable		-	168 922
Provisions	13	925 926	693 714
		30 533 160	36 717 601
Total Liabilities		30 628 458	36 894 120
Total Equity and Liabilities		91 050 634	98 909 156

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue	14	114 899 961	140 931 724
Cost of sales		(89 194 588)	(110 061 284)
Gross profit		25 705 373	30 870 440
Other income	15	473 555	355 348
Other operating (losses) gains	16	(273 227)	274 411
Movement in credit loss allowances	17	395 840	(78 747)
Operating expenses		(28 284 082)	(29 888 809)
Operating (loss) profit	17	(1 982 541)	1 532 643
Finance income	18	44 615	17 798
Finance costs	19	(26 161)	(85 245)
(Loss) profit before taxation		(1 964 087)	1 465 196
Taxation	20	371 227	(1 183 245)
(Loss) profit for the year		(1 592 860)	281 951
Other comprehensive income		-	-
Total comprehensive (loss) income for the year		(1 592 860)	281 951

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Statement of Changes in Equity

	Share capital	Accumulated loss	Total equity
	R	R	R
Balance at 1 January 2024	70 000 100	(8 267 015)	61 733 085
Profit for the year	-	281 951	281 951
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	281 951	281 951
Balance at 1 January 2025	70 000 100	(7 985 064)	62 015 036
Loss for the year	-	(1 592 860)	(1 592 860)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(1 592 860)	(1 592 860)
Balance at 31 December 2025	70 000 100	(9 577 924)	60 422 176
Note(s)	9		

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Statement of Cash Flows

	Note(s)	2025 R	2024 R
Cash flows from operating activities			
Cash (used in)/generated from operations	21	(3 635 030)	7 449 525
Interest received	18	44 615	17 798
Interest paid	19	(11 040)	(64 795)
Tax paid	22	(736 721)	(236 812)
Net cash (used in) generated from operating activities		(4 338 176)	7 165 716
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(1 818 681)	(527 605)
Cash flows from financing activities			
Cash repayments on lease liabilities	10	(96 533)	(89 466)
Total cash and cash equivalents movement for the year		(6 253 390)	6 548 645
Cash and cash equivalents at the beginning of the year		28 254 232	21 705 587
Cash and cash equivalents at the end of the year	8	22 000 842	28 254 232

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board at the time of preparing these financial statements and the Companies Act of South Africa as amended.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 13.

The company calculates the performance bonuses of the employees on a yearly basis and makes a provision accordingly. Estimating the bonus amount requires management to make a judgement of the expected final company performance. The initial reported figures are taken into account when making its judgement.

1.3 Property, plant and equipment

Property, plant and equipment is initially measured at cost.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and impairment losses except for land which is not depreciated.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1.3 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	16 - 40 years
Technical equipment and machinery	Straight line	6 - 16 years
Office equipment, factory and office furniture	Straight line	4 - 10 years
Land	Not depreciated	Not depreciated
Right-of-use assets - Vehicles	Straight line	Lease term of 5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

Depreciation is recognised in profit or loss.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.4 Financial instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any.

The material accounting policies for each type of financial instrument held by the company are presented below:

Trade and other receivables

Trade and other receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of trade and other receivables is set out in the loss allowances and write offs accounting policy.

Trade and other receivables include amounts which have been denominated in foreign currencies. Foreign exchange gains or losses are recognised in profit or loss.

Impairment - Expected credit losses and write offs

Loss allowances are recognised for expected credit losses on trade receivables.

The company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (lifetime ECL).

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

The company writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the company's recovery procedures. Any recoveries made are recognised in profit or loss.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1.4 Financial instruments (continued)

Trade and other payables

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Trade and other payables include amounts which have been denominated in foreign currencies. Foreign exchange gains or losses are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The company derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

When management assess the extent to which it is probable that taxable profit will be available against which potential deferred tax assets can be utilised, they take into consideration that the utilisation of assessed losses are limited to the greater of 80% of the taxable income or R1 million in the year of assessment.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1.5 Tax (continued)

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

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expense

The income tax expense consists of current and deferred tax and is recognised in profit or loss.

1.6 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

No contracts were identified that required specific judgement as to whether they contained leases.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The various lease and non-lease components are accounted for separately. The contract consideration is allocated to each lease component on the basis of relative stand alone prices and to non-lease components on the basis of the aggregate stand alone prices.

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

Leases include variable lease payments which are linked to an index or rate. These lease payments are included in the initial measurement of the lease liability based on the index at commencement date. In the event that the index changes, the liability is remeasured by measuring the revised lease payments at the initial discount rate.

Leases are expected to result in material residual value guarantees, the estimates of which are included in the initial measurement of the lease liability. If there are changes in the estimated payments, the liability is remeasured by measuring the revised payments at the initial discount rate.

Leases include purchase options which the company is reasonably certain to exercise. The discounted option prices are included in the initial measurement of the lease liability.

Leases include optional renewal periods which the company is reasonably certain to exercise. The discounted lease payments for the renewal period are included in the initial measurement of the lease liability.

Leases include, in the lease term, options to terminate the lease early, with the payment of penalties. The company is reasonably certain to exercise the termination option and the discounted penalties which will be payable are included in the initial measurement of the lease liability.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1.6 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

Depreciation is recognised in profit or loss.

1.7 Inventories

Inventories are measured at the lower of cost and net realisable value on the weighted average basis.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. These costs are accounted for as follows:

- Raw material and packaging: Purchase cost on an average cost basis.
- Finished goods: Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, but excluding borrowing costs.

Write downs and reversals of write downs of inventories are included as part of the cost of goods sold.

1.8 Impairment of assets

Management assesses, at the end of each reporting period, whether there is any indication that an assets may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Impairment losses are recognised immediately in profit or loss.

1.9 Stated capital and equity

Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal obligation to make such payments as a result of past performance.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1.10 Employee benefits (continued)

Defined contribution plans

Payments are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.11 Provisions and contingencies

The company recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the company will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

1.12 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised in accordance with that core principle by applying a 5-step model as shown below.

- Identify the contract.
- Separate performance obligations.
- Determine transaction price.
- Allocate transaction price.
- Recognise revenue.

Sale of goods - local

Revenue is recognised at a point in time for sales of goods when control of the product or service has transferred to the customer. Payment of the transaction price is due within the 30 to 90 days of the transaction. A receivable is recognised for account holding customers. No financial element is recognised as the payment terms are within 6 months. Under the company standard contract terms, customer have a right of return within 30 days.

Sale of goods - export

Revenue is recognised at a point in time for sale of goods.

For export sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods the transaction price received by the company is recognised as a contract liability until the goods have been delivered to the customer.

1.13 Other income

Other income comprises of commissions received from third parties and is recognised on the date the services are performed.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Accounting Policies

1.14 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are translated at the end of the reporting period using the closing rate.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The foreign exchange component is treated as part of the valuation adjustment.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Refer to the individual accounting policies for financial instruments for the detailed foreign exchange accounting policies.

1.15 Work in progress

Work in progress is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the work in progress will flow to the enterprise, and the cost of the work in progress can be measured reliably. Work in progress is initially recognised at cost.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations. None of the standards or interpretations adopted during the current year had a material impact on the financial position of the company.

Standard/ Interpretation:	Effective date: Years beginning on or after
Lack of exchangeability - amendments to IAS 21	1 January 2025

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2026 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after
- IFRS 18 Presentation and Disclosure in Financial Statements - Amendment to IFRS 9 and IFRS 7 - Amendments to IFRS 10 Consolidated Financial Statements - Amendments to IAS 7 Statement of Cash Flows - Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2027 1 January 2026 1 January 2026 1 January 2026 1 January 2026

The directors do not expect the impact of the adoption of the above standards that are not yet effective will have a material impact on the financial position of the company.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

3. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Land	309 083	-	309 083	309 083	-	309 083
Buildings	6 923 085	(1 567 441)	5 355 644	6 502 642	(2 508 189)	3 994 453
Technical equipment and machinery	5 694 290	(3 765 924)	1 928 366	8 143 357	(5 873 563)	2 269 794
Office equipment, factory and office furniture	1 374 686	(1 104 308)	270 378	1 709 244	(1 448 135)	261 109
Right-of-use assets - Vehicles	397 909	(258 641)	139 268	397 909	(179 059)	218 850
Total	14 699 053	(6 696 314)	8 002 739	17 062 235	(10 008 946)	7 053 289

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Depreciation	Closing balance
Land	309 083	-	-	309 083
Buildings	3 994 453	1 668 412	(307 221)	5 355 644
Technical equipment and machinery	2 269 794	69 992	(411 420)	1 928 366
Office equipment, factory and office furniture	261 109	80 277	(71 008)	270 378
Right-of-use asset - Vehicles	218 850	-	(79 582)	139 268
	7 053 289	1 818 681	(869 231)	8 002 739

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Depreciation	Closing balance
Land	309 083	-	-	309 083
Buildings	4 160 322	94 168	(260 037)	3 994 453
Technical equipment and machinery	2 368 753	363 312	(462 271)	2 269 794
Office equipment, factory and office furniture	264 998	70 125	(74 014)	261 109
Right-of-use assets - Vehicles	298 432	-	(79 582)	218 850
	7 401 588	527 605	(875 904)	7 053 289

Land comprises of Portion 5 (portion of portion 3) of ERF 269 Chamdor township.

Registers with details of land and buildings are available for inspection by shareholder or their duly authorised representatives at the registered office of the company.

Included in the property, plant and equipment are idle physical assets with a nil book value as at 31 December 2025. Management does not intend to scrap or dispose of these assets as they may be used in production in future.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
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4. Deferred tax

Deferred tax liability

Property, plant and equipment	(359 071)	(318 318)
Prepaid expenses	(39 670)	-
Total deferred tax liability	(398 741)	(318 318)

Deferred tax asset

Income received in advance	31 674	379 036
Provisions	256 879	274 339
Accumulated tax losses	6 410 177	5 568 236
Total deferred tax asset	6 698 730	6 221 611

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(398 741)	(318 318)
Deferred tax asset	6 698 730	6 221 611
Total net deferred tax asset	6 299 989	5 903 293

Reconciliation of deferred tax asset

At beginning of year	5 903 293	6 756 453
Movement in property, plant and equipment	(40 753)	(49 573)
Movement in provisions	(17 460)	34 891
Movement in prepayments	(39 670)	114 120
Movement in income received in advance	(347 362)	358 921
Movement in accumulated tax loss	841 941	(1 320 342)
Movement in lease liabilities	-	8 823
At the end of the year	6 299 989	5 903 293

5. Inventories

Raw materials, including packaging material and spares	8 224 082	6 330 428
Finished goods	15 172 914	10 696 101
Merchandise	10 172 371	10 285 738
Goods in transit	6 510 469	7 301 399
	40 079 836	34 613 666
Provision for obsolescence	(4 914 174)	(4 382 587)
	35 165 662	30 231 079

The amount of inventory written down in cost of sales is R276 755 (2024: R290 161). Inventory of R89 194 588 was expensed during the current year (2024: R110 061 284).

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
6. Amounts owing by group companies		
Sudarshan Holding Switzerland AG	843 245	1 753 255
Heubach Colorants Germany GmbH	473 581	514 912
Sudarshan Colorants Singapore	-	8 053
Sudarshan Colorants India	-	593 357
	1 316 826	2 869 577

Amounts owing by group companies are unsecured, interest free with no fixed terms of repayment.

7. Trade and other receivables

Financial instruments:

Trade receivables	16 652 766	17 594 280
Loss allowance	(484 639)	(429 809)
Trade receivables at amortised cost	16 168 127	17 164 471
Deposits	378 724	378 724
Other receivable	1 044 431	186 679

Non-financial instruments:

VAT	-	83 282
Prepayments	130 964	6 784 530

Total trade and other receivables	17 722 246	24 597 686
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Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	17 591 282	17 729 874
Non-financial instruments	130 964	6 867 812
	17 722 246	24 597 686

Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

The average credit period on trade receivables is 30 - 90 days (2024: 30 - 90 days). No interest is charged on outstanding trade receivables.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
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7. Trade and other receivables (continued)

The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2025	2025	2024	2024
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Not past due	11 567 614	(464 913)	16 055 093	(383 761)
Less than 30 days past due	4 990 597	(19 726)	943 121	(46 048)
31 - 60 days past due	94 555	-	596 066	-
Total	16 652 766	(484 639)	17 594 280	(429 809)

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade receivables:

Opening balance	(429 809)	(351 062)
Provision raised on new trade receivables	(54 830)	(78 747)
Closing balance	(484 639)	(429 809)

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	22 000 842	28 254 232
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Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating		
Citibank - p-1	21 596 357	26 645 938
Nedbank - Ba2	404 485	1 608 294
	22 000 842	28 254 232

9. Share capital

Authorised

1 000 single class of common shares

Issued

100 single class of common shares at R1 each
1 single class of common shares at R70 000 000

100	100
70 000 000	70 000 000
70 000 100	70 000 100

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
10. Lease liabilities		
The company leases motor vehicles over a period of 5 years.		
The maturity analysis of lease liabilities is as follows:		
Within one year	104 160	96 533
Two to five years	82 659	186 819
	<u>186 819</u>	<u>283 352</u>
Less finance charges component	(10 778)	(25 899)
Balance at the end of the year	<u>176 041</u>	<u>257 453</u>
Non-current liabilities	95 298	176 519
Current liabilities	80 743	80 934
	<u>176 041</u>	<u>257 453</u>
Reconciliation of lease liabilities		
Balance at the beginning of the year	257 453	326 469
Interest accrued	15 121	20 450
Repayment of lease liabilities	(96 533)	(89 466)
Balance at the end of the year	<u>176 041</u>	<u>257 453</u>
11. Trade and other payables		
Financial instruments:		
Trade payables	13 989 242	3 472 257
Trade accruals	1 210 718	3 864 761
Accrued expenses	1 281 310	1 064 461
Other payables	477 907	48 538
Non-financial instruments:		
Amounts received in advance	117 312	1 403 839
VAT	275 763	-
	<u>17 352 252</u>	<u>9 853 856</u>
Financial instrument and non-financial instrument components of trade and other payables		
At amortised cost	16 959 177	8 450 017
Non-financial instruments	393 075	1 403 839
	<u>17 352 252</u>	<u>9 853 856</u>

Trade and other payables are non-interest bearing and are normally settled between 30 and 60 days.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
12. Amounts owing to group companies		
Fellow subsidiaries		
Sudarshan Heubach Colorants Brasil Industria Quimica Ltda	1 457 747	168 263
Sudarshan Colorants Singapore	3 406 450	4 028 412
Sudarshan Colorants Mexico, S.A. de C	3 015 473	1 703 578
Sudarshan Group GmbH	1 145 493	9 353 400
Sudarshan Holding Switzerland AG	3 101 151	10 666 522
Sudarshan Colorants India	47 925	-
	12 174 239	25 920 175

The balances are for normal transactions and terms of payment are 30 days for local related parties and 60 days for foreign related parties.

Amounts due to group companies are unsecured, interest free with no fixed terms of repayment.

13. Provisions

Reconciliation of provisions - 2025

	Opening balance	Additions	Utilised / reversed during the year	Closing balance
Provision for workmen's compensation	78 602	-	(54 791)	23 811
Provision for audit fees	127 800	145 000	(127 800)	145 000
Provision for bonuses and leave pay	487 312	490 226	(220 423)	757 115
	693 714	635 226	(403 014)	925 926

Reconciliation of provisions - 2024

	Opening balance	Additions	Utilised /reversed during the year	Closing balance
Provision for workmen's compensation	165 533	-	(86 931)	78 602
Provision for audit fees	105 000	127 800	(105 000)	127 800
Provision for bonuses and leave pay	353 014	683 144	(548 846)	487 312
	623 547	810 944	(740 777)	693 714

14. Revenue

Revenue from contracts with customers

Sale of goods - local	104 131 581	124 368 783
Sale of goods - export	10 768 380	16 562 941
	114 899 961	140 931 724

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
14. Revenue (continued)		
Disaggregation of revenue from contracts with customers		
The company disaggregates revenue from customers as follows:		
Timing of revenue recognition		
At a point in time		
Sale of goods - local	104 131 581	124 368 783
Sale of goods - export	10 768 380	16 562 941
	114 899 961	140 931 724
15. Other income		
Commissions received	468 980	355 348
Other income	4 575	-
	473 555	355 348
16. Other operating (losses) gains		
Foreign exchange (losses) gains		
Net foreign exchange (losses) gains	(273 227)	274 411
17. Operating (loss) profit		
Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:		
Reviewer's remuneration - external		
Review fees	145 000	127 800
Remuneration, other than to employees		
Administrative and managerial services	600	-
Consulting and professional services	522 373	741 995
	522 973	741 995
Employee costs		
Salaries, wages, bonuses and other benefits	12 789 463	11 493 496
Depreciation and amortisation		
Depreciation of property, plant and equipment	869 231	875 904
18. Finance income		
Bank and other cash	44 615	17 798
19. Finance costs		
Lease liabilities	15 121	20 450
Bank overdraft	592	64 795
Late payment of tax (Tax authorities)	10 448	-
Total finance costs	26 161	85 245

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
20. Taxation		
Major components of the tax expense (income)		
Current		
Local income tax - current period	-	168 922
Local income tax - prior period under provision	25 469	161 163
	25 469	330 085
Deferred		
Originating and reversing temporary differences	(548 969)	232 202
Arising from prior period adjustments	152 273	620 958
	(396 696)	853 160
	(371 227)	1 183 245
Reconciliation of the tax expense		
Reconciliation between accounting (loss) profit and tax expense.		
Accounting (loss) profit	(1 964 087)	1 465 196
Tax at the applicable tax rate of 27% (2024: 27%)	(530 303)	395 603
Tax effect of adjustments on taxable income		
Non-deductible expenses	(18 666)	5 521
Deferred tax prior year adjustment	152 273	620 958
Income tax prior year adjustment	25 469	161 163
	(371 227)	1 183 245
No provision has been made for 2025 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R23 741 397 (2024: R 20 245 795).		
21. Cash (used in)/generated from operations		
(Loss) profit before taxation	(1 964 087)	1 465 196
Adjustments for non-cash items:		
Depreciation, amortisation, impairments and reversals of impairments	869 231	875 904
Gains on exchange differences	(727 174)	(479 354)
Movements in provisions	232 212	70 167
Adjust for items which are presented separately:		
Interest income	(44 615)	(17 798)
Finance costs	26 161	85 245
Changes in working capital:		
Movement in inventories	(4 934 583)	11 528 771
Movement in trade and other receivables	6 687 805	809 932
Movement in trade and other payables	8 413 205	7 389 906
Movement in amounts due to group companies	(14 330 811)	(13 910 221)
Movement in amounts due by group companies	2 137 626	(368 223)
	(3 635 030)	7 449 525

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

	2025 R	2024 R
22. Tax refunded		
Balance at beginning of the year	(168 922)	(75 649)
Current tax recognised in profit or loss	(25 469)	(330 085)
Balance at end of the year	(542 330)	168 922
	(736 721)	(236 812)
23. Related parties		
Relationships		
Ultimate holding company	Sudarshan Chemicals Limited	
Holding company	Sudarshan Switzerland AG	
Related party balances		
Refer to notes 6 and 12 for balances with related parties.		
Related party transactions		
Purchases from related parties		
Sudarshan Heubach Colorants Brasil Ltda	3 223 403	1 339 484
Sudarshan Colorants (Shanghai) Ltd.	422 539	-
Sudarshan Gujarat MFG Private Ltd.	117 737	-
Sudarshan Colorants Singapore Pte. Ltd	6 914 788	10 195 227
Sudarshan USA SLO LLC	582 394	-
Sudarshan Colorants Mexico SA de CV	11 983 379	13 242 984
Sudarshan Holding Switzerland AG	19 842 158	27 951 637
Sudarshan Group GmbH	3 355 229	7 037 328
Sudarshan Colorants India Limited	189 647	-
	46 631 274	59 766 660
Sales to related parties		
Sudarshan Colorants Colombia SAS	(194 899)	(428 958)
Heubach Colorants Germany GmbH	(86 775)	(104 288)
Sudarshan Colorants India Limited	-	(121 081)
Sudarshan Colorants Singapore Pte. Ltd	-	(150 698)
Sudarshan Colorants USA LLC	-	(141 842)
Sudarshan Colorants Turkey	-	(34 432)
P.T. Sudarshan Colorants Indonesia	-	(489 328)
Sudarshan Colorants Japan K.K.	-	(192 674)
Sudarshan Holding Switzerland AG	-	(183 589)
	(281 674)	(1 846 890)
Service fees paid to related party		
Sudarshan Group GmbH	3 880 494	6 256 099

Related party transactions are for normal transactions and terms of payment are 30 days.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

24. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2025

	Note(s)	Amortised cost	Total	Fair value
Amounts owing by group companies	6	1 316 826	1 316 826	1 316 826
Trade and other receivables	7	17 591 282	17 591 282	17 591 282
Cash and cash equivalents	8	22 000 842	22 000 842	22 000 842
		40 908 950	40 908 950	40 908 950

2024

	Note(s)	Amortised cost	Total	Fair value
Amounts owing by group companies	6	2 869 577	2 869 577	2 869 577
Trade and other receivables	7	17 729 874	17 729 874	17 729 874
Cash and cash equivalents	8	28 254 232	28 254 232	28 254 232
		48 853 683	48 853 683	48 853 683

Categories of financial liabilities

2025

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	16 959 177	16 959 177	16 959 177
Amounts owing to group companies	12	12 174 239	12 174 239	12 174 239
		29 133 416	29 133 416	29 133 416

2024

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	11	8 450 017	8 450 017	8 450 017
Amounts owing to group companies	12	25 920 175	25 920 175	25 920 175
		34 370 192	34 370 192	34 370 192

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

24. Financial instruments and risk management (continued)

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure and gearing ratio of the company at the reporting date was as follows:

		2025 R	2024 R
Amounts owing to group companies	12	12 174 239	25 920 175
Lease liabilities	10	176 041	257 453
Trade and other payables	11	17 352 252	9 853 856
Total borrowings		29 702 532	36 031 484
Cash and cash equivalents	8	(22 000 842)	(28 254 232)
Net borrowings		7 701 690	7 777 252
Equity		60 276 470	62 015 036
Gearing ratio		13 %	13 %

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on amounts owing by group companies, trade and other receivables and cash and cash equivalents.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

24. Financial instruments and risk management (continued)

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix.

Management evaluates credit risk relating to customers on an ongoing basis. Amounts owing by group companies are generally payable on demand. In cases where management deems the risk level to be unacceptable, credit guarantee insurance is obtained.

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Amounts owing by group companies	6	1 316 826	-	1 316 826	2 869 577	-	2 869 577
Trade and other receivables	7	18 206 885	(484 639)	17 722 246	25 027 495	(429 809)	24 597 686
Cash and cash equivalents	8	22 000 842	-	22 000 842	28 254 232	-	28 254 232
		41 524 553	(484 639)	41 039 914	56 151 304	(429 809)	55 721 495

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented.

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

Cashflow forecasting is performed weekly. The rolling forecasts of the liquidity requirements are monitored to ensure the company has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn facilities at all times.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

		Less than 1 year	2 to 5 years	Total	Carrying amount
Trade and other payables	11	16 959 177	-	16 959 177	16 959 177
Amounts owing to group companies	12	12 174 239	-	12 174 239	12 174 239
Lease liabilities	10	104 160	82 659	186 819	176 041
		29 237 576	82 659	29 320 235	29 309 457

2024

Trade and other payables	11	8 450 017	-	8 450 017	8 450 017
Amounts owing to group companies	12	25 920 175	-	25 920 175	25 920 175
Lease liabilities	10	96 533	186 819	283 352	80 934
		34 466 725	186 819	34 653 544	34 451 126

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

24. Financial instruments and risk management (continued)

Foreign currency risk

The company is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the company deals primarily are US Dollars and Euros.

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Rand

The net carrying amounts, in Rand, of the various exposures, are denominated in the following currencies. The amounts have been presented in Rand by converting the foreign currency amounts at the closing rate at the reporting date:

		2025 R	2024 R
US Dollar exposure:			
Current assets:			
Trade and other receivables	7	122 693	1 800 012
Current liabilities:			
Trade and other payables	11	(4 603 331)	(5 576 008)
Net US Dollar exposure		(4 480 638)	(3 775 996)
Euro exposure:			
Current assets:			
Trade and other receivables	7	510 286	1 713 510
Current liabilities:			
Trade and other payables	11	(12 318 107)	(14 990 167)
Net Euro exposure		(11 807 821)	(13 276 657)
Net exposure to foreign currency in Rand		(16 288 459)	(17 052 653)
Exchange rates			
Rand per unit of foreign currency:			
US Dollar		16.548	18.884
Euro		19.444	19.619

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

24. Financial instruments and risk management (continued)

Foreign currency sensitivity analysis

The following information presents the sensitivity of the company to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

	2025	2025	2024	2024
Increase or decrease in rate	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Impact on profit or loss:				
EUR 5%	590	(590)	664	(664)
US Dollar 5%	224	(224)	189	(189)
	814	(814)	853	(853)

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The company is not exposed to significant interest rate risk.

25. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

26. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Notes to the Financial Statements

27. Directors' emoluments

Executive

2025

Directors' emoluments	Basic salary	Total
Services as director or prescribed officer		
CD Bull	1 533 878	1 533 878
A Ebrahim	1 162 638	1 162 638
	2 696 516	2 696 516

2024

Directors' emoluments	Basic salary	Total
Services as director or prescribed officer		
CD Bull	1 104 506	1 104 506
A Ebrahim	1 457 184	1 457 184
	2 561 690	2 561 690

Sudarshan Southern Africa MFG Proprietary Limited

(Registration number 2015/293644/07)

Financial Statements for the year ended 31 December 2025

Detailed Income Statement

	Note(s)	2025 R	2024 R
Revenue	14	114 899 961	140 931 724
Cost of sales		(89 194 588)	(110 061 284)
Gross profit		25 705 373	30 870 440
Other operating income	15	473 555	355 348
Other operating gains (losses)	16	(273 227)	274 411
Movement in credit loss allowances	17	395 840	(78 747)
Other operating expenses			
Administration and management fees		(600)	-
Advertising		(217 670)	(263 100)
Bad debts		(450 671)	(119 768)
Bank charges		(164 154)	(184 994)
Computer expenses		(3 693)	(12 172)
Consulting and professional fees		(522 373)	(741 995)
Delivery expenses		(874 888)	(742 749)
Depreciation		(869 231)	(875 904)
Employee costs		(12 789 463)	(11 493 496)
Gifts		(44 182)	-
Insurance		(1 053 312)	(1 103 496)
Levies		(104 854)	(235 899)
Municipal expenses		(686 416)	(58 501)
Placement fees		(52 383)	-
Postage		(90 573)	(247 832)
Repairs and maintenance		(3 831 950)	(4 190 954)
Reviewer's remuneration	17	(145 000)	(127 800)
Security		(289 986)	(272 401)
Service and other fees		(3 901 061)	(6 514 871)
Short-term leases		(1 475 855)	(1 138 984)
Staff welfare		(177 473)	(448 160)
Subscriptions		(83 493)	(216 883)
Telephone and fax		(177 900)	(212 110)
Training		(27 334)	(303 041)
Travel - local		(249 567)	(383 699)
		(28 284 082)	(29 888 809)
Operating (loss) profit	17	(1 982 541)	1 532 643
Investment income	18	44 615	17 798
Finance costs	19	(26 161)	(85 245)
(Loss) profit before taxation		(1 964 087)	1 465 196
Taxation	20	371 227	(1 183 245)
(Loss) profit for the year		(1 592 860)	281 951

SUDARSHAN ARGENTINA SLO S.A.U.

Annual Report and Financial Statements

As of December 31, 2024

Presented in Comparative Form with the Previous Year

TABLE OF CONTENTS

Board of Directors' Report (Memoria)	2
List of Board of Directors and Statutory Audit Committee	5
Independent Auditors' Report	6
Basic Financial Statements	
- Statement of Financial Position (Balance Sheet)	10
- Statement of Operations (Income Statement)	11
- Statement of Changes in Shareholders' Equity	12
- Statement of Cash Flows	13
Notes to the Financial Statements	14
Supplementary Schedules (Annexes)	
- Annex I: Property, Plant, and Equipment	23
- Annex II: Provisions	24
- Annex III: Cost of Sales	25
- Annex IV: Assets and Liabilities in Foreign Currency	26
- Annex V: Expenses (Information required by Art. 64, I, Inc. b of Law 19,550)	27
Statutory Auditor's Report (Informe del Síndico)	28

SUDARSHAN ARGENTINA SLO S.A.U.

BOARD OF DIRECTORS' REPORT

(Information not examined and not covered by the Independent Auditors' Report - Figures expressed in pesos)

The Board of Directors of Sudarshan Argentina SLO S.A.U. submits for the consideration of the Shareholders the Annual Report, Inventory, Balance Sheet, Statements of Operations, Changes in Shareholders' Equity, and Cash Flows, along with the accompanying Notes, Annexes, and the Statutory Auditor's Report for Fiscal Year No. 6, ended December 31, 2024.

GENERAL ECONOMIC CONTEXT

In 2024, Argentina experienced a year of sharp economic adjustment with a decisive shift toward stabilization. The national government achieved a primary fiscal surplus of 0.3% of GDP, inflation began to decelerate, and economic activity showed early signs of stabilization and recovery toward the end of the year.

Fiscal and Monetary Framework:

- **Historic Fiscal Surplus:** The country transitioned from a fiscal deficit of 4.4% of GDP in 2023 to a surplus of 0.3% in 2024, driven by aggressive public spending cuts and a significant reduction in Central Bank monetary financing.
- **Restrictive Monetary Policy:** The monetary authority strictly limited the printing of currency, which successfully anchored inflation expectations and began to stabilize the exchange rate.
- **Inflation Trend:** Although inflation remained high throughout the period, reaching an annual rate of 81.94% in 2024, the underlying trend turned downward, marking a structural departure from the hyperinflationary risks of late 2023.

Gross Domestic Product (GDP):

According to the National Institute of Statistics and Censuses (INDEC), Argentina's GDP contracted by 1.6% in 2024 compared to 2023. This contraction was primarily explained by:

- **Manufacturing Industry:** A severe decline, particularly in sectors highly dependent on domestic consumer demand.
- **Construction:** A sharp drop resulting from the suspension of public works and reduced private fixed investment.
- **Wholesale and Retail Trade:** Sales fell significantly due to the contraction of real household purchasing power.
- **Agriculture:** Showed a moderate recovery compared to the catastrophic drought of 2023, but it was insufficient to offset declines in other sectors.
- **Financial and Transportation Services:** Also recorded moderate contractions during the year.

In contrast, key sectors such as energy and mining demonstrated resilient and stable performance, though they were unable to reverse the general macroeconomic decline.

Domestic and External Demand:

From a demand-side perspective, only exports recorded positive performance, growing by 7.6% driven by agricultural recovery and expanded energy production. Conversely, private consumption dropped by 6.8%, public consumption fell by 5.0%, and gross fixed capital investment plunged by 10.8%. In summary, internal demand contracted sharply, while the external sector was the sole driver of growth, though insufficient to fully counteract the decline in GDP.

Central Bank Reserves:

As of April 5, 2024, gross international reserves stood at USD 28,765 million, representing a 25.6% year-on-year decrease compared to April 2023. However, over the full calendar year of 2024, the Central Bank (BCRA) reported a net increase in gross reserves of USD 6,539 million, marking the largest annual reserve accumulation since 2018. This recovery was primarily driven by trade surpluses from agribusiness exports, which accounted for over 80% of net foreign exchange inflows.

SUDARSHAN ARGENTINA SLO S.A.U.
BOARD OF DIRECTORS' REPORT (CONTINUED)

(Information not examined and not covered by the Independent Auditors' Report - Figures expressed in pesos)

OPERATIONS AND BUSINESS OVERVIEW

In compliance with General Resolution No. 6/2006 of the Inspección General de Justicia (IGJ) and its amendments, the following sections detail the core elements of our corporate policies, the major objectives pursued, the milestones achieved during the year, our long-term contractual relationships with other companies, and our key targets and adjustments for the upcoming fiscal year.

Corporate Policies and Global Positioning:

Sudarshan Argentina SLO S.A.U. aims to maintain and expand its position as a world-class market participant with one of the most comprehensive product portfolios in the industry. Our commercial offering includes high-quality organic, inorganic, and anticorrosive pigments, pigment preparations, colorants, and specialized materials designed for a wide range of industrial applications.

At a global level, our extended network operates 19 world-class facilities, ensuring a highly reliable supply of premium materials to meet the demanding technical standards of our client base. Sustainability and responsible resource management are deeply embedded in our corporate philosophy and operational practices.

Our Sustainability Strategy focuses on four core pillars:

- 1. Economic Performance:** We believe that long-term commercial success is inseparable from sustainable operations.
 - *Innovation:* Continuous development of new products and services to address the evolving ecological requirements of our clients.
 - *Quality:* Delivering exceptional product quality while maintaining the highest safety and environmental protection standards.
 - *Product Stewardship:* Ensuring safe handling and risk reduction throughout the entire life cycle of our products.
- 2. Social Responsibility:** Trust, mutual respect, diversity, and fair cooperation are fundamental values.
 - *Health and Safety:* Ensuring safe and healthy working conditions remains our absolute priority.
 - *Human Resources:* Competent, satisfied, and dedicated employees form the foundation of our success.
 - *Human Rights:* Uncompromising commitment to protecting and promoting universal human rights.
- 3. Environmental Protection:** Conservation of natural resources and minimization of ecological footprint.
 - *CO₂ Emissions:* Implementation of programs aimed at the continuous reduction of greenhouse gas emissions.
 - *Waste Management:* Reducing total waste generation and maximizing internal recycling rates.
 - *Sustainable Color Technologies:* Investing in the development of ecological and green color solutions.
- 4. Corporate Governance:** Operating with transparency and integrity to foster trust among all stakeholders.
 - *Code of Conduct:* A central guidance framework setting out clear ethical standards for all employees.
 - *Compliance:* Maintaining rigorous internal and external compliance standards across all operational jurisdictions.
 - *Stakeholder Collaboration:* Partnering with clients, suppliers, and communities to achieve shared environmental goals.

The Board of Directors maintains continuous oversight to guarantee full compliance with health, safety, and environmental protection protocols across all business units.

SUDARSHAN ARGENTINA SLO S.A.U.
BOARD OF DIRECTORS' REPORT (CONTINUED)

(Information not examined and not covered by the Independent Auditors' Report - Figures expressed in pesos)

CORPORATE STRUCTURE AND FINANCIAL POSITION

During the fiscal year 2025, due to an insolvency process at the parent company level, the global acquisition of all business units of the Heubach Group by Sudarshan, a leading Indian chemical enterprise, was successfully finalized. This transaction secures long-term operational continuity and provides a strong platform for future growth.

As of December 31, 2023, the Company recorded negative net equity. However, considering that Argentina is currently showing positive signs of economic stabilization and remains the second-largest market in South America for our business segment, the Board of Directors successfully negotiated with the Parent Company for a substantial debt forgiveness. During 2025, the Parent Company agreed to a debt condonation on outstanding product import invoices totaling USD 2,500,082.05, of which USD 2,228,377.45 corresponded to transactions originated in the 2022 and 2023 fiscal years. This agreement significantly improves our balance sheet structure and will be recognized in the financial statements for the year ending December 31, 2025.

Management continues to work diligently to strengthen our market position, expand our presence, and capture additional market share across our core operational lines. Our sales plans and immediate actions are focused on capitalizing on new commercial agreements and emerging market opportunities.

FINANCIAL PERFORMANCE OVERVIEW

The fiscal year ended December 31, 2024, concluded with a net loss of \$886,560,654, resulting in accumulated retained losses of \$3,214,786,941 as of year-end.

Transactions with the Controlling Entity:

In accordance with the disclosure requirements of IGJ Resolution No. 6/2006, we report that our operational planning relies heavily on product procurement from related entities. All commercial transactions during the year were financed through capital allocations, financial support from our parent company, and trade financing agreements with affiliated companies. No massive commercial advertising or branding campaigns indicating corporate group membership were conducted in Argentina. Finally, there were no transactions with the controlling group that required specific corrective measures to protect the interests of third-party creditors or external shareholders.

SELECTED FINANCIAL INDICATORS (COMPARATIVE FORM)

1. Balance Sheet Structure

Item	December 31, 2024	December 31, 2023
Current Assets	2,719,789,885	7,384,090,794
Non-Current Assets	418,397,835	781,915,112
Total Assets	3,138,187,720	8,166,005,906
Current Liabilities	6,282,337,203	10,423,594,735
Non-Current Liabilities	-	-
Total Liabilities	6,282,337,203	10,423,594,735
Shareholders' Equity (Negative)	(3,144,149,483)	(2,257,588,829)
Total Liabilities & Shareholders' Equity	3,138,187,720	8,166,005,906

2. Income Statement Structure

Item	December 31, 2024	December 31, 2023
Operating Loss	(415,708,650)	1,000,196,616
Financial and Holding Results	(508,637,617)	(4,108,069,615)
Other Income and Expenses	567,969	(1,969,427)
Loss Before Income Tax	(923,778,298)	(3,109,842,426)
Income Tax Benefit	37,217,644	781,915,116
Net Loss for the Year	(886,560,654)	(2,327,927,310)

3. Cash Generation Structure

Item	December 31, 2024	December 31, 2023
Cash Generated by Operating Activities	68,321,367	473,612,020
Cash Applied to Investing Activities	(1,780,091)	-
Cash Applied to Financing Activities	-	(446,163,009)
Net Cash Generated During the Year	66,541,276	27,449,011

4. Key Financial Ratios

Solvency (Total Assets / Total Liab.)	Current Liquidity (Curr. Assets / Curr. Liab.)	Asset Immobilization (Non-Curr. Assets / Total Assets)	Return on Equity (Pre-Tax Income / Net Equity)
2024: 0.50 2023: 0.78	2024: 0.43 2023: 0.71	2024: 0.13 2023: 0.10	2024: 0.29 2023: 1.38

The Board of Directors extends its gratitude to our dedicated employees, clients, suppliers, financial institutions, and official regulatory bodies for their continuous support and cooperation during this challenging year.

Buenos Aires, March 11, 2026.

THE BOARD OF DIRECTORS

SUDARSHAN ARGENTINA SLO S.A.U.

LIST OF BOARD OF DIRECTORS

Elected by the Annual Ordinary and Extraordinary Shareholders' Meeting held on August 6, 2025:

President:	Juan Héctor Alcala Gonzalez
Vice-President:	Joaquin Emilio Zappa
Regular Director:	Juan O'Farrell

The directors will hold office for a term of one fiscal year.

LIST OF STATUTORY AUDIT COMMITTEE (SINDICATURA)

Elected by the Annual Ordinary Shareholders' Meeting held on September 1, 2025:

Regular Statutory Auditor:	Ignacio María Sammartino
Alternate Statutory Auditor:	Gonzalo Carlos Ballester

The statutory auditors will hold office for a term of one fiscal year.

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the President and Board of Directors of

Sudarshan Argentina SLO S.A.U.

C.U.I.T. No: 30-71639034-5

Legal Domicile: Avenida del Libertador 498, Piso 12, Sector Sur, City of Buenos Aires

OPINION

We have audited the accompanying financial statements of SUDARSHAN ARGENTINA SLO S.A.U., which comprise the statement of financial position as of December 31, 2024, the statements of operations, changes in shareholders' equity, and cash flows for the year then ended, as well as notes 1 to 10 explanatory to the financial statements, which include a summary of significant accounting policies, and supplementary schedules Annexes I to V.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SUDARSHAN ARGENTINA SLO S.A.U. as of December 31, 2024, and the results of its operations, changes in its equity, and its cash flows for the year then ended, in accordance with Professional Accounting Standards applicable in Argentina (Normas Contables Profesionales Argentinas).

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards established in Section III.A of Technical Resolution No. 37 of the Argentine Federation of Professional Councils of Economic Sciences (FACPCE), adopted by Board Resolution C.D. No. 46/2021 of the Professional Council of Economic Sciences of the City of Buenos Aires (CPCECABA). 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 SUDARSHAN ARGENTINA SLO S.A.U. and have fulfilled our other ethical responsibilities in accordance with the Code of Ethics of the CPCECABA and Technical Resolution No. 37 of the FACPCE. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which indicates that the Company has accumulated retained losses of \$3,214,786,941 and records a negative net equity of \$3,144,149,483 as of December 31, 2024. These conditions place the Company within the legal grounds for mandatory dissolution under Article 94, Paragraph 5 of the General General Corporations Law (Ley General de Sociedades). Consequently, the upcoming Shareholders' Meeting must evaluate the necessary actions to address and resolve this situation.

These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Becher y Asociados S.R.L., an Argentine limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN (CONTINUED)

As discussed above, the Company's ability to meet its operational obligations and recover the carrying value of its assets depends fundamentally on securing new financing from its shareholders or third parties and/or generating sufficient positive operating cash flows within the current macroeconomic environment. Although these factors generate significant uncertainty regarding the Company's survival, these financial statements have been prepared on a going concern basis.

OTHER INFORMATION THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

Management is responsible for the other information, which comprises the Board of Directors' Report (Memoria). This other information is not part of the financial statements or our auditor's report. 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 FOR THE FINANCIAL STATEMENTS

The Board of Directors of SUDARSHAN ARGENTINA SLO S.A.U. is responsible for the preparation and fair presentation of the accompanying financial statements in accordance with Professional Accounting Standards applicable in Argentina, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 Technical Resolution No. 37 of the FACPCE 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.

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AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with Technical Resolution No. 37 of the FACPCE, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- 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.
- We communicate with Management 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. Based on our examination, the accompanying financial statements have been prepared from the accounting records of SUDARSHAN ARGENTINA SLO S.A.U., which are kept in accordance with prevailing legal requirements in their formal aspects, save for transcription onto official books which is currently pending.
2. As of December 31, 2024, the accrued liabilities for social security contributions in favor of the Argentine Integrated Pension System (SIPA) amounted to \$6,640,493, which was not yet due or payable at that date.

Autonomous City of Buenos Aires, March 11, 2026.

BECHER Y ASOCIADOS S.R.L.

C.P.C.E.C.A.B.A. - Vol. 1 Folio 21

Pablo N. D'Alessandro (Partner)

Certified Public Accountant (U.A.D.E.)

C.P.C.E.C.A.B.A. - T° 340 F° 100

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SUDARSHAN ARGENTINA SLO S.A.U.

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

*For the Fiscal Year No. 6, initiated January 1, 2024 and ended December 31, 2024,
presented in comparative form with the prior fiscal year*

Expressed in Argentine Pesos and in Homogeneous Currency (Note 2.2)

Company Name:	SUDARSHAN ARGENTINA SLO S.A.U.
Legal Domicile:	Avenida del Libertador 498, Piso 12, Sector Sur, Autonomous City of Buenos Aires
Principal Activity:	Processing, development, and commercialization of chemical products and specialized industrial inputs, including the manufacture, development, and sale of colorants, pigments, and related technology solutions.
Registration in the Public Registry of Commerce:	Articles of Incorporation: March 28, 2019 Last Amendment: August 26, 2025 Registration No. under IGJ: 5952 Statutory Expiration Date: March 27, 2119
Controlling Company Data:	Name: Heubach Holding Switzerland AG Legal Domicile: Hardstrasse 1, 4133 Pratteln, Switzerland Principal Activity: Research, development, production, and sale of chemical products, colorants, and pigments, in Switzerland and internationally. Percentage of Votes / Capital Owned: 100%

CAPITAL STRUCTURE (NOTE 4)

The subscribed and fully paid-in capital of the Company is composed as follows:

Number of Shares	Class of Shares	Nominal Value (\$)	Votes per Share	Subscribed (\$)	Paid-in (\$)
10,416,467	Common Shares	1.00	1	10,416,467	10,416,467

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.**STATEMENT OF FINANCIAL POSITION***As of December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)*

ASSETS	December 31, 2024	December 31, 2023
CURRENT ASSETS		
Cash and Banks (Note 3.1)	134,699,303	68,158,027
Trade Receivables (Note 3.2)	472,480,990	1,323,324,830
Other Receivables (Note 3.3)	1,441,801,129	1,560,034,274
Inventories (Note 3.4)	670,808,463	4,432,573,663
Total Current Assets	2,719,789,885	7,384,090,794
NON-CURRENT ASSETS		
Other Receivables (Note 3.3)	416,817,179	781,915,112
Property, Plant and Equipment (Annex I)	1,580,656	-
Total Non-Current Assets	418,397,835	781,915,112
TOTAL ASSETS	3,138,187,720	8,166,005,906

LIABILITIES & SHAREHOLDERS' EQUITY	December 31, 2024	December 31, 2023
CURRENT LIABILITIES		
Trade Payables (Note 3.5)	6,204,025,570	10,378,552,813
Salaries and Social Charges (Note 3.6)	67,145,860	31,568,237
Tax Liabilities (Note 3.7)	11,165,773	13,473,685
Total Current Liabilities	6,282,337,203	10,423,594,735
NON-CURRENT LIABILITIES		
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	6,282,337,203	10,423,594,735
SHAREHOLDERS' EQUITY		
Shareholders' Equity (as per respective statement)	(3,144,149,483)	(2,257,588,829)
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	3,138,187,720	8,166,005,906

The accompanying Notes 1 to 10 and Annexes I to V are an integral part of these Financial Statements.

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.**STATEMENT OF OPERATIONS***For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)*

Item	December 31, 2024	December 31, 2023
Net Sales of Goods (Note 3.8)	5,021,290,446	6,759,957,444
Cost of Sales (Annex III)	(4,437,071,978)	(4,602,037,598)
Gross Profit	584,218,468	2,157,919,846
Selling Expenses (Annex V)	(916,523,525)	(1,118,688,428)
Administrative Expenses (Annex V)	(83,403,593)	(39,034,802)
Net Financial and Holding Results (including RECPAM)	(508,637,617)	(4,108,069,615)
Other Income and Expenses (Note 3.9)	567,969	(1,969,427)
Loss Before Income Tax	(923,778,298)	(3,109,842,426)
Income Tax (Note 6)	37,217,644	781,915,116
Net Loss for the Year	(886,560,654)	(2,327,927,310)

The accompanying Notes 1 to 10 and Annexes I to V are an integral part of these Financial Statements.

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY***For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)*

Concept	Shareholders' Contributions			Accumulated Results	Total Equity 12/31/2024	Total Equity 12/31/2023
	Share Capital	Capital Adjustment	Total	Retained Earnings		
Balances at Beginning of Year	10,416,467	60,220,991	70,637,458	(2,328,226,287)	(2,257,588,829)	70,338,481
Net Loss for the Year	-	-	-	(886,560,654)	(886,560,654)	(2,327,927,310)
Balances at End of Year	10,416,467	60,220,991	70,637,458	(3,214,786,941)	(3,144,149,483)	(2,257,588,829)

The accompanying Notes 1 to 10 and Annexes I to V are an integral part of these Financial Statements.

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)

VARIATIONS IN CASH	December 31, 2024	December 31, 2023
Cash and cash equivalents at the beginning of the year (Note 2.5)	68,158,027	40,709,016
Cash and cash equivalents at the end of the year (Note 2.5)	134,699,303	68,158,027
Net Increase in Cash and Cash Equivalents	66,541,276	27,449,011
CAUSES OF CHANGES IN CASH AND CASH EQUIVALENTS		
Operating Activities:		
Net loss for the year	(886,560,654)	(2,327,927,310)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Income tax benefit (Note 6)	(37,217,644)	(781,915,116)
Depreciation of property, plant, and equipment (Annex I)	199,435	-
Provision for inventory obsolescence (Annex II)	423,041,733	165,602,821
Changes in operating assets and liabilities:		
Decrease in trade receivables	850,843,840	121,761,792
Decrease / (Increase) in other receivables	520,548,721	(1,437,465,512)
Decrease / (Increase) in inventories	3,338,723,468	(1,737,990,323)
Decrease / (Increase) in trade payables	(4,174,527,243)	6,505,077,443
Decrease / (Increase) in tax liabilities	(2,307,912)	7,477,060
Increase / (Decrease) in salaries and social charges	35,577,623	(41,008,835)
Net Cash Generated by Operating Activities	68,321,367	473,612,020
Investing Activities:		
Acquisition of property, plant, and equipment	(1,780,091)	-
Net Cash Used in Investing Activities	(1,780,091)	-
Financing Activities:		
Repayment of financial debts	-	(446,163,009)
Net Cash Used in Financing Activities	-	(446,163,009)
NET INCREASE IN CASH AND CASH EQUIVALENTS	66,541,276	27,449,011

The accompanying Notes 1 to 10 and Annexes I to V are an integral part of these Financial Statements.

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

NOTE 1: CORPORATE OBJECT AND ACTIVITIES

The Company was incorporated on March 26, 2019, with its principal activity dedicated to the manufacture, processing, development, and commercialization of chemical products and specialized industrial colorants and pigments. The Company was registered under the Inspección General de Justicia (IGJ) on March 28, 2019.

As part of a global corporate restructuring executed by the Clariant Group to streamline operations, the Extraordinary Shareholders' Meeting held on March 29, 2019, approved the merger-split (fusión por escisión) under which Clariant Plastic & Coating (Argentina) S.A. split its pigment business unit and transferred its net assets to the Company, effective October 1, 2019. A subsequent Shareholders' Meeting on November 1, 2019, amended the reorganization agreement, establishing January 1, 2020, as the final effective date for the merger. This corporate transaction was registered under the IGJ on August 13, 2020, under No. 777, Book 100 of Corporations.

In March 2022, aligned with its global supply chain strategy, the Company ceased its production activities at the Zárate plant in Argentina. Since then, the Company has transitioned its business model entirely to importing and distributing pigments and chemical preparations sourced from Latin American and European affiliates, ensuring uninterrupted supply to the domestic market.

For the fiscal year ended December 31, 2024, the Company recorded a net loss before income taxes of \$923,778,298. As of that date, accumulated retained losses reached \$3,214,786,941, and net equity was negative in the amount of \$3,144,149,483. This severe equity imbalance subjects the Company to the mandatory dissolution requirements set out in Article 94, Paragraph 5 of the General Corporations Law No. 19,550. Consequently, the upcoming Shareholders' Meeting must formally address these solvency issues and decide on corrective capital measures.

NOTE 2: BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 PROFESSIONAL ACCOUNTING STANDARDS

These financial statements have been prepared in accordance with the General General Corporations Law No. 19,550, the regulations of the Inspección General de Justicia (IGJ), and the professional accounting standards (Normas Contables Profesionales) in force in the City of Buenos Aires, Argentina. The preparation of financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures at the date of the financial statements, as well as revenues and expenses during the period. Actual results could differ from these estimates.

2.2 UNIT OF MEASURE (INFLATION ADJUSTMENT)

These financial statements have been prepared in homogeneous currency as of December 31, 2024, recognizing the effects of inflation in accordance with Technical Resolution (TR) No. 6 of the FACPCE, as the Argentine economy meets the criteria for a highly inflationary environment. In accordance with TR No. 17 (as amended by TR No. 39), the re-expression of financial statements is mandatory when a three-year cumulative inflation rate, measured by the wholesale price index (IPIM/IPC) published by INDEC, equals or exceeds 100%.

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

2.2 UNIT OF MEASURE (CONTINUED)

Following a sharp acceleration of inflation in 2018, the FACPCE issued Resolution No. 539/2018 (adopted by CPCECABA Resolution No. 107/2018), establishing that financial statements for periods ending on or after July 1, 2018, must be presented in inflation-adjusted homogeneous currency. The previous suspension of inflation adjustments, which was mandated by Executive Decree No. 664/2003, was officially repealed on December 3, 2018, by Law No. 27,468, and subsequently implemented by IGJ Resolution No. 10/2018.

Under TR No. 6, the gains and losses resulting from holding net monetary items exposed to changes in the purchasing power of the currency are recognized in the Statement of Operations under "Net Financial and Holding Results (including RECPAM)". All comparative figures for the prior period have been adjusted to the current purchasing power as of December 31, 2024, to ensure consistency.

2.3 PRESENTATION STANDARDS

The financial statements are presented in accordance with Technical Resolutions No. 6, 8, 9, 17, 18, and 21 of the FACPCE, and the regulations of the IGJ. Certain prior-year balances have been reclassified to conform to the current year's presentation.

2.4 VALUATION CRITERIA

a) Monetary Assets and Liabilities in Local Currency:

Valued at their nominal value, incorporating accrued financial results (interest income or expenses) up to the closing date of the fiscal year.

b) Assets and Liabilities in Foreign Currency (Annex IV):

Valued at their nominal values in foreign currency, including accrued interest, and translated into Argentine pesos using the closing exchange rates published by the Banco de la Nación Argentina. Exchange differences are recognized in the Statement of Operations under "Net Financial and Holding Results".

c) Related Party Balances (Note 8):

Receivables and payables with the controlling entity and affiliates generated by commercial or financial transactions are valued according to contractually agreed-upon terms between the parties.

d) Inventories (Note 3.4):

Goods for resale, raw materials, and spare parts are valued at their replacement cost (valor de reposición) at the closing date, which does not exceed their net realizable value. Inventories are presented net of allowance for obsolescence.

e) Property, Plant, and Equipment (Annex I):

Valued at historical cost re-expressed in homogeneous currency, less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The carrying value of these assets does not exceed their recoverable value.

f) Provisions (Annex II):

- **Inventory Obsolescence:** Estimated based on slow-moving, damaged, or discontinued product lines.

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

2.4 VALUATION CRITERIA (CONTINUED)

- **Provisions for Contingencies:** Established to cover probable labor, tax, custom, and commercial legal claims. The valuation of these liabilities is determined based on the advice of the Company's legal counsel and is net of insurance coverage. As of the date of these financial statements, Management believes there are no other material contingencies that require recognition.

g) Income Tax (Note 6):

The Company recognizes income tax using the deferred tax asset/liability method as established by TR No. 17. Deferred tax assets, including tax loss carryforwards, are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. The Company has applied the practical expedient permitted under CPCECABA Resolution No. 11/2019 regarding the discounting of deferred tax items.

h) Shareholders' Equity Accounts:

Adjusted to homogeneous currency of closing date. Subscribed capital is maintained at historical nominal value, and the adjustment resulting from inflation is shown under "Capital Adjustment".

i) Statement of Operations Accounts:

Revenues and expenses are recognized on an accrual basis and re-expressed in homogeneous currency, except for the Cost of Sales, which is calculated as: Beginning Inventory + Purchases and Expenses (re-expressed) - Ending Inventory.

NOTE 3: COMPOSITION AND EVOLUTION OF KEY BALANCE SHEET ITEMS

3.1 CASH AND CASH EQUIVALENTS (FOR STATEMENT OF CASH FLOWS)

Item	December 31, 2024	December 31, 2023
Cash on Hand and Banks (Local Currency)	93,528,797	61,779,391
Banks (Foreign Currency)	41,170,506	6,378,636
Total Cash and Cash Equivalents	134,699,303	68,158,027

3.2 TRADE RECEIVABLES

Item	December 31, 2024	December 31, 2023
Trade Receivables - Local Currency	88,725,756	48,775,924
Trade Receivables - Foreign Currency	334,100,712	1,256,155,927
Related Parties (Note 8)	49,654,522	18,392,979
Total Trade Receivables	472,480,990	1,323,324,830

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

3.3 OTHER RECEIVABLES

Item	December 31, 2024	December 31, 2023
Current:		
Prepaid Expenses	1,356,617	2,570,109
VAT Credit (IVA Saldo Técnico)	627,362,894	715,461,155
Gross Receipts Tax Credit (Ingresos Brutos)	152,061,695	125,540,862
Income Tax Credit (Anticipos Ganancias)	629,335,335	287,326,457
Allowance for Valuation of Tax Credits (Annex II)	(43,592,665)	(88,902,304)
Advances to Suppliers	42,272,180	489,926,244
Sundry Receivables	33,005,073	28,111,751
Subtotal Current Other Receivables	1,441,801,129	1,560,034,274
Non-Current:		
Gross Receipts Tax Credit (Ingresos Brutos)	17,766,025	-
Deferred Tax Assets (Note 6)	451,197,765	899,489,242
Income Tax - Inflation Adjustment (Note 7)	922,508	4,017,774
Allowance for Valuation of Deferred Tax Assets (Annex II)	(53,069,119)	(121,591,904)
Subtotal Non-Current Other Receivables	416,817,179	781,915,112
Total Other Receivables	1,858,618,308	2,341,949,386

3.4 INVENTORIES

Item	December 31, 2024	December 31, 2023
Resale Goods (Mercaderías de Reventa)	938,467,782	1,487,974,792
Finished Goods	-	1,257,879
Raw Materials and Supplies	102,476,237	45,136,120
Goods in Transit	136,330,015	3,079,871,648
Allowance for Obsolescence (Annex II)	(506,465,571)	(181,666,776)
Total Inventories	670,808,463	4,432,573,663

SUDARSHAN ARGENTINA SLO S.A.U.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)***3.5 TRADE PAYABLES**

Item	December 31, 2024	December 31, 2023
Suppliers (Local Currency)	81,528,625	311,470,720
Related Parties - Local Currency (Note 8)	4,644,568	-
Accrued Expenses	38,832,801	54,825,749
Suppliers (Foreign Currency)	6,522,255	4,044,948
Related Parties - Foreign Currency (Note 8)	6,072,497,321	10,008,211,396
Total Trade Payables	6,204,025,570	10,378,552,813

3.6 SALARIES AND SOCIAL CHARGES

Item	December 31, 2024	December 31, 2023
Salaries and Social Security Taxes Payable	8,961,402	5,229,870
Accrued Vacation	26,125,945	25,857,621
Accrued Bonuses	31,216,751	-
Other Provisions	841,762	480,746
Total Salaries and Social Charges	67,145,860	31,568,237

3.7 TAX LIABILITIES

Item	December 31, 2024	December 31, 2023
Withholding Taxes Payable	10,802,082	12,681,698
Other Taxes	363,691	791,987
Total Tax Liabilities	11,165,773	13,473,685

3.8 NET SALES

Item	December 31, 2024	December 31, 2023
Sales of Goods (Third Parties)	4,959,599,087	6,721,412,378
Sales of Goods (Related Parties) (Note 8)	61,691,359	38,545,066
Total Net Sales	5,021,290,446	6,759,957,444

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

NOTE 4: SHARE CAPITAL

As of December 31, 2024, and December 31, 2023, the Company's registered, subscribed, and paid-in capital amounted to \$10,416,467, consisting of 10,416,467 common shares with a nominal value of \$1.00 each, carrying the right to one vote per share.

During the current year, the Company incurred a net loss of \$886,560,654, bringing total accumulated retained losses to \$3,214,786,941. As these accumulated losses exceed the sum of all legal reserves and 50% of the nominal share capital, the Company falls under the provisions of Article 206 of the General Corporations Law, which mandates a formal capital reduction.

NOTE 5: CLASSIFICATION OF RECEIVABLES AND PAYABLES

The maturity profile of the Company's receivables and payables as of December 31, 2024, is as follows:

Maturity Period	Current Assets (Receivables)	Current Liabilities (Payables)
Past Due (Vencidos)	113,946,272	5,590,248,099
Not Yet Due:		
Up to 3 months	451,730,204	627,103,537
From 4 to 6 months	153,418,312	64,985,567
From 9 to 12 months	1,195,187,331	-
Total	1,914,282,119	6,282,337,203

All outstanding current receivables and payables are non-interest bearing.

NOTE 6: INCOME TAX AND DEFERRED TAX

The composition of the deferred tax asset/liability as of December 31, 2024, is as follows:

Concept	Beginning Balance	Reclassification / Differences	Deferred Tax Charge (I/S)	RECPAM Effect	Ending Balance
Inventories	(181,184,399)	-	226,689,799	97,982,075	143,487,475
Provisions	93,844	-	411,146	(50,750)	454,240
Property, Plant and Equipment	-	-	(103,423)	-	(103,423)
Leasing Contracts	-	-	1,215,959	-	1,215,959
Unpaid Related Party Services	-	-	1,161,142	-	1,161,142
Tax Loss Carryforwards	1,080,579,797	4,281,237	(195,515,708)	(584,362,954)	304,982,372

Concept	Beginning Balance	Reclassification / Differences	Deferred Tax Charge (I/S)	RECPAM Effect	Ending Balance
Gross Deferred Tax Asset	899,489,242	4,281,237	33,858,915	(486,431,629)	451,197,765
Valuation Allowance (PP&E / Deferred)	(115,565,239)	-	-	62,496,120	(53,069,119)
Net Deferred Tax Asset	783,924,003	4,281,237	33,858,915	(423,935,509)	398,128,646

SUDARSHAN ARGENTINA SLO S.A.U.**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)***For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)***6. INCOME TAX (CONTINUED)**

The tax loss carryforwards available as of December 31, 2024, are detailed below:

Year of Origin	Tax Loss Base (\$)	Deferred Tax Asset Value (\$)	Expiration Year
2023	1,219,929,487	304,982,372	2027 (*)
Total	1,219,929,487	304,982,372	-

(*) The balance is fully covered by a valuation allowance as of the fiscal year-end.

The income tax benefit recognized in the Statement of Operations comprises:

Component	December 31, 2024	December 31, 2023
Deferred Tax Gain / (Loss)	33,858,915	789,754,809
Prior Year Provision vs. Tax Return Differences	4,281,237	(5,830,806)
Tax Inflation Adjustment (Note 7)	(922,508)	(2,008,887)
Total Income Tax Benefit	37,217,644	781,915,116

NOTE 7: TAX REFORM AND TAX INFLATION ADJUSTMENT

In accordance with Law No. 27,468, the tax inflation adjustment is triggered if the cumulative Consumer Price Index (IPC) published by INDEC exceeds certain statutory thresholds (55% for the first year, 30% for the second, and 15% for the third year). For tax years starting on or after January 1, 2022, the full effect of the tax inflation adjustment is recognized in the period in which it occurs.

Additionally, Law No. 27,630 introduced a progressive income tax rate structure for corporations based on accumulated net taxable income. The adjusted tax brackets applicable for the current year are as follows:

Accumulated Taxable Income Bracket (\$)		Base Tax (\$)	Tax Rate (%)	On the Excess of (\$)
From (\$)	To (\$)			
0	7,604,949	0	25%	0
7,604,949	76,049,486	1,901,237	30%	7,604,949
76,049,486	And above	22,434,598	35%	76,049,486

As of December 31, 2024, the deferred tax assets of the Company have been measured using the tax rates estimated to apply in the periods when the temporary differences are expected to reverse.

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

NOTE 8: BALANCES AND TRANSACTIONS WITH RELATED PARTIES

In accordance with Technical Resolution No. 21, the following tables detail the Company's trade balances and transactional volumes with its parent company and related entities as of December 31, 2024, and December 31, 2023:

1. Outstanding Balances at Closing Date:

Entity	Trade Receivables (Note 3.2)	Trade Payables (Note 3.5)	Net Position
Controlling Entity:			
Heubach Holding Switzerland AG	10,221,184	(3,033,419,105)	(3,023,197,921)
Affiliated Entities:			
Heubach Colorants Brasil	39,433,338	(1,623,902,812)	(1,584,469,474)
Heubach Colorants Chile	-	(136,693,806)	(136,693,806)
Heubach Colorants México	-	(642,480,269)	(642,480,269)
Heubach Colorants India	-	(153,408,864)	(153,408,864)
Heubach Colorants Singapore Pte	-	(482,492,997)	(482,492,997)
Heubach Group GmbH	-	(4,744,036)	(4,744,036)
Total Related Party Balances 12/31/2024	49,654,522	(6,077,141,889)	(6,027,487,367)
Total Related Party Balances 12/31/2023	18,392,979	(10,008,211,396)	(9,989,818,417)

2. Related Party Transactions Volume:

Entity	Purchases (Annex III)	Sales (Note 3.8)
Controlling Entity:		
Heubach Holding Switzerland AG	(1,357,222,408)	22,258,021
Affiliated Entities:		
Heubach Colorants Brasil	(569,466,758)	39,433,338
Heubach Colorants Singapore Pte	(34,173,902)	-
Heubach Colorants México	(13,983,382)	-
Heubach Colorants Chile	(191,316,398)	-
Total Transactions 12/31/2024	(2,166,162,848)	61,691,359
Total Transactions 12/31/2023	(2,982,916,657)	38,545,066

SUDARSHAN ARGENTINA SLO S.A.U.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended December 31, 2024 (Figures expressed in pesos and homogeneous currency)

NOTE 9: CURRENT ECONOMIC AND FINANCIAL CONTEXT

The Company operates in a highly complex macroeconomic environment characterized by structural volatility in economic activity, severe currency depreciation, high levels of domestic inflation, and extensive foreign exchange controls. These systemic factors have had a material impact on the Company's financial position, operating results, and cash flows.

To stabilize the domestic market, the Central Bank of Argentina (BCRA) has maintained and periodically updated strict foreign exchange regulations affecting: (i) payments for imports of goods and services, (ii) the purchase of foreign currency by local residents, (iii) the transfer of dividends and profits to foreign shareholders, and (iv) the repayment of principal and interest on foreign financial loans.

In December 2023, the national government issued Emergency Decree (DNU) No. 70/2023, "Bases for the Reconstruction of the Argentine Economy", declaring a state of national public emergency in economic, financial, fiscal, administrative, pension, tariff, and social matters until December 31, 2025. Subsequently, in June 2024, Congress enacted the "Ley Bases" and a comprehensive fiscal package containing extensive tax incentives, asset regularizations, and labor market modernizations. To facilitate the settlement of outstanding commercial debt with foreign suppliers, the government launched the "BOPREAL" bonds, which were subscribed to by importers using local currency at the official BCRA reference exchange rate, with repayment in US dollars.

Further, in April 2025, the BCRA issued Communication "A" 8226, establishing a new framework for access to the official foreign exchange market (MLC) under Phase 3 of the stabilization program. Key updates included: (i) the elimination of transaction histories with securities up to April 11, 2025, allowing companies to return to the MLC immediately, (ii) the formal authorization to remit dividends generated from fiscal years starting on or after January 1, 2025, (iii) the immediate availability of foreign exchange for new imports of goods, (iv) the reduction of the waiting period from 180 to 90 days for intercompany payments for services, and (v) the implementation of a crawl band for the USD exchange rate between \$1,000 and \$1,400, with a target monthly adjustment of 1%.

In addition, the Consumer Price Index (CPI) published by INDEC recorded cumulative increases of 211.4% for 2023 and 117.8% for 2024, while the exchange rate of the Argentine Peso depreciated by 356.4% and 27.7% during those respective periods. Due to the ongoing volatility and regulatory changes, the Company's Board of Directors continuously monitors these developments to assess and mitigate potential impacts on future cash flows and operations.

NOTE 10: SUBSEQUENT EVENTS

On June 30, 2025, the Company's sole shareholder formally executed a private agreement under which it renounced and forgave outstanding trade liabilities owed by the Company amounting to USD 2,500,082.05, representing commercial transactions for the purchase of imported goods originated during the 2023 and 2024 fiscal years.

This debt forgiveness is intended to fundamentally strengthen the Company's financial position, correct the negative net equity, and restore solvency. In accordance with professional accounting standards, as this transaction occurred after the balance sheet date, it has not been recognized in these financial statements; however, it represents a highly significant event for the interpretation of the Company's future financial position.

Except for the event described above, there have been no other subsequent events or transactions between the balance sheet date and the date of authorization of these financial statements that would materially affect the presentation, valuation, or disclosure of the Company's assets, liabilities, and results of operations.

SUDARSHAN ARGENTINA SLO S.A.U.

ANNEX I: PROPERTY, PLANT, AND EQUIPMENT

For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)

Asset Class	Acquisition / Original Cost				Depreciation			
	Beginning Balance	Additions	Disposals	Ending Balance	Accumulated Beginning	For the Period	Disposals	Accumulated
Office Equipment	-	1,780,091	-	1,780,091	-	199,435	-	
Total 12/31/2024	-	1,780,091	-	1,780,091	-	199,435	-	
Total 12/31/2023	-	-	-	-	-	-	-	

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.

ANNEX II: PROVISIONS

For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)

Provision Class	Beginning Balance	Increases / Charges	Decreases / Deductions	RECPAM Effect	Ending Balance 12/31/2024
Deducted from Assets:					
Current:					
Provision for Inventory Obsolescence (Note 3.4)	181,666,776	423,041,733 (a)	-	(98,242,938)	506,465,571
Allowance for Valuation of Tax Credits (Note 3.3)	88,902,304	2,767,526	-	(48,077,165)	43,592,665
Subtotal Current Provisions	270,569,080	425,809,259	-	(146,320,103)	550,058,236
Non-Current:					
Allowance for Valuation of Deferred Tax Assets (Note 3.3)	121,591,904	-	(2,767,526)	(65,755,259)	53,069,119
Subtotal Non-Current Provisions	121,591,904	-	(2,767,526)	(65,755,259)	53,069,119
Total Provisions 12/31/2024	392,160,984	425,809,259	(2,767,526)	(212,075,362)	603,127,355
Total Provisions 12/31/2023	705,519,426	165,602,821	-	(478,961,264)	392,160,983

(a) Included in Net Financial and Holding Results in the Statement of Operations.

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.**ANNEX III: COST OF SALES***For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)*

Concept	December 31, 2024	December 31, 2023
Inventories at the Beginning of the Fiscal Year (Note 3.4)	1,534,368,791	1,031,420,364
Purchases for the Period (Third Parties)	529,103,231	487,940,769
Purchases for the Period - Related Parties (Note 8)	2,166,162,848	2,982,916,657
Holding Results on Inventories	1,248,381,127	1,634,128,599
Subtotal	5,478,015,997	6,136,406,389
Inventories at the End of the Fiscal Year (Note 3.4)	(1,040,944,019)	(1,534,368,791)
Cost of Sales	4,437,071,978	4,602,037,598

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.

ANNEX IV: ASSETS AND LIABILITIES IN FOREIGN CURRENCY

As of December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)

Item / Account Class	Foreign Currency (31/12/2024)		Exchange Rate	Monto en Moneda Homogénea (\$) 12/31/2024	Monto en Moneda Homogénea
	Currency Class	Amount			
CURRENT ASSETS:					
Cash and Banks (Note 3.1)	USD	40,010	1,029.00	41,170,506	
Trade Receivables (Note 3.2)	USD	324,685	1,029.00	334,100,712	
Related Parties - Receivables (Note 8)	USD	48,255	1,029.00	49,654,522	
Total Current Assets in Foreign Currency	-	-	-	424,925,740	
TOTAL FOREIGN CURRENCY ASSETS	-	-	-	424,925,740	
CURRENT LIABILITIES:					
Trade Payables - Suppliers (Note 3.5)	USD	8,098	805.45	6,522,255	
Related Parties - Trade Payables (Note 8)	USD	7,539,260	805.45	6,072,497,321	
Total Current Liabilities in Foreign Currency	-	-	-	6,079,019,576	
TOTAL FOREIGN CURRENCY LIABILITIES	-	-	-	6,079,019,576	

Note: USD = United States Dollars.

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

SUDARSHAN ARGENTINA SLO S.A.U.**ANNEX V: EXPENSES SCHEDULE***For the year ended December 31, 2024 presented in comparative form (Figures expressed in pesos and homogeneous currency)*

Expense Concept	Selling Expenses	Administrative Expenses	Total 12/31/2024	Total 12/31/2023
Taxes, Licenses and Fees	320,814,330	-	320,814,330	410,083,533
Salaries and Wages	183,027,780	61,009,260	244,037,040	226,631,672
Professional Fees and Services	222,936,116	-	222,936,116	323,708,076
Social Security Charges	67,182,998	22,394,333	89,577,331	73,636,032
Lease and Rentals	37,460,572	-	37,460,572	42,359,353
Utilities (Electricity, Gas, Water)	19,988,739	-	19,988,739	5,313,154
Freight and Distribution	18,686,316	-	18,686,316	23,656,488
Communications	18,540,260	-	18,540,260	7,293,583
Insurance Policies	13,182,435	-	13,182,435	11,579,766
Personnel Expenses	7,979,798	-	7,979,798	14,851,510
Sundry Expenses	4,017,346	-	4,017,346	2,577,288
Travel and Representation	2,507,400	-	2,507,400	3,892,279
Depreciation of PP&E (Annex I)	199,435	-	199,435	-
Consumables and Materials	-	-	-	12,140,496
Total 12/31/2024	916,523,525	83,403,593	999,927,118	-
Total 12/31/2023	1,118,688,428	39,034,802	-	1,157,723,230

Juan Héctor Alcalá González
President

Dr. Ignacio María Sammartino
Statutory Auditor

STATUTORY AUDITOR'S REPORT

To the Shareholders of

SUDARSHAN ARGENTINA SLO S.A.U.

Avenida del Libertador 498, Piso 12, Sector Sur,

Autonomous City of Buenos Aires

In accordance with the provisions of Article 294, Paragraph 5 of the General Corporations Law No. 19,550, I have examined the financial statements of SUDARSHAN ARGENTINA SLO S.A.U., which comprise the statement of financial position as of December 31, 2024, and the corresponding statements of operations, changes in shareholders' equity, and cash flows for the fiscal year then ended, as well as a summary of significant accounting policies and other explanatory information included in the notes and accompanying schedules (Annexes I to V).

The preparation of these financial statements and related documents is the exclusive responsibility of the Company's Board of Directors. My responsibility is to report on these documents based on the work described in the following paragraphs. I believe that my review provides a reasonable basis for my report.

My examination was conducted taking into account the audit of the financial statements performed by Becher y Asociados S.R.L., in their capacity as independent external auditors, who issued their report on March 11, 2026. Furthermore, I have verified the consistency of the audited financial statements with the corporate decisions recorded in the official minutes of the Board of Directors and Shareholders' Meetings, and the compliance of those decisions with applicable laws and corporate bylaws regarding their formal and documentary aspects.

I have not evaluated the operational management or commercial policies of the Company, as these matters fall within the exclusive competence of the Board of Directors and the Shareholders' Meeting.

In my opinion, based on my review and the report of the independent external auditors dated March 11, 2026, the financial statements mentioned in the first paragraph have been prepared, in all formal aspects, in accordance with legal and regulatory standards in force in Argentina, except for transcription onto official books which is currently pending.

Regarding the Board of Directors' Report (Memoria), I have no observations to make regarding matters within my competence. The projections and statements regarding future events contained in that document are the sole responsibility of the Board of Directors.

Additional Information Required by Law:

As of December 31, 2024, the Company has accumulated retained losses of \$3,214,786,941 and records a negative net equity of \$3,144,149,483. This severe equity imbalance places the Company within the legal grounds for mandatory dissolution under Article 94, Paragraph 5 of the General Corporations Law. Consequently, the upcoming Shareholders' Meeting must evaluate the necessary actions to address and resolve this situation.

These circumstances indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

In addition, I report that the regular directors have provided the performance guarantees required by Article 256 of the General Corporations Law No. 19,550.

Autonomous City of Buenos Aires, March 11, 2026.

Dr. Ignacio María Sammartino

Statutory Auditor
T° 46 F° 31 C.P.A.C.F.

Heubach Colorants Brasil Ltda.

Financial statements as of December 31, 2024 and independent auditors' report

Contents

Independent auditors' report on the financial statements

Balance sheets

Statements of income

Statements of comprehensive income

Statements of changes in equity

Statements of cash flows – Indirect method

Notes to the financial statements

Independent auditors' report on the financial statements

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**To the Management of
Heubach Colorants Brasil Ltda.
São Paulo – São Paulo**

Opinion

We have examined the financial statements of Heubach Colorants Brasil Ltda. (the "Company"), which comprise the balance sheet as of December 31, 2024 and the respective statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, as well as the corresponding notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Heubach Colorants Brasil Ltda. as of December 31, 2024, the performance of its operations and its cash flows for the year then ended, in accordance with accounting practices adopted in Brazil.

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities under those standards are described in the following section entitled "Auditors' responsibilities for the audit of the financial statements". We are independent of the Company in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants and in the professional standards issued by the Federal Accounting Council (Conselho Federal de Contabilidade), and we have fulfilled our other ethical responsibilities in accordance with these standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and international standards on auditing will always detect any existing material misstatements. Misstatements can arise from fraud or error and are considered material when, 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.

As part of an audit conducted in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, plan 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 the act of circumventing internal controls, collusion, forgery, omission or intentional misrepresentations.
- We obtain an understanding of internal controls relevant to the audit in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We 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 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 audit report to the related disclosures in the financial statements or to include a modification in our opinion, if the disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to no longer continue as a going concern.
- We 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 compatible with the objective of fair presentation.

We communicate with management regarding, among other matters, the planned scope, the timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our work.

São Paulo, December 11, 2025

KPMG Auditores Independentes Ltda.
CRC 2SP-014428/O-6

Fernando Luis Roscini
Accountant CRC 1SP319013/O-5

Balance sheets as of December 31, 2024 and 2023

In thousands of reais

Assets	2024	2023	Liabilities and equity	2024	2023
Current			Current		
Cash and cash equivalents (Note 5)	798	1,111	Trade and other payables (Note 13)	39,250	44,100
Trade receivables (Note 6)	56,007	67,046	Loans and borrowings (Note 14)	96,255	81,534
Inventories (Note 7)	101,530	86,659	Lease liabilities (Note 16(b))	391	302
Recoverable taxes (Note 8)	12,742	11,669	Taxes payable (Note 9)	6,029	1,736
Other assets	8,703	4,032	Salaries and social charges (Note 15)	3,978	920
			Provision for vacation pay and charges	2,696	2,684
			Other liabilities	1,346	1,614
	179,779	170,517		149,946	132,890
Non-current			Non-current		
Long-term receivables					
Recoverable taxes (Note 8)	14,905	9,063	Lease liabilities (Note 16(b))	-	375
Deferred income tax and social contribution (Note 12(a))	5,642	3,865	Interest on own capital (Note 18)	2,949	2,949
Judicial deposits and other	6	40	Actuarial provisions (Note 17)	4,563	4,729
				7,512	8,053
	20,553	12,968			
			Total liabilities	157,458	140,943
Property, plant and equipment (Note 11)	63,700	64,818			
Right-of-use assets (Note 16(a))	323	615	Equity		
	64,023	65,433	Share capital (Note 18)	44,152	44,152
			Equity valuation adjustments	(116)	(517)
			Retained earnings	62,861	64,340
			Total equity	106,897	107,975
Total assets	264,355	248,918	Total liabilities and equity	264,355	248,918

The accompanying notes prepared by management are an integral part of the financial statements.

Statement of income – Years ended December 31, 2024 and 2023

In thousands of reais, except net income per quota

	2024	2023
Net revenue (Note 19)	319,492	311,567
Cost of goods sold (Note 20(a))	(269,552)	(277,345)
Gross profit	49,940	34,222
Operating income (expenses)		
Selling (Note 20(b))	(20,624)	(15,573)
General and administrative (Note 20(c))	(12,145)	(9,035)
Other operating income	6,528	442
Other operating expenses (Note 20(d))	(2,605)	(6,723)
Operating profit	21,093	3,333
Finance result (Note 22)		
Finance costs	(22,903)	(5,310)
Finance income	30	411
	(22,873)	(4,899)
Loss before income tax and social contribution	(1,780)	(1,566)
Current income tax and social contribution (Note 12(b))	(1,681)	(1,047)
Deferred income tax and social contribution (Note 12(b))	1,983	328
Net loss for the year	(1,478)	(2,285)

The accompanying notes prepared by management are an integral part of the financial statements.

Statement of comprehensive income – Years ended December 31, 2024 and 2023

In thousands of reais

	2024	2023
Net loss for the year	(1,478)	(2,285)
Other components of comprehensive income		
Remeasurement of post-employment benefits (Note 17)	607	(253)
Deferred taxes on remeasurement of post-employment benefits	(206)	86
Other components of comprehensive income for the year, net of taxes	401	(167)
Total comprehensive income for the year	(1,077)	(2,452)

The accompanying notes prepared by management are an integral part of the financial statements.

Statement of changes in equity for 2024 and 2023

In thousands of reais

	Share capital	Equity valuation adjustments	Retained earnings (Accumulated losses)	Total
As of December 31, 2023	44,152	(517)	64,340	107,975
Remeasurement of post-employment benefits, net of taxes		400		400
Net loss for the year			(1,478)	(1,478)
As of December 31, 2024	44,152	(117)	62,862	106,897

The accompanying notes prepared by management are an integral part of the financial statements.

Statement of cash flows – Years ended December 31, 2024 and 2023

In thousands of reais

Cash flow from operating activities	2024	2023
Net result for the year before income tax and social contribution	(1,780)	(1,565)
Adjustments		
Depreciation and amortization	5,437	4,506
Movements in property, plant and equipment, net	56	12
Interest expenses on loans (Note 22)	6,385	4,373
Appropriation of finance charges on leases (Note 16(b))	113	173
Foreign exchange and monetary variations, net (Note 22)	12,506	(253)
Provision (reversal) for probable losses on inventories (Note 7)	(725)	2,132
Provision (reversal) for expected credit losses (Note 6)	2,231	(33)
Interest on actuarial liability (Note 17)	534	482
Other	0	453
	<u>24,757</u>	<u>10,280</u>
Changes in assets and liabilities		
Trade receivables (Note 6)	112,279	(1,795)
Inventories (Note 7)	(14,146)	14,151
Recoverable taxes (Note 8)	(6,915)	(3,745)
Other assets	(4,637)	(141)
Suppliers (Note 13)	(6,048)	1,516
Salaries, vacation pay and social charges	3,070	(2,907)
Taxes payable	2,612	577
Other liabilities	(362)	725
Cash from operations	(14,147)	8,381
Interest paid	(6,443)	(4,295)
Income tax and social contribution paid	-	(1,258)
Net cash generated by operating activities	4,167	13,108
Cash flows from investing activities		
Acquisition of property, plant and equipment (Note 11)	(4,063)	(9,536)
Net cash used in investing activities	(4,063)	(9,536)
Cash flows from financing activities		
Proceeds from loans (Note 14)	-	-
Repayment of loans (Note 14)	-	(5,454)
Payment of lease liabilities (Note 16(b))	(418)	(826)
Net cash used in financing activities	(418)	(6,280)
Net decrease (increase) in cash and cash equivalents	(314)	(2,708)
Cash and cash equivalents at the beginning of the year	1,111	3,819
Cash and cash equivalents at the end of the year	<u>798</u>	<u>1,111</u>

The accompanying notes prepared by management are an integral part of the financial statements.

Notes to the individual and consolidated financial statements

(In thousands of Brazilian reais, except when indicated otherwise)

1 Operating context

Heubach Colorants Brasil Ltda. ("the Company") is primarily engaged in the manufacturing, industrialization, sale, import and export of chemical products. The Company is a global supplier of comprehensive color solutions, with leadership in technology, manufacturing and quality across a complete portfolio of organic, inorganic and anti-corrosive pigments, pigment preparations, dyes and specialty materials. The Company currently has a manufacturing plant and analytical and development laboratories located in the city of Suzano - SP, and administrative and sales headquarters in the city of São Paulo - SP, and was incorporated on February 27, 2019. The Company is a direct subsidiary of Heubach Holding Switzerland AG.

Organizational changes

On January 2, 2022, the global sale process of the "Pigments" business unit of the Clariant Group was completed. The "Pigments" business was acquired globally by Heubach Group and SK Capital. As this was a global transaction, there was no change in the shareholding structure of the Company in Brazil. On October 17, 2022, the parent company decided to change, for all purposes and effects, the corporate name of the Company to Heubach Colorants Brasil Ltda., previously named Colorants Solutions Brasil Indústria Química Ltda.

During fiscal year 2024, Sudarshan Chemical Industries Ltd. and its subsidiaries carried out several preliminary activities in preparation for the acquisition of the Heubach Group, formalized on March 1, 2025. These activities included:

- Initial negotiations and preliminary agreements between Sudarshan and the selling entity, SK Neptune Husky Finance S.A.R.L., for the purchase of 100% of the shares of Heubach Holding S.à r.l. (Luxembourg).
- Full due diligence, covering financial, legal, operational and tax aspects of the Heubach Group entities, to assess risks and synergies.
- Obtaining the necessary regulatory and tax approvals in the relevant jurisdictions for the completion of the transaction.
- Planning of post-acquisition operational and financial integration, including the alignment of corporate systems and processes.
- Signing of the definitive purchase agreement in October 2024, establishing the terms and conditions for the transfer of shares and assets.

These activities were essential to ensure an orderly transition in compliance with current regulations, allowing the acquisition to be successfully completed in March 2025 (Note 25).

These financial statements were approved by the Company's management on December 11, 2025.

2 Summary of material accounting policies

The financial statements were prepared in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and disclose all relevant information specific to the financial statements, and only such information, which is consistent with that used by management in its administration.

2.1 Basis of preparation

The financial statements are presented on a going concern basis. All relevant information is being disclosed and corresponds to that used in the management of the business. The financial statements were prepared on the historical cost basis, as described in the accounting policies.

The material accounting policies applied in the preparation of these financial statements, including any changes, are presented below. These policies have been consistently applied in all years presented, unless otherwise indicated.

2.2 Foreign currency translation

a. Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Brazilian reais, which is the Company's functional and presentation currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of valuation, when items are remeasured. Foreign exchange gains and losses are presented in the statement of income as "Foreign exchange variations, net".

2.3 Cash and cash equivalents

These include cash and bank balances, plus floating-rate bank certificates of deposit denominated in reais, with high market liquidity and maturities not exceeding 90 days from the investment date, which are readily convertible into a known amount of cash and subject to an insignificant risk of change in value. Overdraft accounts are presented in the balance sheet as "Loans", in current liabilities.

2.4 Financial instruments

a. Classification and measurement

CPC 48 – Financial Instruments largely retains the existing requirements of CPC 38 for the classification and measurement of financial liabilities. However, it eliminates the former CPC 38 categories for financial assets: held to maturity, loans and receivables, and available for sale.

Financial assets are classified at amortized cost, as they do not have a significant financing component and are initially measured at the transaction price. Subsequently, these assets are measured using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Management determines the classification of its financial assets upon initial recognition. The Company has no transactions classified in the available-for-sale category or measured at fair value through profit or loss in any of the periods presented.

b. Recognition and measurement of transactions

Regular purchases and sales of financial assets are recognized on the trade date, which is the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred; in the latter case, provided the Company has substantially transferred all risks and rewards of ownership.

2.5 Impairment of financial assets

The Company assesses, at the reporting date, whether there is objective evidence that a financial asset or group of financial assets is recorded at an amount above its recoverable value (impairment). Impairment losses are recognized only if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria the Company uses to determine whether there is objective evidence of an impairment loss consist of identifying significant financial difficulty of the debtor, breach of contract and default.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss will be recognized in the statement of income.

2.6 Trade receivables

Trade receivables correspond to amounts receivable from customers for the sale of goods in the normal course of the Company's activities. If collection is expected in one year or less, trade receivables are classified as current assets. Otherwise, they are presented as non-current assets. Due to the very short maturity and the immateriality of the potential effects, trade receivables are not adjusted to present value.

The Company recognizes provisions for expected credit losses on financial assets measured at amortized cost. The Company measures the loss allowance at an amount equal to lifetime expected credit losses.

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and in estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes qualitative information and analyses, based on the Company's historical experience and credit assessment, and considers forward-looking information. The Company presumes that the credit risk of a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when: (a) it is unlikely that the debtor will pay its credit obligations to the Company in full, without recourse to actions such as realizing collateral (if any); or (b) the financial asset is more than 180 days past due and has no collateral.

Considering the low concentration of the portfolio, the Company adopts the following practice: based on the historical percentage of actual losses for this group of customers, a provision is recognized on outstanding amounts.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the moving weighted average method. The cost of finished goods comprises raw materials, direct labor, other direct costs and related general production expenses (based on normal operating capacity). Net realizable value is the estimated selling price in the ordinary course of business, less costs of completion and selling expenses. Imports in progress are stated at the specific costs incurred for each import.

2.8 Property, plant and equipment

a. Recognition and measurement

Land and buildings comprise mainly factories and offices. Property, plant and equipment is measured at historical cost, less accumulated depreciation and depletion. Historical cost includes expenditures directly attributable to the acquisition of the items.

b. Subsequent costs

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of replaced items or parts is derecognized. All other repairs and maintenance are charged to the statement of income for the year, when incurred.

The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in "Other operating income (expenses), net" in the statement of income.

c. Depreciation

Depreciation is calculated to amortize the cost of items of property, plant and equipment, net of their estimated residual values, using the straight-line method based on the estimated useful lives of the items. Depreciation is recognized in profit or loss. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed and available for use, or in the case of internally constructed assets, from the day construction is completed and the asset is available for use.

The estimated useful lives for the current and comparative years are as follows:

Buildings	40 years
Improvements and installations	16 years
Machinery and equipment	16 years
Furniture and fixtures	8 years
Vehicles	5 years
IT equipment	4 years

2.9 Impairment of non-financial assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed annually to identify evidence of unrecoverable losses, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When this is the case, the recoverable amount is calculated to verify whether there is a loss. When there is a loss, it is recognized at the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of net selling price and value in use of an asset. For assessment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.10 Current and deferred income tax and social contribution

The current income tax and social contribution charge is calculated based on the tax laws enacted, or substantively enacted, at the balance sheet date. Management periodically evaluates positions taken by the Company in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, based on the amounts expected to be paid to the tax authorities.

Deferred income tax and social contribution are determined using tax rates (and tax laws) enacted, or substantively enacted, at the balance sheet date, and that are expected to apply when the respective deferred income tax and social contribution assets are realized or when the deferred income tax and social contribution liabilities are settled.

Deferred income tax and social contribution assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.11 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the ordinary course of business, and are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, even if longer). Otherwise, trade payables are presented as non-current liabilities.

They are initially recognized at the invoice amount, which corresponds to their fair value.

2.12 Provisions

Provisions for judicial claims (labor, civil and tax) are recognized when the Company has a present obligation, legal or constructive, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

There are situations in which the Company challenges the legitimacy of certain provisions or claims filed against it. As a result of these challenges, by court order or by the strategy of management itself, the amounts in question may be deposited in court, without characterizing the settlement of the liability.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the obligation due to the passage of time is recognized as a finance cost.

2.13 Loans and borrowings

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Subsequently, they are stated at amortized cost, that is, plus charges and interest proportional to the period incurred (pro rata temporis), considering the effective rate of the respective loans and borrowings and foreign exchange variation.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.14 Long-term employee benefits

a. Retirement obligations

The Company sponsors a defined contribution pension plan for its employees. The cost of the pension plan and benefits is determined by an independent actuary and the contributions made by the Company are recorded on an accrual basis.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension plans on a compulsory, contractual or voluntary basis. Once the contributions have been made, the Company has no obligations relating to additional payments. Regular contributions comprise the net periodic costs of the period in which they are due and are thus included in personnel costs.

b. Termination benefits

The Company, due to commitments assumed, incurs obligations (40% fine on FGTS deposits and indemnified prior notice) when termination occurs after the retirement of its employees. The liability related to termination benefits is the present value of the defined benefit obligation at the balance sheet date, adjusted for actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method, and the contributions made by the Company are recorded when incurred. The present value of the defined benefit obligation is determined by estimating future cash outflows, using interest rates of government bonds whose maturities approximate the terms of the related liability.

Actuarial gains and losses arising from changes in actuarial assumptions are charged or credited to profit or loss over the average remaining service period of the related employees.

c. Profit sharing and bonuses

The Company recognizes a liability and an expense for profit sharing based on an estimate that takes into account the results of its operations as well as certain performance measures attributed to its employees.

2.15 Revenue recognition

a. Revenue from sales

Revenue comprises the fair value of the consideration received or receivable for the sale of products in the ordinary course of the Company's activities. Revenue is presented net of taxes, returns, rebates and discounts. The Company recognizes revenue in accordance with the accrual basis of accounting, when the amount can be reliably measured.

Revenue is recognized as control of the products is transferred to customers, represented by the ability to determine the use of the products and to obtain substantially all of the remaining benefits from the products.

For this purpose, the Company uses the 5-step model: (i) identification of contracts with customers; (ii) identification of the performance obligations in the contracts; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contracts; and (v) recognition of revenue when the performance obligation is satisfied.

b. Finance income

Finance income is recognized over time, on an accrual basis.

2.16 Leases

The right-of-use asset is measured at cost, which comprises the initial measurement amount of the lease liability, any initial direct costs incurred by the Company, and any lease payments made before the commencement date, calculated at present value.

The Company depreciates right-of-use assets on a straight-line basis from the lease commencement date to the end of the lease term. At the commencement date, the Company measures the lease liability at the present value of the payments, discounted using the interest rate defined and analyzed by the Company's Management, which reflects the market rate. Lease payments included in the measurement of the lease liability comprise fixed payments. After initial measurement, the lease liability is adjusted for inflation and reduced by the respective payments.

In the event of reassessment or modification, or if there are substantial changes in fixed payments, a recalculation may be necessary to reflect the event. When the liability is remeasured, the corresponding adjustment is attributed to the right-of-use asset.

2.17 Distribution of profits

The fiscal year ends on December 31 of each year, when the financial statements required by law will be prepared and submitted to the quotaholder for review, regardless of whether a meeting is held. The profit then determined will be allocated as determined by the quotaholder. The Company may prepare interim balance sheets, semiannual or for shorter periods, for accounting purposes or to verify the Company's financial position, and any profit may be distributed or capitalized by resolution of the quotaholder.

3 Critical accounting estimates and judgments

Based on assumptions, the Company makes estimates concerning the future. By definition, the resulting accounting estimates will rarely equal the related actual results. The estimates and assumptions that present a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Long-term benefits

The present value of post-employment obligations depends on a number of factors that are determined on the basis of actuarial calculations, which use various assumptions. Among the assumptions used in determining the net cost (income) for employee benefit plans are the discount rate, mortality table and inflation projection. Any changes in these assumptions will affect the carrying amount of employee benefit obligations.

With respect to the discount rate, the Company determines the appropriate rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Company considers as a reference the interest rates of government bonds denominated in reais that have maturities approximating the terms of the related employee benefit obligations. This and other important assumptions for employee benefit obligations are based, in part, on current market conditions. Additional information is disclosed in Note 19.

b. Provision for contingencies

Provisions are recognized, when applicable, for all judicial proceedings representing probable losses. The assessment of the probability of loss includes the evaluation of the available evidence, including the opinion of external legal counsel. Additional information is disclosed in Note 24.

4 Financial risk management

4.1 Risk factors

The Company carries out transactions involving financial instruments recorded in balance sheet accounts, which are intended to meet its own needs, as well as to reduce exposure to market risks (including currency risk and cash flow or fair value risk associated with interest rates), credit risk and liquidity risk. The management of these risks is carried out through the definition of operating strategies, establishment of control systems and determination of position limits reviewed periodically. The carrying amounts of the Company's main financial instruments as of December 31, 2024 and 2023 approximate their market values.

a. Market risk

(i) Foreign exchange rate risk

The associated risk arises from the possibility of the Company incurring losses due to fluctuations in exchange rates, which reduce nominal amounts invoiced or increase amounts raised in the market.

The Company operates internationally and is exposed to foreign exchange risk arising from exposures in certain currencies, basically with respect to the US dollar and the euro. The Company had assets and liabilities denominated in foreign currency in the following amounts:

	2024	2023
Assets		
Foreign customers (related parties and third parties)	26,286	14,124
Liabilities		
Foreign suppliers (related parties and third parties)	(20,804)	(28,829)
Foreign currency loans (related parties)	(96,255)	(81,534)

Liabilities, net**(90,773)****(96,239)****(ii) Cash flow or fair value risk associated with interest rates**

The Company's interest rate risk arises from fixed-rate borrowings. Borrowings issued at fixed rates expose the Company to fair value risk associated with interest rates.

The Company analyzes its interest rate exposure dynamically. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, financing and natural hedging. Scenarios are prepared only for the liabilities that represent the main interest-bearing positions.

The carrying amount was determined using the interest rates agreed with the financial institutions (amortized cost), which reflect the current market value, considering the conditions and nature of these transactions, whose characteristics are presented in Note 14.

b. Credit risk

The financial instruments that potentially subject the Company to concentrations of credit risk consist mainly of bank balances, financial assets measured at fair value, and trade receivables.

The Company's sales policy is closely associated with the level of credit risk it is willing to accept in the course of its business. The diversification of its receivables portfolio, the selectivity of its customers, as well as the monitoring of sales financing terms by business segment and individual position limits, are procedures adopted to minimize any default problems in trade receivables. The Company's management monitors the risk of the receivables balance, assessing the need to recognize a provision for doubtful accounts.

The Company performs credit assessments of financial institutions with respect to their ability to pay the principal and interest on the securities issued, and monitors compliance with its procedures for selecting financial institutions and approving its investments in them.

c. Liquidity risk

The Company manages liquidity risk by keeping its investments in first-tier financial institutions and maintaining cash balances and financial investments sufficient to honor its commitments.

Cash flow forecasting is performed by the Treasury department. This department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs. It also maintains sufficient headroom in its committed credit lines available at any time so that the Company does not breach limits or covenants (when applicable) on any of its credit lines. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and, if applicable, external regulatory or legal requirements – for example, currency restrictions.

The table below analyzes the Company's non-derivative financial liabilities by maturity ranges, corresponding to the remaining period in the balance sheet up to the contractual maturity date.

The amounts disclosed in the table are the contracted undiscounted cash flows.

	2024		2023	
	Less than one year	More than one year	Less than one year	More than one year
Loans and borrowings	96,255	-	81,534	-
Lease liabilities	391	-	302	375
Trade and other payables	39,250	-	44,100	-
Other liabilities	1,346	-	1,614	-
	137,243	-	127,550	375

d. Sensitivity analysis

We present below an illustrative table of the sensitivity analysis of financial instruments subject to foreign exchange variation, as well as of the finance costs and income determined under the scenario projected for December 31, 2024, should such variations in the components of the identified risks occur.

Financial simplifications were made in isolating the variability of the risk factor under analysis. As a consequence, the estimates presented below do not necessarily indicate the amounts that may be

determined in the next financial statements. The use of different assumptions and/or methodologies could have a material effect on the estimates presented.

(i) Methodology used

Based on the balances of the exposed amounts, as shown in the tables below, and assuming that they remain constant, we determined the exchange rate differential for each of the scenarios projected by the Company.

The Company does not consider its exposure to interest rate risk to be significant; therefore, these effects were isolated and excluded from the simulation of variations in economic scenarios.

The probable scenario is based on the Company's expectations, as of December 31, 2024, for the indicated variables. In addition, positive and negative variations of 25% were applied to the actual exchange rate as of December 31, 2024.

(ii) Currency risk factor

Amounts exposed in R\$

	Risk factor	2024	2023	Additional variations in the 2024 carrying amount	
				-25%	25%
Trade receivables	US\$	26,286	14,495	(6,572)	6,572
Suppliers	US\$	(20,804)	(28,892)	5,201	(5,201)
Loans	CHF	(96,255)	(81,534)	24,064	(24,064)
Net impact		(90,773)	(95,869)	22,693	(22,693)
US\$ rate used (2024) - R\$ 6.19 (source: Bacen)					
CHF rate used (2024) - R\$ 6.83 (source: Bacen)					

4.2 Capital management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to provide returns to shareholders and benefits to other stakeholders, and to maintain an optimal capital structure.

The Company monitors capital on the basis of financial leverage. Net debt, in turn, corresponds to total borrowings, less cash and cash equivalents and loans and receivables. Total capital is calculated as the sum of equity, as shown in the balance sheet, and net debt. The financial leverage ratio as of December 31, 2024 can be summarized as follows:

	2024	2023
Total loans and borrowings (Note 14)	96,255	81,534
Total lease liabilities (Note 16(b))	391	302
Less - cash and cash equivalents (Note 5)	(798)	(1,111)
Net debt	95,849	80,725
Total equity	106,897	107,975
Total capital	202,745	188,701
Financial leverage ratio - %	47.28%	42.89%

4.3 Fair value estimate

It is assumed that the balances of trade receivables and trade payables at carrying amount, less impairment, approximate their fair values. The fair value of financial liabilities, for disclosure purposes, is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4.4 Financial instruments by category

	2024	2023
Assets at amortized cost		

Assets

Trade receivables	56,007	67,046
Cash and cash equivalents	798	1,111
	56,805	68,157

Liabilities at amortized cost**Liabilities**

Borrowings	96,255	81,534
Suppliers	39,250	44,100
Lease liabilities	391	302
	135,897	125,937

Credit quality of financial assets – customers

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (Serasa) or by internal classification based on historical information about counterparty default rates.

The Company classifies the credit risk of its customers according to the ratings assigned to each one, in accordance with the criteria below:

Credit risk category	Credit risk Classification criteria (Rating)	
O	Non-existent – "Key accounts"	N/A – Group companies.
A	Low risk	- Investment grade rating (equivalent to S&P grade A to AAA) and/or well-established company, with solid and excellent financial ratios. - Third-party analysis of the company must show solid financial ratios. - Customer location (non country-risk).
B	Medium risk	- Investment grade rating (equivalent to S&P BBB) and/or well-established company, with solid financial ratios. - Payment history must show constant and timely payment of invoices. - Customer location (non country-risk).
C	High risk	- Non-investment grade rating or unsatisfactory results. - No financial information provided and available. - Geographic location of the customer (country-risk). - Good payment behavior.

As of December 31, the composition of the Company's trade receivables portfolio, classified according to the ratings assigned to each customer, is as follows:

	2024	2023
O - Key accounts	19,446	10,049
A - Low risk	21,515	39,589
B - Medium risk	9,010	8,358
C - High risk	9,017	9,801
	58,988	67,797

4.5 New standards and interpretations not yet effective

The new and amended standards and interpretations that have been issued but are not yet effective up to the date of issuance of the Company's financial statements are described below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

a. Classification of liabilities as current or non-current (amendment to CPC 26/IAS 1)

The amendments aim to clarify the requirements for determining whether a liability is current or non-current. Following further amendments proposed by the IASB, their effectiveness was postponed to annual periods beginning on or after January 1, 2024.

This standard is subject to future developments and, therefore, it is not yet possible to determine the impact of these amendments on the financial statements. The Company will continue to monitor the evolution of these amendments.

b. Supplier finance arrangements ("Risco Sacado") (amendment to CPC 26/IAS 1 and CPC 40/IFRS 7)

The amendments introduce new disclosures related to supplier finance arrangements ("Risco Sacado") that help users of financial statements assess the effects of these arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. Following further amendments proposed by the IASB, their effectiveness was postponed to annual periods beginning on or after January 1, 2024.

The Company does not currently participate in supplier finance arrangements ("Risco Sacado"); therefore, it is not yet possible to determine the impact of these amendments on the financial statements. The Company will continue to monitor the evolution of these amendments.

c. Other standards

The following standards or amendments are not expected to have a significant impact on the Company's financial statements:

- Lease liability in a sale and leaseback (amendments to CPC 06/IFRS 16);
- Lack of exchangeability (amendments to CPC 02/IAS 21).

The Company has not adopted these standards in the preparation of these financial statements.

5 Cash and cash equivalents

	2024	2023
Banks	798	1,111
	798	1,111

6 Trade receivables

	2024	2023
Domestic customers	34,317	53,673
Foreign customers	5,225	4,295
Related parties (Note 10)	19,446	9,829
Provision for expected credit losses (i)	(2,981)	(751)
	56,007	67,046

The breakdown by maturity of past-due and falling-due receivables is as follows:

	2024	2023
Falling due		
Up to 30 days	28,333	26,459
From 31 to 60 days	11,064	19,624
61 days onwards	3,746	13,332
Past due		
Up to 30 days	944	1,389
From 31 to 60 days	428	2,011
61 days onwards	14,473	4,983
	58,988	67,797

(i) Provision for expected credit losses

The Company applies the simplified approach of IFRS 9/CPC 48 for measuring expected credit losses. The Company constantly monitors trade receivables and recognizes a 100% provision for all receivables past due for more than 180 days. The provision for expected credit losses is not considered a final loss.

The movement in the provision for expected credit losses is shown below:

	2024	2023
Opening balance	751	784
Additions	2,230	751

Reversals	-	(784)
Closing balance	2,981	751

7 Inventories

	2024	2023
Finished and semi-finished goods	31,900	34,154
Goods for resale	18,959	21,606
Raw materials and technical materials	25,499	18,025
Imports in progress	28,405	16,831
Provision for adjustment to market value or other probable losses on realization (i)	(3,233)	(3,957)
	101,530	86,659

(i) Provision for adjustment to market value or other probable losses on realization

This provision is recognized on bases considered sufficient by management to cover potential losses on the realization of inventories. The following criteria are considered: 50% of the value of the item whose lot has not been moved for between 1 and 2 years, and 100% of the value of the item whose lot has not been moved for more than 2 years.

The movement in the provision is shown below:

	2024	2023
Opening balance	3,957	1,825
Net additions	(724)	2,132
Closing balance	3,233	3,957

8 Recoverable taxes

	2024	2023
Current		
ICMS credit balance	4,577	1,194
IPI credit balance	4,190	3,460
Recoverable taxes on imports	1,135	685
Income tax and social contribution	1,177	3,818
PIS/COFINS credit balance	1,663	2,512
	12,742	11,669
Non-current – Long-term realization		
PIS/COFINS – ICMS exclusion (i)	14,905	9,063
	14,905	9,063
	27,647	20,732

(i) The PIS and COFINS tax credit amounts refer to (a) credits determined in lawsuits related to the calculation of the ICMS tax overpayment excluded from the PIS and COFINS calculation basis, using the method based on outbound invoices; and (b) on May 13, 2021, the Federal Supreme Court ("STF") judged the motions for clarification filed by the Attorney General's Office of the National Treasury ("PGFN") against the decision in the aforementioned Extraordinary Appeal (RE) 574.706, in which it was decided that the exclusion of ICMS from the PIS and COFINS calculation basis was valid as of March 15, 2017, the date on which the general repercussion thesis was established in the judgment of that RE. The outcome of the STF judgment confirmed the legal interpretation adopted by the Company and, consequently, the accounting procedures adopted for the recognition and measurement of these tax credits in the financial statements as of December 31, 2021.

9 Taxes payable

	2024	2023
PIS/COFINS payable	93	140
Import duty payable	5,310	910
Withholding income tax on payroll	565	595

Income tax and social contribution
Other taxes payable

-	-
61	91
6,029	1,736

10 Related parties – Balances and transactions

The balances of transactions with related parties are composed as follows:

	2024				2023			
	Assets	Liabilities	Sales	Purchases	Assets	Liabilities	Sales	Purchases
Parent company:								
Heubach Holding Switzerland AG	42	100,550	-	68,035	33	98,844	60	78,542
Other related parties:								
Heubach Colorants Argentina S.A.U.	9,692	236	2,610	382	6,002	-	5,249	1,002
Heubach Colorants Chile Industria Química Limitada	491	370	1,455	1,634	703	407	2,551	1,234
Heubach Colorants (Shanghai) Ltd.	-	-	18	576	-	-	36	-
Heubach Colorants Colombia S.A.S.	2,438	-	3,661	-	1,615	-	3,657	109
Heubach Colorants Germany GmbH	4,976	-	4,493	-	598	-	2,639	-
Heubach Group GmbH	-	-	-	-	-	-	-	4,077
Heubach Colorants India Limited	57	-	55	443	-	-	-	-
Heubach GmbH	-	-	-	1,100	-	64	-	64
Heubach Colour Private Limited	-	1,394	-	4,282	-	1,311	-	2,570
Heubach Colorants Japan K.K.	24	-	342	-	28	-	165	-
Heubach Colorants México, S.A. de C.V.	1,402	1,669	8,438	7,040	696	1,970	6,189	11,587
Heubach Colorants Peru S.A.C.	-	-	906	6	-	-	906	6
Heubach Colorants Singapore Pte. Ltd.	49	978	155	13,217	99	5,852	252	19,394
Heubach Colorants USA LLC	-	-	186	41	-	-	646	472
Heubach Colorants Southern Africa (Pty) Ltd	59	-	380	-	55	-	58	-
Heubach Colorants Pigment Preparations (Tianjin) Ltd.	216	-	353	-	-	-	-	-
Heubach Pigments Private Limited	-	-	-	546	-	-	-	-
Heubach Ltd.	-	-	-	745	-	-	-	-
Hangzhou Baihe Heubach Pigments Co.	-	2,420	-	-	-	-	-	-
	19,446	107,618	22,145	98,042	9,829	108,448	22,408	119,057

11 Property, plant and equipment

	Buildings and installations	Machinery and equipment	Furniture and fixtures	Vehicles	Construction in progress	Total PP&E
Balances as of December 31, 2022	31,666	4,039	974	15	22,444	59,138
Acquisition	504	158	440	-	8,434	9,536
Disposal	-	-	(12)	-	-	(12)
Transfers between accounts	7,896	445	3	-	(8,344)	-
Depreciation for the year	(3,179)	(393)	(257)	(15)	-	(3,844)
Balances as of December 31, 2023	36,887	4,249	1,148	-	22,534	64,818
Total cost	79,219	24,307	4,478	139	22,534	130,677
Accumulated depreciation	(42,332)	(20,058)	(3,330)	(139)	-	(65,859)
Residual value as of December 31, 2023	36,887	4,249	1,148	-	22,534	64,818
Acquisition	2,213	233	3	-	1,614	4,063
Disposal	(52)	(108)	-	-	-	(160)
Transfers between accounts	10,405	11,491	432	-	(22,328)	-
Depreciation for the year	(3,797)	(915)	(310)	-	-	(5,021)
Balances as of December 31, 2024	45,656	14,950	1,273	-	1,820	63,700
Total cost	91,785	35,923	4,913	139	1,820	134,580
Accumulated depreciation	(46,129)	(20,973)	(3,640)	(139)	-	(70,880)
Residual value as of December 31, 2024	45,656	14,950	1,273	-	1,820	63,700
Annual depreciation rates - %	2.5	6.25	12.5	20.0		

12 Income tax and social contribution

Income tax on the profit for the year comprises deferred and current tax. Tax for the period is the tax payable calculated on the taxable profit for the year, based on the tax rates in effect at the date of the financial statements. The current rates are:

- income tax – calculated at the rate of 15% on taxable profit, plus a 10% surtax;
- social contribution – calculated at the rate of 9% on adjusted book profit.

a. Deferred

Deferred income tax and social contribution are calculated at the current rates and recorded to reflect the future tax effects attributable to temporary differences between the tax basis of assets and liabilities and their respective carrying amounts. The carrying amount of the deferred tax asset is reviewed annually, and no adjustments have arisen from these reviews.

The estimated period for realization of deferred taxes was assessed using as a parameter the expected realization of the temporary differences and the expectation of future taxable profit for the realization of the tax loss credit.

Deferred income tax and social contribution are presented as follows:

	2024	2023
Provision for expected credit losses	1,014	255
Provision for adjustment to market value or other probable losses on realization	1,099	1,345
Provision for profit sharing	970	60
Provision for other accounts payable	564	255
Actuarial provisions	1,551	1,608
Offset of tax losses – prior periods	441	340
Sundry provisions	3	2
	5,642	3,865

The movement in deferred income tax and social contribution is shown below:

	2024	2023
Opening balance	3,865	3,451
Income recognized in the statement of income	1,983	328
Deferred taxes on remeasurement of post-employment benefits	(206)	86
Closing balance	5,642	3,865

b. Reconciliation of the effective rate

Income tax and social contribution charges are reconciled with the official rates as follows:

	2024	2023
Profit (loss) before income tax and social contribution	(1,780)	(1,566)
Combined nominal tax rate - %	34	34
Income tax and social contribution expense at the combined nominal tax rate	605	532

Adjustments to arrive at the effective rate

Expenses non-deductible for tax purposes	(307)	(1,706)
Other adjustments	4	454
Income tax and social contribution in the result for the year	(302)	(720)

Current	(1,681)	(1,047)
Deferred	1,983	327
	302	(720)

Effective rate **34%**

13 Trade and other payables

	2024	2023
Domestic suppliers	15,982	15,271
Foreign suppliers	11,905	1,915

Related parties (Note 10)	11,363	26,914
	39,250	44,100

14 Loans and borrowings

	2024	2023
Loans with related parties	96,255	81,534
	96,255	81,534

The loan with related parties has Heubach Holding Switzerland AG as lender, with an original amount of CHF 14 million (2022 - CHF 15 million), divided into two contracts. (a) Contract dated September 20, 2023 of CHF 10 million, bearing interest of 5.35% p.a., with payment due by September 19, 2024 plus interest. (b) Contract dated November 17, 2023 of CHF 4 million, bearing interest of 4.50% p.a., with payment due by November 16, 2024 plus interest.

a. Movement in loans and borrowings

	2024	2023
Opening balance	81,534	86,710
Proceeds from loans	-	-
Repayment of loans, principal	-	(5,454)
Repayment of loans, interest	(6,443)	(4,294)
Provision (reversal) of interest	6,385	4,373
Foreign exchange variation	14,778	199
Closing balance	96,255	81,534

15 Salaries and social charges

	2024	2023
INSS on payroll	618	548
FGTS – Government Severance Indemnity Fund	568	196
Provision for profit sharing	2,792	176
	3,978	920

16 Leases – Company as lessee

a. Right-of-use assets

	Buildings	Vehicles	Total
Balances as of December 31, 2022	920	-	920
Additions from new contracts	872		872
Remeasurement adjustments	(553)	38	(515)
Depreciation for the year	(367)	(295)	(662)
Balances as of December 31, 2023	-	615	615
Additions from new contracts	-	-	-
Remeasurement adjustments	-	19	19
Depreciation for the year	-	(311)	(311)
Balances as of December 31, 2024	-	323	323

b. Lease liabilities

	Total
Balances as of December 31, 2022	973
Additions from new contracts	872
Considerations paid	(826)
Interest for the period	173
Remeasurement adjustments	(515)
Balances as of December 31, 2023	677
Additions from new contracts	-

Considerations paid	(418)
Interest for the period	113
Remeasurement adjustments	19
Balances as of December 31, 2024	391

Lease liability amounts by period

Within 1 year	391
More than 1 year	-
	391

17 Actuarial provisions

Actuarial provisions refer to the liability arising from post-employment benefits due to commitments assumed relating to the indemnification of the Government Severance Indemnity Fund (FGTS) and prior notice of its employees, as required by accounting practices adopted in Brazil. These obligations, in the amount of R\$ 4,729, were calculated by an independent actuary and represent the present value of the obligations.

	2024	2023
Opening balance	4,729	3,995
Provision for current service cost	536	481
Remeasurement of post-employment benefit obligations	(607)	253
Benefits settled	(95)	-
Closing balance	4,563	4,729

The main actuarial assumptions as of December 31 are as follows:

	2024	2023
Economic assumptions		
Effective discount rate - % p.a.	11.94	9.53
Inflation - % p.a.	4.00	3.82
Capacity factor		
Salaries - %	6.08	5.90
Demographic assumptions		
Mortality table	AT - 2000	AT - 2000

Employee benefits

The Company offers its employees benefits such as life insurance, healthcare and a supplementary retirement plan, among others. These benefits are recorded on an accrual basis, and their concession ceases upon termination of the employment relationship.

The employees' supplementary retirement plan is administered by Previplan - Sociedade de Previdência Privada, a private non-profit legal entity, established and sponsored by the Company and other companies, in accordance with Brazilian legislation.

The retirement plan is a defined contribution plan, using the actuarial capitalization regime, with periodic valuations carried out in accordance with private pension legislation and reported to the supervisory and control body of the Ministry of Social Security and Assistance.

18 Share capital

The Company's share capital, fully subscribed and paid in as of December 31, 2024, is R\$ 44,152,240.00 (forty-four million, one hundred and fifty-two thousand, two hundred and forty reais), divided into 44,152,240 (forty-four million, one hundred and fifty-two thousand, two hundred and forty) quotas, with a par value of R\$ 1.00 (one real) each, all held by the quotaholder Heubach Holding Switzerland AG.

In accordance with Law No. 9,249/95, the Company calculated interest on own capital based on the Long-Term Interest Rate (TJLP) for fiscal year 2021, in the amount of R\$ 3,469, which was recorded in finance

costs, as required by tax legislation. For the purposes of these financial statements, this interest was eliminated from finance costs for the year and is presented as a distribution of net income for the year, therefore reclassified to equity at the gross amount, since the tax benefits generated by it are maintained in the result for the year. The outstanding balance as of December 31, 2023 is R\$ 2,949, net of withholding income tax. As of December 31, 2023, the Company does not identify any prospect of payment in the short term.

19 Net revenue

	2024	2023
Gross sales revenue		
Sale of products	409,869	400,971
	<u>409,869</u>	<u>400,971</u>
Deductions from gross sales revenue		
Taxes on sales	(83,796)	(83,184)
Returns and cancellations	(6,076)	(5,981)
Deductions and rebates	(504)	(239)
	<u>(89,404)</u>	<u>(89,404)</u>
	319,492	311,567

20 Expenses and costs by nature

a. Cost of goods sold

	2024	2023
Employee expenses	26,851	17,769
Changes in inventories of finished goods, work in progress and resale	215,744	224,339
Energy expenses	7,269	8,271
Maintenance expenses	4,229	4,032
Services rendered by third parties	9,438	13,770
(Reversal) Provision for adjustment to market value or other probable losses on realization of inventories	(725)	2,133
Depreciation and amortization	5,020	4,754
Other production costs	1,726	2,277
	<u>269,552</u>	<u>277,345</u>

b. Selling expenses

	2024	2023
Employee expenses	5,681	8,180
Services rendered by third parties	6,185	1,071
Logistics expenses	5,684	4,557
Depreciation and amortization	167	270
Insurance expenses	178	166
Other expenses	2,730	1,329
	<u>20,624</u>	<u>15,573</u>

c. General and administrative expenses

	2024	2023
Employee expenses	5,126	6,192
Services rendered by third parties and group	6,745	2,371
Depreciation and amortization	249	203
Insurance expenses	4	3
Other expenses	21	266
	<u>12,145</u>	<u>9,035</u>

21 Employee benefit expenses

	2024	2023
Salaries, benefits and other employee expenses	29,916	24,341
Social security costs	7,215	6,905
Pension plan costs	522	895
	37,653	32,141
Number of employees at year end	119	124

22 Finance result

	2024	2023
Bank expenses	(87)	(309)
Bank interest expenses	(900)	(325)
Interest expenses on loans	(6,385)	(4,373)
Expenses and commissions	(123)	(119)
Interest expenses – Right of use	(113)	(173)
Other	(3)	(11)
Finance costs	(7,611)	(5,310)
Other interest income	14	55
Other finance income	4	20
Interest received from customers	12	83
Foreign exchange variations, net	(15,293)	253
Finance income	(15,262)	411
Finance result, net	(22,873)	(4,899)

23 Provision for contingencies

The Company, in the normal course of its activities, is subject to judicial proceedings of a tax, labor and civil nature. Management, supported by the opinion of its legal counsel and, when applicable, based on specific opinions issued by specialists as of the same date, assesses the expected outcome of the proceedings in progress and determines whether or not a provision for contingencies should be recognized.

As of December 31, 2024, the Company had a labor contingency whose expectation of loss, assessed by Management and supported by legal counsel, is classified as possible; therefore, no provision was recognized.

	2024	2023
Labor claims	48	48
Judicial deposits	(13)	(13)
Net balance	35	35

24 Subsequent events

a. Acquisition of the Heubach Group

On March 1, 2025, the ultimate parent company Sudarshan Chemical Industries Ltd., through its wholly-owned subsidiary Sudarshan Europe B.V., completed the acquisition of 100% of the share capital of Heubach Holding S.à r.l. (Luxembourg), the holding company of the Heubach Group, previously owned by SK Neptune Husky Finance S.A.R.L. (Luxembourg).

The transaction was structured as a combination of share and asset acquisition, in accordance with the definitive agreement signed in October 2024.

The transaction included the operating units of the Heubach Group located in Germany, Switzerland, Luxembourg, India and the United States, covering the following entities:

Heubach Colorants Germany GmbH

Heubach GmbH

Dr. Hans Heubach GmbH

Heubach Group GmbH

Heubach Holding Switzerland AG

Heubach Holdings S.à r.l.

The purpose of this acquisition is to strengthen the Sudarshan Group's global presence in the pigments sector, expand the product portfolio and consolidate the Company's strategic positioning in the European, American and Asian markets.

With more than 200 years of experience in the pigments industry, the Heubach Group became part of the Sudarshan Group as of the acquisition date. The acquired entities were consolidated in the Group's financial statements as of April 1, 2025.

b. Change of corporate name

On June 13, 2025, the Company changed its corporate name to Sudarshan Brasil MFG Ltda, as registered with the competent authorities.

c. Absence of other relevant events

In the period between January 1, 2025 and the date of issuance of these financial statements, on December 11, 2025, no other subsequent events occurred, of a financial or other nature, that could significantly affect the accounting balances or the interpretation of these financial statements.

* * *

Anderson Mitchel Nellem
Legal Representative
CPF 104.424.878-51

Viviane Farias dos Santos
Accountant
CRC 1SP291269/O-1

SUDARSHAN SWITZERLAND HLD2 AG, PRATTELN

Signature

Stefan Wiedemann

Please sign here as well as on each page of the financial statements. Thank you.

Bilanz	Balance sheet	SUDARSHAN SWITZERLAND HLD2 AG, PRATTELN					
AKTIVEN	ASSETS	31.12.2025 CHF	%	31.12.2024 CHF	%	Abweichung / Deviation	%
Bankguthaben	Cash and cash equivalents	10'581		11'743		-1'162	
Flüssige Mittel und kurzfristig gehaltene Aktiven mit Börsenkurs	Cash and cash equivalents	10'581	0.0	11'743	0.0	-1'162	-9.9
Übrige kurzfristige Forderungen	Other receivables					-	
Gegenüber Dritten	due from third parties	39'722		12'313		27'409	
Übrige kurzfristige Forderungen	Other receivables	39'722	0.2	12'313	0.0	27'409	222.6
UMLAUFVERMÖGEN	TOTAL CURRENT ASSETS	50'303	0.2	24'056	0.1	26'247	109.1
Beteiligungen	Investments	24'831'967		24'831'967		-	
Beteiligungen	Investments	24'831'967	99.8	24'831'967	99.9	-	-
ANLAGEVERMÖGEN	TOTAL NON-CURRENT ASSETS	24'831'967	99.8	24'831'967	99.9	-	-
AKTIVEN	TOTAL ASSETS	24'882'270	100.0	24'856'023	100.0	26'247	0.1
PASSIVEN	LIABILITIES	31.12.2025 CHF	%	31.12.2024 CHF	%	Abweichung / Deviation	%
Verbindlichkeiten aus Lieferungen und Leistungen	Trade payables						
Gegenüber Dritten	due to third parties	988		967		21	
Gegenüber Konzerngesellschaften	due to group companies	468		-		468	
Verbindlichkeiten aus Lieferungen und Leistungen	Trade payables	1'456	0.0	967	0.0	489	50.6
Übrige kurzfristige verzinsliche Verbindlichkeiten	Other short-term interest bearing liabilities						
Gegenüber Aktionär	due to shareholder	-		1'654'577		-1'654'577	
Gegenüber Konzerngesellschaften	due to group companies	869'672		-		869'672	
Kurzfristige verzinsliche Verbindlichkeiten	Short-term interest bearing liabilities	869'672	3.5	1'654'577	6.7	-784'905	-47.4
Übrige kurzfristige Verbindlichkeiten	Other short-term liabilities	246		-		246	
Übrige kurzfristige Verbindlichkeiten	Other short-term liabilities	246	0.0	-	-	246	0.0
Passive Rechnungsabgrenzungen	Accrued expenses and deferred income						
Gegenüber Dritten	due to third parties	-		3'012		-3'012	
Gegenüber Konzerngesellschaften	due to group companies	2'088'827		-		2'088'827	
Gegenüber Aktionär	due to shareholder	-		1'337'993		-1'337'993	
Kurzfristige Rückstellungen	Short-term provisions	124'638		-		124'638	
Passive Rechnungsabgrenzungen und kurzfristige Rückstellungen	Accrued expenses and deferred income	2'213'465	8.9	1'341'005	5.4	872'460	
Kurzfristiges Fremdkapital	Short-term liabilities	3'084'839	12.4	2'996'549	12.1	88'290	2.9
Übrige langfristige verzinsliche Verbindlichkeiten	Other long-term interest-bearing liabilities						
Gegenüber Konzerngesellschaften	due to group companies	9'400'000		-		9'400'000	
Gegenüber Aktionär	due to shareholder	-		8'780'000		-8'780'000	
Langfristige verzinsliche Verbindlichkeiten	Long-term interest-bearing liabilities	9'400'000	37.8	8'780'000	35.3	620'000	
Langfristiges Fremdkapital	Total long-term liabilities	9'400'000	37.8	8'780'000	35.3	620'000	7.1
FREMDKAPITAL	TOTAL LIABILITIES	12'484'839	50.2	11'776'549	47.4	708'290	6.0
Aktienkapital	Share capital	202'000		202'000		-	
Aktienkapital	Share capital	202'000	0.8	202'000	0.8	-	
Gesetzliche Gewinnreserve	Statutory retained earnings	291'427		291'427		-	
Gesetzliche Gewinnreserve	Legal reserves	291'427	1.2	291'427	1.2	-	-
Gewinnvortrag	Profit carried forward	12'586'047		13'491'495		-905'448	
Jahresverlust	Loss for the year	-682'043		-905'448		223'405	
Bilanzgewinn	Balance sheet result	11'904'004		12'586'047		-682'043	
Freiwillige Gewinnreserven	Free reserves	11'904'004		12'586'047		-682'043	
EIGENKAPITAL	SHAREHOLDER'S EQUITY	12'397'431	49.8	13'079'474	52.6	-682'043	-5.2
PASSIVEN	TOTAL LIABILITIES AND EQUITY	24'882'270	100.0	24'856'023	100.0	26'247	0.1

Erfolgsrechnung

Profit and loss statement

SUDARSHAN SWITZERLAND HLD2 AG, PRATTELN

		01.01.2025 - 31.12.2025		01.01.2024 - 31.12.2024		Abweichung/Deviation	
		CHF	%	CHF	%		%
NETTOERLÖSE AUS LIEFERUNGEN UND LEISTUNGEN	NET REVENUE FROM TRADING ACTIVITIES	-		-		-	0.0
DIREKTER AUFWAND	DIRECT ALLOCATED EXPENSES	-		-		-	0.0
BRUTTOGEWINN I	GROSS PROFIT II	-		-		-	0.0
BRUTTOGEWINN II	GROSS PROFIT II	-		-		-	0.0
Verwaltungs- und Informatikaufwand	Administrative and IT expenses	660		-10'914		11'574	
Sonstiger betrieblicher Aufwand	Other operational expenditure	-115'278		-		-115'278	
Übriger betrieblicher Aufwand	Other operational expenditure	-114'618		-10'914		-103'704	0.0
BETRIEBLICHES ERGEBNIS VOR ZINSEN, STEUERN UND ABSCHREIBUNGEN (EBITDA)	OPERATIONAL EARNINGS BEFORE INTEREST, TAXES AND DEPRECIATION/AMORTIZATION (EBITDA)	-114'618		-10'914		-103'704.00	0.0
Abschreibungen und Wertberichtigungen auf Positionen des Anlagevermögens	Depreciation/Amortization on positions of non-current assets	-		-		-	0.0
BETRIEBLICHES ERGEBNIS VOR ZINSEN UND STEUERN (EBIT)	OPERATIONAL EARNINGS BEFORE INTEREST AND TAXES (EBIT)	-114'618		-10'914		-103'704	0.0
Zinsertrag	Interest income	-		1		-1	
Fremdwährungsgewinne	Exchange rate gains	185'731		-		-	
Finanzertrag	Financial income	185'731		1		-1	0.0
Zinsaufwand	Interest expenses	-751'810		-760'122		8'312	
Übriger Finanzaufwand	Other financial expenses	-1'317		-1'114		-203	
Fremdwährungsverluste	Exchange rate loss	-29		-68'918		68'889	
Finanzaufwand	Financial expenses	-753'156		-830'154		76'998	0.0
BETRIEBLICHES ERGEBNIS VOR STEUERN	OPERATIONAL EARNINGS BEFORE TAXES	-682'043		-841'067		-26'707	0.0
PERIODENVERLUST VOR STEUERN (EBT)	LOSS BEFORE TAXES (EBT)	-682'043		-841'067		-26'707	0.0
Direkte Steuern	Direct taxes	-		-64'381		64'381	0.0
JAHRESVERLUST	LOSS FOR THE YEAR	-682'043		-905'448		37'674	0.0

1 Notes to the Financial Statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 ff CO). Within the integration within the new Sudarshan Group, Heubach EBITO Chemibeteiligungen AG has changed its legal name to Sudarshan Switzerland HLD2 AG, effectively June 16th, 2025. The Company is located in Pratteln, Switzerland.

The functional and reporting currency of Sudarshan Switzerland HLD2 AG is CHF.

Significant balance sheet items are accounted for as follows:

Cash and cash equivalents:

Cash and cash equivalents, short-term investments with a quoted market price:

The cash positions contain cash and cash equivalents. Open account facilities are shown as other receivables respectively short-term interest bearing liabilities in the balance sheet.

Investments:

Investments are valued at acquisition costs minus any impairments.

2. Number of employees

The company has no employees.

3. Equity participations

3.	Equity participations			31/12/2025		31/12/2024	
	Name, legal form and country		Ownership in %	Control in %	Ownership in %	Control in %	
CL03	Sudarshan Chile Industria Química Limitada (former name Heubach Colorants Chile Industria Química Limitada), Chile	Chile	1.00001071	1.00001071	1.00001071	1.00001071	
ID08	P.T. Sudarshan Indonesia SLO (former name P.T. Heubach Colorants Indonesia)	Indonesia	5.00000000	5.00000000	5.00000000	5.00000000	
IN02	Sudarshan Colorants Limited (former name Heubach Colorants India Limited)	India	17.80000000	17.80000000	17.80000000	17.80000000	
PE08	Heubach Colorants Peru S.A.C.	Peru	0.00004975	0.00100000	0.00004975	0.00100000	
MX02	Sudarshan Mexico MFG (former name Heubach (former name Heubach Colorants México Productos Químicos, S.A. de C.V.)	Mexico	0.00004040	0.00004040	0.00004040	0.00004040	
MX10	Sudarshan Mexico MFG, S.A. de C.V. (former name Heubach Colorants México, S.A. de C.V.)	Mexico	0.00146649	0.00146649	0.00146649	0.00146649	

4. Other information required by law

According to the declaration from September 13, 2022, a limited audit was waived.

On March 1st, 2025 Sudarshan Europe B.V., based in Netherlands, bought 100% shares in Sudarshan Switzerland HLD2 AG from Sudarshan Switzerland HLD1 AG (former name Heubach Holding Switzerland AG).

Antrag des Verwaltungsrates über die
Verwendung des Bilanzgewinns

Motion of the board of directors on the
allocation of retained earnings

		2025 CHF	2024 CHF
Zur Verfügung der Generalversammlung:	Available to the general meeting:		
Gewinnvortrag	Profit carried forward	12'586'047	13'491'495
Jahresverlust	Loss of the year	-682'043	-905'448
Bilanzgewinn	Balance sheet result	11'904'004	12'586'047
Total zur Verfügung der Generalversammlung	Total available to the general meeting	11'904'004	12'586'047
Antrag des Verwaltungsrates:	Motion of the board of directors		
Bilanzgewinn	Balance sheet result	11'904'004	12'586'047
Vortrag auf neue Rechnung	Carried forward	11'904'004	12'586'047



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BDO Ltd
Viaduktstrasse 42
4051 Basel

To the General Meeting of

**Sudarshan Switzerland HLD1 Ltd (former: Heubach Holding
Switzerland Ltd)**

Hardstrasse 1
4133 Pratteln

Report on the Audit of the Financial Statements 2024

(for the period from 01.01.2024 to 31.12.2024)

22 April 2026

REPORT OF THE STATUTORY AUDITOR

To the General Meeting of Sudarshan Switzerland HLD1 Ltd (former: Heubach Holding Switzerland Ltd), Pratteln

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sudarshan Switzerland HLD1 Ltd (former: Heubach Holding Switzerland Ltd) (the Company), which comprise the balance sheet as at 31 December 2024, the profit and loss statement and the cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements comply with Swiss law and the articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Responsibilities of the Auditor for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is 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 the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Responsibilities of the Auditor for the Audit of the Financial Statements

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 Swiss law and SA-CH 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.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at:

<https://expertsuisse.ch/audit-report>. This description forms an integral part of our report.

Report on other Legal and Regulatory Requirements

In the course of our audit performed in accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we noted that an internal control system for the preparation of financial statements designed according to the instructions of the board of directors has not been documented in all material respects.

In our opinion, the internal control system is not in accordance with Swiss law and accordingly we are unable to confirm the existence of the internal control system for the preparation of financial statements.

Furthermore, we draw attention to the fact that Sudarshan Switzerland HLD1 Ltd (former: Heubach Holding Switzerland Ltd) is over-indebted as per Art. 725b CO. After the balance sheet date (see also Note 5 in the Notes to the Financial Statements) creditors of the company contributed a part of their claims in the amount of CHF 200.8m to the capital reserves. Thus, the Board of Directors has refrained from notifying the court.

We draw attention to the Other receivables due from group companies in the amount of CHF 138'737'076, the Long-term receivables due from group companies in the amount of CHF 220'059'945 and the Long-term receivables due from shareholder in the amount of CHF 79'008'412, which in the absence of freely disposable equity in our opinion constitutes a repayment of capital of the form, which is prohibited by Art. 680 para. 2 CO.

Additionally, we point out that contrary to the provisions of Art. 963 CO, the board of directors has not prepared consolidated financial statements.

Furthermore, we draw your attention to the fact that the Shareholder's annual General Meeting has not taken place within six months after the balance sheet date as required by Art. 699 para. 2 CO.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the articles of incorporation. We recommend that the financial statements submitted to you be approved.

Basel, 22 April 2026

BDO Ltd



Joseph Hammel

Auditor in charge
Licensed Audit Expert



Lorenzo Papini

Licensed Audit Expert

Enclosures

Financial Statements

Proposal of the Board of Directors in the sense of Art. 728a para. 1 item 2 CO

AKTIVEN	ASSETS	31.12.2024		31.12.2023		Deviation	
		CHF	%	CHF	%		%
Bankguthaben	Cash and cash equivalents	5'658'945		31'768'694		-26'109'749	
Flüssige Mittel und kurzfristig gehaltene							
Aktiven mit Börsenkurs	Cash and cash equivalents	5'658'945	1.0	31'768'694	6.3	-26'109'749	-82.2
Forderungen aus Lieferungen und Leistungen	Trade receivables						
Gegenüber Dritten	due from third parties	1'436'847		6'872'284		-5'435'437	
Gegenüber Konzerngesellschaften	due from group companies	76'168'971		54'033'203		22'135'768	
Gegenüber Aktionär	due from shareholder	46'473'648		36'325'042		10'148'606	
Wertberichtigung auf Forderungen aus Lieferungen und Leistungen	Impairment on trade receivables	-65'592'576		-40'271'623		-25'320'953	
Forderungen aus Lieferungen und Leistungen	Trade receivables	58'486'890	10.2	56'958'906	11.2	1'527'984	2.7
Geleistete Anzahlungen	Prepayments	2'197		-		2'197	
Übrige kurzfristige Forderungen	Other receivables						
Gegenüber Dritten	due from third parties	5'706'954		2'811'071		2'895'883	
Gegenüber Konzerngesellschaften	due from group companies	138'737'076		94'311'162		44'425'914	
Übrige kurzfristige Forderungen	Other receivables	144'446'227	25.3	97'122'233	19.1	47'323'994	48.7
Aktive Rechnungsabgrenzungen	Accrued income and prepaid expenses	9'758		9'616		142	
Aktive Rechnungsabgrenzungen	Accrued income and prepaid expenses	9'758	0.0	9'616	0.0	142	1.5
UMLAUFVERMÖGEN	TOTAL CURRENT ASSETS	208'601'820	36.5	185'859'449	36.6	22'742'371	12.2
Langfristige Forderungen	Long-term receivables						
Gegenüber Konzerngesellschaften	due from group companies	220'059'945		179'604'523		40'455'422	
Gegenüber Aktionär	due from shareholder	79'008'412		57'585'506		21'422'906	
Wertberichtigung auf Finanzanlagen	Impairment on financial assets	-115'282'945		-86'668'594		-28'614'351	
Finanzanlagen	Financial assets	183'785'412	32.2	150'521'435	29.6	33'263'977	22.1
Beteiligungen	Investments	178'890'991		171'747'342		7'143'649	
Beteiligungen	Investments	178'890'991	31.3	171'747'342	33.8	7'143'649	4.2
ANLAGEVERMÖGEN	TOTAL NON-CURRENT ASSETS	362'676'403	63.5	322'268'777	63.4	40'407'626	12.5
AKTIVEN	TOTAL ASSETS	571'278'223	100.0	508'128'226	100.0	63'149'997	12.4

PASSIVEN	LIABILITIES	31.12.2024 CHF	%	31.12.2023 CHF	%	Abweichung / Deviation	%
Verbindlichkeiten aus Lieferungen und Leistungen Gegenüber Dritten	Trade payables due to third parties	1'685'186		1'648'898		36'288	
Gegenüber Konzerngesellschaften	due to group companies	185'482'738		106'987'619		78'495'119	
Gegenüber Aktionär	due to shareholder	3'164'274		1'749'058		1'415'216	
Verbindlichkeiten aus Lieferungen und Leistungen	Trade payables	190'332'198	33.3	110'385'575	21.7	79'946'623	72.4
Übrige kurzfristige verzinsliche Verbindlichkeiten Gegenüber Konzerngesellschaften	Other short-term interest bearing liabilities due to group companies	42'933'738		48'325'263		-5'391'525	
Kurzfristige verzinsliche Verbindlichkeiten	Short-term interest bearing liabilities	42'933'738	7.5	48'325'263	9.5	-5'391'525	-11.2
Erhaltene Anzahlungen	Prepayments from customers	991'181		1'793'517		-802'336	
Übrige kurzfristige Verbindlichkeiten	Other short-term liabilities	1'553'392		1'053'513		499'879	
Übrige kurzfristige Verbindlichkeiten	Other short-term liabilities	2'544'573	0.4	2'847'030	0.6	-302'457	-10.6
Passive Rechnungsabgrenzungen	Accrued expenses and deferred income	1'401'109		107'598		1'293'511	
Kurzfristige Rückstellungen	Short-term provisions	1'784'188		1'457'468		326'720	
Passive Rechnungsabgrenzungen und kurzfristige Rückstellungen	Accrued expenses and deferred income	3'185'297	0.6	1'565'066	0.3	1'620'231	103.5
Kurzfristiges Fremdkapital	Short-term liabilities	238'995'806	41.8	163'122'934	32.1	75'872'872	46.5
Übrige langfristige verzinsliche Verbindlichkeiten Gegenüber Konzerngesellschaften	Other long-term interest-bearing liabilities due to group companies	439'224'572		433'690'665		5'533'907	1.3
Aus Leasing	due to leased objects	1'152		1'136		16	
Langfristige verzinsliche Verbindlichkeiten	Long-term interest-bearing liabilities	439'225'724	76.9	433'691'801	85.4	5'533'923	1.3
Übrige langfristige Rückstellungen	Other long-term provisions	1'275'637		270'607		1'005'030	
Rückstellungen	Provisions	1'275'637	0.2	270'607	0.1	1'005'030	371.4
Langfristiges Fremdkapital	Total long-term liabilities	440'501'361	77.1	433'962'408	85.4	6'538'953	1.5
FREMDKAPITAL	TOTAL LIABILITIES	679'497'167	118.9	597'085'342	117.5	82'411'825	13.8
Aktienkapital	Share capital	30'000'000		30'000'000		-	
Aktienkapital	Share capital	30'000'000	5.3	30'000'000	5.9	-	-
Reserven aus Kapitaleinlagen	Reserves from capital contribution	43'963'081		43'963'081		-	
Gesetzliche Kapitalreserve	Legal capital reserves	43'963'081	7.7	43'963'081	8.7	-	-
Verlustvortrag	Loss carried forward	-162'920'197		-30'342'093		-132'578'104	
Jahresverlust	Loss for the year	-19'261'828		-132'578'104		113'316'276	
<i>Bilanzverlust</i>	<i>Balance sheet result</i>	<i>-182'182'025</i>		<i>-162'920'197</i>		<i>-19'261'828</i>	
Freiwillige Gewinnreserven	Free reserves	-182'182'025	-31.9	-162'920'197	-32.1	-19'261'828	11.8
EIGENKAPITAL	SHAREHOLDER'S EQUITY	-108'218'944	-18.9	-88'957'116	-17.5	-19'261'828	21.7
PASSIVEN	TOTAL LIABILITIES AND EQUITY	571'278'223	100.0	508'128'226	100.0	63'149'997	12.4

Erfolgsrechnung

Profit and loss statement

Sudarshan Switzerland HLD1 AG

		01.01.2024 - 31.12.2024		01.01.2023 - 31.12.2023		Abweichung/Deviation	
		CHF	%	CHF	%		%
Handelserlös	Proceeds from sales of goods	123'624'578	116.2	167'944'258	99.5	-44'319'680	16.7
Dienstleistungsertrag	Proceeds from sales of services	119'565		10'877'265		-10'757'700	
Dienstleistungserlöse	Proceeds from sales	119'565	0.1	10'877'265	6.4	-10'757'700	-6.3
Lizenzträge	Licence income	8'554'223	8.0	9'804'023	5.8	-1'249'800	2.2
Verluste aus Forderungen	Losses from receivables	-24'829'673		-16'900'585		-7'929'088	
Übrige Erlösminderungen	Other reduction in proceeds	-1'090'908		-2'921'301		1'830'393	
Erlösminderungen	Proceed decreases	-25'920'581	-24.4	-19'821'886	-11.7	-6'098'695	-12.6
NETTOERLÖSE AUS LIEFERUNGEN UND LEISTUNGEN	NET REVENUE FROM TRADING ACTIVITIES	106'377'785	100.0	168'803'660	100.0	-62'425'875	0.0
Materialeinkauf	Material purchase	-123'845'478		-196'187'091		72'341'613	
Materialaufwand	Cost of materials	-123'845'478	-116.4	-196'187'091	-116.2	72'341'613	-0.2
Dienstleistungsaufwand	Net expenses for services rendered	-2'549'730		-6'580'799		4'031'069	
Aufwand für bezogene Dienstleistungen	Net expenses for services rendered	-2'549'730	-2.4	-6'580'799	-3.9	4'031'069	1.5
DIREKTER AUFWAND	DIRECT ALLOCATED EXPENSES	-126'395'208	-118.8	-202'767'890	-120.1	76'372'682	1.3
BRUTTOVERLUST I	GROSS LOSS I	-20'017'423	-18.8	-33'964'230	-20.1	13'946'807	1.3
Lohnaufwand	Wages and salaries	-5'589'198		-4'310'490		-1'278'708	
Lohnrückvergütungen	Wage reimbursements	24'633		1'810		22'823	
Sozialversicherungsaufwand	Social security expenditure	-1'180'499		-1'510'264		329'765	
Übriger Personalaufwand	Other personnel related expenditure	-195'002		-1'124'076		929'074	
Leistungen Dritter	Personnel expenses from third parties	-7'163		-60'724		53'561	
Personalaufwand	Personnel expenses	-6'947'229	-6.5	-7'003'744	-4.1	56'515	-2.4
BRUTTOVERLUST II	GROSS LOSS II	-26'964'652	-25.3	-40'967'974	-24.3	14'003'322	-1.1
Forschungsaufwand	Research expenditure	-		-16'877		16'877	
Raumaufwand	Rental expenditures	-83'441		-80'645		-2'796	
Unterhalt, Reparaturen, Ersatz	Maintenance, repair, replacement	-2'704		-7'734		5'030	
Fahrzeugaufwand	Vehicule expenditure	-10'805		795		-11'600	
Sachversicherungen, Abgaben und Gebühren	Insurance fees, duties and fees	-499'547		-1'552'720		1'053'173	
Verwaltungs- und Informatikaufwand	Administrative and IT expenses	-1'096'390		-962'004		-134'386	
Werbeaufwand	Advertising expenditure	-5'030		-82'337		77'307	
Sonstiger betrieblicher Aufwand	Other operational expenditure	-230'805		-10'985'257		10'754'452	
Übriger betrieblicher Aufwand	Other operational expenditure	-1'928'722	-1.8	-13'686'779	-8.1	11'758'057	6.3
BETRIEBLICHES ERGEBNIS VOR ZINSEN, STEUERN UND ABSCHREIBUNGEN (EBITDA)	OPERATIONAL EARNINGS BEFORE INTEREST, TAXES AND DEPRECIATION/AMORTIZATION (EBITDA)	-28'893'374	-27.2	-54'654'753	-32.4	25'761'379	5.2
Abschreibungen auf Finanzanlagen	Depreciation/Amortization of financial assets	-28'545'811		-39'811'324		11'265'513	
Abschreibungen auf Beteiligungen	Depreciation/Amortization of investments	-5'722'070		-10'952'301		5'230'231	
Abschreibungen auf Nutzungsrechte	Depreciation/Amortization of right of use assets	-		-36'961		36'961	
Anlagevermögens	Depreciation/Amortization on positions of non-current assets	-34'267'881	-32.2	-50'800'586	-30.1	16'532'705	-2.1
BETRIEBLICHES ERGEBNIS VOR ZINSEN UND STEUERN (EBIT)	OPERATIONAL EARNINGS BEFORE INTEREST AND TAXES (EBIT)	-63'161'255	-59.4	-105'455'339	-62.5	42'294'084	3.1
Zinsertrag	Interest income	41'805'328		19'067'363		22'737'965	
Übriger Finanzertrag	Other financial income	65'531'097		80'630'432		-15'099'335	
Finanzertrag	Financial income	107'336'425	100.9	99'697'795	59.1	7'638'630	41.8
Zinsaufwand	Interest expenses	-46'197'778		-31'603'464		-14'594'314	
Zinsaufwand Leasingverbindlichkeiten	Interest expenses from leased liabilities	-		-106		106	
Übriger Finanzaufwand	Other financial expenses	-17'239'220		-95'178'338		77'939'118	
Finanzaufwand	Financial expenses	-63'436'998	-59.6	-126'781'908	-75.1	63'344'910	15.5
BETRIEBLICHES ERGEBNIS VOR STEUERN	OPERATIONAL EARNINGS BEFORE TAXES	-19'261'828	-18.1	-132'539'452	-78.5	113'277'624	60.4
Ausserordentlicher, einmaliger oder periodenfremder Ertrag	Extraordinary, non-recurring or prior-period income	-		1'165'992		-1'165'992	
Ausserordentlicher, einmaliger oder periodenfremder Aufwand	Extraordinary, non-recurring or prior-period expenses	-		-1'204'644		1'204'644	
Ausserordentlicher, einmaliger oder periodenfremder Erfolg	Extraordinary, non-recurring or prior-period result	-	-	-38'652	-0.0	38'652	0.0
JAHRESVERLUST VOR STEUERN (EBT)	LOSS BEFORE TAXES (EBT)	-19'261'828	-18.1	-132'578'104	-78.5	113'316'276	60.4
Direkte Steuern	Direct taxes	-	-	-	-	-	0.0
JAHRESVERLUST	LOSS FOR THE YEAR	-19'261'828	-18.1	-132'578'104	-78.5	113'316'276	60.4

Geldflussrechnung

Cash flow statement

Sudarshan Switzerland HLD1 AG

Bezeichnung		01.01.2024 - 31.12.2024		01.01.2023 - 31.12.2023		Abweichung	
		CHF	%	CHF	%		%
Jahresverlust	Loss from the period	-19'261'828		-132'578'104		113'316'276	
Abschreibungen und Wertberichtigungen auf Positionen des Anlagevermögens	Depreciation and amortization of fixed assets	21'409'766		44'222'754		-22'812'988	
Veränderung Rückstellungen	Change in provisions (incr. = +)	1'331'750		-1'731'757		3'063'507	
Veränderung Forderungen Lieferungen und Leistungen	Changes in trade receivables	-1'527'984		-9'878'429		8'350'445	
Veränderung übrige kurzfristige Forderungen	Change in other short-term receivables	-47'323'994		-20'317'982		-27'006'012	
Veränderung aktive Rechnungsabgrenzungen	Changes in accrued income	-142		586		-728	
Veränderung Verbindlichkeiten Lieferungen und Leistungen	Changes in trade liabilities	79'946'623		64'836'711		15'109'912	
Veränderung kurzfristige verzinsliche Verbindlichkeiten (ohne Bankverbindlichkeiten)	Change in short-term interest-bearing liabilities (excluding bank liabilities)	-5'391'525		11'235'879		-16'627'404	
Veränderung übrige kurzfristige Verbindlichkeiten	Change in other short-term liabilities	-302'457		2'686'281		-2'988'738	
Veränderung passive Rechnungsabgrenzungen	Changes in deferred revenue	1'285'907		-224'252		1'510'159	
Geldfluss aus Betriebstätigkeit	Cash flow from operating activities	30'166'116	-115.5	-41'748'313	-160.8	71'914'429	-172.3
Investitionen in Finanzanlagen	Investments in financial assets	-61'809'788		-94'088'890		32'279'102	
Devestitionen von Beteiligungen/ Kapitalumverteilung der Beteiligung	Disposals of participations / capital redistribution of participation	-		5'029'694		-5'029'694	
Geldfluss aus Investitionstätigkeit	Cash flow from investing activities	-61'809'788	236.7	-89'059'196	-343.0	27'249'408	-30.6
Veränderung langfristige verzinsliche Verbindlichkeiten	Change in long-term interest-bearing liabilities	5'533'923		156'773'405		-151'239'482	
Geldfluss aus Finanzierungstätigkeit	Cash flow from financing activities	5'533'923	-21.2	156'773'405	603.8	-151'239'482	-96.5
VERÄNDERUNG NETTO FLÜSSIGE MITTEL	CHANGE NET IN CASH AND CASH EQUIVALENTS	-26'109'749	100.0	25'965'896	100.0	-52'075'645	-200.6
Netto flüssige Mittel per 1. Januar	Cash and cash equivalents as per 1st January	31'768'694		5'802'798		25'965'896	
Netto flüssige Mittel per 31. Dezember	Cash and cash equivalents as per 31st December	5'658'945		31'768'694		-26'109'749	
VERÄNDERUNG NETTO FLÜSSIGE MITTEL	CHANGE NET IN CASH AND CASH EQUIVALENTS	-26'109'749		25'965'896		-52'075'645	

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 ff CO). Within the integration within the new Sudarshan Group, Heubach Holding Switzerland AG has changed its legal name to Sudarshan Switzerland HLD1 AG, effectively June 16th, 2025. The Company is located in Pratteln, Switzerland.

The functional currency of Sudarshan Switzerland HLD1 AG is EUR. The financial statements are prepared in CHF using the following currency exchange rates based on Swiss National Bank:

- the currency exchange rate at the closing of reporting period used for balance sheet positions,
- the average currency exchange rate for the profit and loss statement.
- the historical currency exchange rate for the equity, fixed assets and long-term bearing liabilities.

EUR to CHF	2024	2023
closing currency exchange rate	0.94185	0.92809
average currency exchange rate	0.95251	0.97166

Significant balance sheet items are accounted for as follows:

Cash and cash equivalents, short-term investments with a quoted market price:

The cash positions contain cash and cash equivalents. Open account facilities are shown as other receivables respectively short-term interest bearing liabilities in the balance sheet.

Investments:

Investments are valued at acquisition costs minus any impairments.

The valuation of investments is performed annually by using the practical method to identify any possible increase or decrease of impairment of the book value. If the market value exists for an owned investment or its shares, this market value is considered to review the impairment assessment based on the practical method.

Long-term interest bearing liabilities:

The long-term interest-bearing liabilities are valued at their nominal value. Any unrealized exchange rate gains are not considered, in contradiction to the unrealized exchange rate losses.

2. Number of employees

	31.12.2024	31.12.2023
	Number	Number
Up to ten full time jobs	-	-
Not more than fifty full time jobs	>10 <50	>10 <50
Not more than two hundred and fifty full time jobs		

3. Equity participations

			31.12.2024		31.12.2023	
Name, Legal form and country			votes in %	Book value	votes in %	Book value
AE90	Heubach Colorants Middle East FZE	UAE	100.00000	271'968	100.00000	271'968
AR90	Sudarshan Argentina SLO S.A.U. (former name Heubach Colorants Argentina S.A.U.)	Argentina	100.00000	1	100.00000	1
AU90	Heubach Colorants Australia Pty Ltd	Australia	100.00000	200'243	100.00000	200'243
BE90	Sudarshan Belgium SLO SRL (former name Heubach Colorants Belgium SPRL)	Belgium	100.00000	2'760'182	100.00000	2'129'883
BR90	Sudarshan Brasil MFG Ltda. (former name Heubach Colorants Brasil Ltda.)	Brazil	100.00000	9'486'375	100.00000	7'604'911
CA90	Sudarshan Canada SLO Inc. (former name Heubach Colorants Canada Inc.)	Canada	100.00000	1'400'165	100.00000	2'104'422
CH07	Sudarshan Switzerland HLD2 AG (former name Heubach EBITO Chemiebeteiligungen AG)	Switzerland	100.00000	202'000	100.00000	202'000
CH87	Sudarshan Switzerland SLO AG (former name Heubach Colorants Switzerland AG)	Switzerland	100.00000	1	100.00000	1
CH88	Sudarshan Switzerland Consulting AG (former name Heubach Colorants Consulting Switzerland AG)	Switzerland	100.00000	47'933	100.00000	47'933
CL03	Sudarshan Chile Industria Química Limitada (former name Heubach Colorants Chile Industria Química Limitada)	Chile	98.99999	274'813	98.99999	2'338'384
CN09	Hangzhou Baihe Clariant Pigments Co., Ltd	China	49.00000	16'869'521	49.00000	16'869'521
CN16	Heubach Colorants Pigment Preparations (Tianjin) Ltd.	China	100.00000	3'871'862	100.00000	4'642'946
CN27	Heubach Colorants (Shanghai) Ltd.	China	100.00000	2'310'733	100.00000	3'003'409
CO90	Sudarshan Colombia SLO S.A.S. (former name Heubach Colorants Colombia S.A.S.)	Colombia	100.00000	1'314'370	100.00000	594'659
ES90	Heubach Colorants Ibérica, S.L.U.	Spain	100.00000	3'677'640	100.00000	3'056'279
FR90	Sudarshan France SLO SAS (former name Heubach Colorants France SAS)	France	100.00000	3'794'796	100.00000	1'892'173
GB90	Sudarshan UK SLO Ltd (former name Heubach Colorants UK Ltd.)	Great Britain	100.00000	747'107	100.00000	1'441'793
ID08	P.T. Sudarshan Indonesia SLO (former name P.T. Heubach Colorants Indonesia)	Indonesia	95.00000	1'057'890	95.00000	1'057'890
ID90	P.T. Sudarshan Indonesia MFG (former name P.T. Heubach Colorants Coatings Indonesia)	Indonesia	99.99000	754'549	99.99000	917'177
IN02	Sudarshan Colorants Limited (former name Heubach Colorants India Limited)	India	36.55769	30'221'638	36.55769	30'221'638
IT90	Sudarshan Italy SLO S.r.l. (former name Heubach Colorants Italy S.r.l.)	Italy	100.00000	7'591'380	100.00000	5'804'711
JP09	Sudarshan Japan MFG K.K. (former name Heubach Colorants Japan K.K.)	Japan	100.00000	71'456'444	100.00000	66'140'456
KR90	Sudarshan Korea SLO Ltd. (former name Heubach Colorants Korea Ltd.)	South Korea	100.00000	523'262	100.00000	523'262
MX10	Sudarshan Mexico MFG, S.A. de C.V. (former name Heubach Colorants México, S.A. de C.V.)	Mexico	99.99637	14'044'757	99.99637	14'519'905
MY01	Sudarshan Malaysia SLO Sdn. Bhd. (former name Heubach Colorants Malaysia Sdn. Bhd.)	Malaysia	100.00000	80'863	100.00000	80'863
PE08	Heubach Colorants Peru S.A.C.	Peru	99.99995	566'513	99.99995	566'513
PL90	Heubach Colorants Poland SP z.o.o.	Poland	100.00000	674'995	100.00000	674'995
SE90	Heubach Colorants Scandinavia AB	Sweden	100.00000	36'139	100.00000	36'139
SG90	Sudarshan Singapore SLO Pte. Ltd. (former name Heubach Colorants Singapore Pte. Ltd.)	Singapore	100.00000	2'172'660	100.00000	2'172'660
TH90	Sudarshan MFG (Thailand) Ltd. (former name Heubach Colorants (Thailand) Ltd)	Thailand	99.99800	1'180'829	99.99800	1'331'246
TR90	Sudarshan Turkey SLO Boya Sanayi ve Ticaret A.S. (former name Heubach Colorants Turkey Boya Sanayi ve Ticaret A.S.)	Turkey	100.00000	248'088	100.00000	248'088
TW90	Heubach Colorants Taiwan Co., Ltd.	Taiwan	100.00000	33'462	100.00000	33'462
ZA13	Sudarshan Southern Africa MFG (Pty) Ltd. (former name Heubach Colorants Southern Africa (Pty) Ltd)	South Africa	100.00000	1'017'812	100.00000	1'017'811
			178'890'991		171'747'342	

4. Negative margin in 2024

Sudarshan Switzerland HLD1 AG experienced further sales decrease by 26% compared to 2023. The costs of goods sold were almost on sale price level and the company hasn't reached the break even point. The production costs and the raw materials have increased due to the inflation of energy prices in 2023. The Heubach Group hasn't raised the prices quickly enough to cover the augmented costs. At the beginning of second quarter 2024 the German related entities and Austrian headquarter have filed for insolvency. The gross loss of the Company was materially impacted by CHF 23.8 million of the impairment of receivables mainly due from the insolvent companies from Heubach Group and finally dropped to negative 18.8%.

5. Significant events after the balance sheet date

At the end of April 2024, Heubach Group GmbH, the owner of Sudarshan Switzerland HLD1 AG (previous name: Heubach Holding Switzerland AG) has filed for insolvency together with other related parties in the Heubach Group located in Germany and Austria. The management of the Heubach Group has reacted in this way to the threat of over-indebtedness in the context of rapidly changing financial markets for 2021 and 2022, and the unsuccessful attempt to implement a financial restructuring plan with all shareholders and lenders. On March 3rd, 2025 the Sudarshan Group has finalized the acquisition of Heubach Group in a combination of an asset and share deal exercised by the wholly owned subsidiary Sudarshan Europe B.V. 100% shares in Sudarshan Switzerland HLD1 AG were sold by Heubach Group GmbH to Sudarshan Europe B.V, based in Netherlands. The management of Sudarshan Switzerland HLD1 AG has signed the agreements with Sudarshan Group and have minimized the threat of insolvency for the company to the normal, operational level.

The financial statements for 2024 and 2023 have been prepared under the going concern assumption.

Impact on the balance sheet of subsequent events

Adjusting events

Insolvency filings by the German and Austrian related parties have adversely impacted the recoverability of assets not only from the insolvent entities. The situation resulted in the impairment including amounts not yet due as of the balance sheet date. Receivables and loans settled by insolvent companies before the financial statements were signed have not been impaired. The impact on the balance sheet is presented below.

	31.12.2024	31.12.2023
Impairment on trade receivables		
- due from shareholder	-43'374'658	-36'354'416
- due from other related parties	-16'828'441	-
Impairment on trade receivables related to insolvency	-60'203'099	-36'354'416
- due from group companies and others	-5'389'477	-3'917'207
Total impairment on trade receivables	-65'592'576	-40'271'623
Impairment on financial assets		
- due from shareholder	-79'008'412	-57'585'506
- due from other related parties	-12'031'933	-4'989'028
Impairment on financial assets related to insolvency	-91'040'346	-62'574'534
- due from solvent group companies	-22'780'000	-22'700'000
- due from solvent related parties	-1'462'599	-1'394'060
Total impairment on financial assets	-115'282'945	-86'668'594

As per December 31, 2024 the impairment related to insolvency in the amount of CHF 15.6 million was recorded as bad debts related to trade receivables, however it was concerning the netting of positions in trade receivables and other receivables.

Non-adjusting events

The insolvency of German related parties affected the Company's assets as per the balance sheet date and the Company is over indebted in the sense of art. 725b Swiss Code of Obligation. However the Board of Directors has refrained from court notification as the indirect parent companies - Heubach Holding S.a.r.l. (the parent of Heubach Group GmbH) and SK Neptune Husky Finance S.a.r.l. (the parent of Heubach Holding S.a.r.l.) - each made equity contributions to Sudarshan Switzerland HLD1 AG. On February 28, 2025, Heubach Holding S.a.r.l. ("Contributor 1") and the Company executed a set-off and contribution agreement. Under this agreement: the Company's liabilities towards Contributor 1 totaling EUR 194.3 million (CHF 182.2 million) were offset against assets received from Contributor 1 amounting to EUR 1.1 million (CHF 1 million). The remaining liability balance of EUR 193.2 million (CHF 181.2 million) was contributed by Contributor 1 into the Company's capital reserves as an equity contribution without any consideration. On the same date, February 28, 2025, SK Neptune Husky Finance S.a.r.l. ("Contributor 2") and the Company signed a second set-off and contribution agreement. Under this agreement: the Company's liabilities towards Contributor 2 totaling EUR 241.8 million (CHF 226.7 million) were offset against assets received from Contributor 2 amounting to EUR 220.9 million (CHF 207.1 million). The remaining liability balance of EUR 20.9 million (CHF 19.6 million) was contributed by Contributor 2 into the Company's capital reserves as an equity contribution without any consideration. The values in CHF have been translated with SNB currency exchange rate from the effective date of the contribution agreements.

As the effective date of the agreements is February 28, 2025, neither the netting nor the contribution has been recognized in the Company's financial results for the year ended December 31, 2024.

Other non-adjusting subsequent eventsChange of related parties

Following the acquisition of the Company by the Sudarshan Group, the composition of related parties changed after the balance sheet date.

Changes in related parties between December 31, 2024, and the date of signing the financial statements:

1) Subsidiaries

- Sudarshan Switzerland HLD2 AG (former name Heubach EBITO Chemibeteiligungen AG) was sold to Sudarshan Europe B.V. on March 1, 2025. Following the Sudarshan acquisition on March 3, 2025, this entity became a related party of Sudarshan Switzerland HLD1 AG.
- Heubach Colorants Australia Pty Ltd was sold to Heubach Group GmbH on February 24, 2025. After the Sudarshan acquisition, this entity is no longer part of the Group and is therefore classified as a non-related party.
- Heubach Colorants Poland Sp. z o.o. was liquidated on February 14, 2025.
- Heubach Colorants Scandinavia AB was liquidated on December 29, 2025.

No other changes occurred in the ownership of participations.

2) Parent Company

As of the balance sheet date, the parent company was Heubach Group GmbH. Following the Sudarshan acquisition completed on March 3, 2025, the new parent company is Sudarshan Europe B.V., Netherlands.

3) Other related parties existing as of the balance sheet date remained outside the new Group structure following the Sudarshan acquisition and are no longer considered related parties:

a) The following related parties:

- Heubach GmbH, Germany
- Heubach Colorants Germany GmbH, Germany
- Dr. Hans Heubach GmbH, Germany
- Hans Rainer Heubach GmbH
- Heubach Holding Germany GmbH, Germany
- Heubach Management GmbH, Austria
- SK Neptune Husky Intermediate IV S.a.r.l.
- SK Neptune Husky Finance S.a.r.l.
- SK Neptune Husky Participations S.a.r.l.

b) The following entities became related parties as a result of the Sudarshan acquisition completed on March 3, 2025 :

- Inventories Frankfurt GmbH, Germany
- VP4 Frankfurt GmbH, Germany
- Sudarshan Germany Horizons GmbH, Germany
- Inventories Langelsheim GmbH, Germany
- Sudarshan Langelsheim PLT GmbH, Germany
- Sudarshan Langelsheim RE GmbH, Germany
- Sudarshan Europe Management GmbH, Germany
- Sudarshan Chemicals Industries, India
- Sudarshan (Shanghai) Trading Co, China
- Sudarshan Japan KK CO, Japan
- Sudarshan Mexico, Mexico
- Sudarshan North America Inc, USA
- Sudarshan Middle East, UAE

6. Long-term interest-bearing liabilities

	31.12.2024	31.12.2023
due between 1 and 5 years	439'225'724	433'691'801
due over 5 years	-	-

7. Extraordinary, non-recurring or prior-period income and expenses

	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
- service fee income for 2022 charged at the beginning of 2023	-	1'165'992
Prior-period income	-	1'165'992
- transfer pricing adjustment for 2022 received in 2023	-	(1'204'644)
Prior-period expense	-	(1'204'644)

8. Auditor Remuneration

The aggregate fees billed by the principal accountant for the years ended 31.12.2024 and 31.12.2023 were as follows:

Service Type	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Audit Fees	65'000.00	65'000.00
Audit-Related Fees	-	-
Tax Fees	-	-
Other Fees	-	-
Total Fees	65'000.00	65'000.00

Antrag des Verwaltungsrates über die Verwendung des Bilanzgewinns		Motion of the board of directors on the allocation of retained earnings	
		2024 CHF	2023 CHF
Zur Verfügung der Generalversammlung:	Available to the general meeting:		
Verlustvortrag	Loss carried forward	(162'920'197)	(30'342'093)
Jahresverlust	Loss of the year	(19'261'828)	(132'578'104)
Bilanzverlust	Balance sheet result	(182'182'025)	(162'920'197)
Total zur Verfügung der Generalversammlung	Total available to the general meeting	(182'182'025)	(162'920'197)
Antrag des Verwaltungsrates:	Motion of the board of directors		
Bilanzverlust	Balance sheet result	(182'182'025)	(162'920'197)
Vortrag auf neue Rechnung	Carried forward	(182'182'025)	(162'920'197)

Cover sheet for the annual financial statements 2024

Sudarshan Switzerland SLO AG, Pratteln

Signature

Juan Manuel Azuaga Garcia

Please sign here as well as on each page of the financial statements. Thank you.

Bilanz

Balance sheet

Sudarshan Switzerland SLO AG, Pratteln

AKTIVEN	ASSETS	31.12.2024 CHF	%	31.12.2023 CHF	%	Abweichung / Deviation	%
Bankguthaben	Cash and cash equivalents	844'424		88'470		755'954	
Flüssige Mittel und kurzfristig gehaltene Aktiven mit Börsenkurs	Cash and cash equivalents	844'424	5.8	88'470	0.8	755'954	854.5
Forderungen aus Lieferungen und Leistungen	Trade receivables						
Gegenüber Dritten	due from third parties	89'620		117'600		-27'980	
Gegenüber Konzerngesellschaften	due from group companies	7'511'139		3'348'440		4'162'699	
Gegenüber Aktionär	due from shareholder	229'993		1'450'136		-1'220'143	
Wertberichtigung auf Forderungen aus Lieferungen und Leistungen	Impairment on trade receivables	-5'459'322		-2'762'026		-2'697'296	
Forderungen aus Lieferungen und Leistungen	Trade receivables	2'371'430	16.4	2'154'150	20.6	217'280	10.1
Geleistete Anzahlungen	Prepayments	3'594'237		-		3'594'237	
Übrige kurzfristige Forderungen	Other receivables						
Gegenüber Dritten	due from third parties	1'054'523		1'619'139		-564'616	
Gegenüber Aktionär	due from shareholder	2'749'571		2'231'741		517'830	
Übrige kurzfristige Forderungen	Other receivables	7'398'331	51.2	3'850'880	36.9	3'547'451	92.1
Vorräte	Inventories	4'293'957		4'656'435		-362'478	
Wertberichtigung Vorräte	Impairment on inventories	-849'054		-843'183		-5'871	
Vorräte und nicht fakturierte Dienstleistungen	Inventories and uninvoiced services	3'444'903	23.8	3'813'252	36.6	-368'349	-9.7
Aktive Rechnungsabgrenzungen	Accrued income and prepaid expenses	-		61'289		-61'289	
Aktive Rechnungsabgrenzungen	Accrued income and prepaid expenses	-	-	61'289	0.6	-61'289	
UMLAUFVERMÖGEN	TOTAL CURRENT ASSETS	14'059'088	97.3	9'968'041	95.5	4'091'047	41.0
Patente, Lizenzen, Technologie	Patents, Licenses, Technology	387'157		464'588		-77'431	
Immaterielle Wirtschaftsgüter	Intangible assets	387'157	2.7	464'588	4.5	-77'431	-16.7
ANLAGEVERMÖGEN	TOTAL NON-CURRENT ASSETS	387'157	2.7	464'588	4.5	-77'431	-16.7
AKTIVEN	TOTAL ASSETS	14'446'245	100.0	10'432'629	100.0	4'013'616	38.5

Bilanz

Balance sheet

Sudarshan Switzerland SLO AG, Pratteln

		31.12.2024		31.12.2023		Abweichung /	
		CHF	%	CHF	%	Deviation	%
PASSIVEN	LIABILITIES						
Verbindlichkeiten aus Lieferungen und Leistungen	Trade payables						
Gegenüber Dritten	due to third parties	2'008'822		3'695'295		-1'686'473	
Gegenüber Konzerngesellschaften	due to group companies	1'991'776		937'284		1'054'492	
Gegenüber Aktionär	due to shareholder	990'944		893'073		97'871	
Verbindlichkeiten aus Lieferungen und Leistungen	Trade payables	4'991'542	34.6	5'525'652	53.0	-534'110	-9.7
Übrige kurzfristige verzinsliche Verbindlichkeiten	Other short-term interest bearing liabilities						
Gegenüber Aktionär	due to shareholder	10'912'554		4'787'486		6'125'068	
Kurzfristige verzinsliche Verbindlichkeiten	Short-term interest bearing liabilities	10'912'554	75.5	4'787'486	45.9	6'125'068	127.9
Erhaltene Anzahlungen	Prepayments from customers	147'577		-		147'577	
Übrige kurzfristige Verbindlichkeiten	Other short-term liabilities	457'516		224'016		233'500	
Übrige kurzfristige Verbindlichkeiten	Other short-term liabilities	605'093	4.2	224'016	2.1	381'077	170.1
Passive Rechnungsabgrenzungen	Accrued expenses and deferred income	4'127'944		910'237		3'217'707	
Kurzfristige Rückstellungen	Short-term provisions	1'236		480		756	
Passive Rechnungsabgrenzungen und kurzfristige Rückstellungen	Accrued expenses and deferred income	4'129'180	28.6	910'717	8.7	3'218'463	353.4
Kurzfristiges Fremdkapital	Short-term liabilities	20'638'369	142.9	11'447'871	109.7	9'190'498	80.3
Übrige langfristige Rückstellungen	Other long-term provisions	4'092'858		2'728'572		1'364'286	
Rückstellungen	Provisions	4'092'858	28.3	2'728'572	26.2	1'364'286	50.0
Langfristiges Fremdkapital	Total long-term liabilities	4'092'858	28.3	2'728'572	26.2	1'364'286	50.0
FREMDKAPITAL	TOTAL LIABILITIES	24'731'227	171.2	14'176'443	135.9	10'554'784	74.5
Aktienkapital	Share capital	100'000		100'000		-	
Aktienkapital	Share capital	100'000	0.7	100'000	1.0	-	-
Verlustvortrag	Loss carried forward	-5'843'815		-1'879'563		-3'964'252	
Einlage in die freien Reserven	Contribution to the free reserves	2'000'000		2'000'000		-	
Jahres-/Periodenverlust	Loss for the year/period	-6'541'167		-3'964'252		-2'576'915	
<i>Bilanzgewinn / Bilanzverlust</i>	<i>Balance sheet result</i>	<i>-10'384'982</i>		<i>-3'843'815</i>		<i>-6'541'167</i>	
Freiwillige Gewinnreserven	Free reserves / cumulative losses	-10'384'982		-3'843'815		-6'541'167	170.2
EIGENKAPITAL	SHAREHOLDER'S EQUITY	-10'284'982	-71.2	-3'743'814	-35.9	-6'541'167	174.7
PASSIVEN	TOTAL LIABILITIES AND EQUITY	14'446'245	100.0	10'432'629	100.0	4'013'617	38.5

Erfolgsrechnung

Sudarshan Switzerland SLO AG, Pratteln

	01.01.2024 - 31.12.2024		01.01.2023 - 31.12.2023		Abweichung/Deviation	
	CHF	%	CHF	%		%
Handelserlös	12'591'765	126.7	16'958'244	122.1	-4'366'479	4.6
Dienstleistungsertrag	13'004		-		13'004	
Bestandesänderungen angefangene Arbeiten	55'165		-271'137		326'302	
Dienstleistungserlöse	68'169	0.7	-271'137	-2.0	339'306	2.6
Verluste aus Forderungen	-2'697'296		-2'759'726		62'430	
Übrige Erlösminderungen	-27'733		-39'501		11'768	
Erlösminderungen	-2'725'029	-27.4	-2'799'227	-20.2	74'198	-7.3
NETTOERLÖSE AUS LIEFERUNGEN UND LEISTUNGEN	9'934'905	100.0	13'887'880	100.0	-3'952'975	0.0
Materialeinkauf	-10'299'934		-13'389'157		3'089'223	
Materialaufwand	-10'299'934	-103.7	-13'389'157	-96.4	3'089'223	-7.3
Dienstleistungsaufwand	-268'387		-415'144		146'757	
Aufwand für bezogene Dienstleistungen	-268'387	-2.7	-415'144	-3.0	146'757	0.3
DIREKTER AUFWAND	-10'568'321	-106.4	-13'804'301	-99.4	3'235'980	-7.0
BRUTTOVERLUST / -GEWINN I	-633'416	-6.4	83'579	0.6	-716'995	-7.0
BRUTTOVERLUST / -GEWINN II	-633'416	-6.4	83'579	0.6	-716'995	-7.0
Frachtkosten	-385'359		-298'995		-86'364	
Sachversicherungen, Abgaben und Gebühren	-108'218		-155'469		47'251	
Verwaltungs- und Informatikaufwand	-30'681		7'815		-38'496	
Sonstiger betrieblicher Aufwand	-5'643'650		-3'181'821		-2'461'829	
Übriger betrieblicher Aufwand	-6'167'908	-62.1	-3'628'470	-26.1	-2'539'438	-36.0
BETRIEBLICHES ERGEBNIS VOR ZINSEN, STEUERN UND ABSCHREIBUNGEN (EBITDA)	-6'801'324	-68.5	-3'544'891	-25.5	-3'256'433.00	-42.9
Abschreibungen auf immateriellen Anlagen	-77'431		-77'431		-	
Abschreibungen und Wertberichtigungen auf Positionen des Anlagevermögens	-77'431	-0.8	-77'431	-0.6	-	-0.2
BETRIEBLICHES ERGEBNIS VOR ZINSEN UND STEUERN (EBIT)	-6'878'755	-69.2	-3'622'322	-26.1	-3'256'433	-43.2
Zinsertrag	322'161		133		322'028	
Fremdwährungsgewinne	387'005		449'503		-62'498	
Finanzertrag	709'166	7.1	449'636	3.2	259'530	3.9
Zinsaufwand	-93'358		-36'557		-56'801	
Fremdwährungsverluste	-274'477		-753'131		478'654	
Übriger Finanzaufwand	-1'423		-1'878		455	
Finanzaufwand	-369'258	-3.7	-791'566	-5.7	422'308	2.0
BETRIEBLICHES ERGEBNIS VOR STEUERN	-6'538'847	-65.8	-3'964'252	-28.5	-2'574'595	-37.3
JAHRESVERLUST VOR STEUERN (EBT)	-6'538'847	-65.8	-3'964'252	-28.5	-2'574'595	-37.3
Direkte Steuern	-2'320	-0.0	-	-	-2'320	0.0

	01.01.2024 - 31.12.2024		01.01.2023 - 31.12.2023		Abweichung/Deviation	
	CHF	%	CHF	%		%
JAHRESVERLUST	-6'541'167	-65.8	-3'964'252	-28.5	-2'576'915	-37.3

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 ff CO). Within the integration within the new Sudarshan Group, Heubach Colorants Switzerland AG has changed its legal name to Sudarshan Switzerland SLO AG, effectively June 16th, 2025. The Company is located in Pratteln, Switzerland.

The functional and reporting currency of Sudarshan Switzerland SLO AG is CHF.

Significant balance sheet items are accounted for as follows:

Cash and cash equivalents, short-term investments with a quoted market price:

The cash positions contain cash and cash equivalents. Open account facilities are shown as other receivables respectively short-term interest bearing liabilities in the balance sheet.

Inventories and uninvoiced services:

Inventories are valued at the lower of cost (acquisition or manufacturing cost) and net realisable value. Inventories acquisition or manufacturing cost are evaluated basing on the FIFO (first in, first out) principle.

The income of the goods sold is realized, when the risk of ownership of the goods sold and thus risks and rewards have been transferred to the buyer. The transfer of risks and rewards is linked with the incoterms underlying the respective business transaction.

Property, plant and equipment and intangible assets:

Property, plant and equipment and intangible assets are carried at cost less depreciation. Depreciations are done following the linear method over the related terms of usage.

Long-term interest bearing liabilities:

The long-term interest-bearing liabilities are valued at their nominal value. Any unrealized exchange rate gains are not considered, in contradiction to the unrealized exchange rate losses.

2. Number of employees

The company has no employees.

3. Negative margin in 2024

Sudarshan Switzerland SLO AG experienced sales decrease by 26% compared to 2024. Additionally, at the beginning of second quarter 2024 the German related entities and Austrian headquarter have filed for insolvency. The gross loss of the Company was impacted by CHF 2.7 million of the impairment of receivables due from the insolvent company in Germany and finally dropped to negative 6.4%.

4. Significant events after the balance sheet date

At the end of April 2024, Heubach Group GmbH, the indirect owner of Sudarshan Switzerland SLO AG (previous name: Heubach Colorants Switzerland AG) has filed for insolvency together with other related parties in the Heubach Group located in Germany and Austria. The management of the Heubach Group has reacted in this way to the threat of over-indebtedness in the context of rapidly changing financial markets for 2021 and 2022, and the unsuccessful attempt to implement a financial restructuring plan with all shareholders and lenders. On March 3rd, 2025 the Sudarshan Group has finalized the acquisition of Heubach Group in a combination of an asset and share deal exercised by the wholly owned subsidiary Sudarshan Europe B.V. 100% shares in Sudarshan Switzerland HLD1 AG, the direct mother company of Sudarshan Switzerland SLO AG, were sold by Heubach Group GmbH to Sudarshan Europe B.V, based in Netherlands.

The financial statements for 2024 and 2023 have been prepared under the going concern assumption.

Impact on the balance sheet of subsequent events***Adjusting events***

Insolvency filings by the German and Austrian related parties have adversely impacted the recoverability of assets not only from the insolvent entities. The situation resulted in the impairment including amounts not yet due as of the balance sheet date. Receivables and loans settled by insolvent companies before the financial statements were signed have not been impaired. The impact on the balance sheet as at 31.12.2024 is the impairment of trade receivables in the amount of CHF 5.4 million (31.12.2023 CHF 2.7 million). The impairment was reported as loss on receivables in the income statement in the financial year 2024 and 2023 (CHF 2.7 million each year).

Non-adjusting events

The insolvency of German related parties affected the Company's assets as per the balance sheet date and the Company is over indebted in the sense of art. 725b Swiss Code of Obligation. However the Board of Directors has refrained from court notification as the indirect parent company - Sudarshan Europe B.V. (the parent of Sudarshan Switzerland HLD1 AG) made an equity contribution to Sudarshan Switzerland SLO AG. On December 26, 2025, Sudarshan Europe B.V. ("Contributor") and the Company signed a contribution agreement. Under this agreement the Contributor wishes to contribute a cash amount of up to CHF 20 million to the Company, of which CHF 12 million has been contributed on December 30, 2025. The contribution was done by the Contributor into the Company's capital reserves as an equity contribution without any consideration. At the same day, the Company has repaid its liabilities from open account towards Sudarshan Switzerland HLD1 AG.

As the effective date of the agreements is December 26, 2025, neither the netting nor the contribution has been recognized in the Company's financial results for the year ended December 31, 2024.

5. Other information required by law

The company has been founded as of September 9th, 2019 and be commercially registered.

Sudarshan Switzerland Consulting AG, Pratteln

Unterschrift

Juan Manuel Azuaga Garcia

Bitte hier unterschreiben sowie die Jahresrechnung auf jeder Seite paraphieren. Besten Dank.

Bilanz

Balance sheet

Sudarshan Switzerland Consulting AG, Pratteln

AKTIVEN	ASSETS	31/12/2025 CHF	%	31/12/2024 CHF	%	Abweichung / Deviation CHF	%
Bankguthaben	Cash and cash equivalents	3'764		10'224		-6'460	
Flüssige Mittel	Cash and cash equivalents	3'764	4.0	10'224	55.4	-6'460	-63.2
Geleistete Anzahlungen	Prepayments	-		-		-	
Übrige kurzfristige Forderungen	Other receivables	91'017		90'020			
<i>Gegenüber Dritten</i>	<i>due from third parties</i>	1'477		480		997	
<i>Gegenüber Aktionär</i>	<i>due from shareholder</i>	89'540		89'540		-	
Übrige kurzfristige Forderungen	Other receivables	91'017	95.9	90'020	44.5	997	1.1
UMLAUFVERMÖGEN	TOTAL CURRENT ASSETS	94'781	99.8	100'244	99.9	-5'463	-5.4
Beteiligungen	Investments	150		150		-	
Beteiligungen	Investments	150	0.2	150	0.1	-	-
ANLAGEVERMÖGEN	TOTAL NON-CURRENT ASSETS	150	0.2	150	0.1	-	-
AKTIVEN	TOTAL ASSETS	94'931	100.0	100'394	100.0	-5'463	-5.4
PASSIVEN	LIABILITIES	31/12/2025 CHF	%	31/12/2024 CHF	%	Abweichung / Deviation CHF	%
Kurzfristiges Fremdkapital	Total short-term liabilities	-	-	-	-	-	-
Langfristiges Fremdkapital	Total long-term liabilities	-	-	-	-	-	-
FREMDKAPITAL	TOTAL LIABILITIES	-	-	-	-	-	-
Aktienkapital	Share capital	100'000		100'000		-	
Aktienkapital	Share capital	100'000	105.3	100'000	91.2	-	-
Gesetzliche Gewinnreserve	Statutory retained earnings	2'000		2'000		-	
Gesetzliche Gewinnreserve	Legal reserves	2'000	2.1	2'000	1.8	-	-
Verlust- / Gewinnvortrag	Loss / Profit carried forward	-1'606		5'288		-6'894	
Jahresverlust	Loss for the year	-5'463		-6'894		1'431	
Bilanzverlust	Balance sheet result	-7'069		-1'606		-5'463	
EIGENKAPITAL	SHAREHOLDER'S EQUITY	94'931	100.0	100'394	95.8	-5'463	-5.4
PASSIVEN	TOTAL LIABILITIES	94'931	100.0	100'394	100.0	-5'463	-5.4

Erfolgsrechnung

Profit and loss statement

Sudarshan Switzerland Consulting AG, Pratteln

		01.01. - 31.12.2025 CHF	01.01. - 31.12.2024 CHF	Abweichung/ Deviation CHF
Dienstleistungserlöse	Proceeds from sales	-	-	-
NETTOERLÖSE AUS LIEFERUNGEN UND LEISTUNGEN	NET REVENUE FROM TRADING ACTIVITIES	-	-	-
DIREKTER AUFWAND	DIRECT ALLOCATED EXPENSES	-	-	-
BRUTTOGEWINN I	GROSS PROFIT I	-	-	-
BRUTTOGEWINN II	GROSS PROFIT II	-	-	-
Verwaltungsaufwand	Administrative and IT expenses	-4'312	-6'248	1'936
Sonstiger betrieblicher Aufwand	Other operational expenditure	-591	-	-591
Übriger betrieblicher Aufwand	Other operational expenditure	-4'903	-6'248	1'345
BETRIEBLICHES ERGEBNIS VOR ZINSEN, STEUERN UND ABSCHREIBUNGEN (EBITDA)	OPERATIONAL EARNINGS BEFORE INTEREST, TAXES AND DEPRECIATION/AMORTIZATION (EBITDA)	-4'903	-6'248	1'345
BETRIEBLICHES ERGEBNIS VOR ZINSEN UND STEUERN (EBIT)	OPERATIONAL EARNINGS BEFORE INTEREST AND TAXES (EBIT)	-4'903	-6'248	1'345
Zinsertrag	Interest income	-	-	-
Übriger Finanzertrag	Other financial income	-	-	-
Finanzertrag	Financial income	-	-	-
Zinsaufwand	Interest expenses	-1	-	-1
Übriger Finanzaufwand	Other financial expenses	-559	-560	1
Finanzaufwand	Financial expenses	-560	-560	-
BETRIEBLICHES ERGEBNIS VOR STEUERN	OPERATIONAL EARNINGS BEFORE TAXES	-5'463	-6'808	1'345
JAHRESVERLUST VOR STEUERN (EBT)	LOSS BEFORE TAXES (EBT)	-5'463	-6'808	1'345
Direkte Steuern	Direct taxes	-	-86	86
JAHRESVERLUST	LOSS FOR THE YEAR	-5'463	-6'894	1'431

1. Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 ff CO). Within the integration within the new Sudarshan Group, Heubach Colorants Consulting AG has changed its legal name to Sudarshan Switzerland Consulting AG, effectively June 16th, 2025. The Company is located in Pratteln, Switzerland. The functional and reporting currency of Sudarshan Switzerland Consulting AG is CHF.

Significant balance sheet items are accounted for as follows:

Cash and cash equivalents, short-term investments with a quoted market price:

The cash positions contain cash and cash equivalents. Open account facilities are shown as other receivables respectively short-term interest bearing liabilities in the balance sheet.

Investments:

Investments are valued at acquisition costs minus any impairments.

2. Number of employees

The company has no employees.

3. Investments

	31/12/2025		31/12/2024	
Name, Legal form and registered office	Ownership in %	Control in %	Ownership in %	Control in %
P.T. Sudarshan Indonesia MFG	0.01000	0.01000	0.01000	0.01000
Sudarshan MFG (Thailand) Ltd.	0.00100	0.00100	0.00100	0.00100

4. Other information required by law

The company was founded on March 25, 2019 and entered in the commercial register. According to the declaration from July 07, 2022, a limited audit was waived.

Antrag des Verwaltungsrates über die Verwendung
des Bilanzgewinns

Motion of the board of directors on the allocation
of retained earnings

Bezeichnung		2025	2024
Zur Verfügung der Generalversammlung:	Available to the general meeting:		
Verlust- / Gewinnvortrag	Loss/Profit carried forward	-1'606	5'288
Jahresverlust	Loss of the year	-5'463	-6'894
Bilanzverlust	Balance sheet result	-7'069	-1'606
Total zur Verfügung der Generalversammlung	Total available to the general meeting	-7'069	-1'606
Antrag des Verwaltungsrates:	Motion of the board of directors		
Bilanzverlust	Balance sheet result	-7'069	-1'606
Vortrag auf neue Rechnung	Carried forward	-7'069	-1'606

Hangzhou Baihe Faber Pigment Co., Ltd.

2025

Audit Report

index	page number
Audit Report	
Company financial statements	
- Balance Sheet	1-2
- Income Statement	3
- Cash Flow Statement	4
- Statement of Changes in Equity	5-6
- Notes to the financial statements	7-40

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Audit Report

XYZH/2026HZAA1B0042

Hangzhou Baihe Faber Pigment Co., Ltd.

Board of Directors of Hangzhou Baihe Faber Pigment Co., Ltd.

I. Audit Opinion

We have audited the financial statements of Hangzhou Baihe Huibohe Pigment Co., Ltd. (hereinafter referred to as "Baihe Huibohe"), including its balance sheet as of December 31, 2025, and its income statement, cash flow statement, statement of changes in equity and related notes to the financial statements for the year then ended.

We believe that the accompanying financial statements present a fair view in all material respects in accordance with the Accounting Standards for Business Enterprises.

The financial position of Baihe Huibohe Company as of December 31, 2025, as well as its operating results and cash flows for the year 2025, were disclosed.

II. Basis for Forming an Audit Opinion

We conducted our audit in accordance with the Auditing Standards for Certified Public Accountants of China. 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 Baihe Huibohe Co., Ltd. in accordance with the Code of Ethics for Certified Public Accountants of China, and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Responsibilities of Management and Those Governing Governance for the Financial Statements

Management is responsible for preparing financial statements in accordance with accounting standards to ensure a fair reflection of the financial situation, and for designing and implementing such statements.

Implement and maintain necessary internal controls to ensure that the financial statements are free from material misstatement due to fraud or error.

In preparing the financial statements, management is responsible for assessing Baihe Huibohe's ability to continue as a going concern and disclosing information related to its continued operation.

Management will conduct business-related matters (if applicable) and will use the going concern assumption unless management intends to liquidate Lily Fairfax, cease operations, or has no other realistic alternative.

The management team is responsible for overseeing Baihe Huibohe's financial reporting process.

IV. The Certified Public Accountant's Responsibilities for Auditing Financial Statements

Our objective is 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 auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally 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.





In performing our audits in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. Meanwhile, We also perform the following tasks:

(1) Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain sufficient appropriate audit evidence to provide a basis for your opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error.

(2) To understand the internal controls relevant to the audit in order to design appropriate audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.

(3) Evaluate the appropriateness of the accounting policies selected by management and the reasonableness of the accounting estimates and related disclosures made.

(4) Conclude on the appropriateness of management's use of the going concern assumption. Also, based on the audit evidence obtained, We will conclude whether a material uncertainty exists regarding events or conditions that may cast significant doubt on Baihe Huibohe's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw the attention of financial statement users to the related disclosures in the financial statements in our auditor's report; if the disclosures are inadequate, we should issue a qualified opinion. Our conclusion is based on information available up to the date of the auditor's report. However, future events or conditions may lead to... This led to Baihe Huibohe Company being unable to continue operating.

(5) Evaluate the overall presentation, structure, and content of the financial statements, and assess whether the financial statements fairly reflect the relevant transactions. Easy and matters.

We communicated with Baihe Pharma's corporate governance regarding the planned scope, timing, and significant audit findings for the 2025 financial statements audit, including any noteworthy deficiencies in internal control that we identified during the audit.

Shinewing Certified Public Accountants (Special General Partnership)



Hangzhou, China

Chinese Certified Public Accountant:



Chinese Certified Public Accountant:



April 22, 2026





资产负债表

2025年12月31日

编制单位：杭州百合辉柏赫颜料有限公司

单位：人民币元

项 目	注释	2025年12月31日	2024年12月31日
流动资产：			
货币资金	五、1	54,470,288.58	106,766,284.09
交易性金融资产			
衍生金融资产			
应收票据	五、2	80,606,944.63	74,569,937.90
应收账款	五、3	104,087,731.14	112,735,562.67
应收款项融资	五、4	20,123,234.80	400.00
预付款项	五、5	992,654.10	1,281,954.47
其他应收款		4,949.00	5,200.00
其中：应收利息			
应收股利			
存货	五、6	77,145,676.57	86,994,858.44
合同资产			
持有待售资产			
一年内到期的非流动资产			
其他流动资产			
流动资产合计		337,431,478.82	382,354,197.57
非流动资产：			
债权投资			
其他债权投资			
长期应收款			
长期股权投资			
其他权益工具投资			
其他非流动金融资产			
投资性房地产			
固定资产	五、7	70,376,335.86	74,205,591.13
在建工程	五、8	144,314.05	942,395.82
生产性生物资产			
油气资产			
使用权资产			
无形资产	五、9	2,198,446.27	2,281,099.86
开发支出			
商誉			
长期待摊费用	五、10		106,307.78
递延所得税资产		16,222.66	1,731.26
其他非流动资产			
非流动资产合计		72,735,318.84	77,537,125.85
资 产 总 计		410,166,797.66	459,891,323.42

法定代表人：

陈立印

主管会计工作负责人：

陈立印

会计机构负责人：

高马





资产负债表（续）
2025年12月31日

编制单位：杭州百合生物科技有限公司

单位：人民币元

项目	注释	2025年12月31日	2024年12月31日
流动负债：			
短期借款	五、12	20,013,888.86	11,003,850.00
交易性金融负债			
衍生金融负债			
应付票据			
应付账款	五、13	71,144,422.25	80,361,819.01
预收款项			
合同负债			
应付职工薪酬	五、15	7,575,643.98	6,181,336.82
应交税费	五、16	2,974,795.27	2,185,662.62
其他应付款	五、14	3,441,031.60	4,735,892.06
其中：应付利息			
应付股利			
持有待售负债			
一年内到期的非流动负债			
其他流动负债	五、17	38,688,729.83	74,353,795.77
流动负债合计		143,838,511.79	178,822,356.28
非流动负债：			
长期借款			
应付债券			
其中：优先股			
永续债			
租赁负债			
长期应付款			
长期应付职工薪酬			
预计负债			
递延收益	五、18	406,249.74	531,249.78
递延所得税负债			
其他非流动负债			
非流动负债合计		406,249.74	531,249.78
负债合计		144,244,761.53	179,353,606.06
所有者权益：			
实收资本	五、19	59,800,000.00	59,800,000.00
其他权益工具			
其中：优先股			
永续债			
资本公积	五、20	544,320.00	544,320.00
减：库存股			
其他综合收益			
专项储备			
盈余公积	五、21	157,654,899.17	157,654,899.17
未分配利润	五、22	47,922,816.96	62,538,498.19
所有者权益合计		265,922,036.13	280,537,717.36
负债和所有者权益总计		410,166,797.66	459,891,323.42

法定代表人：



主管会计工作负责人：



会计机构负责人：

高奇



利润表
2025年度

编制单位：杭州百合新材料有限公司

单位：人民币元

项目	注释	2025年度	2024年度
一、营业收入	五、23	490,474,531.11	576,867,619.54
减：营业成本	五、23	402,300,629.60	471,304,318.64
税金及附加	五、24	4,020,151.98	3,439,809.74
销售费用		2,706,558.81	3,382,591.07
管理费用		13,407,865.27	14,000,925.31
研发费用	五、25	17,910,172.51	19,118,941.19
财务费用	五、26	-21,813.58	-2,266,995.51
其中：利息费用	五、26	437,331.18	71,021.01
利息收入	五、26	675,614.72	541,041.08
加：其他收益	五、27	2,326,061.25	2,765,084.31
投资收益（损失以“-”号填列）	五、28	140,217.12	143,308.35
其中：对联营企业和合营企业的投资收益			
以摊余成本计量的金融资产终止确认收益			
净敞口套期收益（损失以“-”号填列）			
公允价值变动收益（损失以“-”号填列）			
信用减值损失（损失以“-”号填列）	五、29	-60,863.37	
资产减值损失（损失以“-”号填列）		-47,287.71	-11,541.75
资产处置收益（损失以“-”号填列）			
二、营业利润（亏损以“-”号填列）		52,509,093.81	70,784,880.01
加：营业外收入	五、30	1,476,141.51	440,291.44
减：营业外支出	五、31	330,906.09	753,383.12
三、利润总额（亏损总额以“-”号填列）		53,654,329.23	70,471,788.33
减：所得税费用	五、32	5,731,512.28	7,933,290.14
四、净利润（净亏损以“-”号填列）		47,922,816.95	62,538,498.19
五、其他综合收益的税后净额			
六、综合收益总额		47,922,816.95	62,538,498.19
七、每股收益			
（一）基本每股收益			
（二）稀释每股收益			

法定代表人：

陈立印

主管会计工作负责人：

陈立印

会计机构负责人：

高奇



现金流量表
2025年度

编制单位: 杭州百合梓柏赫颜料有限公司

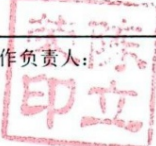
单位: 人民币元

项 目	注释	2025年度	2024年度
一、经营活动产生的现金流量:			
销售商品、提供劳务收到的现金		315,816,439.42	353,866,332.14
收到的税费返还		2,924,854.25	5,818,846.39
收到其他与经营活动有关的现金		2,083,217.74	3,589,545.36
经营活动现金流入小计		320,824,511.41	363,274,723.89
购买商品、接受劳务支付的现金		260,980,749.10	265,410,901.01
支付给职工以及为职工支付的现金		35,380,389.75	33,838,042.26
支付的各项税费		11,552,305.71	13,838,094.70
支付其他与经营活动有关的现金		8,414,549.94	6,481,576.19
经营活动现金流出小计		316,327,994.50	319,568,614.16
经营活动产生的现金流量净额	五、33	4,496,516.91	43,706,109.73
二、投资活动产生的现金流量:			
收回投资收到的现金		65,000,000.00	120,000,000.00
取得投资收益收到的现金		148,630.14	151,906.85
处置固定资产、无形资产和其他长期资产收回的现金净额		223,078.00	164,556.28
处置子公司及其他营业单位收到的现金净额			
收到其他与投资活动有关的现金			
投资活动现金流入小计		65,371,708.14	120,316,463.13
购建固定资产、无形资产和其他长期资产支付的现金		3,315,413.13	4,589,249.28
投资支付的现金		65,000,000.00	120,000,000.00
取得子公司及其他营业单位支付的现金净额			
支付其他与投资活动有关的现金			
投资活动现金流出小计		68,315,413.13	124,589,249.28
投资活动产生的现金流量净额		-2,943,704.99	-4,272,786.15
三、筹资活动产生的现金流量:			
吸收投资收到的现金			
取得借款收到的现金		20,000,000.00	25,000,000.00
收到其他与筹资活动有关的现金			
筹资活动现金流入小计		20,000,000.00	25,000,000.00
偿还债务支付的现金		11,000,000.00	14,000,000.00
分配股利、利润或偿付利息支付的现金		62,965,625.99	49,115,045.68
支付其他与筹资活动有关的现金			
筹资活动现金流出小计		73,965,625.99	63,115,045.68
筹资活动产生的现金流量净额		-53,965,625.99	-38,115,045.68
四、汇率变动对现金及现金等价物的影响		116,818.56	1,457,342.15
五、现金及现金等价物净增加额	五、33	-52,295,995.51	2,775,620.05
加: 期初现金及现金等价物余额	五、33	106,766,284.09	103,990,664.04
六、期末现金及现金等价物余额	五、33	54,470,288.58	106,766,284.09

法定代表人:

主管会计工作负责人:

会计机构负责人:



高奇



所有者权益变动表
2025年度

编制单位：上海安泰新柏林医药有限公司		2025年度								单位：人民币元	
		实收资本	其他权益工具	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	其他	所有者权益合计
一、上年年末余额		59,800,000.00		544,320.00				157,654,899.17	62,538,498.18		280,537,717.35
加：会计政策变更											
前期差错更正											
其他											
二、本年期初余额		59,800,000.00		544,320.00				157,654,899.17	62,538,498.18		280,537,717.35
三、本年增减变动金额（减少以“-”号填列）									-14,615,681.23		-14,615,681.23
（一）综合收益总额									47,922,816.95		47,922,816.95
（二）所有者投入和减少资本											
1.所有者投入的普通股											
2.其他权益工具持有者投入资本											
3.股份支付计入所有者权益的金额											
4.其他											
（三）利润分配											
1.提取盈余公积									-62,538,498.18		-62,538,498.18
2.对所有者的分配											
3.其他											
（四）所有者权益内部结转											
1.资本公积转增资本											
2.盈余公积转增资本											
3.盈余公积弥补亏损											
4.设定受益计划变动额结转留存收益											
5.其他综合收益结转留存收益											
6.其他											
（五）专项储备											
1.本年提取											
2.本年使用											
其他											
四、本年年末余额		59,800,000.00		544,320.00				157,654,899.17	47,922,816.95		265,922,036.13

高

会计机构负责人：

印立

印立



所有者权益变动表（续）

2025年度

编制单位：杭州盛立印务有限公司		2024年度										单位：人民币元
		实收资本	其他权益工具	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	未分配利润	其他	所有者权益合计	
一、上年年末余额		59,800,000.00		544,320.00				157,654,899.17	49,093,267.90		267,092,487.07	
加：会计政策变更												
前期差错更正												
其他												
二、本年初余额		59,800,000.00		544,320.00				157,654,899.17	49,093,267.90		267,092,487.07	
三、本年增减变动金额（减少以“-”号填列）												
（一）综合收益总额												
（二）所有者投入和减少资本												
1.所有者投入的普通股												
2.其他权益工具持有者投入资本												
3.股份支付计入所有者权益的金额												
4.其他												
（三）利润分配												
1.提取盈余公积									-49,093,267.90		-49,093,267.90	
2.对所有者的分配												
3.其他												
（四）所有者权益内部结转												
1.资本公积转增资本												
2.盈余公积转增资本												
3.盈余公积弥补亏损												
4.设定受益计划变动额结转留存收益												
5.其他综合收益结转留存收益												
6.其他												
（五）专项储备												
1.本年提取												
2.本年使用												
（六）其他												
四、本年年末余额		59,800,000.00		544,320.00				157,654,899.17	62,538,498.19		280,537,717.36	

高一方

会计机构负责人：



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

I. Basic Information of the Company

Hangzhou Baihe Faber Pigment Co., Ltd. (hereinafter referred to as "the Company") was established on December 31, 2004.

On that day, the registered address and office address were both No. 1888, Jingwu Road, Linjiang High-tech Industrial Park, Hangzhou, Zhejiang Province.

Our company belongs to the chemical raw materials and chemical products manufacturing industry. Our business scope includes the production of high-performance organic pigments (permanent type).

Pigments), quinacridone organic pigments (excluding hazardous chemicals and precursor chemicals), 30% phosphoric acid (byproduct);

Phosphate (byproduct); sale of products manufactured by the company (excluding those subject to special access management measures stipulated by the state).

(For projects that require approval by law, business activities may only be carried out after approval by the relevant departments).

These financial statements were approved for issuance by the Company's Board of Directors on April 22, 2026.

II. Basis of Financial Statement Preparation

1. Compilation Basis

Our financial statements are based on actual transactions and events, in accordance with the Accounting Standards for Business Enterprises issued by the Ministry of Finance.

The Accounting Standards for Business Enterprises (hereinafter collectively referred to as "Enterprise Accounting Standards") and its application guidelines, interpretations and other relevant provisions, and based on this Appendix

Note: The accounting policies and accounting estimates described in "III. Significant Accounting Policies and Accounting Estimates" are prepared.

2. Going concern

The Company has evaluated its ability to continue as a going concern for the 12 months from December 31, 2025, and has not found any issues affecting its ability to continue as a going concern.

Matters and circumstances that cast significant doubt on the ability to continue as a going concern. These financial statements are presented on a going concern basis.

III. Significant Accounting Policies and Accounting Estimates

1. Statement of Compliance with Accounting Standards

These financial statements comply with the requirements of the Accounting Standards for Business Enterprises and truthfully, accurately, and completely reflect the Company's financial situation as of 2025.

Information regarding the financial position as of December 31, 2023, as well as the operating results and cash flows for the year 2025.

2. Accounting Period

Our accounting period is from January 1 to December 31 of the Gregorian calendar.

3. Business Cycle

Our company uses a 12-month operating cycle as the standard for classifying assets and liabilities based on liquidity.

4. Functional currency

Our company uses Renminbi as its functional currency.

5. Cash and cash equivalents

The cash in this company's cash flow statement refers to cash on hand and deposits that are readily available for payment. Cash Flow Statement

Cash equivalents refer to assets that are held for no more than three months, are highly liquid, readily convertible to a known amount of cash, and have a value of [missing information].

Investments with very low risk of change.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January 1,

2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

6. Foreign currency transactions

When initially recognizing foreign currency transactions, the Company uses the spot exchange rate on the transaction date to translate the foreign currency amount into the functional currency amount. On the balance sheet date, foreign currency monetary items are translated into the functional currency using the spot exchange rate on the balance sheet date. The resulting translation differences, except for exchange differences arising from foreign currency borrowings specifically for the purchase, construction, or production of assets eligible for capitalization, are directly recognized in profit or loss for the current period. Foreign currency non-monetary items measured at historical cost are still translated using the spot exchange rate on the transaction date, without changing their functional currency amount. Foreign currency non-monetary items measured at fair value are translated using the spot exchange rate on the fair value determination date. The difference between the translated functional currency amount and the original functional currency amount is treated as a change in fair value (including exchange rate changes) and recognized in profit or loss for the current period. Capital contributions received from investors in foreign currency are translated using the spot exchange rate on the transaction date. No foreign currency capital translation difference arises between the foreign currency capital contributions and the corresponding monetary item's functional currency amount.

7. Financial Instruments

(1) Recognition and Derecognition of Financial Instruments

When the Company becomes a party to a financial instrument contract, it recognizes a financial asset or financial liability.

A financial asset (or a portion of a financial asset, or a group of similar financial assets) is derecognized and removed from the balance sheet if the following conditions are met: 1) the right to receive the cash flows from the financial asset expires; 2) the right to receive the cash flows from the financial asset is transferred, or an obligation is assumed under a "pass-through agreement" to promptly pay the full amount of the cash flows received to a third party; and substantially all the risks and rewards of ownership of the financial asset are transferred, or although substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained, control over the financial asset is relinquished.

If the liability of a financial liability has been fulfilled, revoked, or matured, the financial liability is derecognized. If an existing financial liability is replaced by another financial liability with substantially different terms from another financial liability from the same creditor, or if the terms of the existing liability are substantially modified in almost all respects, such replacement or modification is treated as a derecognition of the original liability and a recognition of a new liability, with the difference recognized in profit or loss for the period.

Financial assets are bought and sold in a conventional manner, and the accounting is performed on a transaction date basis for recognition and derecognition.

(2) Classification and measurement methods of financial assets

Upon initial recognition, the Company classifies its financial assets according to its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets into three categories: financial assets measured at amortized cost, financial assets measured at fair value with changes in fair value recognized in other comprehensive income, and financial assets measured at fair value with changes in fair value recognized in profit or loss. All affected financial assets are reclassified only when the Company changes its business model for managing the financial assets.

In determining the business model, the Company considers factors including corporate performance evaluation and reporting methods for financial asset performance to key management personnel, the risks affecting financial asset performance and their management methods, and the compensation methods for relevant business management personnel. When assessing whether the objective is to collect contractual cash flows, the Company considers the amount of cash released before the maturity date of the financial assets.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January

1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

The reasons for the sale, the timing, the frequency, and the value are analyzed and judged.

When assessing the characteristics of contractual cash flows, the Company determines whether the contractual cash flows consist solely of payments to principal and interest based on outstanding principal, and whether there are significant differences compared to benchmark cash flows when assessing adjustments to the time value of money; for financial assets that include prepayment features, the Company determines whether the fair value of the prepayment features is very small, etc.

Financial assets are measured at fair value upon initial recognition. However, accounts receivable or notes receivable arising from the sale of goods or provision of services that do not contain a significant financing component or do not consider a financing component with a maturity of no more than one year are initially measured at the transaction price.

For financial assets measured at fair value through profit or loss, related transaction costs are directly recognized in the current period.

For current profit or loss, transaction costs related to other categories of financial assets are included in their initial recognition amount.

The subsequent measurement of financial assets depends on their classification:

1) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if they simultaneously meet the following conditions: ̳ The business model for managing the financial asset is aimed at collecting contractual cash flows. ̳ The contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount. The Company's financial assets in this category mainly include: cash and cash equivalents, accounts receivable, notes receivable, and other receivables.

2) Debt instrument investments measured at fair value through other comprehensive income

Financial assets are classified as financial assets measured at fair value through other comprehensive income if they meet all of the following conditions: ̳ The business model managing the financial asset aims both to collect contractual cash flows and to sell the financial asset. ̳ The contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount. Interest income for such financial assets is recognized using the effective interest rate method. Except for interest income, impairment losses, and exchange differences, which are recognized in profit or loss for the current period, all other changes in fair value are recognized in other comprehensive income. When a financial asset is derecognized, any accumulated gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to profit or loss for the current period. This category of financial assets primarily includes: receivables financing.

3) Equity instrument investments measured at fair value through other comprehensive income

The Company has irrevocably chosen to designate certain non-trading equity instrument investments as financial assets measured at fair value through other comprehensive income, and this designation cannot be revoked once made. The Company recognizes only the related dividend income (excluding dividend income explicitly recognized as part of the investment cost) in current profit or loss; subsequent changes in fair value are recognized in other comprehensive income, and no impairment provision is required. When a financial asset is derecognized, the accumulated gains or losses previously recognized in other comprehensive income are transferred from other comprehensive income to retained earnings.

4) Financial assets measured at fair value through profit or loss

In addition to the above-mentioned classification of financial assets measured at amortized cost and classifications or designations of financial assets measured at fair value and whose changes are subject to change, financial assets are also subject to change.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January

1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

Financial assets other than those recognized in other comprehensive income are classified by the Company as financial assets measured at fair value with changes in fair value recognized in profit or loss. These financial assets are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss, except in connection with hedge accounting.

(3) Classification, recognition basis and measurement methods of financial liabilities

Apart from financial guarantee contracts issued, loan commitments to lend at below-market interest rates, and financial liabilities arising from the failure of financial asset transfers to meet the derecognition criteria or from continued involvement in the transferred financial assets, the Company's financial liabilities are initially classified as follows: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. For financial liabilities measured at fair value through profit or loss, related transaction costs are directly recognized in profit or loss; for financial liabilities measured at amortized cost, related transaction costs are included in their initial recognition amount.

The subsequent measurement of financial liabilities depends on their classification:

1) Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest rate method.

2) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and financial liabilities designated at initial recognition as measured at fair value through profit or loss. Trading financial liabilities are subsequently measured at fair value, and all changes in fair value are recognized in profit or loss, except those relating to hedge accounting. For financial liabilities designated as measured at fair value through profit or loss, subsequent measurement at fair value is conducted, and all changes in fair value are recognized in profit or loss, except for changes in fair value arising from changes in the Company's own credit risk recognized in other comprehensive income. If recognizing changes in fair value arising from changes in the Company's own credit risk in other comprehensive income would cause or amplify accounting mismatches in profit or loss, the Company will recognize all changes in fair value (including the impact of changes in its own credit risk) in profit or loss.

(4) Impairment of financial instruments

The Company impairs financial assets and lease receivables measured at amortized cost and recognizes loss provisions based on expected credit losses.

1) Measurement of expected credit losses

Expected credit loss is the weighted average of credit losses on financial instruments, weighted by the risk of default. Credit loss is the difference between the present value of all contractual cash flows receivable under the contract, discounted at the original effective interest rate, and the present value of all expected cash flows receivable, i.e., the present value of the total cash shortage.

Expected credit losses over the entire lifespan refer to the expected credit losses resulting from all possible default events that may occur during the entire expected lifespan of the financial instrument. Expected credit losses within the next 12 months refer to the expected credit losses resulting from possible default events that may occur within 12 months after the balance sheet date (or the expected lifespan if the expected lifespan of the financial instrument is less than 12 months), and are a portion of the expected credit losses over the entire lifespan.



For receivables such as accounts receivable, notes receivable, receivables financing, and contract assets arising from ordinary business activities such as the sale of goods and provision of services, which do not contain significant financing components, the Company uses a simplified measurement method to measure the loss provision at an amount equivalent to the expected credit loss over the entire lifetime.

For lease receivables, receivables containing significant financing components, and contract assets, the Company chooses to utilize...
Simplify the measurement method and measure the loss provision based on the amount of expected credit losses over the entire duration.

For financial assets other than those using the simplified measurement method mentioned above, such as other receivables, the Company uses the general method (three-stage method) to accrue expected credit losses. At each balance sheet date, the Company assesses whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, it is in Stage 1, and the Company measures the loss provision at an amount equivalent to the expected credit losses over the next 12 months, and calculates interest income based on the carrying amount and the effective interest rate. If the credit risk has increased significantly since initial recognition but no credit impairment has yet occurred, it is in Stage 2, and the Company measures the loss provision at an amount equivalent to the expected credit losses over the entire lifetime, and calculates interest income based on the carrying amount and the effective interest rate. If credit impairment has occurred since initial recognition, it is in Stage 3, and the Company measures the loss provision at an amount equivalent to the expected credit losses over the entire lifetime, and calculates interest income based on amortized cost and the effective interest rate.

For financial instruments that have only low credit risk at the balance sheet date, the Company assumes that their credit risk has not increased significantly since initial recognition.

When assessing impairment of financial instruments and contractual assets using the expected credit loss model, our company infers expected changes in the debtor's credit risk based on historical repayment data and factors such as economic policies, macroeconomic indicators, and industry risks. Different estimates may affect the provision for impairment, and the provision for impairment already made may not equal the actual amount of future impairment losses.

2) The categories of portfolios for which impairment provisions are made based on credit risk characteristics and the basis for their determination.

Our company assesses the expected credit losses of financial instruments on an individual and portfolio basis. When assessing on a portfolio basis, we categorize financial instruments into different groups based on common credit risk characteristics. These common credit risk characteristics include: type of financial instrument, credit risk rating, overdue information, and aging of receivables.

γ Combination categories and determination basis of accounts receivable (and contract assets)

Our company assesses the credit risk of accounts receivable (and contract assets) with significantly different credit risks on a case-by-case basis, such as: accounts receivable (and contract assets) with disputes or involved in litigation or arbitration with the counterparty; accounts receivable (and contract assets) with clear indications that the debtor is likely to be unable to fulfill its repayment obligations, etc. In addition to accounts receivable (and contract assets) assessed on a case-by-case basis, our company classifies accounts receivable (and contract assets) into different groups based on common risk characteristics such as the counterparty and aging of the accounts receivable: a. Individually Assessed Group (Individually Assessed Credit Risk): If there is objective evidence that impairment has occurred, a bad debt provision is made for the difference between the present value of the expected future cash flows and the carrying amount, and this is recognized in current profit or loss. Accounts receivable that have not been impaired after individual testing are included in the aging group for bad debt provision; b. Related Party Group within the Consolidation Scope: Considering the actual performance ability and historical collection situation of related party companies, and given that no bad debt losses have occurred, management assesses that this type of receivable has low credit risk, therefore no bad debt provision is made.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January 1,

2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

c. Bad debt provisions need to be made; Based on the aging of accounts receivable, assess expected credit losses and, based on all reasonable and justifiable information, including credit risk ratings, the industry in which the debtor operates, and forward-looking information, use an impairment calculation model based on the aging table, using the historical default loss rate over the expected life period as a basis, and estimate and adjust it according to forward-looking data to calculate the expected loss rate, which is the provision ratio for bad debts of the portfolio accounts receivable.

• Categories of accounts receivable and their determination basis

Based on the credit risk of the acceptors of accounts receivable as a common risk characteristic, the Company classifies them into different groups and determines the accounting estimation policy for expected credit losses: a. Bank acceptance bills group: For bank acceptance bills with high credit ratings, management assesses that the bank acceptance bills held do not pose significant credit risk and will not incur significant losses due to bank defaults; therefore, no provision for bad debts is required. For bank acceptance bills with average credit ratings, bad debt provisions are made according to expected credit losses, in the same grouping as accounts receivable. b. Commercial acceptance bills group: Bad debt provisions are made according to expected credit losses, in the same grouping as accounts receivable.

γ Categories and Basis for Determining Other Receivables

Other receivables of the Company mainly include accounts receivable for security deposits and guarantees, accounts receivable for export tax refunds, and accounts receivable for collection and payment on behalf of others. Based on the nature of the receivables and the credit risk characteristics of different counterparties, the Company classifies other receivables into two groups: the aging group and the group of related parties within the consolidated scope.

3) The individual provision criteria for bad debt impairment provisions shall be followed.

If a customer's credit risk characteristics are significantly different from those of other customers in the portfolio, or if the customer's credit risk characteristics change significantly, such as if the customer is experiencing serious financial difficulties and the expected credit loss rate of the receivables from that customer is significantly higher than the expected credit loss rate of the aging and overdue period, the Company shall make an individual provision for loss on the receivables from that customer.

4) Write-off of impairment provisions

When the Company no longer reasonably expects to recover all or part of the contractual cash flows of a financial asset, the Company directly reduces the carrying amount of the financial asset. If a financial asset that has been reduced is subsequently recovered, the reversal of the impairment loss is recognized in profit or loss in the period of recovery.

(5) Basis for recognition and measurement methods of financial asset transfers

For transactions involving the transfer of financial assets, if the Company has transferred substantially all the risks and rewards of ownership of the financial asset to the transferee, it shall derecognize the financial asset; if the Company has retained substantially all the risks and rewards of ownership of the financial asset, it shall not derecognize the financial asset; if the Company has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, and has relinquished control over the financial asset, it shall derecognize the financial asset and recognize the resulting assets and liabilities; if the Company has not relinquished control over the financial asset, it shall recognize the relevant financial asset and corresponding liabilities according to the extent of its continued involvement in the transferred financial asset.

If the overall transfer of financial assets meets the derecognition criteria, the carrying amount of the transferred financial assets on the derecognition date shall be reconciled with the consideration received from the transfer and the cumulative amount of fair value changes originally recognized directly in other comprehensive income.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January

1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

The difference between the amount of the portion to be derecognized (the financial asset involved in the transfer meets the following conditions: ̳ the company's business model for managing the financial asset aims both to collect contractual cash flows and to sell the financial asset; ̳ the contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount) is recognized in profit or loss for the current period.

If a partial transfer of a financial asset meets the criteria for derecognition, the carrying amount of the transferred financial asset as a whole shall be allocated between the derecognition portion and the non-derecognition portion according to their respective relative fair values. The difference between the sum of the consideration received from the transfer and the amount corresponding to the derecognition portion of the accumulated fair value changes originally recognized in other comprehensive income (the financial asset involved in the transfer must simultaneously meet the following conditions: ̳ the company's business model for managing the financial asset aims both to collect contractual cash flows and to sell the financial asset; ̳ the contractual terms of the financial asset stipulate that the cash flows generated on a specific date are solely payments of principal and interest based on the outstanding principal amount) and the allocated carrying amount of the aforementioned financial asset shall be recognized in profit or loss for the current period.

When continuing involvement is achieved by providing financial guarantees for transferred financial assets, the asset arising from the continuing involvement is recognized as the lower of the carrying amount of the financial assets and the amount of the financial guarantee. The amount of the financial guarantee refers to the highest amount of consideration received that will be required to be repaid.

(6) Distinguishing between financial liabilities and equity instruments and related treatment methods

The Company distinguishes between financial liabilities and equity instruments according to the following principles: (1) If the Company cannot unconditionally avoid fulfilling a contractual obligation by delivering cash or other financial assets, then the contractual obligation meets the definition of a financial liability. Some financial instruments, although not explicitly containing terms and conditions for the delivery of cash or other financial assets, may indirectly create contractual obligations through other terms and conditions. (2) If a financial instrument is to be or may be settled with the Company's own equity instruments, it is necessary to consider whether the Company's own equity instruments used to settle the instrument are intended as a substitute for cash or other financial assets, or to enable the holder of the instrument to retain a residual interest in the issuer's assets after deducting all liabilities. If the former, the instrument is a financial liability of the issuer; if the latter, the instrument is an equity instrument of the issuer. In certain circumstances, a financial instrument contract stipulates that the Company must settle the financial instrument with or may settle it with its own equity instruments, wherein the amount of the contractual rights or obligations is equal to the number of its own equity instruments available or to be delivered multiplied by their fair value at settlement. In such cases, the contract is classified as a financial liability, regardless of whether the amount of the contractual rights or obligations is fixed or varies wholly or in part based on changes in variables other than the market price of the Company's own equity instruments (such as interest rates, the price of a commodity, or the price of a financial instrument).

(7) Offsetting of financial assets and financial liabilities

The Company's financial assets and financial liabilities are presented separately in the balance sheet and are not offset against each other. However, the net amount after offsetting is presented in the balance sheet if the following conditions are met: (1) the Company has a legal right to offset the recognized amount and such legal right is currently enforceable; (2) the Company intends to settle on a net basis, or simultaneously realize the financial asset and settle the financial liability.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

8. Inventory

Our company's inventory mainly includes raw materials, semi-finished products, finished goods, and goods shipped.

Inventory is initially measured at cost. Inventory cost includes purchase cost, processing cost, and other costs. A perpetual inventory system is used. The actual cost of inventory is determined using the weighted average method when it is issued or used. Low-value consumables and packaging materials are amortized using the one-time amortization method.

On the balance sheet date, inventories are measured at the lower of cost or net realizable value. If the cost of inventory is higher than its net realizable value, an inventory write-down is recognized in profit or loss for the period. Net realizable value is the estimated selling price of inventory in the ordinary course of business, less the estimated costs to completion, estimated selling expenses, and related taxes.

The Company makes provisions for inventory obsolescence on an individual inventory item basis. When determining the net realizable value, the inventory of goods directly intended for sale, such as finished goods, work in process, and materials for sale, is determined by the estimated selling price of the inventory less the estimated selling expenses and related taxes. The inventory of materials held for production is determined by the estimated selling price of the finished products produced or processed less the estimated costs to completion, estimated selling expenses, and related taxes.

9. Contract Assets and Contract Liabilities

(1) Contractual Assets

Contractual assets refer to the rights of a company to receive consideration for goods it has transferred to a customer, and such rights depend on... Other factors besides the passage of time. For the determination and accounting treatment of expected credit losses of contractual assets, please refer to Note III, 7(4) Impairment of Financial Instruments above.

(2) Contractual liabilities

Contractual liabilities reflect the company's obligation to transfer goods to customers in exchange for consideration received or receivable from them.

Contractual assets and liabilities under the same contract are presented on a net basis.

10. Assets related to contract costs

(1) Method for determining the amount of assets related to contract costs

The Company's assets related to contract costs include contract performance costs and contract acquisition costs. Based on their liquidity, contract performance costs are reported in inventory and other non-current assets, while contract acquisition costs are reported in other current assets and other non-current assets.

Contract performance costs, which are costs incurred by the Company in fulfilling a contract, are recognized as an asset if they do not fall within the scope of relevant accounting standards such as inventory, fixed assets, or intangible assets, and simultaneously meet the following conditions: the cost is directly related to a current or anticipated contract and includes direct labor, direct materials, manufacturing overhead (or similar expenses), costs clearly borne by the customer, and other costs incurred solely as a result of the contract; the cost increases the Company's future resources for fulfilling its performance obligations; and the cost is expected to be recoverable.



(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

Contract acquisition costs, i.e., the incremental costs incurred by the Company to obtain a contract that are expected to be recovered, are considered as contract costs.

Acquisition costs are recognized as an asset. If the amortization period for the asset is no more than one year, the Company chooses to amortize it at the time of incurrence.

Simplified treatment of inclusion in current profit or loss. Incremental costs refer to costs that would not be incurred without a contract (such as sales commissions).

(etc.). Other expenses incurred by the Company in obtaining the contract, other than the incremental costs that are expected to be recovered (if none).

Travel expenses incurred regardless of whether a contract is obtained are recognized in profit or loss in the period in which they are incurred. However, expenses specifically incurred by the customer are not included in the profit or loss statement.

Except for those who bear the responsibility.

(2) Amortization of assets related to contract costs

The Company recognizes assets related to contract costs on the same basis as the revenue recognition of the goods related to those assets.

Amortization is included in current profit or loss.

(3) Impairment of assets related to contract costs

If the carrying amount of an asset of the Company relating to contract costs exceeds the difference between the following two items, the Company will exceed the amount of the contract cost.

Partial impairment provisions are made and recognized as asset impairment losses: ̃ Due to the transfer of goods related to the asset, the enterprise expects to make impairment provisions.

The remaining consideration that can be obtained; ̃ the estimated costs to be incurred for the transfer of the related goods. After the impairment provision is made,

If the factors that caused impairment in previous periods change, resulting in the difference between the above two items exceeding the carrying amount of the asset, the impairment shall be reversed.

Previously accrued asset impairment provisions, which were included in current profit or loss, but whose carrying amount after reversal does not exceed the assumed value...

The carrying amount of the asset on the reversal date when an impairment provision has been made.

11. Fixed Assets

The company's fixed assets are held for the purpose of producing goods, providing services, leasing, or business management, and have a useful life.

Tangible assets held for more than a year.

Fixed assets are disposed of when it is probable that the economic benefits associated with them will flow to the Company and their costs can be reliably measured.

This has been confirmed. The company's fixed assets include buildings, machinery and equipment, transportation equipment, and office equipment.

Except for fixed assets that have been fully depreciated but continue to be used and land that is separately valued and recorded, the Company has all fixed assets...

Depreciation is accrued on fixed assets. The straight-line method is used for depreciation. The company's fixed assets are categorized by their depreciation period and estimated depreciation rate.

The net residual value rate and depreciation rate are as follows:

Serial Number	category	Depreciation period (years)	Estimated residual value rate (%)	Annual depreciation rate (%)
1	Buildings	10-20	10.00	4.50-9.00
2	Machinery and equipment	3-10	10.00	9.00-30.00
3	Transportation equipment	3-6	10.00	15.00-30.00
4	Office equipment	3-10	10.00	9.00-30.00

At the end of each year, our company reviews the estimated useful life, estimated net residual value, and depreciation method of fixed assets.

If the change is verified, it shall be treated as a change in accounting estimate.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

12. Construction in progress

The cost of a project under construction is determined based on actual project expenditures, including all necessary project expenditures incurred during the construction period.

Capitalized borrowing costs and other related expenses incurred before the project reaches its intended usable state.

Once a construction project reaches its intended usable state, its value is transferred to fixed assets based on the estimated value, such as the project budget, cost, or actual cost. Depreciation begins to accrue from the following month, and adjustments are made to the original value of the fixed assets after the final settlement procedures are completed.

13. Borrowing costs

The Company capitalizes borrowing costs incurred directly attributable to the construction or production of eligible assets and includes them in the cost of the relevant assets. Other borrowing costs are recognized in profit or loss for the current period. Assets eligible for capitalization, as determined by the Company, include fixed assets, investment properties, and inventories that require more than one year of construction or production activities to reach their intended use or sale condition. Capitalization begins when asset expenditures have been incurred, borrowing costs have been incurred, and the necessary construction or production activities to bring the asset to its intended use or sale condition have commenced. Capitalization ceases when the eligible asset reaches its intended use or sale condition, and borrowing costs incurred thereafter are recognized in profit or loss for the current period. If the construction or production of an eligible asset is abnormally interrupted for more than three consecutive months, the capitalization of borrowing costs is suspended until the construction or production activities resume.

During each accounting period of the capitalization period, the Company recognizes the capitalized amount of borrowing costs as follows: For specific borrowings, the amount is determined by deducting interest income from unused borrowed funds deposited in banks or investment income from temporary investments from the actual interest expense incurred in the current period; for general borrowings, the amount is determined by multiplying the weighted average of cumulative asset expenditures exceeding the portion of specific borrowings by the capitalization rate of the general borrowings used, wherein the capitalization rate is calculated based on the weighted average interest rate of general borrowings.

14. Intangible Assets

The Company's intangible assets include land use rights, software, non-patented technologies, etc., which are measured at the actual cost at the time of acquisition. Among them, the actual cost of purchased intangible assets is the actual price paid and other related expenditures. The actual cost of intangible assets contributed by investors is determined according to the value agreed in the investment contract or agreement. However, if the value agreed in the contract or agreement is unfair, the actual cost is determined according to the fair value.

(1) Service life and the basis for its determination, estimation, amortization method or review procedure

Land use rights shall be amortized on an equal basis over the term of the grant, starting from the date of grant; software, non-patented technologies and other intangible assets shall be amortized on an equal basis over the shortest of the three terms: the estimated useful life, the benefit period stipulated in the contract, and the effective period stipulated by law.

Amortization amounts are included in the cost of related assets and current profit or loss based on their beneficiaries. The estimated useful life and amortization method for intangible assets with finite useful lives are reviewed at the end of each year, and any changes are treated as changes in accounting estimates.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January 1, 2025 to

December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

(2) Scope of R&D expenditures and related accounting treatment methods

The scope of our company's R&D expenditures includes employee compensation for R&D personnel, direct input costs, depreciation, and deferred expenses.

Costs, design fees, equipment debugging fees, and other expenses.

Based on the nature of internal research and development project expenditures and whether the intangible assets ultimately formed by the R&D activities possess [certain characteristics], our company [is considering these factors].

Due to the significant uncertainty, expenditures are divided into research phase expenditures and development phase expenditures.

Research phase expenditures are recognized in profit or loss when incurred. Development phase expenditures are capitalized when all of the following conditions are met: the Company assesses that completing the intangible asset to enable its use or sale is technically feasible; the Company has the intention to complete the intangible asset and use or sell it; the intangible asset is expected to generate economic benefits for the Company; the Company has sufficient technical, financial, and other resources to support the development of the intangible asset and the ability to use or sell it; and the expenditures attributable to the development phase of the intangible asset can be reliably measured. Development phase expenditures that do not meet the capitalization criteria are recognized in profit or loss when incurred.

15. Impairment of long-term assets

On each balance sheet date, the Company examines fixed assets, construction in progress, and intangible assets with finite useful lives. When there are indications of impairment, the Company performs impairment testing. For intangible assets with indefinite useful lives and development expenditures that have not yet reached their intended use, impairment testing is performed at the end of each year, regardless of whether there are indications of impairment.

When performing impairment testing, the Company determines the recoverable amount of an asset as the higher of its fair value less costs to sell and the present value of its estimated future cash flows. If, after impairment testing, the carrying amount of the asset exceeds its recoverable amount, the difference is recognized as an impairment loss.

Our company estimates the recoverable amount of an individual asset. If it is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs is determined. The identification of an asset group is based on whether the main cash inflows generated by the asset group are independent of the cash inflows of other assets or asset groups.

The fair value less costs to sell is determined by taking into account the sale agreement price of a similar asset in an orderly transaction occurring on the measurement date or the observable market price, less any incremental costs directly attributable to the disposal of the asset. When estimating the present value of future cash flows, management determines the present value of the future cash flows based on the expected future cash flows generated during the asset's continued use and at its eventual disposal, and selects an appropriate discount rate.

Once the impairment loss on the aforementioned assets is recognized, it will not be reversed in subsequent accounting periods.

16. Long-term deferred expenses

The Company's long-term deferred expenses include wastewater treatment fees and other expenses that the Company has already paid but should be amortized over the current period and subsequent periods, with a term of more than one year. These expenses are amortized evenly over the benefit period. If a long-term deferred expense item does not benefit future accounting periods, the remaining amortized value of the item will be transferred to current period profit or loss.

beneficial.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January 1, 2025

to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

17. Employee Compensation

Our employee compensation includes short-term compensation, post-employment benefits, and termination benefits.

Short-term compensation mainly includes employee wages, bonuses, and welfare expenses, and is paid during the accounting period in which the employee provides services.

Short-term compensation actually incurred is recognized as a liability and included in current profit or loss or related asset costs according to the beneficiary.

Post-employment benefits mainly include basic pension insurance premiums and unemployment insurance premiums, which are classified as defined contribution plans according to the risks and obligations undertaken by the company. Defined contribution plans are recognized as liabilities based on the contributions made to a separate entity at the balance sheet date in exchange for services provided by employees during the accounting period, and are included in current profit or loss or related asset costs according to the beneficiaries.

Severance benefits refer to the benefits a company provides to an employee when it terminates the employment relationship with the employee before the expiration of the employee's employment contract, or to encourage the employee to terminate their employment.

Compensation given to employees for voluntary redundancy shall be recognized in profit or loss in the period in which it occurs.

18. Estimated liabilities

The Company recognizes an obligation as a liability when it meets the following conditions: the obligation is a present obligation of the Company; the performance of the obligation is likely to result in an outflow of economic benefits from the Company; and the amount of the obligation can be reliably measured.

Provisions are initially measured at the best estimate of the expenditures required to satisfy the related present obligations, taking into account the risks, uncertainties, and time value of money associated with contingent events. The Company reviews the best current estimate and adjusts the carrying amount of provisions at the balance sheet date.

19. Revenue Recognition Principles and Measurement Methods

(1) General principles

Our company recognizes revenue when it has fulfilled its contractual obligations, namely, when the customer gains control of the relevant goods or services. Gaining control of the relevant goods or services means being able to direct the use of the goods or the provision of the services and derive substantially all of the economic benefits therefrom.

A performance obligation is a promise made by the company to the customer in a contract to transfer clearly distinguishable goods. The company's performance obligation is considered to be performed over a period of time if one of the following conditions is met; otherwise, it is considered to be performed at a point in time: ̳ The customer acquires and consumes the economic benefits derived from the company's performance at the same time as the company performs; ̳ The customer has control over the goods under construction during the company's performance process; ̳ The goods produced during the company's performance process have an irreplaceable use, and the company is entitled to receive payment for the cumulative performance completed to date throughout the entire contract period.

For performance obligations fulfilled within a certain period, the Company recognizes revenue according to the progress of performance during that period. If the progress of performance cannot be reasonably determined, and the Company expects to recover the costs already incurred, revenue is recognized based on the amount of those costs until the progress of performance can be reasonably determined.

For performance obligations fulfilled at a specific point in time, the Company recognizes revenue when the customer acquires control of the relevant goods. In determining whether a customer has acquired control of the goods, the Company considers the following indications: ̳ The Company's...



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd. January

1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

The following conditions must be met: ̳ The goods have a present right to payment, meaning the customer has a present obligation to pay for the goods; ̳ The company has transferred legal title to the customer, meaning the customer has legal title to the goods; ̳ The company has physically transferred the goods to the customer, meaning the customer has physical possession of the goods; ̳ The company has transferred the main risks and rewards of ownership of the goods to the customer, meaning the customer has acquired the main risks and rewards of ownership of the goods; ̳ The customer has accepted the goods; ̳ Other indications that the customer has acquired control of the goods.

If a contract contains two or more performance obligations, the Company shall, on the contract commencement date, allocate the transaction price to each performance obligation in proportion to the individual selling price of the goods or services promised under each performance obligation, and measure revenue based on the transaction price allocated to each performance obligation.

The transaction price is the amount of consideration that the Company expects to be entitled to receive for transferring goods or services to customers, excluding amounts collected on behalf of third parties and amounts expected to be refunded to customers. In determining the transaction price, the Company considers the impact of variable consideration, significant financing components in the contract, and other factors.

Where variable consideration is included in the contract, the Company determines the best estimate of the variable consideration based on the expected value or the most likely amount. The transaction price including variable consideration shall not exceed the amount at which it is highly unlikely that the cumulative recognized revenue will reverse materially when the relevant uncertainty is eliminated. At each balance sheet date, the Company re-estimates the amount of variable consideration to be included in the transaction price.

For contracts containing a significant financing component, our company determines the transaction price based on the amount payable in cash, assuming the customer will pay upon acquiring control of the goods. We use the discount rate that converts the nominal amount of the contract consideration into the cash sale price of the goods. The difference between the determined transaction price and the contractually committed consideration is amortized over the contract period using the effective interest rate method. If, at the contract commencement date, our company anticipates that the interval between the customer acquiring control of the goods or services and the customer paying the price will not exceed one year, we do not consider a significant financing component in the contract.

Our company determines whether it is a principal or an agent in a transaction based on whether it had control over the goods before transferring them to the customer. If our company had control over the goods before transferring them to the customer, then our company is a principal and recognizes revenue based on the total consideration received or receivable; otherwise, we are an agent and recognize revenue based on the amount of commission or handling fee we are expected to receive, which should be the net amount of the total consideration received or receivable less payments due to other related parties, or determined according to a predetermined commission amount or percentage, etc.

For sales with return clauses, the Company recognizes revenue at the amount of consideration expected to be received for the transfer of goods to the customer when the customer acquires control of the relevant goods, and recognizes a provision for liabilities at the amount expected to be refunded due to sales returns. Simultaneously, the Company recognizes an asset, namely, cost of returned goods receivable, at the carrying amount of the goods expected to be transferred, less the estimated costs of recovering the goods (including impairment of the value of the returned goods). The cost is transferred at the net amount of the carrying amount of the transferred goods, less the cost of the aforementioned asset. At each balance sheet date, the Company re-estimates future sales returns and remeasures the aforementioned assets and liabilities.



(2) Specific criteria for revenue recognition

For domestic sales, the company recognizes revenue upon receiving confirmation receipt from the customer after the products are shipped; for export sales, revenue is generally recognized after customs clearance and export procedures are completed and the bill of lading is obtained from the shipping agency.

20. Government subsidies

Government grants are recognized when the conditions attached to them are met and the grants are received. If the government grant is a monetary asset, it is measured at the amount actually received. For grants disbursed according to a fixed quota, or when there is conclusive evidence at the end of the year that the grant meets the relevant conditions stipulated in the fiscal support policy and that fiscal support funds are expected to be received, it is measured at the amount receivable. If the government grant is a non-monetary asset, it is measured at fair value. If fair value cannot be reliably obtained, it is measured at a nominal amount (RMB 1).

Government grants to the Company include asset-related government grants and income-related government grants. Asset-related government grants refer to government grants received by the Company for the purchase, construction, or other means of forming long-term assets; income-related government grants refer to government grants other than asset-related government grants. If the recipient of the grant is not explicitly specified in government documents, the Company will determine the recipient according to the above distinction principle; if it is difficult to distinguish, the grants will be classified as income-related government grants.

Government grants related to assets are recognized as deferred income. Government grants related to assets recognized as deferred income are recognized in profit or loss over the useful life of the related asset using the straight-line method. If the related asset is sold, transferred, scrapped, or damaged before the end of its useful life, the remaining balance of the related deferred income is transferred to profit or loss in the period of asset disposal.

Government grants related to revenue that are used to offset related costs, expenses, or losses in future periods are recognized as deferred revenue and included in current profit or loss in the period in which the related costs, expenses, or losses are recognized. Government grants related to ordinary activities are recognized in other income or used to reduce related costs and expenses, based on the economic substance of the transaction. Government grants unrelated to ordinary activities are recognized in non-operating income and expenses.

21. Deferred tax assets and deferred tax liabilities

The Company's deferred tax assets and deferred tax liabilities are calculated and recognized based on the difference between the tax base of assets and liabilities and their carrying amounts, as well as the (temporary differences) arising from the difference between the tax base of items not recognized as assets and liabilities but whose tax base can be determined according to tax law and their carrying amounts.

The Company recognizes deferred income tax liabilities for all taxable temporary differences.

The Company uses only the amount of future taxable income that is probable to be available for offsetting deductible temporary differences, deductible losses and tax credits.

The Company recognizes deferred tax assets for all unutilized deductible losses, to the extent that it is highly probable that sufficient taxable income will be available to offset deductible losses. Management uses considerable judgment to estimate the timing and amount of future taxable income, combined with tax planning strategies, to determine the amount of deferred tax assets to be recognized.



Well, therefore there is uncertainty.

As of the balance sheet date, deferred tax assets and deferred tax liabilities are subject to the expected recovery of the asset or liquidation.

The applicable tax rate is used to measure the period during which the liability is paid.

22. Leasing

(1) Identification of leases

On the contract commencement date, the Company assesses whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party relinquishes the right to control the use of one or more identified assets for a certain period in exchange for consideration.

If a contract includes multiple separate leases, the Company will split the contract and account for each lease separately. If a contract includes both lease and non-lease components, the Company, as the lessor, will separate the lease and non-lease components and account for them separately. Each lease component will be accounted for in accordance with the leasing standards, and the non-lease component will be accounted for in accordance with other applicable accounting standards. If the Company, as the lessee, chooses not to separate the lease and non-lease components, but will combine each lease component and its related non-lease component into separate leases and account for them in accordance with the leasing standards; however, if the contract includes embedded derivative instruments that should be separated, the Company will not combine them with the lease component for accounting purposes.

(2) Our company as the lessee

1) Lease Confirmation

Except for short-term leases and leases of low-value assets, the Company recognizes right-of-use assets and lease liabilities for leases at the commencement date of the lease term.

Right-of-use assets refer to the right of the Company, as the lessee, to use the leased asset during the lease term, and are initially measured at cost. This cost includes: $\bar{y}$ the initial measurement amount of the lease liability; $\bar{y}$ lease payments made on or before the commencement of the lease term, less any lease incentives received; $\bar{y}$ initial direct costs incurred; and $\bar{y}$ costs expected to be incurred for dismantling and removing the leased asset, restoring the premises where the leased asset is located, or restoring the leased asset to the condition stipulated in the lease terms (excluding costs incurred for the production of inventory). When the Company remeasures the lease liability in accordance with the relevant provisions of the leasing standards, the carrying amount of the right-of-use assets is adjusted accordingly.

The Company depreciates right-of-use assets using the straight-line method, based on the expected consumption of the economic benefits associated with the asset. If it can be reasonably determined that ownership of the leased asset will be acquired at the end of the lease term, depreciation is accrued over the remaining useful life of the leased asset; if it cannot be reasonably determined that ownership of the leased asset will be acquired at the end of the lease term, depreciation is accrued over the shorter of the lease term and the remaining useful life of the leased asset. The amount of depreciation accrued is included in the cost of the related asset or in current profit or loss, depending on the use of the right-of-use asset.

The Company initially measures lease liabilities at the present value of outstanding lease payments at the commencement date of the lease term. Lease payments include: $\bar{y}$ fixed payments and substantially fixed payments, less amounts related to lease incentives; $\bar{y}$ variable lease payments dependent on an index or ratio; and $\bar{y}$ payments made when the Company reasonably determines that it will exercise its purchase option.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

The exercise price of the option; ̳ The lease term reflects the amount payable when the Company exercises the option to terminate the lease; ̳ The amount payable is estimated based on the residual value guaranteed by the Company.

When calculating the present value of lease payments, the Company uses the implicit interest rate of the lease as the discount rate. Where the implicit interest rate of the lease cannot be determined, the Company uses the incremental borrowing rate as the discount rate. The Company calculates the interest expense on the lease liability for each period of the lease term using a fixed periodic interest rate and recognizes it in profit or loss for the current period, except for those that should be capitalized.

After the commencement date of the lease term, the Company increases the carrying amount of the lease liability when it recognizes interest on the lease liability; and decreases the carrying amount of the lease liability when it pays lease payments. The Company remeasures the lease liability at the present value of the changed lease payments when there are changes in the actual fixed payments, changes in the estimated amount payable for the guaranteed residual value, changes in the indices or ratios used to determine lease payments, or changes in the valuation or actual exercise of purchase options, renewal options, or termination options.

2) Lease Modification

A lease modification refers to a change to the scope of the lease, the lease consideration, or the lease term beyond the original contract terms. This includes adding or terminating the right to use one or more leased assets, extending or shortening the lease term stipulated in the contract, etc. The effective date of the lease modification is the date on which both parties reach an agreement on the lease modification.

If a lease is modified and the following conditions are met, the Company will account for the modification as a separate lease: ̳ the modification expands the scope of the lease or extends the lease term by adding the right to use one or more leased assets; ̳ the increased consideration is equivalent to the separate price of the expanded scope of the lease or the extended lease term adjusted according to the contract.

If a lease modification is not accounted for as a separate lease, on the effective date of the modification, the Company will allocate the consideration of the modified contract in accordance with the relevant provisions of the lease accounting standards, redetermine the modified lease term, and discount the modified lease payments using the revised discount rate to remeasure the lease liability. Regarding the impact of the above-mentioned lease liability adjustment, the Company will handle the accounting treatment according to the following situations: ̳ If the lease modification results in a reduction in the scope of the lease or a shortening of the lease term, the lessee shall reduce the carrying amount of the right-of-use asset and include the related gains or losses from partial or complete termination of the lease in current profit or loss. ̳ If other lease modifications result in the remeasurement of the lease liability, the lessee shall adjust the carrying amount of the right-of-use asset accordingly.

3) Short-term leases and leases of low-value assets

For short-term leases with a lease term not exceeding 12 months and leases of low-value assets where the individual leased asset is brand new and has a low value, the Company chooses not to recognize right-of-use assets and lease liabilities. The Company recognizes lease payments for short-term leases and leases of low-value assets in the relevant asset costs or current profit or loss during each period of the lease term using the straight-line method or other systematically reasonable methods.

(3) Our company is the lessor

As the lessor, our company is liable if a lease substantially transfers almost all of the ownership of the leased asset. Considering the risks and rewards, the Company classifies this lease as a finance lease, otherwise as an operating lease.



1) Financial Leasing

On the commencement date of the lease term, the Company recognizes finance lease receivables and derecognizes the finance lease. Assets. When initially measuring finance lease receivables, the Company uses the net investment in the lease as the finance lease receivable. The recorded value of the payment.

The net investment in the lease is the unguaranteed residual value plus any lease payments not yet received at the commencement date of the lease, in accordance with the terms of the lease. The sum of the present values of the discounted interest rates. Our company calculates and recognizes the present value of each period during the lease term using a fixed periodic interest rate. Interest income. Variable lease payments received by the Company that are not included in the net investment in the lease are recorded as incurred. Included in current profit or loss.

2) Operating lease

During the lease term, the Company uses the straight-line method to recognize lease receipts from operating leases as rental income. enter. Initial direct costs incurred by the Company related to operating leases are capitalized to the cost of the leased asset. The lease term is recognized in profit or loss on the same basis as rental income over the period of the lease term. Variable lease payments that are not included in lease receipts are recognized in profit or loss when they actually occur.

In the event of any changes to an operating lease, the Company shall treat it as a new lease from the effective date of the change. In accounting treatment, advance payments or lease receivables related to the lease prior to the change are treated as payments for the new lease.

23. Significant changes in accounting policies and accounting estimates

(1) Significant changes in accounting policies

There were no significant changes in the Company's accounting policies this year.

(2) Significant changes in accounting estimates

There were no significant changes in accounting estimates for the Company this year.

IV. Taxes

1. Major Tax Types and Rates

Taxes	Tax base	tax rate
VAT	Value added from the sale of goods or provision of services	13%
Urban maintenance and construction tax	Pay turnover tax	7%
Education surcharge	Pay turnover tax	3%
Local education surcharge	Pay turnover tax	2%
Property tax	70% of the original value of the property	1.2%
Land use tax	Tax levied based on the area of land used	5 yuan/year/square meter
Corporate income tax	Taxable income	15%



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

2. Tax incentives

Our company obtained the High-tech Enterprise Certification with the number GR202133000595 on December 16, 2021.

The certificate was renewed on December 6, 2024, and is valid for three years. The High-Tech Enterprise Certificate number is [Certificate Number Missing].

GR202433011451. According to the provisions of the "Enterprise Income Tax Law of the People's Republic of China," this company enjoys the following benefits this year:

Tax incentives include a 15% corporate income tax rate.

V. Notes to Key Items in the Financial Statements

Unless otherwise specified, "beginning of year" in the following financial statement data refers to January 1, 2025.

"Year-end" refers to December 31, 2025; "this year" refers to the period from January 1 to December 31, 2025; "the previous year" refers to the period from January 1 to December 31, 2025.

"Year" refers to the period from January 1 to December 31, 2024, and the currency unit is Renminbi (RMB).

1. Cash and cash equivalents

project	Year-end balance	beginning balance
Cash on hand		
bank deposits	54,470,288.58	106,766,284.09
Other monetary funds		
total	54,470,288.58	106,766,284.09

2. Notes receivable

(1) Classification of notes receivable

Types of bills	Year-end balance	beginning balance
Bank acceptance bills with average credit rating	80,606,944.63	74,569,937.90
total	80,606,944.63	74,569,937.90

(2) Classified by bad debt provision method

category	Year-end balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Provision for bad debts is made on an individual basis.					
Provision for bad debts based on portfolio	80,606,944.63 100.00				80,606,944.63
Among them: banks with average credit ratings	80,606,944.63 100.00				80,606,944.63
Acceptance bill combination					
total	80,606,944.63 100.00			— 80,606,944.63	



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

(Continued from the table above)					
category	beginning balance				
	Book balance		Bad debt provision		Book value
	Amount	Proportion ¥%¥	Amount	Provision ratio ¥%¥	
Provision for bad debts is made on an individual basis.					
Provision for bad debts based on portfolio	74,569,937.90 100.00				74,569,937.90
Among them: banks with average credit ratings	74,569,937.90 100.00				74,569,937.90
Acceptance bill combination					
total	74,569,937.90 100.00			— 74,569,937.90	

(3) Notes receivable that have been endorsed or discounted at the end of the year but have not yet matured as of the balance sheet date		
project	Year-end derecognition amount	Amount not derecognized at year-end
Bank acceptance bills		38,688,729.83
total		38,688,729.83

3. Accounts Receivable		
(1) Accounts receivable are listed by aging		
Accounts receivable aging	Year-end book balance	Beginning balance
Within 1 year (inclusive)	104,148,594.51	112,735,562.67
Among them: within 6 months	102,931,327.03	112,735,562.67
7-12 months	1,217,267.48	
total	104,148,594.51	112,735,562.67

(2) Accounts receivable are listed according to the bad debt provision method.					
category	Year-end balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion ŷ%ŷ	Amount	Provision ratio ŷ%ŷ	
Provision for bad debts is made on an individual basis.					
Provision for bad debts on a portfolio basis: 104,148,594.51 100.00 60,863.37				0.06 104,087,731.14	
Among them: aging portfolio	75,266,116.01 72.27 60,863.37			0.08 75,205,252.64	
Related party portfolio: 28,882,478.50 27.73					28,882,478.50
total	104,148,594.51 100.00 60,863.37 — 104,087,731.14				



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

(Continued from the table above)

category	beginning balance				Book value
	Book balance		Bad debt provision		
	Amount	Proportion	Amount	Provision ratio	
		ŷ%ŷ		ŷ%ŷ	
Provision for bad debts is made on an individual basis.					
Provision for bad debts based on portfolio: 112,735,562.67		100.00			112,735,562.67
Of which: 78,410,211.67 aging group		69.55			78,410,211.67
Related party portfolio: 34,325,351.00		30.45			34,325,351.00
total	112,735,562.67	100.00		-	112,735,562.67

1) Provision for bad debts of accounts receivable based on aging groups

project	Year-end balance		
	accounts receivable	Bad debt provision	Provision ratio %
Within 6 months (inclusive)	74,048,848.53		
7-12 months (inclusive)	1,217,267.48	60,863.37	5.00
total	75,266,116.01	60,863.37 —	

(3) Status of bad debt provision accrued, recovered or reversed for accounts receivable during the year

category	at the beginning of the year Balance	Changes this year				Year-end balance
		Provision for recovery, reversal, write-off or write-off of other				
Provision based on aging group		60,863.37				60,863.37
total		60,863.37				60,863.37

(4) Accounts receivable of the top five debtors by year-end balance

Company Name	Amount	Accounts receivable aging	Accounts receivable proportion of the total amount (%)	Bad debt provision Year-end balance
Faber-Chrysler Pigments (Shanghai) Co., Ltd. 36,354,762.00		Within 6 months	34.91	
Lily Group Co., Ltd. 28,882,478.50		Within 6 months	27.73	
Sudarshan Singapore SLO Pte.Ltd. 11,843,993.94		Within 6 months	11.37	
Jiangsu Xulang Nanotechnology Co., Ltd. 6,245,450.00		Within 6 months	6.00	



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

Company Name	Amount	Accounts receivable aging	Accounts receivable proportion of the total amount (%)	Bad debt provision Year-end balance
		Within 6 months		
		3,817,170.00		
		7-12 months		
		1,216,810.62		
Guangzhou Haomeng Chemical Co., Ltd.	5,033,980.62		4.83 60,840.53	
total	88,360,665.06		84.84 60,840.53	

4. Accounts Receivable Financing

(1) Classification of accounts receivable financing

project	Year-end balance	beginning balance
Bank acceptance bills with high credit rating	20,123,234.80	400.00
total	20,123,234.80	400.00

(2) Financing of receivables that have been endorsed or discounted at the end of the year and have not yet matured on the balance sheet date

project	Year-end derecognized balance;	year-end non-derecognized balance.
Bank acceptance bills with high credit rating	26,543,255.79	
total	26,543,255.79	

5. Prepayments

project	Year-end balance		beginning balance	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	907,890.62	91.46 1,103,330.73		86.07
1-2 years	33,766.28	3.40	128,626.54	10.03
2-3 years	1,000.00	0.10	9,055.00	0.71
3 years or more	49,997.20	5.04	40,942.20	3.19
total	992,654.10	100.00 1,281,954.47		100.00

6. Inventory

project	Year-end balance		
	Book balance	Provision for price decline	Book value
raw materials	17,086,365.42		17,086,365.42
semi-finished products	31,650,145.28		31,650,145.28
Inventory	25,177,138.51	47,287.71	25,129,850.80



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.
January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

project	Year-end balance		
	Book balance	Provision for price decline	Book value
Ship the goods	3,279,315.07		3,279,315.07
total	77,192,964.28	47,287.71	77,145,676.57

(Continued from the table above)

project	beginning balance		
	Book balance	Provision for price decline	Book value
raw materials	18,554,801.77		18,554,801.77
semi-finished products	38,512,038.21		38,512,038.21
Inventory	28,095,678.72	11,541.75	28,084,136.97
Ship the goods	1,843,881.49		1,843,881.49
total	87,006,400.19	11,541.75	86,994,858.44

7. Fixed Assets

project	Buildings and machinery	Transportation equipment and office equipment	total
I. Book Value			
1. Beginning Balance	90,119,318.02 190,731,351.49 1,605,883.46	5,343,843.96 287,800,396.93	
2. Increase in amount this year	7,920,725.42	149,289.57	8,070,014.99
3. Amount reduced this year	2,861,232.65	3,931.62	2,865,164.27
4. Year-end balance	90,119,318.02 195,790,844.26 1,605,883.46	5,489,201.91 293,005,247.65	
II. Accumulated Depreciation			
1. Beginning Balance	65,045,718.64 144,704,684.48	801,176.16 3,043,226.52	213,594,805.80
2. The increase this year was 3,711,341.06	7,506,426.32	161,351.76	199,680.23
3. Amount reduced this year	2,541,154.92	3,538.46	2,544,693.38
4. Year-end balance	68,757,059.70 149,669,955.88	962,527.92 3,239,368.29	222,628,911.79
III. Impairment Provision			
IV. Book Value			
1. Year-end book value: 21,362,258.32	46,120,888.38	643,355.54 2,249,833.62	70,376,335.86
2. Beginning book value: 25,073,599.38	46,026,667.01	804,707.30 2,300,617.44	74,205,591.13



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

8. Construction in progress						
project	Year-end balance			beginning balance		
	Book balance	Impairment Prepare	Book value	Book balance	Impairment Prepare	Book value
Miscellaneous projects	144,314.05		144,314.05	942,395.82		942,395.82
Total	144,314.05		144,314.05	942,395.82		942,395.82

9. Intangible Assets				
(1) Details of intangible assets				
project	Non-patented technology		for land use rights	software
I. Book Value				
1. Beginning Balance	8,102,645.78	962,696.83	10,200,000.00	19,265,342.11
2. Increased amount this year	710,139.23	34,905.66		745,044.89
3. Amount reduced this year				
4. Year-end balance	8,812,785.01	997,601.99	10,200,000.00	20,010,387.00
II. Accumulated Amortization				
1. Beginning Balance	5,893,203.18	891,039.07	10,200,000.00	16,984,242.25
2. Increased amount this year	781,140.16	46,558.32		827,698.48
3. Amount reduced this year				
4. Year-end balance	6,674,343.34	937,597.39	10,200,000.00	17,811,940.73
III. Impairment Provision				
IV. Book Value				
1. Year-end book value: 2,138,441.67	60,004.60			2,198,446.27
2. Beginning book value: 2,209,442.60	71,657.26			2,281,099.86

10. Long-term deferred expenses					
project	Beginning balance	increase this year	amortization this year	decreases other items this year	ending balance
Pollution discharge rights	usage fee: 106,307.78		106,307.78		
total	106,307.78		106,307.78		

11. Assets whose ownership or right of use is restricted.			
Project	year-end book value and beginning book value	Restrictions	
Notes receivable:	38,688,729.83 74,353,795.77	Endorsed or discounted notes receivable that have not been derecognized.	
Total:	38,688,729.83 74,353,795.77		



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.
January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

12. Short-term loans		
Loan categories	Year-end balance	beginning balance
Credit Loan	20,013,888.86	11,003,850.00
total	20,013,888.86	11,003,850.00

13. Accounts Payable		
project	Year-end balance	beginning balance
total	71,144,422.25	80,361,819.01
Among them: more than 1 year	1,876,318.92	1,320,403.58

14. Other payables		
(1) Other payables are listed by nature of payment.		
Nature of funds	Year-end balance	beginning balance
Technology transfer fee	2,040,000.00	2,040,000.00
freight	1,177,541.72	1,471,040.72
Repair costs and waste disposal costs	49,226.30	79,492.10
other	174,263.58	1,145,359.24
total	3,441,031.60	4,735,892.06

15. Employee compensation payable				
(1) Classification of employee compensation payable				
project	Beginning balance,	increased this year,	decreased this year,	ending balance
Short-term compensation	6,181,336.82	34,545,412.11	33,151,104.95	7,575,643.98
Post-employment benefits - settings		2,212,513.61	2,212,513.61	
Deposit Plan				
total	6,181,336.82	36,757,925.72	35,363,618.56	7,575,643.98

(2) Short-term compensation				
project	The beginning balance	increased this year	This year's year-end	balance decreased
Salary, bonus, allowance and subsidies	5,668,437.38	28,653,665.38	27,276,717.33	7,045,385.43
Employee welfare expenses	50,480.00	1,955,394.64	1,949,415.74	56,458.90
Social insurance premiums		1,386,950.21	1,386,950.21	
Among them: medical insurance premiums		1,279,411.17	1,279,411.17	



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

project	The beginning balance	increased this year	This year's year-end	balance decreased
Work injury insurance premiums		107,539.04	107,539.04	
Housing provident fund		1,987,500.00	1,987,500.00	
Union funds and employee education	462,419.44	561,901.88	550,521.67	473,799.65
Education Funding				
total	6,181,336.82	34,545,412.11	33,151,104.95	7,575,643.98

(3) Set up a deposit plan

project	Beginning balance,	increased this year, decreased this year, ending balance
Basic pension insurance	2,145,174.44	2,145,174.44
Unemployment insurance premiums	67,339.17	67,339.17
total	2,212,513.61	2,212,513.61

16. Taxes Payable

project	Year-end balance	beginning balance
Corporate income tax	797,919.16	95,854.94
Property tax	775,323.81	755,694.36
Urban maintenance and construction tax	484,354.83	241,433.85
VAT	281,460.22	619,734.45
Land use tax	218,460.00	218,460.00
Education surcharge	207,580.64	103,471.65
Local education surcharge	138,387.09	68,981.10
Personal income tax	37,236.12	37,184.41
Stamp duty	33,123.59	44,586.68
Other taxes and fees	949.81	261.18
total	2,974,795.27	2,185,662.62

17. Other current liabilities

project	Year-end balance	beginning balance
Notes receivable not derecognized at year-end	38,688,729.83	74,353,795.77
total	38,688,729.83	74,353,795.77



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.
January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

18. Deferred revenue					
project	Reasons for the formation of beginning balance, increase this year, decrease this year, and ending balance				
Government subsidies	531,249.78		125,000.04	406,249.74	Related to assets
total	531,249.78		125,000.04	406,249.74	—

19. Paid-in capital				
Shareholder Name	beginning balance	This issue Increase	This issue reduce	Year-end balance
Lily Group Co., Ltd.	30,498,000.00			30,498,000.00
Heubach Holding Switzerland AG	29,302,000.00			29,302,000.00
total	59,800,000.00			59,800,000.00

20. Capital Reserve				
project	Beginning balance, increased this year, decreased this year, ending balance			
Share premium	544,320.00			544,320.00
total	544,320.00			544,320.00

21. Surplus Reserve				
project	Beginning balance, increased this year, decreased this year, ending balance			
Reserve Fund	94,592,939.49			94,592,939.49
Enterprise Development Fund	63,061,959.68			63,061,959.68
total	157,654,899.17			157,654,899.17

22. Undistributed profits		
project	This year	Last year
Undistributed profits at the end of the previous year before adjustment	62,538,498.19	49,093,267.90
Adjust the total retained earnings at the beginning of the year (increase +, decrease -).		
Adjusted beginning retained earnings	62,538,498.19	49,093,267.90
Plus: Net profit attributable to owners for the year	47,922,816.95	62,538,498.19
Less: Appropriation of statutory surplus reserve		
Dividends Payable to Common Stock	62,538,498.18	49,093,267.90
Year-end balance	47,922,816.96	62,538,498.19



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

23. Operating revenue and operating costs				
project	This year's amount		Last year's amount	
	income	cost	income	cost
Main business revenue:	475,741,610.61; 389,338,687.65; 557,610,533.59; 453,969,881.22			
Other business:	14,732,920.50; 12,961,941.95	19,257,085.95; 17,334,437.42		
Total:	490,474,531.11	402,300,629.60	576,867,619.54	471,304,318.64

24. Taxes and surcharges		
project	This year's amount	Last year's amount
Urban maintenance and construction tax	1,674,807.45	1,336,223.75
Education surcharge	1,196,290.23	954,445.53
Property tax	775,323.81	755,694.36
Land use tax	218,460.00	218,460.00
Stamp duty	153,458.16	174,286.10
other	1,812.33	700.00
total	4,020,151.98	3,439,809.74

25. Research and Development Expenses		
project	This year's amount vs	last year's amount
Highly resistant to mixed solvents, benzidine yellow HR 02	2,113,357.99	
Lead-chromium replacement pigment orange HL 70 for high-performance coatings	2,059,252.30	
Water-based ink colorant benzimidazole yellow 151: stability improved (2,002,219.38).		
Permanent Yellow 74 showed an improvement of 1,993,044.98 in anti-flocculation properties in solvent-based coatings.		
Synthesis of water-based ink for decorative paper, specification PR170	1,987,546.89	3,003,454.38
Arrovide Pink E-CN for Coatings	1,733,828.97	
Solid solution modified quinacridone red PR122 (plastic type)	1,725,276.79	
Synthesis of high-purity DATA	1,578,935.20	2,517,962.60
̳-(Beta)-type quinacridone purple 19 for plastics	1,373,149.57	
̳-(gamma) type quinacridone red PV19 for coatings	1,343,560.44	
Synthesis of benzidine yellow HR-TR 02, a water-based ink colorant		3,381,975.27
Development of Benzimidazole Yellow 151-Titanium Dioxide Composite Pigment		3,316,540.98
Synthesis of Quinacridone Red PR122 for Coloring Fiber Solution		3,093,358.43
Synthesis of high-performance quinacridone pigments for UV-curable inks		2,852,239.62



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

project	This year's amount vs	last year's amount
High-gloss, high-transparency printing ink colorant, magenta FBB02		953,409.91
total	17,910,172.51	19,118,941.19

26. Financial Expenses

project	This year's amount	Last year's amount
Interest expenses	437,331.18	71,021.01
Less: Interest income	675,614.72	541,041.08
Add: Exchange loss	185,926.55	-1,836,106.32
Add: Other expenses	30,543.41	39,130.88
total	-21,813.58	-2,266,995.51

27. Other income

Sources of other revenue	This year's amount	Last year's amount
Additional deduction for value-added tax	2,183,758.25	2,677,613.93
Individual income tax handling fee refund	9,234.92	8,797.30
Government subsidies	133,068.08	78,673.08
total	2,326,061.25	2,765,084.31

28. Investment Income

project	This year's amount	Last year's amount
Bank wealth management returns	140,217.12	143,308.35
total	140,217.12	143,308.35

29. Credit impairment losses

project	This year's amount	Last year's amount
Bad debt losses on accounts receivable	-60,863.37	
total	-60,863.37	

30. Non-operating income

Gains	This year's amount	Last year's amount
from the disposal of non-current assets of the project	125,801.45	62,224.04
Government subsidies unrelated to the day-to-day activities of businesses	1,349,340.04	377,947.40
other	1,000.02	120.00
total	1,476,141.51	440,291.44



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

31. Non-operating expenses

project	This year's amount	Previous year's amount
Losses from damage to or scrapping of non-current assets	246,707.60	693,383.12
Charitable donation expenditure	60,000.00	60,000.00
Late payment fee	24,198.49	
total	330,906.09	753,383.12

32. Income tax expense

project	This year's amount	Last year's amount
Income tax expense for the year	5,746,003.68	7,934,703.10
Deferred income tax expense	-14,491.40	-1,412.96
total	5,731,512.28	7,933,290.14

33. Cash Flow Statement Items

(1) Supplementary information to the cash flow statement

project	This year's amount	Previous year's amount
1. Adjust net profit to cash flow from operating activities:		
Net profit	47,922,816.95	62,538,498.19
Add: Asset impairment provision	47,287.71	11,541.75
Credit impairment loss	60,863.37	
Depreciation of fixed assets, depletion of oil and gas assets, and productive biological assets depreciation	11,578,799.37	12,255,991.17
Depreciation of right-of-use assets		
Intangible asset amortization	827,698.48	716,755.08
Amortization of long-term deferred expenses	106,307.78	79,730.84
Losses from the disposal of fixed assets, intangible assets and other long-term assets (Income is entered with "-")		
Losses from the scrapping of fixed assets (gains are indicated by "-").	120,906.15	631,159.08
Loss from changes in fair value (gains are indicated by "-").		
Financial expenses (income is listed with "-").	623,257.73	-1,765,085.31
Investment losses (gains are indicated by "-")	-140,217.12	-143,308.35
Decrease in deferred tax assets (increases are indicated by "-").	-14,491.40	-1,412.96
Increases in deferred tax liabilities (decreases are indicated by "-").		
Decrease in inventory (increases are indicated by "-").	9,801,894.16	-4,755,877.10
Decrease in operating receivables (increases are indicated by "-"): -18,545,436.73	-36,753,084.43	



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

project	This year's amount	Previous year's amount
Increase in operating payables (decreases are indicated by "-"): -47,893,169.54 10	891,201.77	
other		
Net cash flow from operating activities	4,496,516.91 43,706,109.73	
2. Significant investing and financing activities that do not involve cash inflows or outflows:		
Debt converted into capital		
Convertible corporate bonds maturing within one year		
Financial lease of fixed assets		
3. Net change in cash and cash equivalents:		
Year-end cash balance	54,470,288.58 106,766,284.09	
Less: Beginning balance of cash	106,766,284.09 103,990,664.04	
Add: Year-end balance of cash equivalents		
Less: Beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-52,295,995.51	2,775,620.05

(2) Composition of cash and cash equivalents

project	Year-end balance	beginning balance
cash	54,470,288.58 106,766,284.09	
Of which: cash on hand		
Bank deposits that can be used for payments at any time	54,470,288.58 106,766,284.09	
Other monetary funds available for payment at any time		
Cash equivalents		
Among them: bond investments maturing within three months		
Year-end balance of cash and cash equivalents	54,470,288.58 106,766,284.09	
Among them: the use of restricted cash and cash equivalents.		

34. Foreign currency monetary items

project	Foreign currency balance at year-end (converted to RMB)		
accounts receivable	-	-	16,294,986.62
Among them: US dollars	2,318,317.01	7.0288	16,294,986.62
accounts payable	-	-	718,898.22
Among them: US dollars	102,243.79	7.0288	718,651.15
EUR	30.00	8.2357	247.07



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

VI. Research and Development Expenditure		
project	This year's amount	Last year's amount
total	17,910,172.51	19,118,941.19
Among them: expensed R&D expenditures	17,910,172.51	19,118,941.19

Note: For details of R&D expenditure items, please refer to "Note V. 27. R&D Expenses".

VII. Related Parties and Related Transactions

1. Related party relationships

(1) Information about the Company's parent company

Parent Company Name, Registered Location, Business Nature, Registered Capital		The parent company has Company shareholding Proportion(%)	The parent company has the right to control the company. The company's voting rights are proportional to example(%)
Lily Group Co., Ltd. Limited Liability Company	Hangzhou Chemical Manufacturing	416,367,704.00 51.00	51.00

(2) Other related parties

Other related party names	Relationship with this company
Heubach Holding Switzerland AG	Holding 49% of the company's shares
Faber-Hill Pigment Products (Tianjin) Co., Ltd.	Subsidiaries formerly controlled by Faber-Castell International
Faber-Hill Pigments (Shanghai) Co., Ltd.	Subsidiaries formerly controlled by Faber-Castell International
Heubach Colorants Singapore Pte. Ltd., a subsidiary formerly controlled by	Faber-Castell International.
Heubach Colorants Germany GmbH	Subsidiaries formerly controlled by Faber-Castell International
Heubach Colorants Brazil Ltd.	Subsidiaries formerly controlled by Faber-Castell International
Heubach Colorants USA LLC	Subsidiaries formerly controlled by Faber-Castell International
P.T.Heubach Colorants Indonesia	Subsidiaries formerly controlled by Faber-Castell International
Sudarshan Brasil Mfg Ltda	Subsidiaries controlled by Sudashan Company
Sudarshan Japan MFG KK	Subsidiaries controlled by Sudashan Company
Sudarshan Mfg (Thailand) Ltd.	Subsidiaries controlled by Sudashan Company
Sudarshan Singapore SLO Pte. Ltd., a subsidiary controlled by Sudarshan	Company
Sudarshan USA SLO LLC	Subsidiaries controlled by Sudashan Company
Sudarshan Germany Horizons GmbH	Subsidiaries controlled by Sudashan Company

Note: The order attribution before and after the acquisition of Faber International by Sudashan Company refers to the subsidiaries originally controlled by Faber International.

The differences in unit names will be standardized after the proposed change process is completed.



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

2. Related Party Transactions

(1) Related transactions involving the purchase and sale of goods and the provision and receipt of services

1) Purchasing goods/receiving services

Related parties	Related party transactions:	Current year's transactions	Previous year's transactions
Lily Group Co., Ltd.	Purchased goods	134,426,965.58	128,138,477.90
Heubach Colorants Germany GmbH purchases goods		92,104.23	6,742,296.92
Heubach Holding Switzerland AG purchases goods			281,722.84
Sudarshan Germany Horizons GmbH purchases goods		36,646.87	
Lily Group Co., Ltd.	dormitory rent	64,954.13	61,651.38
Lily Group Co., Ltd.	Wastewater treatment fee	8,771,856.70	11,306,994.40
Lily Group Co., Ltd.	Water and electricity fees	914.17	7,657,682.67
Lily Group Co., Ltd.	Processing fee	10,602,212.40	10,565,840.72
total		153,995,654.08	164,754,666.83

(2) Selling goods/providing services

Related parties	Related party transactions content	This year's amount	vs. last year's amount
Lily Group Co., Ltd.	Goods sold:	158,089,791.48	177,782,042.41
Faber-Hill Pigments (Shanghai) Co., Ltd.	Goods sold:	129,818,338.99	180,385,225.67
Heubach Colorants Singapore Pte. Ltd.	Sales:	64,291,049.98	134,323,816.60
Sudarshan Singapore SLO Pte. Ltd.		35,415,777.38	items sold.
Faber-Hill Pigment Products (Tianjin) Co., Ltd.		3,749,128.30	items sold.
Heubach Colorants Brazil Ltd.	Goods sold:	2,851,512.44	11,744,092.60
Heubach Colorants USA LLC		2,689,883.04	items sold.
P.T.Heubach Colorants Indonesia	Goods sold:	1,930,497.74	
Sudarshan Japan MFG KK		1,106,240.60	items sold.
Sudarshan Brasil Mfg Ltda		773,550.44	items sold.
Sudarshan USA SLO LLC		469,567.40	items sold.
Sudarshan Mfg (Thailand) Ltd.		176,935.51	items sold.
total		— 401,362,273.30	517,534,140.08

3. Related party receivables and payables balance

(1) Accounts Receivable



Notes to the Financial Statements of Hangzhou Baihe Faber Pigment Co., Ltd.

January 1, 2025 to December 31, 2025

(Unless otherwise stated, all amounts in these notes to the financial statements are expressed in Renminbi.)

Project Name	Related parties	Year-end balance		beginning balance	
		Book balance	bad debts Prepare	Book balance	bad debts Prepare
Accounts Receivable	Faber Pigment (Shanghai) Co., Ltd.	36,354,762.00		37,933,279.54	
Accounts Receivable	of Lily Group Co., Ltd.	28,882,478.50		34,325,351.00	
Accounts receivable	from Sudarshan Singapore SLO Pte. Ltd.	11,843,993.96			
Accounts Receivable	Sudarshan Brasil Mfg Ltda	1,444,629.26			
Accounts Receivable	Faber Pigment Products (Tianjin) Co., Ltd.	1,220,330.00		528,560.00	
Accounts receivable	Sudarshan Japan MFG KK	988,094.65			
Accounts receivable	from Sudarshan Mfg (Thailand) Ltd.	79,952.60			
accounts receivable	Heubach Colorants Singapore Pte. Ltd.			18,605,751.34	
Accounts receivable	from Heubach Colorants Brasil Ltda.			5,220,934.92	
Accounts Receivable	Heubach Colorants USA LLC			396,799.68	

(2) Accounts Payable

Project Name	Related parties	Year-end book balance / beginning book balance
Accounts Payable	Lily Group Co., Ltd.	32,313,649.30 36,501,162.50
Accounts Payable	Heubach Holding Switzerland AG	346,890.89 354,767.60

VIII. Commitments and Contingencies

1. Key Commitments

As of December 31, 2025, the Company has no other material commitments that should be disclosed.

2. Contingent liabilities

As of December 31, 2025, the Company has no material contingent liabilities that need to be disclosed.

IX. Events after the Balance Sheet Date

As of the date of this financial report, the Company has no material post-balance sheet events that require disclosure.

X. Other Important Matters

As of December 31, 2025, there are no other material matters that the Company is required to disclose.





营业执照

(副本)

统一社会信用代码

91330100077347651N (1/1)

扫描二维码登录“国家企业信用信息公示系统”了解更多登记、备案、许可、监管信息



名称
类型
经营范围

信永中和会计师事务所（特殊普通合伙）杭州分所

特殊普通合伙企业分支机构

负责人 刘宇

成立日期 2013年09月13日

经营范围

审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关报告；基本建设年度财务决算审计；代理记账；会计咨询、税务咨询、管理咨询、会计培训；法律、法规规定的其他业务。（依法须经批准的项目，经相关部门批准后方可开展经营活动）

经营场所

浙江省杭州市上城区凯旋街道庆春东路2-6号2401室

登记机关



2026年04月02日

证书序号: 5005216

说明

- 1、《会计师事务所分所执业证书》是证明会计师事务所经财政部门依法审批, 准予持证分所执行业务的凭证。
- 2、《会计师事务所分所执业证书》记载事项发生变动的, 应当向财政部门申请换发。
- 3、《会计师事务所分所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所分所终止或执业许可注销的, 应当向财政部门交回《会计师事务所分所执业证书》。

发证机关:



中华人民共和国财政部制

会计师事务所分所
执业证书

名称: 信永中和会计师事务所 (特殊普通合伙)

杭州分所

负责人: 刘宇

经营场所:

浙江省杭州市上城区凯旋街道庆春东路2-6号2401室

分所执业证书编号:

110101363301

批准执业文号:

浙财会〔2013〕37号

批准执业日期:

2013年9月4日

张岩 330000130402 		发证日期: 2001 年 11 月 12 日 Date of Issuance	
批准注册协会: 浙江省注册会计师协会 Authorized Institute of CPAs		证书编号: 330000130402 No. of Certificate	
年度检验登记 Annual Renewal Registration		本证书经检验合格, 继续有效一年。 This certificate is valid for another year after this renewal.	
姓名 张岩 Full name		性别 男 Sex	
出生日期 1972年3月18日 Date of birth		工作单位 信永中和会计师事务所(特殊普通合伙) 杭州分所 Working unit	
身份证号码 330107197203180039 Identity card No.		张岩	









姓名 Full name 陈韩琪
性别 Sex 男
出生日期 Date of birth 1994年6月10日
工作单位 Working unit 信永中和会计师事务所(特殊普通合伙) 杭州分所
身份证号 ID card No. 331021199406101857



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



证书编号：110101360465
No. of Certificate

批准注册协会：浙江省注册会计师协会
Authorized Institute of CPAs

发证日期：2020年4月8日
Date of Issuance /y /m /d



陈韩琪 110101360465

年 月 日
/y /m /d

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA
LIMITADA

Financial Statements

As of December 31, 2024 and 2023

CONTENTS

Independents auditor's report
Statement of financial position
Statement of comprehensive income by function
Statement of changes in net equity
Statements of cash flows and cash equivalent indirect method
Explanatory notes to the financial statements

Abbreviations used

\$	-	Chilean pesos
ThCh\$	-	Thousands of Chilean pesos
UF	-	Unidades de fomento (indexed monetary unit)
US\$	-	United States dollars

INDEPENDENT AUDITORS' REPORT

Messrs.
Shareholders and Directors
Heubach Colorant Chile Industria Química Limitada

Report on the financial statements

Opinion

We have audited the accompanying separate financial statements of Heubach Colorant Chile Industria Química Limitada, which comprise the separate statements of financial position as of 31 December 2024 and 2023 and the related separate statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, these accompanying financial statements present fairly, in all material respects, the financial position of Heubach Colorant Chile Industria Química Limitada as of December 31, 2024 and 2023 and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities.

Basis for opinion

We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are described in the paragraphs under the section 'Auditor's Responsibilities for the Audit of the Financial Statements' in this report. We are required by the ethical requirements relevant to our audits of the financial statements to be independent of Heubach Colorant Chile Industria Química Limitada, and to comply with our other ethical responsibilities in accordance with those requirements. We consider that the audit evidence we have obtained is sufficient and appropriate to provide us with a basis for our audit opinion.

Emphasis on a matter, accumulative tax loss

As indicated in Note 16 to the financial statements, as of December 31, 2024 and 2023, net deferred tax assets recorded a balance of M\$ 545.460 and M\$ 331.331, respectively, mainly associated with accumulated tax losses. This benefit can be used in the future, provided that the Company obtains taxable income.

Emphasis on a matter —change of company name

As indicated in Note 23 a) and b) to the financial statements, on March 1, 2025, the company became part of the Sudarshan Chemical Industries Ltd group (ultimate parent company) and on June 13, 2025, it changed its name to Sudarshan Chile Industria Química Limitada.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is required to evaluate whether there are facts or circumstances that, taken as a whole, raise substantial doubt about the ability of Heubach Colorant Chile Industria Química Limitada, to continue as a going concern for at least the next twelve months following the end of the reporting period, but not limited to that period.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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, but not absolute, level of assurance and, accordingly, is not a guarantee that an audit performed in accordance with Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, concealment, misrepresentations or override of controls by management. A misstatement is considered material if, individually or in the aggregate, it could influence the judgement of a reasonable user of these financial statements.

As part of an audit conducted in accordance with Generally Accepted Auditing Standards in Chile:

- We exercise professional judgement and maintain professional skepticism throughout the audit.
- We identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, and design and perform audit procedures in response to such risks. Those procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
- We obtain an understanding of internal control relevant to an 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 Heubach Colorant Chile Industria Química Limitada internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as the overall presentation of the financial statements.
- We conclude whether, in our judgment there are facts or circumstances, that give rise to substantial doubt about the ability of Heubach Colorant Chile Industria Química Limitada to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with corporate governance, among other matters, the planned timing and scope of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during our audit.

BDO Auditores & Consultores Ltda.



Raquel Del Carmen Tobar Moreno

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Raquel Tobar Moreno

Santiago, September 1, 2025

This document has been electronically signed by Raquel Tobar Moreno RUT: 9.996.553-3. The Digital Certificate can be found in the electronic version of the document.

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

TABLE OF CONTENTS

	Pages
Statements of financial position	4
Statements of comprehensive income by function	6
Statements of changes in net equity	7
Statements of cash flows and cash equivalent indirect method	8
Explanatory notes to the financial statements	9
Note 1 Company's incorporation and operating situation	9
Note 2 Summary of the main accounting criteria applied	10
2.1 Basis of preparation	10
2.2 Functional and presentation currency	10
2.3 Changes in accounting policies	11
2.4 Transactions in foreign currency	11
2.5 Cash and cash equivalent	11
2.6 Financial assets	11
2.7 Property, plant and equipment	12
2.8 Employees benefits	13
2.9 Impairment of non-financial assets	13
2.10 Trade and other accounts payable	13
2.11 Income tax and deferred taxes	13
2.12 Provisions	13
2.13 Revenue recognition	13
2.14 Statement of cash flows	14
2.15 Financial information by operating segments	14
Note 3 Financial risk management	14
Note 4 Management estimates and accounting criteria	15
Note 5 Key personnel	16
Note 6 Cash and cash equivalent	16
Note 7 Trade and other accounts receivable	17
Note 8 Inventories	18
Note 9 Other non-financial assets, current	18
Note 10 Balances and transactions with related entities	19
Note 11 Provision for employee benefits	22
Note 12 Property, plant and equipment	23
Note 13 Trade and other accounts payable, current	24
Note 14 Assets and liabilities for tax currents	24
Note 15 Equity	25
Note 16 Income tax and deferred taxes	26
Note 17 Income from ordinary activities	27
Note 18 Sale cost	27
Note 19 Administrative expenses	27
Note 20 Other profits (Losses)	28
Nota 21 Guarantees, contingencies and commitments	28
Note 22 Relevant events	28
Note 23 Subsequent events	28

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024 and 2023
In thousands of Chilean pesos (ThCh\$)

ASSETS	<u>Note</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
CURRENT ASSETS			
Cash and cash equivalents	6	525,537	47,971
Trade and other receivables, current	7	678,036	831,456
Inventories	8	1,123,779	1,793,665
Accounts receivables from related companies, current	10	230,368	145,723
Tax assets, current	14	508,950	398,093
Others non-financial assets, current	9	<u>16,686</u>	<u>22,496</u>
TOTAL CURRENT ASSETS		<u>3,083,356</u>	<u>3,239,404</u>
NON-CURRENT ASSETS			
Property, plant and equipment, net	12	476,006	418,460
Deferred taxes	16	<u>545,460</u>	<u>331,331</u>
TOTAL NON-CURRENT ASSETS		<u>1,012,466</u>	<u>749,791</u>
TOTAL ASSETS		<u>4,104,822</u>	<u>3,989,195</u>

The accompanying notes from 1 to 23,
are an integral part of these financial statements.

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2024 and 2023
In thousand of Chilean pesos (ThCh\$)

	<u>Note</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
CURRENT LIABILITIES			
Trade and other accounts payable, current	13	706,804	508,761
Accounts payable from related companies, current	10	2,948,545	2,634,741
Provision for employee benefits	11	<u>22,428</u>	<u>20,566</u>
TOTAL CURRENT LIABILITIES		<u>3,677,777</u>	<u>3,164,068</u>
NON-CURRENT LIABILITIES			
Provision for employee benefits	11	<u>121,330</u>	<u>76,320</u>
TOTAL NON-CURRENT LIABILITIES		<u>121,330</u>	<u>76,320</u>
EQUITY			
Paid-in capital	15	1,842,039	1,842,039
Accumulated income		<u>(1,536,324)</u>	<u>(1,093,232)</u>
TOTAL EQUITY	15	<u>305,715</u>	<u>748,807</u>
TOTAL EQUITY AND LIABILITIES		<u>4,104,822</u>	<u>3,989,195</u>

The accompanying notes from 1 to 23,
are an integral part of these financial statements.

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

STATEMENT OF COMPREHENSIVE INCOME BY FUNCTION

As of December 31, 2024 and 2023
In thousands of Chilean pesos (ThCh\$)

	<u>Note</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Income from ordinary activities	17	4,605,819	3,977,615
Cost of sales	18	<u>(3,220,655)</u>	<u>(3,329,927)</u>
GROSS MARGIN		<u>1,385,164</u>	<u>647,688</u>
Administrative expenses	19	(1,692,187)	(1,227,171)
Other profits	20	104,525	3,358
Financial costs		(132,768)	(43,349)
Exchange rate differences		<u>(307,390)</u>	<u>(61,627)</u>
Income before taxes		(642,656)	(681,101)
Income taxes	16	<u>214,128</u>	<u>(82,786)</u>
NET (LOSS) PROFIT FOR THE YEAR		<u>(428,528)</u>	<u>(763,887)</u>
COMPREHENSIVE INCOME			
Net (loss) profit for the year		(428,528)	(763,887)
Components of other comprehensive income		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(428,528)</u>	<u>(763,887)</u>

The accompanying notes from 1 to 23,
are an integral part of these financial statements.

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

STATEMENT OF CHANGES IN NET EQUITY

As of December 31, 2024 and 2023
Shown in thousands of Chilean pesos (ThCh\$)

	Capital <u>ThCh\$</u>	Accumulated income <u>ThCh\$</u>	Total equity <u>ThCh\$</u>
Opening balance as of January 1, 2024	1,842,039	(1,093,232)	748,807
Profit for the year	-	(428,528)	(428,528)
Other decrements/increments	-	(14,564)	(14,564)
Total as of December 31, 2024	1,842,039	(1,536,324)	305,715
	Capital <u>ThCh\$</u>	Accumulated income <u>ThCh\$</u>	Total equity <u>ThCh\$</u>
Opening balance as of January 1, 2023	1,842,039	(322,880)	1,519,159
Profit for the year	-	(763,887)	(763,887)
Other decrements/increments	-	(6,465)	(6,465)
Total as of December 31, 2023	1,842,039	(1,093,232)	748,807

The accompanying notes from 1 to 23,
are an integral part of these financial statements.

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

STATEMENTS OF CASH FLOWS AND CASH EQUIVALENT INDIRECT METHOD

For the year ended as of December 31, 2024 and 2023

Expressed in thousands of Chilean pesos (ThCh\$)

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Cash flows from operating activities		
Profit for the year	(428,528)	(763,887)
Debits (credits) to income for the year that do not represent cash flow:		
Depreciation for the year	42,068	50,110
(Increase) decrease of assets affecting cash flow:		
Trade and other accounts receivable	153,420	(62,064)
Accounts receivable from related companies	(86,601)	211,660
Inventories	669,886	(939,722)
Tax assets	(110,857)	(178,387)
Other assets	(208,319)	72,900
(Decrease) increase of liabilities affecting cash flow:		
Trade and other accounts payable, current	198,043	184,325
Accounts payable from related companies	315,760	1,464,174
Provision for employees' benefits	1,862	(38,000)
Other liabilities	30,443	(35,538)
Flow used in operating activities	<u>577,179</u>	<u>(34,429)</u>
Flow from financing activities		
Loans received from related entities		-
Loans payment to related companies		-
Flow from financing activities		<u>-</u>
Flow from investing activities		
Capital decrease		
Addition of fixed asset	<u>(99,613)</u>	<u>(19,775)</u>
Flow used in investing activities	<u>(99,613)</u>	<u>(19,775)</u>
Net variation of cash and cash equivalent	477,566	(54,204)
Cash and cash equivalent at, beginning of the year	<u>47,971</u>	<u>102,175</u>
Cash and cash equivalent, end of the year	<u><u>525,537</u></u>	<u><u>47,971</u></u>

The accompanying notes from 1 to 23,
are an integral part of these financial statements.

HEUBACH COLORANT CHILE INDUSTRIA QUIMICA LIMITADA

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024 AND 2023

NOTE 1 COMPANY'S INCORPORATION AND OPERATING SITUATION

- 1.1 Clariant Plastics & Coatings (Chile) Ltda., with its parent company in Switzerland, was incorporated on September 24, 2015 and started its activities as an independent company in January 2016. The registration in the Trade Register of Santiago is under pages 71.347, No. 41.677 of the Trade Register of Santiago of the year 2015.

According to the deed of modification of the Company dated September 09, 2022, the company's name of Clariant Plastics & Coatings Chile Limitada was changed to Heubach Colorants Chile Industria Química Limitada (Note 15.2)

The company's purpose is the production, import and export of colorants and chemical products for plastic and related industries; as well as the development of any activity related to these activities.

1.2 Operational status

Heubach Colorants Chile Ltda, Heubach, offers high-performance pigments and pigment preparations for a wide range of applications, including pigments for paints and coatings, plastics and building materials, anti-corrosive pigments for steel coatings, color pastes and pigment concentrates for tinting systems, and much more, all specifically designed to meet your individual needs. Heubach's extensive portfolio of products and applications offers a complete range of color solutions for the entire spectrum of applications. The company currently has a manufacturing plant, analysis laboratory, and administrative headquarters located in the city of Santiago, in the district of Maipú, with its production plant operating at 95% capacity, working two shifts to meet its monthly manufacturing target. The company is directly controlled by Heubach Holding Switzerland AG.

In the particular case of Chile, 2024 has been a year of great challenges. In April, the subsidiaries in Germany were declared insolvent, and the court appointed an insolvency administrator to examine the possibility of continuing commercial operations and the possible options for restructuring and/or selling the company in due course. The Heubach Group worked to meet its obligations to employees, customers, and suppliers within the established financial possibilities and legal framework. Facing this situation led to several months of shortages, and to resolve this situation and avoid the closure of the plants, it was necessary to negotiate advance payments for the products we were purchasing, which allowed us to guarantee supply and continue our operations.

During the 2024 financial year, Sudarshan Chemical Industries Ltd. and its subsidiaries carried out a series of preliminary activities in preparation for the acquisition of the Heubach Group, which was formalized on March 1, 2025. These activities included:

- Initial negotiations and preliminary agreements between Sudarshan and the selling entity, SK Neptune Husky Finance S.A.R.L., for the purchase of 100% of the shares of Heubach Holding S.à r.l. (Luxembourg).
- Comprehensive due diligence process covering financial, legal, operational, and tax aspects of the entities comprising the Heubach Group, in order to assess risks and synergies.
- Obtaining regulatory approvals from the relevant tax authorities in the relevant jurisdictions necessary to complete the transaction.
- Planning the post-acquisition operational and financial integration, including the alignment of corporate systems and processes.
- Signing of the definitive purchase agreement in October 2024, establishing the terms and conditions for the transfer of shares and assets.

NOTA 1 COMPANY'S INCORPORATION AND OPERATING SITUATION, (continued)

1.2 Operational status, (continued)

These activities were essential to ensure an orderly transition in accordance with current regulations, allowing the acquisition to be successfully completed in March 2025 (Note 23).

In 2025, sales figures (EUR) are expected to increase by around 2% compared to the previous year, based on the budget of customers located in Chile and Peru who are supplied by the Maipú plant.

The main factors impacting customer sales results in both markets are as follows:

- Extensive product portfolio and competitiveness in our pigments sourced from India.
- Recovery of products that recorded losses due to last year's insolvency situation.
- Prospecting for new customers to strengthen business lines: Printing, Special Applications, Plastics, and Cosmetics, and growth in the consolidated Coatings segment.
- Replacement of local sales of the Behr tinting line with direct imports from Mexico.
- High competition in the market, with a variety of pigments and dispersions offering good value for money from competitors.

We continue to focus on supporting our two distributors in Chile and Peru, which are mainly operating in DIB operations from different origins. In the case of the Chilean distributor, which also purchases locally from the Maipú plant, we are working on cost efficiency programs and improvements to product recipes, which are being monitored globally to ensure greater profitability without affecting the quality of our products.

Heubach continues to focus on the global market, thanks to the parent company's strategy of serving our customers through its various subsidiaries located around the world.

NOTE 2 SUMMARY OF THE MAIN ACCOUNTING CRITERIA APPLIED

2.1 Basis of preparation

The preparation of these financial statements is in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

These financial statements have been approved by Management and are the responsibility of Heubach Colorants Industria Química Chile Ltda.

The preparation of the financial statements in accordance with IFRS for SMEs requires the use of certain accounting estimates and also requires management to provide its judgment in the process of applying the accounting policies in the Company. In the estimates note, the areas that imply a greater degree of judgment or complexity are disclosed.

2.2 Functional and presentation currency

The items included in the Company's financial statements are valued using the currency of the main economic environment in which the entity operates (functional currency). The financial statements are presented in Chilean pesos, which is the defined functional and presentation currency.

NOTE 2 SUMMARY OF THE MAIN ACCOUNTING CRITERIA APPLIED, (continued)

2.3 Changes in accounting policies

The financial statements as of December 31, 2024 and 2023 present no changes in the accounting policies with respect to prior years

The financial statements as of December 31, 2024 and 2023 present reclassifications of assets and liabilities for a better presentation of the financial information and that affect the items of trade and other accounts payable and provision for employees' benefits.

2.4 Transactions in foreign currency

The transactions agreed in unidades de fomento (indexed monetary unit) are converted to the functional currency using the exchange rates in force at the dates of the transactions.

Assets and liabilities in unidades de fomento have been expressed in current currency according to the following parity:

	12/31/2024	12/31/2023
	<u>ThCh\$</u>	<u>ThCh\$</u>
Dollar	996.46	877.12
Unidad de fomento (UF)	38,416.69	36,789.36

2.5 Cash and cash equivalent

The Company considers the cash balances available in cash and current bank accounts as cash and cash equivalents. This item also includes those management's investments of cash which maturity is in accordance with the aforementioned and which funds are freely available.

2.6 Financial assets

The Company classifies its financial assets in the following categories: at fair value with changes in income, loans and accounts receivable and financial assets available for sale. The classification depends on the purpose the financial assets were acquired for. Management determines the classification of its financial assets at the time of their initial recognition.

a) Financial assets at fair value with changes in income

Financial assets at fair value with changes in income are financial assets held for trading. A financial asset is classified under this category if it was acquired mainly for sale purpose in the short term.

b) Loans and current and non-current accounts receivable

Loans and current accounts receivable are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Those with maturities over 12 months from the balance sheet date are classified as non-current assets.

Loans and accounts receivable are included under "Trades and other accounts receivable" in the statement of financial position.

Impairment losses related to doubtful loans are recorded under income in the year they occur.

NOTE 2 SUMMARY OF THE MAIN ACCOUNTING CRITERIA APPLIED, (continued)

2.7 Property, plant and equipment

Property, plant and equipment are recognized, both initially and in subsequent measurement, at historical cost less the corresponding depreciation and accumulated impairment.

The debit to income for depreciation of assets is calculated using the straight-line method over its useful life. This useful life has been determined considering as a basis the expected natural impairment, the technical or commercial obsolescence resulting from the changes and/or improvements in the production and changes in the market demand of the products obtained while operating with those assets. When the value of an asset is higher than its estimated recoverable amount, its value is immediately reduced to its recoverable amount, through the application of impairment tests.

The useful lives estimated in years per asset types are as follows:

Property, plant and equipment	Useful life
IT equipment	6
Facilities	10
Furniture	7
Vehicles	7
Rolling stock	7
Machinery	15
Buildings and constructions	50

The company has defined as a residual value for all types of fixed assets, the amount of one peso (\$ 1,00), considering that, at the end of the useful life of each type of asset, the Company will obtain no value in case of the sale of the fixed assets.

The residual values of the assets, useful lives and depreciation methods are reviewed at each date of the statement of financial position, and adjusted, if applicable, as a change in estimates prospectively.

Losses and profits from the sale of property, plant and equipment are calculated by comparing the revenues obtained with the book value and are included in the statement of income.

NOTE 2 SUMMARY OF THE MAIN ACCOUNTING CRITERIA APPLIED, (continued)

2.8 Employees benefits

This concept records mainly the provisions for severance payments, since the company has agreed with its personnel to pay severance payments, which is recorded at the actuarial value of the total obligation accrued at the end of each year.

In addition, there are other provisions for concept of vacations and agreed bonuses, which are recorded on an accrued basis for this concept.

2.9 Impairment of non-financial assets

Assets subject to depreciation are tested for impairment losses whenever an event or change in business circumstances indicates that the book value of the assets may not be recoverable. An impairment loss is recognized when the book value is higher than its recoverable value.

The recoverable value of an asset is the highest value between the fair value of an asset less the sale costs and its value in use. For purposes of evaluating impairment losses of the value, the assets are grouped at the lowest level for which there are separately identifiable cash flows (CGU).

Impairment losses of the value can only be reversed in the accounting up to the amount of losses recognized in prior periods, so that the book value of these assets does not exceed the value they would have had if these adjustments would not have been made. This reversal is recorded in the account Other profits (losses).

2.10 Trade and other accounts payable

Trade and other current accounts payable are recognized at their nominal value, since their average payment term is reduced and there is no significant difference with their discounted value.

2.11 Income tax and deferred taxes

The Company has recognized its tax obligations based on the legal provisions in force. In addition, the Company has accounted for deferred taxes for all temporary differences between the financial and tax balance sheet.

2.12 Provisions

Provisions are recognized when the Company has a current legal or constructive obligation as a result of past events, when it is considered likely that any payment is necessary to settle the obligation and when the amount of that obligation can be properly estimated.

The main concepts for which provisions with debit to income could be set forth are civil, labor and tax lawsuits and for concept of estimation of personnel vacations and bad debt. In all the aforementioned cases, the Company's management makes an evaluation at the closing of each year, determining and recording a provision for each of the respective concepts.

2.13 Revenue recognition

Revenues are recognized to the extent that the economic benefits are likely to flow to the Company and can be measured on a reliable basis. Revenues are measured at the fair value of the economic benefits received or receivable, which are presented net of sales discounts.

NOTE 2 SUMMARY OF THE MAIN ACCOUNTING CRITERIA APPLIED, (continued)

2.14 Statement of cash flows

The Company's policy is to consider as cash equivalent the existing balance in cash at the closing and in bank current account, mutual funds and any other investment instrument, which can be effective immediately and without restriction.

"Cash flows from operating activities" include all those cash flows related to the business line and, in general, all those flows that are not defined as investment or financing. It should be noted that the operational concept used in this statement is broader than the one considered in the statement of income.

2.15 Financial information by operating segments

According to the current business structure, management has defined only one operating segment.

NOTE 3 FINANCIAL RISK MANAGEMENT

Following, a detail of the way the Company addresses the various financial risks:

3.1 Exchange rate risk:

The highest percentage of Heubach Colorants Industria Química Chile Ltda. operations is oriented to the domestic market, operations requiring the import of raw materials mainly acquired in US dollar, this situation exposes Heubach Colorants Industria Química Chile Ltda. to risks due to variations in exchange rates.

Heubach Colorants Industria Química Chile Ltda., as a mitigation procedure, applies as a sale policy a dollar price list, which is converted to local currency by applying the observed exchange rate published by the Central Bank at the moment of billing the operations.

3.2 Credit risk

The financial instruments that could potentially cause credit risk concentrations consist mainly of bank balances, financial assets measured at fair value and accounts receivable.

The company's sales policy is closely related to the level of credit risk it is willing to accept in the course of business. The diversification of its accounts receivable portfolio, the selection of its customers, as well as the monitoring of payment periods per business segment and individual limits, are procedures adopted in order to minimize potential problems of delayed payments of the accounts receivable.

The Company's management monitors the risk of the balances from clients' accounts receivable and evaluates the need of a provision for doubtful settlement credits.

The company evaluates the financial institutions as to the ability to pay the capital and interest on the issued securities and monitors compliance with their procedures for selecting institutions, such as the financial approval of their investments in these.

3.3 Liquidity risk

The Company manages liquidity risk by making its investments with leading financial institutions, keeping its cash balances and financing lines appropriate to meet its commitments.

The management of the cash flow forecast is carried out in the Treasury Department, located at the headquarters of the Brazilian Subsidiary. This department supervises cash forecasts with the objective of keeping balances available and sufficient to meet the commitments with their employees, government institutions and suppliers.

NOTE 4 MANAGEMENT ESTIMATES AND ACCOUNTING CRITERIA

Estimates, criteria and judgments are continually evaluated and are based on historical experience and other factors including expectations of future events that are considered reasonable under the respective circumstances.

The preparation of the financial statements in accordance with IFRS for Pymes requires that estimates and judgments affecting the amounts of assets and liabilities are made, the exposure of contingent assets and liabilities at the dates of the financial statements and the amounts of revenue and expenses during the period. Therefore, the actual income observed in subsequent dates may differ from these estimates.

The accounting principles and the areas requiring a greater amount of estimates and judgments in the preparation of the financial statements are lawsuits and other contingencies, useful lives and impairment tests of assets and fair value of derivative contracts or other financial instruments.

4.1 Useful lives and impairment test of assets

The depreciation of the assets is made based on the useful lives estimated by management for each of the different groups of assets.

This estimate could change significantly as a result of technological innovations and the competitors' actions in response to significant changes in the industry variables. Management will increase the depreciation charge when the current useful lives are less than the useful lives estimated previously or will depreciate or eliminate technically obsolete or non-strategic assets that have been abandoned or sold.

In addition, in accordance with the provisions of Section 17 of IFRS for SMEs, the Company did not perform adjustments for impairment, because the assets subject to amortization (property, plant and equipment), show no signs or indication of significant impairment in the recoverable amount of the property, plant and equipment.

4.2 Provision for bad debt

In order to cover the risk of bad debt of the accounts receivable, the Company has set forth a provision based on a historical analysis of the recoverability of accounts receivable, which is presented by deducting the caption Trade and other accounts receivable, in case of applying its recording. This provision recognizes that the longer the due date of an account receivable is, the probability of collecting it is lower; In this sense, the basis for estimating the bad debt risk used is the aging.

NOTE 5 KEY PERSONNEL

The transactions between the Company and its related parties correspond to normal transactions in terms of their purpose and conditions, which do not generate interests and are expected to be collected in the short and long term, depending on the type of operation.

5.1 Key personnel

Key personnel are those persons who have the authority and responsibility to plan, lead and control the entity's activities, either directly or indirectly. The Company is managed by the members of the senior management.

At the closing of these financial statements, there are no pending balances receivable and payable between the Company and members of senior management.

NOTE 6 CASH AND CASH EQUIVALENT

Cash and cash equivalents correspond to the balances of money kept in cash and current bank accounts.

6.1 The composition of the balance is as follows:

<u>Types of cash and cash equivalent</u>	12/31/2024	12/31/2023
	<u>ThCh\$</u>	<u>ThCh\$</u>
Current account Chilean Pesos	442,660	45,956
Current account US dollars	<u>82,877</u>	<u>2,015</u>
Total	<u>525,537</u>	<u>47,971</u>

There are no restrictions on the use of the funds presented under cash and cash equivalents.

NOTE 7 TRADE AND OTHER ACCOUNTS RECEIVABLE

7.1 The composition of trade and other accounts receivable, current portion, is as follows:

<u>Detail</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Domestic trade receivable	606,483	744,582
Foreign trade receivable	95,251	91,321
Customer advances	(23,540)	-
Provision for bad debts	<u>(158)</u>	<u>(4,447)</u>
Total	<u>678,035</u>	<u>831,456</u>

7.2 Provision for bad debts

At each year end, the uncollectibility of these assets is evaluated, which is detailed in the movement chart below:

<u>Movement of provision for bad debt</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Opening balance	(4,446)	(7,833)
Decrease (Constitution) of the provision for the year	<u>4,288</u>	<u>3,386</u>
Total Provision for bad debts	<u>(158)</u>	<u>(4,447)</u>

NOTE 8 INVENTORIES

8.1 The composition of inventories as of December 31, 2024 and 2023, is as follows:

<u>Detail</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Finished products	674,703	1,222,148
Raw materials	479,528	436,674
Materials and supplies	28,700	53,863
Inventories in transit	94,185	245,066
Provision for obsolescence	<u>(153,337)</u>	<u>(164,086)</u>
Total	<u>1,123,779</u>	<u>1,793,665</u>

8.2 The movement of loss from obsolescence is as follows:

<u>Movement of obsolescence provision</u>	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Opening balance	(164,086)	(230,283)
Increase for the year	<u>10,749</u>	<u>66,197</u>
Final balance	<u>(153,337)</u>	<u>(164,086)</u>

NOTA 9 OTHER NON-FINANCIAL ASSETS, CURRENT

The detail of other current non-financial assets is as follows:

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Expenses paid in advance	<u>16,686</u>	<u>22,496</u>
Total	<u>16,686</u>	<u>22,496</u>

NOTA 10 BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

The balances and significant transactions with related entities are detailed below:

10.1 Accounts receivable, current

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Heubach Colorants Peru S.A.C	-	49,598
Heubach Colorants Argentina S.A.U.	132,030	19,569
Heubach Colorants Brasil Ltda	59,899	74,379
Heubach Colorants Colombia S.A.S.	32,916	2,177
Heubach Colorants Singapore	853	-
Heubach Holding Switzerland AG	4,670	-
Total	230,368	145,723

10.2 Accounts payable, current

	31/12/2024 <u>ThCh\$</u>	31/12/2023 <u>ThCh\$</u>
Heubach Colorants Brasil Ltda	81,010	126,185
Heubach Colorants Perú S.A.C	-	14,630
Heubach Colorants México, S.A. de C.V.	944,159	850,895
Heubach Holding Switzerland AG	1,538,398	1,318,204
Heubach Group GmbH	384,978	239,823
Colorant Solutions Singapur Pte.	-	22,160
Clariant Chile Ltda.	-	62,844
Total	2,948,545	2,634,741

NOTE 10 BALANCES AND TRANSACTIONS WITH RELATED ENTITIES, (continued)

10.3 Transactions with related entities

The significant transactions carried out with related entities in each year are as follows:

<u>Entity</u>	<u>Type of relationship</u>	<u>Concept</u>	<u>Transaction amount</u>		<u>Effect in income</u>	
			31/12/2024	31/12/2023	31/12/2024	31/12/2023
Sales:			<u>ThCh\$</u>	<u>ThCh\$</u>	<u>ThCh\$</u>	<u>ThCh\$</u>
Heubach Colorants Mexico, S.A. de C.V.	Common parent company	Sales	-	-	-	-
Heubach Colorants Argentina S.A.U.	Common parent company	Sales	157,791	12,985	157,791	12,985
Heubach Colorants Brasil Ltda.	Common parent company	Sales	289,912	212,798	289,912	212,798
Heubach Colorants Colombia S.A.S.	Common parent company	Sales	90,731	63,004	90,731	63,004
Heubach Holding Switzerland AG	Parent company	Commissions	4,212	3,358	4,212	3,358
Heubach Colorants Singapore	Common parent company	Sales	853	-	853	-
Heubach Colorants Peru S.A.C.	Common parent company	Sales	-	11,429	-	11,429

NOTE 10 BALANCES AND TRANSACTIONS WITH RELATED ENTITIES, (continued)

10.3 Transactions with related entities, (continued)

The significant transactions carried out with related entities in each year are as follows:

<u>Entity</u>	<u>Type of relationship</u>	<u>Concept</u>	<u>Transaction amount</u>		<u>Effect in income</u>	
			31/12/2024	31/12/2023	31/12/2024	31/12/2023
			<u>ThCh\$</u>	<u>ThCh\$</u>	<u>ThCh\$</u>	<u>ThCh\$</u>
Purchases and Services:						
Clariant (Chile) Ltd.	Indirect	Purchases	-	45,557	-	45,557
Clariant (Chile) Ltd.	Indirect	Services	-	353,235	-	353,235
Clariant Brasil S.A.	Indirect	Purchases	-	-	-	-
Colorant International AG	Indirect	Purchases	1,538,439	-	1,538,439	-
Colorants Solutions Singapore Pte.	Common parent company	Purchases	-	24,426	-	24,426
Colorants Solutions (Argentina)	Common parent company	Purchases	-	-	-	-
Colorants Solutions Brasil	Common parent company	Purchases	-	415,624	-	415,624
Heubach Holding Switzerland AG	Parent company	Purchases	295,393	704,222	295,393	704,222
Heubach Holding Switzerland AG	Parent company	Services	(13,204)	34,246	(13,204)	34,246
Heubach Holding Switzerland AG	Parent company	Royalties	116,037	109,924	116,037	109,924
Colorants Solutions Colombia S A S	Common parent company	Royalties	-	18,493	-	18,493
Heubach Colorants Mexico, S.A. de C.V.	Common parent company	Purchases	552,829	1,054,830	552,829	1,054,830
Heubach Colorants Peru S.A.C	Common parent company	Purchases	-	14,073	-	14,073
Heubach Group GmbH	Parent company	Services	490,986	343,153	490,986	343,153

NOTE 11 PROVISIONS FOR EMPLOYEE BENEFITS

Type	12/31/2024 Current ThCh\$	12/31/2023 Current ThCh\$	12/31/2024 Non-current ThCh\$	12/31/2023 Non-current ThCh\$
Provision for vacations	22,428	20,566	-	-
Provision for severance indemnities	-	-	121,330	76,320
Total	22,428	20,566	121,330	76,320

The changes in provisions for employee benefits and severance indemnities for the years indicated are as follows:

	12/31/2024		12/31/2023	
	Provision for vacations ThCh\$	Provision for severance indemnities ThCh\$	Provision for vacations ThCh\$	Provision for severance indemnities ThCh\$
Opening balance	20,566	76,320	58,566	105,392
Provision increases/(consumption)	1,862	45,010	(38,000)	(29,072)
Ending balance	22,428	121,330	20,566	76,320

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

12.1 The detail of the different categories of properties, plant and equipment and their movements as of December 31, 2024 and 2023 is as follows:

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Buildings and facilities	190,766	190,766
Machinery and equipment	621,481	522,028
Works in progress	122,688	122,528
Accumulated depreciation	<u>(458,929)</u>	<u>(416,862)</u>
Total	<u>476,006</u>	<u>418,460</u>

12.2 Chart of property, plant and equipment movement

The movement of property, plant and equipment during the year ended as of December 31, 2024 and 2023 is shown below:

	Buildings and facilities <u>ThCh\$</u>	Machinery and equipment <u>ThCh\$</u>	Work in progress <u>ThCh\$</u>	Accumulated depreciation <u>ThCh\$</u>	Total <u>ThCh\$</u>
Balance as of 01/01/2024	190,766	522,028	122,528	(416,862)	418,460
Additions	-	99,453	160	-	99,613
Decreases	-	-	-	-	-
Write-offs	-	-	-	-	-
Depreciation for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,068)</u>	<u>(42,068)</u>
Balance as of 31/12/2024	<u>190,766</u>	<u>621,481</u>	<u>122,688</u>	<u>(458,930)</u>	<u>476,005</u>

	Buildings and facilities <u>ThCh\$</u>	Machinery and equipment <u>ThCh\$</u>	Work in progress <u>ThCh\$</u>	Accumulated depreciation <u>ThCh\$</u>	Total <u>ThCh\$</u>
Balance as of 01/01/2023	190,766	505,487	119,294	(366,752)	448,795
Additions	-	16,541	3,234	-	19,775
Decreases	-	-	-	-	-
Write-offs	-	-	-	-	-
Depreciation for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,110)</u>	<u>(50,110)</u>
Balance as of 31/12/2023	<u>190,766</u>	<u>522,028</u>	<u>122,528</u>	<u>(416,862)</u>	<u>418,460</u>

a) Depreciation expense as of December 31, 2024 and 2023 is ThCh\$ 42,068 and ThCh\$ 50,110 respectively and is recognized within administrative expenses (Note 19).

NOTE 13 TRADE AND OTHER ACCOUNTS PAYABLE, CURRENT

The detail of trade and other accounts payable, current is as follows:

	12/31/2024 ThCh\$	12/31/2023 ThCh\$
Domestic suppliers	352,634	234,799
Foreign suppliers	190,663	120,034
Withholdings payable	154,230	71,897
Other accounts payable	9,277	82,031
Total	706,804	508,761

NOTE 14 ASSETS AND LIABILITIES FOR TAX CURRENTS

The detail of assets for tax currents as of December 31, 2024 and 2023 is as follows:

	12/31/2024 ThCh\$	12/31/2023 ThCh\$
VAT fiscal credit	38,321	108,631
Monthly Provisional Payments	364,467	283,628
Sence Credit	5,835	5,834
	100,327	-
Total	508,950	398,093

NOTE 15 EQUITY

- 15.1 Net equity, without restrictions, as of December 31, 2024 and 2023 amounts to ThCh\$ 91,586 and ThCh\$ 2748,807 respectively.
- 15.2 The company was incorporated in September 2015, with an initial equity of THCH\$ 1.000, which were distributed as follows: Clariant Plastics & Coatings AG contributed 99% of the capital and EBITO Chemiebeteteiligungen AG contributed the remaining 1%.

On December 20, 2016, a capital increase was made in the amount of ThCh\$ 3.841.039, which came from: a contribution of ThCh\$ 3.802.628 made by Clariant Plastics & Coatings AG and a contribution of ThCh\$ 38.410 made by EBITO Chemiebeteteiligungen AG, this capital increase was registered under page 94.387, N°. 51.405 of the Santiago Commercial Registry of 2016, and the capital stock is distributed with the following percentages of participation from this date until December 31, 2019, as follows:

	% of shares
Clariant Plastics & Coatings AG	98,99
EBITO Chemiebeteteiligungen AG	1,01

On September 29, 2020, Clariant Plastics & Coatings AG and Colorants International AG entered into a divestment agreement whereby Clariant Plastics & Coatings transferred to Colorants International AG the assets belonging to the "Pigments" business, including 100% of the shareholding that Clariant Plastics & Coatings AG holds in Clariant Plastics & Coatings Chile Ltda, i.e. 98.99% of the social rights of the latter company. As of December 31, 2020, the detail of the partners is as follows:

	% of shares
Colorants International AG	98,99
EBITO Chemiebeteteiligungen AG	1,01

On June 23, 2021, a capital decrease was made in the amount of ThCh\$ 2.000.000, this amount will be returned to the partners in proportion to their participation in the the company's capital, this capital decrease was registered under the repertory No. 6654-2021 of the Notary Santiago Patricio Benavente. As of December 31, 2021, the detail of the partners is as follows:

	% of shares
Colorants International AG	98,99
EBITO Chemiebeteteiligungen AG	1,01

In accordance with the deed of modification of the Company dated September 9, 2022, the name of the company Clariant Plastics & Coatings Chile Limitada was changed to Heubach Colorants Chile Industria Química Limitada.

On October 3, 2022, the name changed from Colorants International AG to Heubach Holding Switzerland AG and the name change from EBITO Chemiebeteteiligungen AG to Heubach EBITO Chemiebeteteiligungen AG became effective, in accordance with the Swiss Official Gazette of Commerce.

As of December 31, 2022, the detail of the Company's partners is as follows:

	% of shares
Heubach Holding Switzerland AG	98,99
Heubach EBITO Chemiebeteteiligungen AG	1,01

NOTE 15 EQUITY, continued

15.3 Capital management

The Company's objective is to maintain an adequate level of capitalization allowing it to ensure its normal operation, optimizing the return to its partners, and maintaining a strong financial position.

NOTE 16 INCOME TAX AND DEFERRED TAXES

16.1 Income tax

As of December 31, 2024 and 2023, Management did not record income tax since it presented tax losses.

16.2 Deferred taxes

The detail of deferred taxes is as follows:

	12/31/2024	12/31/2023
<u>Deferred tax assets</u>	<u>ThCh\$</u>	<u>ThCh\$</u>
Sundry provision	18,525	8,822
Inventories	(7,861)	32,683
Financial/tax fixed asset (net)	14,239	5,280
Tax loss	<u>520,556</u>	<u>284,546</u>
Total	<u>545,459</u>	<u>331,331</u>

As of December 31, 2024 and 2023, the company has accumulated tax losses, which use is subject to the generation of future profits, therefore, on a conservative basis, no deferred tax assets have been recognised in respect of this loss.

16.3 Effect on income

The effect on income resulting from the income tax and deferred taxes is as follows:

	12/31/2024	12/31/2023
	<u>ThCh\$</u>	<u>ThCh\$</u>
Deferred taxes	<u>214,128</u>	<u>(82,786)</u>
Total	<u>214,128</u>	<u>(82,786)</u>

NOTE 17 INCOME FROM ORDINARY ACTIVITIES

Ordinary income at December 31, 2024 and 2023, are detailed below:

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Income from sales in domestic market	3,684,951	3,279,651
Income from export sale	<u>920,868</u>	<u>697,964</u>
Total	<u>4,605,819</u>	<u>3,977,615</u>

NOTE 18 SALE COST

Main sale costs as of December 31, 2024 and 2023, are detailed below:

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Cost of sale in domestic market	2,576,731	2,861,971
Cost of export sales	<u>643,924</u>	<u>467,956</u>
Total	<u>3,220,655</u>	<u>3,329,927</u>

NOTE 19 ADMINISTRATIVE EXPENSES

The main administrative expenses as of December 31, 2024 and 2023, are detailed below:

	12/31/2024 <u>ThCh\$</u>	12/31/2023 <u>ThCh\$</u>
Remunerations	1,214,896	793,506
Third parties' services and others	428,232	383,555
Depreciation	<u>49,059</u>	<u>50,110</u>
Total	<u>1,692,187</u>	<u>1,227,171</u>

NOTE 20 OTHER PROFITS (LOSSES)

The main balances of other profit (loss) as of December 31, 2024 and 2023 are detailed as follows:

	31/12/2024 <u>ThCh\$</u>	31/12/2023 <u>ThCh\$</u>
Other income	<u>104,525</u>	<u>3,358</u>
Total	<u>104,525</u>	<u>3,538</u>

NOTE 21 GUARANTEES, CONTINGENCIES AND COMMITMENTS

As of December 31, 2024 and 2023, the Company has no guarantees, contingencies, or commitments of any kind.

NOTE 22 RELEVANT EVENTS

As of December 31, 2024 and 2023, as indicated in Note 23 a) and b) below, no other significant events have occurred that should be disclosed in the financial statements.

NOTE 23 SUBSEQUENT EVENTS

- a) On March 1, 2025, the parent company Sudarshan Chemical Industries Ltd. (ultimate parent company), through its wholly owned subsidiary Sudarshan Europe B.V., completed the acquisition of 100% of the shares of Heubach Holding S.à r.l. (Luxembourg), the holding company of the Heubach Group, previously owned by SK Neptune Husky Finance S.A.R.L. (Luxembourg). Structured as a combination of share and asset acquisition, in accordance with the definitive agreement signed in October 2024.

The transaction includes the Heubach Group's operating units in Germany, Switzerland, Luxembourg, India, and the United States, and incorporates the following entities: Heubach Colorants Germany GmbH, Heubach GmbH, Dr. Hans Heubach GmbH, Heubach Group GmbH, Heubach Holding Switzerland AG, and Heubach Holdings S.à r.l.. This acquisition aims to strengthen Sudarshan's global presence in the pigments sector, expand its product portfolio, and consolidate its strategic positioning in Europe, America, and Asia.

The Heubach Group, with more than 200 years of experience in the pigment industry, became part of the Sudarshan Group on the date of acquisition. The acquired entities have been consolidated in the Group's financial statements as of March 1, 2025.

- b) On June 13, 2025, it changes its name to Sudarshan Chile Industria Química Limitada.
- c) Between January 1, 2025, and the date of issuance of these financial statements, September 1, 2025, no other financial or other events have occurred that significantly affect the balances or their interpretation.

**HEUBACH COLORANTS PIGMENT
PREPARATIONS (TIANJIN) LTD.**

**AUDITOR'S REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2025

XIN KUAI SHI BAO ZI [2026] NO. ZA53822

**ENGLISH TRANSLATION OF AUDITOR'S
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

**IF THERE IS ANY CONFLICT BETWEEN THE
CHINESE VERSION AND ITS ENGLISH
TRANSLATION, THE CHINESE VERSION
WILL PREVAIL**

Auditor's Report

Xin Kuai Shi Bao Zi [2026] No. ZA53822

To Heubach Colorants Pigment Preparations (Tianjin) Ltd.,

Opinion

We have audited the accompanying financial statements of Heubach Colorants Pigment Preparations (Tianjin) Ltd. ("the Company"), which comprise the balance sheet as at December 31, 2025, the income statement, the statement of cash flows, and the statement of changes in owners' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position as at December 31, 2025 and the financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with Chinese Standards on Auditing ("CSAs"). 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 China Standard on Independence for Certified Public Accountants No. 1 and Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management of the Company ("Management") is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Accounting Standards for Business Enterprises, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (1) 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.
- (2) Obtain an understand of internal 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 Company's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (4) 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 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.
- (5) Evaluate the overall presentation (including the disclosures), structure and contents of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**BDO CHINA Shu Lun Pan
Certified Public Accountants LLP**

Certified Public Accountant of China:

Certified Public Accountant of China:

Shanghai, China

May 15, 2026

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Balance Sheet
As at December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

Assets	Balance as at December 31, 2025	Balance as at December 31, 2024
Current assets:		
Cash and cash equivalents	3,124,046.87	3,797,834.48
Financial assets held for trading		
Derivative financial assets		
Notes receivable		2,544,612.19
Accounts receivable	36,495,997.58	28,429,498.45
Receivables financing	3,622,442.85	
Advances to suppliers	625,355.60	124,374.26
Other receivables	38,549.13	151,334.18
Inventories	13,893,613.42	15,186,716.01
Contract assets		
Assets held for sale		
Non-current assets maturing within one year		
Other current assets		119,687.37
Total current assets	57,800,005.45	50,354,056.94
Non-current assets:		
Creditor's right investment		
Other creditors' right investment		
Long-term receivables		
Long-term equity investments		
Other equity instrument investments		
Other non-current financial assets		
Investment properties		
Fixed assets	18,040,152.00	20,959,171.00
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenses		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	1,048,990.77	
Other non-current assets		
Total non-current assets	19,089,142.77	20,959,171.00
Total assets	76,889,148.22	71,313,227.94

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

Person in Charge:

Accounting Principal:

Head of the Accounting Department:

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Balance Sheet (Continued)
As at December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

Liabilities and owners' equity	Balance as at December 31, 2025	Balance as at December 31, 2024
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable	8,553,359.07	11,032,577.78
Advances from customers		
Contract liabilities		
Employee compensation payable	1,446,421.70	1,472,687.73
Taxes and surcharges payable	906,355.26	449,637.99
Other payables	6,538,510.42	2,383,273.70
Liabilities held for sale		
Non-current liabilities maturing within one year		
Other current liabilities	3,566,461.10	
Total current liabilities	21,011,107.55	15,338,177.20
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: preferred stocks		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee compensation payable		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	21,011,107.55	15,338,177.20
Owners' equity:		
Paid-in capital (or share capital)	49,176,000.00	49,176,000.00
Other equity instruments		
Including: preferred stocks		
Perpetual bonds		
Capital reserves	7,077.00	7,077.00
Less: treasury stocks		
Other comprehensive income		
Special reserves		
Surplus reserves	3,684,130.27	3,349,593.22
Undistributed profits	3,010,833.40	3,442,380.52
Total owners' equity	55,878,040.67	55,975,050.74
Total liabilities and owner's equity	76,889,148.22	71,313,227.94

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

Person in Charge:

Accounting Principal:

Head of Accounting Department:

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Income Statement
For the Year Ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

Item	Year 2025	Year 2024
I. Operating revenue	80,559,327.21	74,314,041.84
Less: operating costs	61,115,483.39	56,253,005.49
Taxes and surcharges	919,149.74	800,437.87
Selling and distribution expenses	3,424,900.39	3,128,907.11
General and administrative expenses	10,092,108.35	11,057,769.43
Research and development expenses	1,568,909.42	1,683,834.77
Financial expenses	583,809.31	180,702.12
Including: interest expenses		
Interest income	5,757.07	11,175.56
Plus: other income	6,340.98	14,018.39
Investment income ("-" for losses)		
Including: income from investment in associates and joint ventures		
Gains from derecognition of financial assets measured at amortized cost		
Income from net exposure hedging ("-" for losses)		
Gains from changes in fair value ("-" for losses)		
Losses from credit impairment ("-" for losses)		
Losses from impairment of assets ("-" for losses)	-323,234.75	86,031.54
Gains from disposal of assets ("-" for losses)		
II. Operating profits ("-" for losses)	2,538,072.84	1,309,434.98
Plus: non-operating revenue	200.00	58,581.53
Less: non-operating expenses		
III. Total profits ("-" for total losses)	2,538,272.84	1,368,016.51
Less: income tax expenses	-807,097.61	377,089.23
IV. Net profit ("-" for net loss)	3,345,370.45	990,927.28
(I) Net profits from continued operation ("-" for net loss)	3,345,370.45	990,927.28
(II) Net profit from discontinued operation ("-" for net loss)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified into profit or loss		
1. Changes in re-measurement of the defined benefit plan		
2. Other comprehensive income that cannot be transferred to profit or loss under the equity method		
3. Changes in fair value of other equity instrument investments		
4. Changes in the fair value of the Company's own credit risk		
(II) Other comprehensive income that will be reclassified into profit or loss		
1. Other comprehensive income that can be transferred to profit or loss under the equity method		
2. Changes in fair value of other creditor's right investment		
3. Amount of financial assets reclassified into other comprehensive income		
4. Provision for credit impairment of other creditor's right investments		
5. Cash flow hedging reserve		
6. Differences arising from translation of foreign-currency financial statements		
7. Others		
VI. Total comprehensive income	3,345,370.45	990,927.28

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

Person in Charge:

Accounting Principal:

Head of Accounting Department:

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Statement of Cash Flows
For the Year Ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

Item	Year 2025	Year 2024
I. Cash flows from operating activities		
Cash received from sale of goods and rendering of services	85,211,881.67	80,223,398.91
Refunds of taxes and surcharges		
Cash received from other operating activities	338,993.98	59,854.88
Sub-total of cash inflows from operating activities	85,550,875.65	80,283,253.79
Cash paid for goods purchased and services received	60,409,334.95	54,034,488.35
Cash paid to and on behalf of employees	14,561,805.72	12,963,936.25
Various taxes and surcharges paid	3,963,963.49	4,085,263.98
Cash paid for other operating activities	3,240,435.93	9,927,082.22
Sub-total of cash outflows from operating activities	82,175,540.09	81,010,770.80
Net cash flows from operating activities	3,375,335.56	-727,517.01
II. Cash flows from investing activities		
Cash received from disposal of investments		
Cash received from returns on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	200.00	
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities	200.00	
Cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets	32,400.00	5,480.00
Cash paid for investments		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Sub-total of cash outflows from investing activities	32,400.00	5,480.00
Net cash flows from investing activities	-32,200.00	-5,480.00
III. Cash flows from financing activities		
Cash received from absorption of investments		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for debts repayments		
Cash paid for distribution of dividends and profits or payment of interest	3,442,380.52	1,359,948.18
Cash paid for other financing activities		
Sub-total of cash outflows from financing activities	3,442,380.52	1,359,948.18
Net cash flows from financing activities	-3,442,380.52	-1,359,948.18
IV. Effect of fluctuation in exchange rate on cash and cash equivalents	-574,542.65	
V. Net increase in cash and cash equivalents	-673,787.61	-2,092,945.19
Plus: beginning balance of cash and cash equivalents	3,797,834.48	5,890,779.67
VI. Ending balance of cash and cash equivalents	3,124,046.87	3,797,834.48

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

Person in Charge:

Accounting Principal:

Head of Accounting Department:

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Statement of Changes in Owners' Equity
For the Year Ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

Item	Year 2025									
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
I. Balance as at December 31, 2024	49,176,000.00				7,077.00			3,349,593.22	3,442,380.52	55,975,050.74
Plus: changes in accounting policies										
Correction of accounting errors in prior period										
Others										
II. Balance as at January 1, 2025	49,176,000.00				7,077.00			3,349,593.22	3,442,380.52	55,975,050.74
III. Increases/decreases in 2025 ("-" for decreases)								334,537.05	-431,547.12	-97,010.07
(I) Total comprehensive income									3,345,370.45	3,345,370.45
(II) Capital contributed or reduced by owners										
1. Common stock contributed by owners										
2. Capital invested by the holders of other equity instruments										
3. Amount of share-based payments recognized in owners' equity										
4. Others										
(III) Profit distribution								334,537.05	-3,776,917.57	-3,442,380.52
1. Withdrawal of surplus reserves								334,537.05	-334,537.05	
2. Profit distributed to owners (or shareholders)									-3,442,380.52	-3,442,380.52

Item	Year 2025									
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred stocks	Perpetual bonds	Others						
3. Others										
(IV) Internal carry-forward of owners' equity										
1. Conversion of capital reserves into paid-in capital (or share capital)										
2. Conversion of surplus reserves into paid-in capital (or share capital)										
3. Losses offset by surplus reserves										
4. Carry-forward of changes in the defined benefit plan for retained earnings										
5. Carry-forward of other comprehensive income for retained earnings										
6. Others										
(V) Special reserves										
1. Amount withdrawn in 2025										
2. Amount used in 2025										
(VI) Others										
IV. Balance as at December 31, 2025	49,176,000.00				7,077.00			3,684,130.27	3,010,833.40	55,878,040.67

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

Person in Charge:

Accounting Principal:

Head of Accounting Department:

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Statement of Changes in Owners' Equity (Continued)
For the Year Ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

Item	Year 2024									
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
I. Balance as at December 31, 2023	49,176,000.00				7,077.00			3,250,500.49	3,910,494.15	56,344,071.64
Plus: changes in accounting policies										
Correction of accounting errors in prior period										
Others										
II. Balance as at January 1, 2024	49,176,000.00				7,077.00			3,250,500.49	3,910,494.15	56,344,071.64
III. Increases/decreases in 2024 ("-" for decreases)								99,092.73	-468,113.63	-369,020.90
(I) Total comprehensive income									990,927.28	990,927.28
(II) Capital contributed or reduced by owners										
1. Common stock contributed by owners										
2. Capital invested by the holders of other equity instruments										
3. Amount of share-based payments recognized in owners' equity										
4. Others										
(III) Profit distribution								99,092.73	-1,459,040.91	-1,359,948.18
1. Withdrawal of surplus reserves								99,092.73	-99,092.73	
2. Profit distributed to owners (or shareholders)									-1,359,948.18	-1,359,948.18
3. Others										
(IV) Internal carry-forward of owners' equity										

Item	Year 2024									
	Paid-in capital (or share capital)	Other equity instruments			Capital reserves	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
		Preferred stocks	Perpetual bonds	Others						
1. Conversion of capital reserves into paid-in capital (or share capital)										
2. Conversion of surplus reserves into paid-in capital (or share capital)										
3. Losses offset by surplus reserves										
4. Carry-forward of changes in the defined benefit plan for retained earnings										
5. Carry-forward of other comprehensive income for retained earnings										
6. Others										
(V) Special reserves										
1. Amount withdrawn in 2024										
2. Amount used in 2024										
(VI) Others										
IV. Balance as at December 31, 2024	49,176,000.00				7,077.00			3,349,593.22	3,442,380.52	55,975,050.74

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

Person in Charge:

Accounting Principal:

Head of Accounting Department

Heubach Colorants Pigment Preparations (Tianjin) Ltd.
Notes to the Financial Statements
For the Year Ended December 31, 2025
(Amounts are expressed in RMB unless otherwise stated)
(English Translation for Reference Only)

1 Company profile

Heubach Colorants Pigment Preparations (Tianjin) Ltd. (hereinafter referred to as "the Company," formerly known as Clariant Bohai Pigments Preparations (Tianjin) Ltd., is a sino-foreign joint venture established in Tianjin, the People's Republic of China, on May 9, 2011, by Clariant International Ltd. and Tianjin Bohai Fine Chemical Co., Ltd. The registered capital of the Company is RMB 49,176,000.

On June 23, 2016, Clariant International Ltd. and Clariant Plastics & Coatings Ltd. entered into an equity transfer agreement, whereby Clariant International Ltd. transferred its entire equity stake in the Company to Clariant Plastics & Coatings Ltd. Consequently, the parent company of the Company was changed to Clariant Plastics & Coatings Ltd.

On January 1, 2020, Clariant Plastics & Coatings Ltd. and Colorants International AG executed an equity transfer agreement, under which Clariant Plastics & Coatings Ltd. transferred its entire equity stake in the Company to Colorants International AG. As a result, the parent company of the Company was updated to Colorants International AG. The Company has accordingly amended its approval certificate and business license to reflect this change.

On April 7, 2021, Tianjin Bohai Fine Chemical Co., Ltd. transferred its 10% equity stake in the Company to Colorants International AG, converting the Company from a Sino-foreign joint venture into a wholly foreign-owned enterprise.

In 2022, Heubach and SK Capital Partners completed the acquisition of Clariant's global pigments business, and the parent company of the Company was subsequently changed to Heubach Holding Switzerland AG.

In 2025, Sudarshan Europe B.V. completed the acquisition of Faber-Castell's global pigments business, and the Parent Company of our Group was renamed Sudarshan Switzerland HLD1 AG.

The Company has an operational term of 50 years and is primarily engaged in the production and sale of aqueous pigment preparations, solid inks, and the sale of raw materials used in their manufacturing, as well as the research and development of related products. The Company officially commenced operations on May 9, 2011.

2 Preparation basis for financial statements

2.1 Basis for preparation

The financial statements of the Company are prepared in accordance with the *Accounting Standards for Business Enterprises - Basic Standards* and various specific standards promulgated by the Ministry of Finance, and the Accounting Standard for Enterprises - Application Guidance, the Interpretations of Accounting Standards for Enterprise and other relevant provisions (hereinafter referred to as the Accounting Standards for Business Enterprises collectively).

2.2 Going Concern

The financial statements are prepared on a going concern basis.

3 Principal accounting policies and accounting estimates

3.1 Statements on compliance with Accounting Standards for Business Enterprises

The financial statements meet the requirements of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and truly and completely reflect the Company's financial position as at December 31, 2025, and its operating results and cash flows for the year

then ended.

3.2 Accounting period

The accounting year is from January 1 to December 31 in calendar year.

3.3 Operating cycle

The Company's operating cycle is 12 months.

3.4 Functional currency

The Company adopts RMB as its functional currency.

3.5 Recognition criteria of cash and cash equivalents

Cash refers to the Company's cash on hand and the unrestricted deposits; Cash equivalents refer to short-term and highly liquid investments that are readily convertible to known amounts the of cash and which are subject to an insignificant risk of change in value.

3.6 Foreign currency transactions and translation of foreign currency statements

Foreign currency amount will be translated into RMB amount at the spot exchange rate on the transaction date for tally. The balance of foreign currency items on the balance sheet date are measured at the spot exchange rate on the balance sheet date. The exchange difference arising therefrom is included in the current profit or loss, while other exchange difference arising from the special borrowings of foreign currency related to the acquired and constructed assets qualified to capitalization is dealt with according to the principle of borrowing capitalization.

3.7 Financial instruments

When the Company becomes a party to a contract for financial instrument, a financial asset, financial liability or equity instrument should be recognized.

3.7.1 Classification of financial instruments

According to the business model of financial assets and contractual cash flow characteristics of the same, which are subject to the management of the Company, financial assets are classified at the initial recognition as: financial assets measured at the amortized cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through the current profit or loss.

The Company classifies the financial assets that meet the following conditions at the same time but have not been designated to be measured at fair value through profit or loss as the financial assets measured at amortized cost:

- The business model is adopted for the purpose of obtaining the contractual cash flow;
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

Financial assets not designated to be measured at fair value through the current profit or loss in line with the following conditions will be reclassified into the financial assets (debt instruments) measured at fair value through other comprehensive income:

- The business model is adopted for both collecting contract cash flows and selling the financial assets; and
- The contractual cash flow is only used for interest payment based on the principal or unpaid principal.

At the initial recognition, the Company irrevocably designates the non-trading equity instrument investments as financial assets (equity instruments) measured at fair value through the other comprehensive income. The designation is made based on a single investment and the relevant investment is in line with the definition of the equity

instrument from the issuer's perspective.

Except for the financial assets measured at amortized cost and the financial assets measured at fair value through other comprehensive income mentioned above, all the remaining financial assets are classified as financial assets measured at fair value through the current profit or loss. At the initial recognition, in order to eliminate or obviously reduce accounting mismatch, the Company may irrevocably designate the financial assets that shall be classified to be measured at amortized cost or measured at fair value through other comprehensive income as financial assets measured at fair value through the current profit or loss.

At the initial recognition, financial liabilities are classified as: financial liabilities measured at fair value through the current profit or loss and financial liabilities measured at the amortized cost.

At the initial recognition, financial liabilities meeting one of the following conditions can be designated as the financial liabilities measured at fair value through the current profit or loss:

- 1) This designation can eliminate or significantly reduce the accounting mismatch.
- 2) According to the enterprise risk management or investment strategies specified in formal written documents, the management and performance evaluation of financial liability portfolios or portfolios of financial assets and financial liabilities is carried out based on fair value, and the report to key officer in the enterprise has been made based on such management and performance evaluation.
- 3) The financial liabilities contain the embedded derivative which needs to be separated.

3.7.2 Recognition basis and measurement method of financial instruments

- (1) Financial assets measured at amortized cost
Financial assets measured at amortized cost include notes receivable and accounts receivable, other receivables, long-term receivables, and creditors' investment, etc., of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount; exclude accounts receivable with significant financing component and accounts receivable with the financing component not exceeding one year and not considered by the Company, of which initial measurement is made at the contractual transaction price.

During the holding period, the interest calculated under the effective interest method is included in the current profit or loss.

At recovery or disposal, the difference between the purchase price obtained and the book value of such financial assets is included in the current profit or loss.

- (2) Financial assets (debt instruments) measured at fair value through other comprehensive income
Financial assets (debt instruments) measured at fair value through other comprehensive income include receivables financing, other creditor's right investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognized amount. The interest, impairment losses or gains and exchange gains or losses calculated by the effective interest method will be included in the current profit or loss, and other gains or losses will be included in other comprehensive income.

At derecognition, the accumulated gains or losses previously included in other

comprehensive income will be transferred from other comprehensive income to the current profit or loss.

- (3) Financial assets (equity instruments) measured at fair value through the other comprehensive income

Financial assets (equity instruments) measured at fair value through other comprehensive income include other equity instrument investment, and are initially measured at fair value. Relevant transaction costs are included in the initially recognized amount. The subsequent measurement of such financial assets is made at fair value, and the changes in fair value are included in the other comprehensive income. Dividends obtained are included in the current profit or loss.

At derecognition, the accumulated gains or losses previously included in other comprehensive income will be transferred from the other comprehensive income to the retained earnings.

- (4) Financial assets measured at fair value through the current profit or loss
Financial assets measured at fair value through the current profit or loss include the financial assets held for trading, derivative financial assets and other non-current financial assets, etc., of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial assets is made at fair value, and changes in fair value are included in the current profit or loss.

- (5) Financial liabilities measured at fair value through the current profit or loss
Financial liabilities measured at fair value through the current profit or loss include the financial liabilities held for trading and derivative financial liabilities, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial liabilities is made at fair value, and the changes in fair value are included in the current profit or loss.

At derecognition, the difference between the book value and the consideration paid is included in the current profit or loss.

- (6) Financial liabilities measured at amortized cost
Financial liabilities measured at amortized cost, including short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable and long-term payables, are initially measured at fair value, with related transaction costs included in the initially recognized amount.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At derecognition, the difference between the consideration paid and the book value of such financial liabilities is included in the current profit or loss.

3.7.3 Derecognition and transfer of financial assets

Where the financial asset satisfies any of the following requirements, the Company shall derecognize them:

- The contractual right of collecting cash flows of financial assets is terminated;
- The financial assets have been transferred, and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to the transferee;

- The financial assets have been transferred, and the Company does not retain the control over the financial assets through it has neither transferred nor retained nearly all risks and rewards related to the ownership of the financial assets.

At the transfer of financial assets, where nearly all of the risks and rewards related to the ownership of the financial assets have been retained, such financial assets should not be derecognized.

When determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the Company adopts the principle of substance over form.

The Company shall classify the transfer of a financial asset into the entire transfer and the partial transfer of financial asset. Where the entire transfer of a financial asset meets the derecognition criteria, the difference of the following two amounts will be included in the current profit or loss:

- (1) The book value of the transferred financial asset;
- (2) The sum of consideration received from the transfer, and the accumulated change amount of fair value originally included in owners' equity (where the financial assets transferred are the financial assets (debt instruments) measured at fair value through the other comprehensive income).

Where the partial transfer of a financial asset meets the derecognition criteria, the entire book value of the financial asset transferred shall be allocated between the derecognized part and the recognized part based on the relative fair value, and the difference between the following two amounts shall be included in the current profit or loss:

- (1) The book value of the derecognized part;
- (2) The sum of the consideration for the derecognized part and the amount corresponding to the derecognized part in the accumulated change amount of fair value originally and directly included in owners' equity (where the financial assets transferred are the financial assets (debt instruments) measured at fair value through the other comprehensive income).

Where the transfer of financial assets does not meet the derecognition criteria, the financial assets shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

3.7.4 Derecognition of financial liabilities

Where the present obligations of a financial liability are dissolved in whole or in part, such financial liability or part thereof will be derecognized. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liability with any new financial liability, and the new financial liability is substantially different from the existing one in terms of contractual terms, it shall derecognize the existing financial liability, and shall at the same time recognize new financial liability.

Where substantive changes are made to the contract terms of existing financial liabilities in whole or in part, the existing financial liabilities shall be derecognized in whole or in part, and the financial liabilities of which terms have been modified shall be recognized as the new financial liabilities.

Where financial liabilities are derecognized in whole or in part, the difference between the book value of the financial liabilities derecognized and the consideration paid (including non-cash assets transferred out or new financial liabilities borne) shall be included in the current profit or loss.

Where the Company redeems part of its financial liabilities, it shall, on the redemption date, allocate the entire book value of whole financial liabilities according to the comparative fair value of the part that continues to be recognized and the derecognized part. The difference between the book value allocated to the derecognized part and the considerations paid (including non-cash assets surrendered or new financial liabilities assumed) shall be included in the current profit or loss.

3.7.5 Determination method for the fair value of financial assets and financial liabilities

The fair value of a financial instrument having an active market is determined on the basis of quoted prices in the active market. The fair value of a financial instrument, for which there is no active market, is determined by using valuation techniques. At the time of valuation, the Company shall adopt the valuation technique that is applicable to the current circumstance and is supported by sufficient available data and other information to select the input values consistent with the assets or liabilities characteristics that are taken into account by market participants in transactions of relevant assets and liabilities, and shall give priority in use of observable input values. Unobservable input values are used only when relevant observable input values cannot be available or such values obtained are infeasible.

3.7.6 Testing method and accounting treatment of depreciation of financial assets

The Company estimates the expected credit loss of financial assets measured at the amortized cost, financial assets (debt instruments) measured at fair value through other comprehensive income and financial guarantee contracts individually or in portfolio.

By considering such reasonable and well-founded information as relevant matters in the past, current conditions and prediction of future economic conditions, the Group calculates the probability weighted amount, weighted by default risk, of the present value of the difference between the cash flows receivable under the contract and the cash flows expected to be received, to determine the expected credit loss.

For accounts receivable and contract assets formed by the transaction in the *Accounting Standard for Business Enterprises No. 14- Revenue*, regardless of whether there is a significant financing component, the Company always measures their provision for loss according to the amount of expected credit losses for the entire duration.

For lease receivables arising formed by the transaction in the *Accounting Standard for Business Enterprises No. 21- Leases*, the Company has chosen to always measures their provision for loss according to the amount of expected credit losses for the entire duration.

For lease receivables arising formed by the transaction in the *Accounting Standard for Business Enterprises No. 21- Lease* and for accounts receivable and contract assets containing significant financing component formed by the transaction in the *Accounting Standard for Business Enterprises No. 14- Revenue*(excluding financing components in contracts that do not exceed one year according to the provisions of Enterprise Accounting Standard No. 14- Revenue), enterprises can also choose to adopt the impairment method of general financial assets, that is, to measure the loss provision based on whether the credit risk has significantly increased since initial recognition, based on the expected credit loss equivalent to the next 12 months (Stage 1) or the expected credit loss for the entire existence period (Stage 2 and Stage 3).

For other financial instruments, the Company evaluates the changes in credit risk of the relevant financial instruments since initial recognition on each balance sheet date.

By comparing the default risk in financial instruments on the balance sheet date with the

default risk in financial instruments on the initial recognition date, the Group determines the relative change in default risk in financial instruments during the estimated duration to assess whether the credit risk of financial instruments has greatly increased following the initial recognition of such financial instruments. Generally, once the overdue period is more than 30 days, the Company may consider that there is obvious increase in credit risk of such financial instrument, unless there is unambiguous evidence that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument is low on the balance sheet date, the Company will immediately consider that there is no obvious increase in credit risk of such financial instrument following the initial recognition.

If the credit risk of the financial instrument has increased significantly since the initial recognition, the Company measures its loss provision at the expected credit losses for the whole duration of the financial instrument; if the credit risk of the financial instrument has not significantly increased since the initial recognition, the Company measures its loss provision at the expected credit losses of the financial instrument within the next 12 months. Amount increased or reversed of loss provision arising therefrom will be included in the current profit or loss as impairment loss or gain. For financial assets (debt instruments) measured at fair value with changes recognized in other comprehensive income, a provision for losses is recognized in other comprehensive income and impairment losses or gains are recognized in the current period's profit or loss, without reducing the carrying value of the financial asset as shown in the balance sheet.

If there is objective evidence that any financial asset has had credit impairment, the Company will make the provision for impairment for such financial asset individually.

Except for the above-mentioned accounts receivable for which a single provision for bad debts has been made, the Company divides other financial instruments into several combinations based on their credit risk characteristics, and determines expected credit losses on the basis of the combinations.

If the Company no longer reasonably expects that the contractual cash flow of the financial asset can be fully or partially recovered, the book balance of the financial asset will be directly written down.

3.8 Inventory

3.8.1 Inventory Classification and Measurement

Inventory is classified into categories including: finished goods, goods in transit, etc.

Inventory is initially measured at cost, which comprises, purchase costs, processing costs and other costs incurred to bring the inventory to its present location and condition.

3.8.2 Pricing Method for Issued Inventory

Inventory is priced using the weighted average method when issued.

3.8.3 Basis for Determining Net Realizable Value of Different Inventory Categories

On the balance sheet date, inventory should be measured at the lower of cost and net realizable value. When the cost of inventory is higher than its net realizable value, a provision for inventory impairment should be made. Net realizable value refers to the estimated selling price of inventory in daily activities, minus the estimated costs to be

incurred until completion, estimated sales expenses, and related taxes and fees.

Inventories of goods that are directly intended for sale, such as finished goods, inventory, and materials for sale, are determined based on the estimated selling price of the inventory minus the estimated sales expenses and related taxes during the normal production and operation process. Net realizable value; inventory of materials that need to be processed, in the normal production and operation process, is the estimated selling price of the finished products produced minus the estimated costs to be incurred upon completion, estimated sales expenses and related taxes. , determine its net realizable value; for inventories held for the execution of a sales contract or a labor contract, the net realizable value is calculated based on the contract price. If the quantity of inventory held is greater than the quantity ordered in the sales contract, the excess inventory will be Net realizable value is calculated based on normal selling prices.

After the provision for inventory depreciation is accrued, if the factors that previously caused the inventory value to be written down have disappeared, causing the net realizable value of the inventory to be higher than its book value, the amount of the inventory depreciation provision that was originally accrued will be reversed, and the amount reversed shall be reversed. Included in current profit and loss.

3.8.4 Inventory Stock-taking System

The perpetual inventory system is adopted.

3.8.5 Amortization Methods for Low-value Consumables and Packaging Materials

- (1) Low-value consumables are amortized using the one-time write-off method;
- (2) Packaging materials are amortized using the one-time write-off method.

3.9 Fixed assets

3.9.1 Recognition and initial measurement of fixed assets

Fixed assets refer to the tangible assets held for the purpose of producing commodities, rendering services, renting or business management with useful lives exceeding one accounting year. Fixed assets are recognized when they simultaneously meet the following conditions:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
- (2) The costs of the fixed assets can be measured reliably.

Fixed assets are initially measured at cost (taking into account the effect of expected disposal cost factors).

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when it is probable that the economic benefits associated with them will flow and their cost can be measured reliably; for the replaced portion, its book value shall be derecognized; all other subsequent expenditures are recognized in profit or loss when incurred.

3.9.2 Depreciation method

Depreciation of the Company's fixed assets is provided on a category basis using the straight-line method. The depreciation rates are determined according to the categories, estimated useful lives and estimated net residual rates of fixed assets. For fixed assets for which provision for impairment has been made, depreciation is determined in future periods based on their book value net of provision for impairment and on their remaining useful lives. Where the fixed assets have the components with different useful lives or bring economic benefits for the enterprise in different ways, then the Company should

choose different depreciation rates or methods to separately make the provision for depreciation.

The depreciation methods, depreciation years, residual value rates and annual depreciation rates of fixed assets are presented by categories as follows:

Type	Depreciation life (year)	Residual value rate (%)	Annual depreciation rate (%)
Building & Constructions	20	0-60	2-5
Machinery & Technical Equipment	10	0	10
Vehicles	5	0	20
Furniture & other Equipment	3-7	0	14-33

3.9.3 Disposal of fixed assets

When fixed assets are disposed of or are expected to fail to generate economic benefits after the use or disposal, the fixed assets shall be derecognized. The revenue from sales, transfer, scrapping or damages of fixed assets after deducting their book values and relevant taxes and surcharges are included in the current profit or loss.

3.10 Construction in progress

Construction in progress measured based on actual costs incurred. Actual costs include construction costs, installation costs, borrowing costs eligible for capitalization and other costs to enable construction in progress. Necessary expenditures incurred before reaching the intended usable state.

When the construction in progress reaches the intended usable state, it will be transferred to fixed assets and depreciation will be accrued from the next month.

3.11 Impairment of long-term assets

Where there is any indication of impairment on long-term equity investments, fixed assets, construction in progress, right-of-use assets, intangible assets with definite useful lives, oil and gas assets and other long-term assets on the balance sheet date, the impairment test should be made. If the result of the impairment test shows that the recoverable amount of the asset is lower than its book value, the provision for impairment shall be made and included in impairment loss. The recoverable amount of the asset is the higher of the net amount of its fair value less disposal expenses or the present value of its estimated future cash flows. Provision for asset impairment is made on individual asset basis. If it is difficult to estimate the recoverable amount of the individual asset, the Company will estimate the recoverable amount of the asset portfolio where the individual asset belongs. The asset group is the minimum asset group that can independently generate the cash inflow.

Intangible assets with indefinite useful lives and intangible assets not reaching the condition for their intended use shall be subject to impairment test at least once at the end of each year.

3.12 Contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer payments. The Company's obligations in transferring goods or rendering services to customers on the ground that it has received or will receive relevant considerations from these customers are presented as contract liabilities. Contract assets and contract liabilities under the same contract shall be presented at net amount.

3.13 Employee compensation

3.13.1 Accounting treatment of short-term compensation

During the accounting period where employees serve the Company, the short-term compensation actually incurred should be recognized as a liability and included in the

current profit or loss or the related assets cost.

The social insurance premiums and the housing provident fund paid by the Company for its employees, together with the labor union expenditures and employee education fund drew as required are used to calculate and determine the relevant employee compensation amount based on the prescribed accrual basis and accrual proportion during the accounting period in which the employees provide services to the Company.

The employee welfare occurring in the Company shall be include in the current profit or loss or the related asset costs according to the actual amount when actually occurring. Among them, non-monetary benefits are measured at the fair value.

3.13.2 Accounting treatment of post-employment benefits

(1) Defined contribution plan

The Company pays basic endowment insurance premium and unemployment insurance premium for its employees in accordance with relevant provisions of local government. During the accounting period when the Company receives services from employees, the payable amount calculated based on the basis and proportion prescribed is recognized as a liability and included in current profit or loss, or related asset cost.

3.13.3 Accounting treatment of dismissal benefits

Where the Company provides dismissal welfare to employees, employee compensation incurred from dismissal benefits are recognized as liabilities and recorded into the current profit or loss at the earlier date of: when the Company is unable to unilaterally withdraw the dismissal benefits provided in the plan on the cancellation of labor relationship or the layoff proposal; when the Company recognizes the cost related to restructuring concerning payment of dismissal benefits.

3.14 Revenue

Accounting policies for revenue recognition and measurement

The Company recognizes revenue when its performance obligations as stipulated in the contract are fulfilled, that is, when the customer obtained control of the related goods or services. Obtaining the control over relevant goods or services means that the customer is able to make decisions on the use of the goods or the rendering of the services and can obtain almost all of the economic benefits therefrom.

Where the contract contains two or more performance obligations, the Company will allocate the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation on the contract commencement date. Meanwhile, the Company measures the income according to the transaction price allocated to each individual performance obligation.

The transaction price is the amount of consideration that the Company expects to receive for the transfer of goods or services to customers, excluding amounts collected on behalf of third parties and amounts that are expected to be returned to customers. The Company determines the transaction price in accordance with the terms of the contract and in combination with its past practice, and meanwhile take into account the impact of variable consideration, the existence of significant financing elements in the contract, non-cash consideration and consideration payable to the customer. The Company determines the transaction price that includes variable consideration at an amount that does not exceed the accumulatively recognized revenue that is highly unlikely to have a major reversal when the relevant uncertainty is eliminated. Where there is a significant financing element in a contract, the Company determines the transaction price based on the assumed amount of cash to be paid when the customer obtains control of the goods or services, and amortizes the difference between the transaction price and the contract consideration over the contract period at the effective interest method.

If the Company meets one of the following conditions, it shall perform the performance obligation within a certain period of time; otherwise, it shall perform the performance obligation at a certain period:

- The customer obtains and consumes the economic benefits brought by the performance of the Company while the Company is performing the obligation.
- The customer is able to control the goods under construction by the Company in the course of performing obligations.
- The Goods produced in the course of performing obligations have irreplaceable uses, and the Company has the right to receive payments for the portion of the performance that has been completed to date.

For a performance obligation performed within a certain period, the Company recognizes the revenue according to the performance progress within such period, except for the case that the performance progress cannot be reasonably determined. The Company may determine the performance progress by the output method or input method based on the nature of goods or service. When the performance progress cannot be reasonably determined, if the cost incurred is expected to be compensated, the Company recognizes the revenue according to the amount of the cost incurred until the performance progress can be reasonably determined.

For performance obligations performed at a certain time point, the Company recognizes revenue when the customer obtains control of the relevant goods or services. The Company will consider the following signs when judging whether the customer has acquired or services control over the goods, including:

- The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods or services.
- The Company has transferred the legal title of the goods to the customer, which means that the customer has the legal title of the goods.
- The Company has physically transferred the goods to the Customer, which means that the Customer has physical possession of the goods.
- The Company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e., the customer has received the principal risks and rewards of ownership of the goods.
- The customer has accepted the goods or services, etc.

The Company determines whether it is a principal or an agent, depending on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Company is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognizes revenue in the gross amount of consideration to which it has received (or receivable). Otherwise, the Company is an agent, and recognizes revenue in the amount of any fee or commission to which it expects to be entitled.

3.15 Deferred Tax Assets and Deferred Tax Liabilities

Income tax comprises current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or events directly charged to equity (including other comprehensive income), the Company recognizes current income tax and deferred income tax in profit or loss for the current period.

Deferred tax assets and deferred tax liabilities are recognized and measured based on temporary differences, which are the differences between the tax bases of assets and liabilities and their

carrying amounts.

Deferred tax assets are recognized for deductible temporary differences, limited to the extent that taxable profits will probably be available in future periods against which the deductible temporary differences can be utilized. For deductible losses and tax credits that can be carried forward to subsequent years, corresponding deferred tax assets are recognized to the extent that future taxable profits will probably be available to offset such deductible losses and tax credits.

Deferred tax liabilities are recognized for taxable temporary differences, except in specific circumstances.

Specific circumstances under which deferred tax assets or deferred tax liabilities are not recognized include:

- Initial recognition of goodwill;
- Transactions or events that are not business combinations, do not affect accounting profit or taxable income (or deductible losses) upon occurrence, and whose initially recognized assets and liabilities do not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in associates and joint ventures, unless the Company is able to control the timing of the reversal of such temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences arising from investments in associates and joint ventures if it is probable that the temporary differences will reverse in the foreseeable future and future taxable profits will be available to offset the deductible temporary differences.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates expected to apply in the period when the related assets are recovered or liabilities are settled, in accordance with tax laws.

At each balance sheet date, the Company reviews the carrying amounts of deferred tax assets. If it is no longer probable that sufficient taxable profits will be available in future periods to realize the benefits of deferred tax assets, the carrying amount of deferred tax assets shall be reduced. Such write-downs shall be reversed when sufficient taxable profits are expected to be available.

Current tax assets and current tax liabilities are presented net if the entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset and presented net only when both of the following criteria are met:

- The taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities that intend to settle current tax balances on a net basis or realize assets and settle liabilities simultaneously in each future period in which significant amounts of deferred tax assets and liabilities are expected to reverse.

3.16 Leases

Lease refers to a contract in which a lessor assigns the right to use an asset to a lessee within a certain period in order to obtain the consideration.

On the contract commencement date, the Company evaluates whether the contract is a lease or includes a lease. If any party to a contract has exchanged the right to control the use of one or

more identified assets within a certain period for consideration, the contract is concluded for lease or involved with lease.

If the contract contains multiple individual leases, the Company will split the contract and make accounting treatment over each individual lease. If the contract contains both leased and non-leased parts, the lessee and lessor will split the leased and non-leased parts.

3.16.1 The Company as the lessee

(1) Right-of-use assets

On the commencement date of the lease term, the Company recognizes the leases other than short-term leases and leases of low-value assets as the right-of-use assets. The right-of-use assets are initially measured at costs. Such costs include:

- the initial measurement amount of lease liabilities;
- the lease payment amount on or before the commencement date of the lease term, or the balance of such amount less the amount relevant to the enjoyed lease incentive, if any;
- the initial direct costs incurred of the Company;
- The estimated costs incurred by the Company for demolishing and removing leased assets, restoring the site where the leased assets are located, or restoring the leased assets to the state agreed in the lease terms, but excluding the costs incurred for the production of inventories.

The Company adopts the straight-line method to make the provision for the depreciation of the right-of-use assets. Where it can be reasonably certain that the Group will obtain ownership of the leased asset at the expiry of the lease term, the leased assets are depreciated over the remaining useful life; otherwise, the leased assets are depreciated within the shorter one between the lease period and the remaining useful life of the leased assets.

The Company confirms whether the right-of-use assets have been impaired according to the principles specified in Note “3.11 Impairment of long-term assets”/ and makes accounting treatment for the impairment losses recognized.

(2) Lease liabilities

On the commencement date of the lease term, the Company recognizes leases other than short-term leases and low-value asset leases as the lease liabilities. Lease liabilities are initially measured at the present value of the lease payments that have not been paid. Lease payments include:

- For fixed payments (including substantial fixed payments), if there is any lease incentive, the relevant amount of the lease incentive shall be deducted;
- Variable lease payments depending on the index or ratio;
- The payments expected to be payable based on the residual value of the guarantee provided by the Company;
- The exercise price of purchase option, provided that the Company reasonably determines that it will exercise the option;
- The amount to be paid to exercise the lease termination option, provided that it is reflected that the Company will exercise the lease termination option during the lease term.

The Company adopts the implicit rate of lease as the discount rate, but if the implicit rate of lease cannot be reasonably determined, the incremental borrowing rate will be adopted as the discount rate.

The Company calculates the interest expenses of lease liabilities in each lease term based on a fixed periodic interest rate, and includes such expenses into the current profit or loss or the cost of related assets.

The variable lease payments not included in the measurement of lease liabilities shall be included in the current profit or loss or the costs of related assets when they actually occur.

After the commencement date of the lease term, the Group will re-measure the lease liabilities and adjust the corresponding right-of-use assets when falling under any of the following circumstances; If the book value of the right-of-use assets has been reduced to zero but the lease liabilities still need to be further increased, the difference will be included in the current profit or loss:

- If the Company's assessment results of call options, lease renewal options or lease termination options have changed, or the actual exercise of the said options is inconsistent with the original assessment results, the Company remeasures its lease liabilities based on the lease payments after change and the present value calculated at revised discount rate;
- When there is a change in the substantive fixed payment amount, a change in the amount expected to be payable for the guaranteed residual value, or a change in the index or rate used to determine the lease payment amount, the Company remeasures lease liabilities based on the lease payments after change and the present value calculated at original discount rate. However, if the changes in lease payments result from changes in floating interest rates, the present value is calculated at the revised discount rate.

(3) Short-term lease and lease of low-value assets

The Company chooses not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets, and the relevant lease payments are included in the current profit or loss or the cost of related assets by straight-line method over each period within the lease term. Short-term lease refers to leases that do not exceed 12 months on the commencement date of the lease term and do not include any purchase option. Low-value asset lease refers to the lease where the price is low when the individual leased asset is the brand new asset. When the Company subleases or is expected to sublease the leased assets, the original lease will not be the low-value asset lease any more.

(4) Lease changes

If the lease changes and the following conditions are met at the same time, the Company will carry out accounting treatment over the lease change as a separate lease:

- Where the lease change expands the scope of the lease by adding the right to use one or more leased assets;
- Where the increase of the consideration is equivalent to the adjusted individual price of the expanded part of the lease scope according to the contract.

Where the lease change is not accounted for as a separate lease, on the effective date of the lease change, the Company will re-distribute the consideration of the contract after the change, re-determine the lease term, and re-measure lease

liabilities according to the present value calculated by the changed lease payments and the revised discount rate.

If the lease change results in a reduction in the leasing scope or a shortening of the lease term, the Company will reduce the book value of the right-of-use assets accordingly and recognize the gain or loss related to the partial termination or complete termination of the lease in the current profit or loss. If other lease changes result in the remeasurement of the lease liability, the Company will adjust the book value of the right-of-use asset accordingly.

3.17 Changes in significant accounting policies and estimates, and correction of errors

3.17.1 Changes in significant accounting policies

Implement the provisions on the accounting treatment of standard warehouse receipt transactions set forth in the Implementation Q&As on the Accounting Standards for Financial Instruments

The Ministry of Finance issued the Implementation Q&As on the accounting treatment of standard warehouse receipt transactions on July 8, 2025, which clearly stipulates that under the Accounting Standards for the Recognition and Measurement of Financial Instruments, where an enterprise frequently enters into contracts to buy and sell standard warehouse receipts on futures trading venues to earn price spreads without taking physical delivery of the underlying commodities represented by the standard warehouse receipts, this generally indicates a practice whereby the enterprise intends to resell the contracted underlying assets shortly after taking possession to profit from short-term price fluctuations. Such buy-and-sell contracts for standard warehouse receipts entered into by the enterprise shall be treated as financial instruments and accounted for in accordance with the Accounting Standards for the Recognition and Measurement of Financial Instruments.

Where an enterprise acquires standard warehouse receipts under the aforesaid contracts and resells them within a short period thereafter, it shall not recognize sales revenue; instead, the difference between the consideration received and the carrying amount of the sold standard warehouse receipts shall be recorded in investment income. Standard warehouse receipts held by the enterprise at the end of a reporting period pending sale shall be presented under other current assets.

Pursuant to the requirements of the Circular on Strictly Implementing Accounting Standards for Business Enterprises and Effectively Completing the Preparation of 2025 Annual Financial Reports of Enterprises (Cai Kuai (2025) No. 33), enterprises that adjust their accounting treatment methods as a result of applying the aforesaid provisions on standard warehouse receipts shall restate comparative period information in their financial statements. The application of these provisions has no impact on the Company's financial position and operating results.

3.17.2 Changes in principal accounting estimates

There have been no changes in the principal accounting estimates of the Company during the reporting period.

4 Taxation

4.1 Main tax types and tax rates

Tax type	Basis of tax assessment	Tax rate
Value-added tax (VAT)	Levied based on the difference between the output tax (calculated based on the revenue from sales of goods and rendering of services according to tax law) and the deductible input tax for the period	6% 13%
Urban maintenance and construction tax	According to the value added tax and consumption tax actually paid	7%

Education surcharges	According to the value added tax and consumption tax actually paid	5%
Enterprise income tax	Levied based on taxable income	25%

5 Notes to items of the financial statements

5.1 Cash and cash equivalents

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Bank deposits	3,124,046.87	3,797,834.48
Total	3,124,046.87	3,797,834.48

5.2 Notes receivable

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Bank acceptance bill		2,544,612.19
Total		2,544,612.19

5.3 Accounts receivable

5.3.1 Disclosure of accounts receivable by aging

Aging	Balance as at December 31, 2025	Balance as at December 31, 2024
Within 1 year	36,495,997.58	28,429,498.45
Sub-total	36,495,997.58	28,429,498.45
Less: provision for bad debts		
Total	36,495,997.58	28,429,498.45

5.4 Receivables under Financing Financing Status of Receivables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Bills Receivable under Financing	3,622,442.85	
Total	3,622,442.85	

5.5 Advances to suppliers

Aging	Balance as at December 31, 2025		Balance as at December 31, 2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	625,355.60	100.00	124,374.26	100.00
Total	625,355.60	100.00	124,374.26	100.00

5.6 Other receivables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Interest receivable		
Dividends receivable		
Other receivables	38,549.13	151,334.18
Total	38,549.13	151,334.18

Other receivables

Disclosure of other receivables by aging

Aging	Balance as at December 31, 2025	Balance as at December 31, 2024
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Within 1 year	25,882.33	139,467.38
1 - 2 years	800.00	11,866.80
2 - 3 years	11,866.80	
Sub-total	38,549.13	151,334.18
Less: provision for bad debts		
Total	38,549.13	151,334.18

5.7 Inventories

5.6.1 Inventory classification

Items	Balance as at December 31, 2025			Balance as at December 31, 2024		
	Gross carrying	Provision for	Net carrying	Gross carrying	Provision for	Net carrying
	amount	Impairment	amount	amount	Impairment	amount
Raw Materials	6,750,295.73	409,829.11	6,340,466.62	6,122,183.86	185,713.16	5,936,470.70
Work In Progress	1,122,963.83	6,024.38	1,116,939.45	1,248,803.69		1,248,803.69
Finished Goods	6,267,225.35	137,711.66	6,129,513.69	7,544,163.30	44,617.24	7,499,546.06
Technical Materials	222,148.29		222,148.29	323,992.94		323,992.94
Packaging Material	84,545.37		84,545.37	177,902.62		177,902.62
Total	14,447,178.57	553,565.15	13,893,613.42	15,417,046.41	230,330.40	15,186,716.01

5.6.2 Provision for inventory depreciation and provision for impairment of contract performance costs

Items	Balance as at December 31, 2024	Increase in 2025		Decrease in 2025		Balance as at December 31, 2025
		Provision	Other	Reseller or verification	Other	
Raw Materials	185,713.16	224,115.95				409,829.11
Work In Progress		6,024.38				6,024.38
Finished Goods	44,617.24	93,094.42				137,711.66
Total	230,330.40	323,234.75				553,565.15

5.8 Other current assets

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Prepaid value-added tax and other turnover tax		119,687.37
Total		119,687.37

5.9 Fixed assets

5.9.1 Fixed assets and disposal of fixed assets

HEUBACH COLORANTS PIGMENT PREPARATIONS (TIANJIN) LTD.
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2025

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Fixed assets	18,040,152.00	20,959,171.00
Disposal of fixed assets		
Total	18,040,152.00	20,959,171.00

5.9.2 Breakdown of fixed assets

Item	Building & Constructions	Machinery & Technical Equipment	Vehicles	Furniture & Other Equipment	Total
1. Original book value					
(1) Balance as at December 31, 2024	45,790,559.10	34,831,892.68	618,109.93	6,715,330.23	87,955,891.94
(2) Increase in 2025			28,672.57		28,672.57
- Transfer of Construction in progress			28,672.57		28,672.57
(3) Decrease in 2025		166,693.16		34,265.00	200,958.16
- Disposal or Retirement		166,693.16		34,265.00	200,958.16
(4) Balance as at December 31, 2025	45,790,559.10	34,665,199.52	646,782.50	6,681,065.23	87,783,606.35
2. Accumulated depreciation					
(1) Balance as at December 31, 2024	29,078,436.10	31,801,615.68	611,812.93	5,504,856.23	66,996,720.94
(2) Increase in 2025	2,033,423.00	611,692.00	32,106.57	270,470.00	2,947,691.57
-Depreciation provision	2,033,423.00	611,692.00	32,106.57	270,470.00	2,947,691.57
(3) Decrease in 2025		166,693.16		34,265.00	200,958.16
- Disposal or Retirement		166,693.16		34,265.00	200,958.16
(4) Balance as at December 31, 2025	31,111,859.10	32,246,614.52	643,919.50	5,741,061.23	69,743,454.35
3. Provision for impairment					
(1) Balance as at December 31, 2024					
(2) Increase in 2025					
(3) Decrease in 2025					
(4) Balance as at December 31, 2025					
4. Book value					
(1) Book value as at December 31, 2025	14,678,700.00	2,418,585.00	2,863.00	940,004.00	18,040,152.00
(2) Book value as at December 31, 2024	16,712,123.00	3,030,277.00	6,297.00	1,210,474.00	20,959,171.00

5.10 Deferred Tax Assets and Deferred Tax Liabilities

Item	Balance as at December 31,		Balance as at December 31,	
	2025		2024	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Allowance for asset impairment	553,565.15	138,391.29		
Difference in depreciation or amortization	2,606,403.00	651,600.75		
Payroll	1,035,994.92	258,998.73		
合计	4,195,963.07	1,048,990.77		

5.11 Accounts payable

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Accounts payable	8,553,359.07	11,032,577.78
Total	8,553,359.07	11,032,577.78

5.12 Taxes and surcharges payable

Taxes and surcharges item	Balance as at December 31, 2025	Balance as at December 31, 2024
VAT	373,062.78	326,454.06
Corporate income tax	473,712.94	
Individual income tax	59,579.54	123,183.93
Total	906,355.26	449,637.99

5.13 Other payables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Interest payable		
Dividends payable		
Other payables	6,538,510.42	2,383,273.70
Total	6,538,510.42	2,383,273.70

Other payables

Item	Balance as at December 31, 2025	Balance as at December 31, 2024
Current accounts and loans	5,081,468.71	1,108,460.87
Provisions	1,457,041.71	1,274,812.83
Total	6,538,510.42	2,383,273.70

5.14 Paid-in capital (or share capital)

Item	Balance as at December 31, 2024	Changes in 2025("+" for increase and "-" for decrease)				Balance as at December 31, 2025
		Capital contribution by owners	Conversion of capital reserves	Others	Sub-total	

			into paid-in capital (or share capital)			
Heubach Holding Switzerland AG	49,176,000.00					49,176,000.00

5.15 Undistributed profits

Item	Year 2025	Year 2024
Undistributed profits at the end of last year before adjustment	3,442,380.52	3,910,494.15
Undistributed profits at the beginning of the year after adjustment	3,442,380.52	3,910,494.15
Plus: Net profit in the current period	3,345,370.45	990,927.28
Less: Withdrawal of surplus reserves	334,537.05	99,092.73
Profit distributed to owners (or shareholders)	3,442,380.52	1,359,948.18
Undistributed profits at the end of the period	3,010,833.40	3,442,380.52

5.16 Operating revenue and operating cost

Details of operating revenue and operating cost

Item	Year 2025		Year 2024	
	Revenue	Cost	Revenue	Cost
Primary business	80,559,327.21	61,115,483.39	74,314,041.84	56,253,005.49
Total	80,559,327.21	61,115,483.39	74,314,041.84	56,253,005.49

5.17 Taxes and surcharges

Item	Year 2025	Year 2024
Urban maintenance and construction tax	273,253.45	215,820.79
Property tax	371,122.84	367,084.90
Educational surtax	195,181.03	154,157.74
Stamp duty	55,738.88	38,456.92
Land use tax	21,562.20	21,327.60
Others	2,291.34	3,589.92
Total	919,149.74	800,437.87

5.18 Financial expenses

Item	Year 2025	Year 2024
Interest expenses		
Less: interest income	5,757.07	11,175.56
Profit or loss on foreign exchange	574,542.65	173,420.55
Others	15,023.73	18,457.13
Total	583,809.31	180,702.12

5.19 Other income

Item	Year 2025	Year 2024
Handling charges deducted for individual income tax	6,340.98	14,018.39
Total	6,340.98	14,018.39

5.20 Non-operating income

Item	Year 2025	Year 2024
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Damage and Retirement of Non-current Assets	200.00	
Others		58,581.53
Total	200.00	58,581.53

5.21 Income tax expenses

Item	Year 2025	Year 2024
Current income tax expenses	241,893.16	377,089.23
Deferred income tax expenses	-1,048,990.77	
Total	-807,097.61	377,089.23

5.22 Supplementary information to the statement of cash flows

5.22.1 Supplementary information to the statements of cash flows

Supplementary information	Year 2025	Year 2024
1. Net profits adjusted to cash flows from operating activities:		
Net profit	3,345,370.45	990,927.28
Plus: losses from credit impairment		
Provision for asset impairment	323,234.75	-86,031.54
Depreciation of fixed assets	2,947,691.57	3,033,433.74
Depletion of oil and gas assets		
Depreciation of right-of-use assets		
Amortization of intangible assets		
Amortization of long-term deferred expenses		
Losses from disposal of fixed assets, intangible assets and other long-term assets ("- for gains)		
Losses from scrapping of fixed assets ("- for gains)	-200.00	
Losses from changes in fair value ("- for gains)		
Financial expenses ("- for gains)	574,542.65	
Investment losses ("- for gains)		
Decreases in deferred income tax assets ("- for increases)	-1,048,990.77	
Increases in deferred income tax liabilities ("- for decreases)		
Decreases in inventories ("- for increases)	969,867.84	-4,334,241.40
Decreases in operating receivables ("- for increases)	-9,412,838.71	-4,863,882.02
Increases in operating payables ("- for decreases)	5,676,657.78	4,532,276.93
Others		
Net cash flow from operating activities	3,375,335.56	-727,517.01
2. Significant investing and financing activities not involving cash receipts and payments		
Conversion of debt to capital		
Convertible corporate bonds maturing within one year		

Fixed assets acquired under finance lease		
3. Net changes in cash and cash equivalents		
Ending balance of cash	3,124,046.87	3,797,834.48
Less: beginning balance of cash	3,797,834.48	5,890,779.67
Plus: ending balance of cash equivalents		
Less: beginning balance of cash equivalents		
Net increase in cash and cash equivalents	-673,787.61	-2,092,945.19

6 Related parties and related-party transactions

6.1 Information about the Company's parent company

Parent company	Registered place	Business nature	Shareholding percentage (%)	Proportion of voting rights (%)
Heubach Holding Switzerland AG	Switzerland	Chemical products	100%	100%

The ultimate controller of this company is: Heubach Group GmbH, which is the parent company of Sudarshan Switzerland HLD1 AG.(Former Name:Heubach Holding Switzerland AG)

6.2 Other related parties

Name of other related party	Relationship between other related parties and the Company
Heubach Group GmbH	Indirect Controlling Shareholder
Heubach Colorants (Shanghai) Ltd.	Under the control of the same ultimate holding company
Sudarshan Brasil MFG Ltda./Heubach Colorants Brasil Ltd.	Under the control of the same ultimate holding company
Heubach Colorants Germany GmbH	Under the control of the same ultimate holding company
Sudarshan Colorants India Limited/Heubach Colorants India Limited	Under the control of the same ultimate holding company
Sudarshan Singapore SLO Pte. Ltd./Heubach Colorants Singapore Pte. Ltd.	Under the control of the same ultimate holding company
Sudarshan Gujarat MFG Private Ltd./Heubach Colour Private Ltd.	Under the control of the same ultimate holding company
Sudarshan Switzerland HLD1 AG/Heubach Holding Switzerland AG	Under the control of the same ultimate holding company
P.T. Sudarshan Indonesia MFG	Under the control of the same ultimate holding company
Sudarshan Germany Horizons GmbH	Under the control of the same ultimate holding company
Sudarshan Japan MFG K.K.	Under the control of the same ultimate holding company
Sudarshan Mexico MFG SA de CV	Under the control of the same ultimate holding company
Hangzhou Baihe Heubach Pigments Co., Ltd.	Parent company joint venture

6.3 Details of related transactions

Related transactions involving the purchase and sale of goods, rendering and receipt of services

Sales of goods / rendering of services

Related party	Contents of related transactions	Year 2025	Year 2024
---------------	----------------------------------	-----------	-----------

Heubach Colorants (Shanghai) Ltd.	Sales of goods	76,094,533.76	68,953,349.70
Heubach Colorants Singapore Pte. Ltd.	Sales of goods	4,464,793.45	5,221,205.40
Total		80,559,327.21	74,174,555.10

Purchase of goods / receipt of services

Related party	Contents of related transactions	Year 2025	Year 2024
Sudarshan Germany Horizons GmbH	Group management fee	7,512,957.93	
Hangzhou Baihe Heubach Pigments Co., Ltd.	Purchase of goods	4,236,515.00	5,009,564.16
Sudarshan Switzerland HLD1 AG	Purchase of goods	3,972,532.60	2,592,041.67
Sudarshan Colorants India Limited	Purchase of goods	2,194,042.94	1,475,412.35
Sudarshan Singapore SLO Pte. Ltd.	Purchase of goods	552,837.37	826,677.59
Sudarshan Japan MFG K.K.	Purchase of goods	399,825.02	
Heubach Group GmbH	Group management fee	379,160.29	2,880,242.57
Heubach Colorants (Shanghai) Ltd.	Purchase of goods	198,856.50	492,788.40
Sudarshan Mexico MFG SA de CV	Purchase of goods	32,243.49	
P.T. Sudarshan Indonesia MFG	Purchase of goods	31,994.43	
Sudarshan Brasil MFG Ltda.	Purchase of goods		448,442.84
Sudarshan Gujarat MFG Private Ltd.	Purchase of goods		134,210.61
Total		19,510,965.57	13,859,380.19

6.4 Receivables from and payables to related parties

6.4.1 Accounts receivable

Item name	Related-party	Book balance as at December 31, 2025		Book balance as at December 31, 2024	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable					
	Heubach Colorants (Shanghai) Ltd.	36,111,269.61		27,420,859.73	
	Sudarshan Singapore SLO Pte. Ltd.	390,736.99		1,004,199.72	
	Total	36,502,006.60		28,425,059.45	

6.4.2 Payables

Item name	Related-party	Book balance as at December 31, 2025	Book balance as at December 31, 2024
Accounts payable			
	Hangzhou Baihe Heubach Pigments Co., Ltd.	1,220,330.00	528,560.00
	Sudarshan Switzerland HLD1 AG	438,253.16	677,996.07
	Heubach Colorants Southern Africa (Pty) Ltd	195,826.74	34,801.74
	Sudarshan Colorants India Limited	55,912.85	154,296.03
	Heubach Group GmbH		2,102,207.89
	Sudarshan Brasil MFG Ltda.		253,720.93
	Total	1,910,322.75	3,751,582.66
Other payables			
	Heubach Group GmbH	2,377,899.70	
	Sudarshan Germany Horizons GmbH	1,734,654.47	
	Total	4,112,554.17	

7 Commitments and contingencies

7.1 Significant commitments

As at December 31, 2025, the Company had no significant commitment required to be disclosed.

7.2 Contingencies

As at December 31, 2025, the Company had no significant contingencies required to be disclosed.

8 Post balance sheet events

As at May 15, 2026, the Company had no significant non-adjusting post balance sheet events required to be disclosed.

9 Other significant events

As at December 31, 2025, the Company had no other significant events required to be disclosed.

Heubach Colorants Pigment
Preparations (Tianjin) Ltd.
(Official Seal)
May 15, 2026

**HEUBACH COLORANTS
(SHANGHAI) CO., LTD.**

**Auditors' report and
financial statements
for the year ended
31 December 2025**

English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

HEUBACH COLORANTS (SHANGHAI) CO., LTD.

Auditors' report and financial statements

(For the period from 1 January 2025 to 31 December 2025)

	Contents	Page
1.	Auditors' Report	1-4
2.	Financial Statements	
	Balance Sheet	1-2
	Income Statement	3
	Cash Flow Statement	4
	Statement of Changes in Owners' Equity	5-6
	Notes to the Financial Statements	7-57

AUDITORS' REPORT

XinKuaiShiBaoZi [2026] No.ZA52560

To the Board of Directors of Heubach Colorants (Shanghai) Co., Ltd.

1. Opinion

We have audited the accompanying financial statements of Heubach Colorants (Shanghai) Co., Ltd. (“the Company”), which comprise the balance sheet as at 31 December 2025, the income statement, the cash flow statement, the statement of changes in owners’ equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, the financial performance and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People’s Republic of China.

2. Basis for Opinion

We conducted our audit in accordance with Chinese Standards on Auditing for Certified Public Accountants (“CSAs”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report in compliance with Chinese Code of Ethics for Certified Public Accountants and No.1 Standard on Independence of Chinese Certified Public Accountants - Independence Requirements for Financial Statement Audit and Review Engagements. We have maintained our independence from the Company and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Responsibilities of Management and Directors for the Financial Statements

The Company's management is responsible for the preparation of financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

4. Auditors' Responsibilities for the Audit of the Financial Statements

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 CSAs 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.

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

- (1) 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.
- (2) Obtain an understanding of internal 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 Company's internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) 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 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.

- (5) 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.

We communicate with the directors regarding the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO China Shu Lun Pan Certified Public Accountants LLP	Certified Public Accountants Registered in the People's Republic of China
29 April 2026 Shanghai, China	Certified Public Accountants Registered in the People's Republic of China

Heubach Colorants (Shanghai) Co., Ltd.
Balance Sheet
As at 31 December 2025
(All amounts in Renminbin Yuan unless otherwise stated)

Assets	31 December 2025	31 December 2024
Current Assets		
Cash and cash equivalents	32,597,404.73	37,921,661.64
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		10,026,734.86
Accounts receivable	61,983,145.39	26,454,904.88
Accounts receivable financing	17,359,702.64	
Advance to suppliers	1,036,586.80	889,251.28
Other receivable	1,962,818.65	1,251,841.50
Inventories	74,086,016.93	61,730,687.80
Contract assets		
Held-for-sale assets		
Non-current assets due within on year		
Other current assets	1,464,374.02	976,901.44
Total Current Assets	190,490,049.16	139,251,983.40
Non-Current Assets		
Debt investment		
Other debt investment		
Long-term receivable		
Long-term equity investments		
Investments in other equity instruments		
Other non-current financial assets		
Investment property		
Fixed assets	5,237,885.64	6,385,034.17
Construction in progress	227,946.54	
Productive biological assets		
Oil and gas assets		
Right-of-use assets	667,275.78	2,874,062.11
Intangible assets		
Development expenditures		
Goodwill		
Long-term deferred expenses	1,648,077.00	3,277,609.71
Deferred tax assets	8,264,585.58	
Other non-current assets		
Total Non-Current Assets	16,045,770.54	12,536,705.99
Total Assets	206,535,819.70	151,788,689.39

The accompanying notes from an integral part of financial statements.

Legal Representative:

Person in charge of Accounting Affairs:

Head of Financing Department:

Heubach Colorants (Shanghai) Co., Ltd.
Balance Sheet (Cont'd)
As at 31 December 2025
(All amounts in Renminbin Yuan unless otherwise stated)

Liabilities and Owners' Equity	31 December 2025	31 December 2024
Current Liabilities		
Short-term loan		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		
Accounts payable	138,503,344.56	113,116,747.91
Advance from customers		
Contract liabilities	520,198.94	1,365,626.62
Payroll payable	3,967,056.68	3,589,935.78
Taxes payable	471,769.27	869,449.15
Other payable	20,182,046.33	10,791,286.11
Held-for-sale liabilities		
Non-current liabilities due within one year	640,845.40	2,597,338.20
Other current liabilities		
Total Current Liabilities	164,285,261.18	132,330,383.77
Non-Current Liabilities		
Long-term loan		
Bonds payable		
Including: Preferred shares		
Perpetual bond		
Lease liabilities	155,442.13	796,287.53
Long-term payable		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total Non-Current liabilities	155,442.13	796,287.53
Total Liabilities	164,440,703.31	133,126,671.30
Owners' Equity		
Paid-in capital	245,392,734.96	245,392,734.96
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserve		
Less: Treasury shared		
Other comprehensive income		
Special reserve		
Surplus reserve		
Retained earnings	(203,297,618.57)	(226,730,716.87)
Total owners' equity	42,095,116.39	18,662,018.09
Total Liabilities and Owners' Equity	206,535,819.70	151,788,689.39

The accompanying notes from an integral part of financial statements.

Legal Representative:

Person in charge of Accounting Affairs:

Head of Financing Department:

Heubach Colorants (Shanghai) Co., Ltd.
Income Statement
For the Year Ended 31 December 2025
(All amounts in Renminbin Yuan unless otherwise stated)

Catagories	2025	2024
Operating Income	587,019,125.93	582,773,875.31
Less: Operating cost	508,261,337.36	511,817,058.49
Taxes and surcharges	773,050.76	715,742.24
Sales expenses	36,949,720.33	40,152,631.44
General and administrative expenses	23,443,081.82	36,369,931.59
Research and development expenses		
Financial expenses	1,350,322.85	1,895,805.09
Including: Interest expenses	76,793.78	176,348.00
Interest income	72,395.57	113,341.46
Add: Other income	854,780.61	540,599.25
Investment income/(loss)		
Including: Investment income from associates and joint ventures		
Gains of derecognition of financial assets measured at amortized cost		
Net exposure hedging gain/(loss)		
Fair value changing gain/(loss)		
Credit impairment loss		
Asset impairment loss	(1,663,710.85)	529,708.49
Gain/(loss) on disposal of assets	(275,319.00)	272,950.00
Operating Profit	15,157,363.57	(6,834,035.80)
Add: Non-operating income	19,227.78	82,368.98
Less: Non-operating expenses	8,078.63	7,956.00
Profit/(Loss) Before Income Tax	15,168,512.72	(6,759,622.82)
Less: Income tax expenses	(8,264,585.58)	
Net Profit	23,433,098.30	(6,759,622.82)
Net profit/(loss) from continuing operation	23,433,098.30	(6,759,622.82)
Net profit/(loss) from terminating operation		
Other Comprehensive Income for the year after Tax		
Other comprehensive income cannot be classified into profit and loss		
Remeasurement gain/(loss) on defined benefit plans		
Other comprehensive income that may be transferred to profit or loss under equity method		
Fair value changes of other equity investments		
Fair value changes due to own credit risk		
Other comprehensive income to be reclassified into profit and loss		
Other comprehensive income that may be transferred to profit or loss under equity method		
Fair value changes of other debt investments		
Amount of financial assets reclassified to other comprehensive income		
Provision for credit impairment on other debt investments		
Cash flow hedging reserve		
Exchange differences on translating foreign operations		
Others		
Total Comprehensive Income for the Year	23,433,098.30	(6,759,622.82)

The accompanying notes from an integral part of financial statements.

Legal Representative:

Person in charge of Accounting Affairs:

Head of Financing Department:

Heubach Colorants (Shanghai) Co., Ltd.
Cash Flow Statement
For the Year Ended 31 December 2025
(All amounts in Renminbin Yuan unless otherwise stated)

Catagories	2025	2024
Cash Flow from Operating Activities		
Cash received from sale of goods and rendering of services	616,106,422.97	709,445,986.73
Taxes refund received		
Other cash received relating to operating activities	10,337,164.18	1,453,525.27
Subtotal of Cash Inflows from Operating Activities	626,443,587.15	710,899,512.00
Cash paid for goods purchased and service received	566,687,774.16	614,702,363.43
Cash paid to and for employees	33,935,960.36	30,877,943.29
Cash paid for all types of taxes	5,261,002.99	5,155,728.03
Other cash paid relating to operating activities	22,126,732.66	38,197,130.77
Subtotal of Cash Outflows from Operating Activities	628,011,470.17	688,933,165.52
Net Cash Inflow/(Outflow) from Operating Activities	(1,567,883.02)	21,966,346.48
Cash Flow from Investing Activities		
Cash inflow from disposal of investments		
Cash inflow from investments returns		
Net cash flow from disposal of fixed assets, intangible assets and other long-term assets		
Net cash flow from disposal of subsidiaries and other business units		
Other cash inflow relating to investing activities		
Subtotal of Cash Inflow from Investing Activities		
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	716,618.23	529,639.19
Cash paid for acquiring investments		
Net cash paid for acquiring subsidiaries and other business units		
Other payment relating to investing activities		
Subtotal of Cash Outflow from Investing Activities	716,618.23	529,639.19
Net Cash (Outflow) of from Investing Activities	(716,618.23)	(529,639.19)
Cash Flow from Financing Activities		
Cash inflow from capital contributions		
Cash inflow from loans		
Cash inflow from other financing activities		
Subtotal of Cash Inflow from Financing Activities		
Cash outflow from repayment of debts		
Cash outflow from distribution of dividends, profits, or payments for interest expenses		
Cash outflow from other financing activities	2,812,312.17	2,802,703.61
Subtotal of Cash Outflow from Financing Activities	2,812,312.17	2,802,703.61
Net Cash (Outflow) from Financing Activities	(2,812,312.17)	(2,802,703.61)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	-227,443.49	
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,324,256.91)	18,634,003.68
Add: Cash and cash equivalents at the beginning of the year	37,921,661.64	19,287,657.96
Cash and Cash Equivalents at the End of the Year	32,597,404.73	37,921,661.64

The accompanying notes from an integral part of financial statements.

Legal Representative:

Person in charge of Accounting Affairs:

Head of Financing Department:

Heubach Colorants (Shanghai) Co., Ltd.
Statement of Changes in Owners' Equity
For the Year Ended 31 December 2025
(All amounts in Renminbin Yuan unless otherwise stated)

Catagories	Paid-in Capital	Other Equity Instruments			Capital Reserve	2025 Other Comprehensive Income	Special Reserve	Surplus Reserve	Retained Earnings	Total
		Preferred shares	Perpetual bond	Others						
Balance at 31 December 2024	245,392,734.96								(226,730,716.87)	18,662,018.09
Add: Increase/(decrease) in profit due to changes in accounting policies										
Correction of prior period errors										
Others										
Balance at 1 January 2025	245,392,734.96								(226,730,716.87)	18,662,018.09
Changes in Equity for the Year									23,433,098.30	23,433,098.30
Total Comprehensive Income									23,433,098.30	23,433,098.30
Shareholders' Capital Contributions and Reduction										
Shareholders' contributions in ordinary shares										
Capital contributed from other equity instrument holders										
Share-based payment recognized in equity										
Others										
Appropriation of Profits										
Appropriation of surplus reserve										
Distribution to owner										
Others										
Internal Transfers within Owners' Equity										
Capitalization of capital reserve										
Capitalization of surplus reserve										
Surplus reserve covering losses										
Remeasurement of defined benefit plans transferred to retained earnings										
Other comprehensive income transferred to retained earnings										
Others										
Special Reserve										
Withdrawal for the year										
Utilisation for the year										
Others										
Balance at 31 December 2025	245,392,734.96								(203,297,618.57)	42,095,116.39

The accompanying notes from an integral part of financial statements.

Legal Representative:

Person in charge of Accounting Affairs:

Head of Financing Department:

Heubach Colorants (Shanghai) Co., Ltd.

Statement of Changes in Owners' Equity (Con't)
For the Year Ended 31 December 2025
(All amounts in Renminbin Yuan unless otherwise stated)

Categories	2024									
	Paid-in Capital	Other Equity Instruments			Capital Reserve	Other Comprehensive Income	Special Reserve	Surplus Reserve	Retained Earnings	Total
		Preferred shares	Perpetual bond	Others						
Balance at 31 December 2023	245,392,734.96								(219,971,094.05)	25,421,640.91
Add: Increase/(decrease) in profit due to changes in accounting policies										
Correction of prior period errors										
Others										
Balance at 1 January 2024	245,392,734.96								(219,971,094.05)	25,421,640.91
Changes in Equity for the Year									(6,759,622.82)	(6,759,622.82)
Total Comprehensive Income									(6,759,622.82)	(6,759,622.82)
Shareholders' Capital Contributions and Reduction										
Shareholders' contributions in ordinary shares										
Capital contributed from other equity instrument holders										
Share-based payment recognized in equity										
Others										
Appropriation of Profits										
Appropriation of surplus reserve										
Distribution to owner										
Others										
Internal Transfers within Owners' Equity										
Capitalization of capital reserve										
Capitalization of surplus reserve										
Surplus reserve covering losses										
Remeasurement of defined benefit plans transferred to retained earnings										
Other comprehensive income transferred to retained earnings										
Others										
Special Reserve										
Withdrawal for the year										
Utilisation for the year										
Others										
Balance at 31 December 2024	245,392,734.96								(226,730,716.87)	18,662,018.09

The accompanying notes from an integral part of financial statements.

Legal Representative:

Person in charge of Accounting Affairs:

Head of Financing Department:

HEUBACH COLORANTS (SHANGHAI) CO., LTD.

Notes to the Financial Statements for the Year Ended 31 December 2025

(All amounts in Renminbin Yuan unless otherwise stated)

1. COMPANY BACKGROUND AND PRINCIPAL ACTIVITIES

Heubach Colorants (Shanghai) Co., Ltd. is a foreign-invested enterprise established in Shanghai, the People's Republic of China, through a corporate division. On 16 September 2015, the shareholders of Clariant Chemicals (China) Ltd, Clariant (China) Ltd., passed a resolution to restructure its pigments business, additives business, and masterbatches business (hereinafter referred to as the "Divested Businesses") by way of a surviving division, thereby establishing a new wholly foreign-owned enterprise, Heubach Colorants (Shanghai) Co., Ltd. (hereinafter referred to as "the Company", formerly known as Clariant Pigments (Shanghai) Co., Ltd.). Pursuant to the Division Agreement executed between the Company and Clariant Chemicals (China) Ltd., with an effective division date of 1 April 2016, the assets, liabilities, and equity related to the Divested Businesses were spun off and transferred to the Company.

The Shanghai Municipal Commission of Commerce approved the division on 23 December 2015, and the Company obtained its business license issued by the Shanghai Administration for Market Regulation on 24 February 2016. The Company's approved operational term is 50 years, with a registered capital of USD 2,400,000.00.

On 24 February 2017, Clariant (China) Ltd. injected an additional capital contribution of USD 12,600,000.00 into the Company, increasing its registered capital to USD 15,000,000.00. The Company obtained an updated business license on 9 March 2017.

On 19 September 2019, Clariant (China) Ltd. further increased the Company's capital by USD 20,000,000.00, raising the registered capital to USD 35,000,000.00. The Company received an updated business license on 8 October 2019.

On 31 December 2019, Clariant (China) Ltd. entered into a Share Transfer Agreement with Colorants International AG, transferring all of its equity in the Company to Colorants International AG. The transfer took effect on 1 January 2020, and the Company's parent company was subsequently changed to Colorants International AG. The Company has since updated its approval certificate and business license to reflect this change.

On 1 January 2020, the Company entered into an Asset Transfer Agreement with its related party, Clariant Chemicals (China) Ltd., transferring its additives business and related assets and liabilities to Clariant Chemicals (China) Ltd.

In 2022, Heubach and SK Capital Partners completed the acquisition of Clariant's global pigments business, resulting in the Company's parent company being changed to Heubach Holding Switzerland AG.

In 2025, Sudarshan Europe B.V. completed the acquisition of Heubach's global pigments business, and the parent company of the Entity was renamed Sudarshan Switzerland HLD1 AG.

The Company's approved business scope includes: Wholesale, commission-based agency (excluding auction), import and export of chemical products, packaging materials, machinery, precision instruments, and equipment; Supply of technical support, consulting, after-sales services, and other related services (excluding commodities subject to state trading management; for commodities subject to quota or license control, applications shall be processed in accordance with relevant national regulations).

During the current fiscal year, the Company's principal activities primarily involved: Sales of chemical products; Supply of technical support, consulting, marketing, and after-sales services for related parties.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(1) Basis of Preparation

These financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises - Basic Standards and various specific accounting standards, the Guidelines for the Application of Accounting Standards for Business Enterprises, the Interpretation of Accounting Standards for Business Enterprises and other relevant regulations which are issued by the Ministry of Finance the People's Republic of China (“Accounting Standards for Business Enterprises”).

(2) Going Concern

These financial statements have been prepared on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

(1) Statement of Compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises, which are also referred to as China Accounting Standards (“CAS”), issued by the Ministry of Finance (“MOF”) of the People’s Republic of China. These financial statements present truly and completely the Company financial position of the Company financial position of the Company as at 31 December 2024, and the Company financial performance and cash flows of the Company for the year then ended.

(2) Accounting Period

The accounting year of the Company is a calendar year, i.e., from 1 January to 31 December of each year.

(3) Operating Cycle

The Company's operating cycle is 12 months.

(4) Functional Currency

The Company's functional and presentation currency is Renminbi ("RMB"). The currency unit is RMB Yuan unless otherwise stated.

(5) Cash and Cash equivalents

Cash represents the Company's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents represent the Company's short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

(6) Foreign Currency Transactions and Foreign Currency Financial Statement Translation

(a) Foreign currency transactions

Foreign currency transactions are translated into Renminbi at rates that approximate the spot exchange rates at the transaction dates. When the Company receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of receipt. Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date, and the resulting exchange differences are generally recognized in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction or production of qualifying assets. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

(b) Foreign currency translation

Assets and liabilities in the balance sheet are translated using the spot exchange rate on the balance sheet date. For equity items, except for "retained earnings", all other components are translated using the spot exchange rate in effect at the transaction date. Income and expense items in the income statement are translated using the spot exchange

rate on the transaction date.

(7) Financial Instruments

The Company recognizes a financial asset, financial liability or equity instrument when it becomes a party to the financial instrument contract.

(a) Classification of financial instruments

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income (“FVOCI”), or at fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised costs or FVOCI as described above are measured at FVTPL.

At initial recognition, if such designation eliminates or significantly reduces an accounting mismatch, the Company may irrevocably designate a financial asset that would otherwise be classified as measured at amortized cost or at fair value through other comprehensive income as measured at fair value through profit or loss. On initial recognition, financial liabilities are classified financial liabilities at FVTPL and financial liabilities at amortized cost.

A financial liability may be designated at initial recognition as one measured at fair value through profit or loss if it meets any of the following conditions:

- Such designation eliminates or significantly reduces an accounting mismatch.
- The financial liability is part of a portfolio of financial instruments that is managed and evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and reported internally to key management personnel on this basis.
- The financial liability contains one or more embedded derivatives that must be accounted for separately.

(b) Recognition and Measurement Method of Financial Instruments

i. Financial assets at amortized cost

Financial assets at amortized cost include notes receivable, accounts receivable, other receivables, long-term receivables, debt investments, etc. which are initially measured at fair value. The relevant transaction costs shall be included in the initial recognition amount.

Accounts receivable that does not contain significant financing components and accounts receivable where the Company decides not to consider financing components in contracts not exceeding one year, are initially measured at the contractual transaction price.

Interest calculated using the effective interest method during the holding period is

recognized in current period profit or loss.

On disposal or recovery, the difference between the proceeds received and the carrying amount of the financial asset is recognized in current period profit or loss.

ii. Debt instruments at FVOCI

Debt Instruments at FVOCI include accounts receivable financing, other debt investments, etc. which are initially measured at fair value. The relevant transaction costs shall be included in the initial recognition amount. These financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income, except for interest calculated using the effective interest method, impairment and foreign exchange gains and losses are recognized in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

iii. Equity Instruments at FVOCI

Equity Instruments at FVOCI include investments in other equity instruments, etc. They are initially measured at fair value. The relevant transaction costs shall be included in the initial recognition amount. These financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. Dividends are recognized as income in profit or loss. On derecognition, gains or losses accumulated in other comprehensive income are reclassified to retained earnings.

iv. Financial Assets at FVTPL

Financial Assets at FVTPL include held-for-trading financial assets, derivative financial assets, other non-current financial assets, etc. They are initially measured at fair value. The relevant transaction costs shall be included in profit or loss. These financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss.

v. Financial liabilities at FVTPL

Financial liabilities at FVTPL include held-for-trading financial liabilities, derivative financial liabilities, etc. They are initially measured at fair value. The relevant transaction costs shall be included in profit or loss. These financial liabilities are subsequently measured at fair value, with changes in fair value recognized in profit or loss.

vi. Financial liabilities at amortized cost

Financial liabilities at amortized cost include short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, bonds payable, and long-term payables. They are initially measured at fair value. The relevant transaction costs shall be included in the initial recognition amount. Interest calculated using the effective interest method during the holding period is recognized in profit or loss. On derecognition, the difference between the consideration paid and the carrying amount of the financial liability is recognized in profit or loss.

(c) Measurement Method for Derecognition of Financial Assets and Transfer of Financial Assets

Financial asset is derecognized when one of the following conditions is met:

- the Company's contractual rights to the cash flows from the financial assets expire;
- the financial asset has been transferred, and the Company transfers substantially all of the risks and rewards of ownership of the financial assets; or
- the financial assets have been transferred, although the Company neither transfers nor retains substantially all of the risks and rewards of ownership of the financial assets, it does not retained control over the transferred asset.

If the Company and the counterparty modify or renegotiate the contract which constitutes a substantial modification, the original financial asset shall be derecognized, and a new financial asset shall be recognized in accordance with the modified terms.

When a financial asset is transferred, if the Company retains substantially all the risks and rewards incidental to ownership of the financial assets, the financial asset shall not be derecognized.

In determining whether the transfer of financial assets meets the above conditions for derecognition of financial assets, the principle of substance over form is applied.

The Company classifies the transfer of financial assets into entire transfer and partial transfer. When a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognized directly in other comprehensive income.

When a partial transfer of a financial asset meets the criteria for derecognition, the carrying amount of the entire transferred financial asset is allocated between the derecognized portion and the non-derecognized portion based on the respective relative fair values. The difference between the two amounts below is recognized in profit or loss:

- the carrying amount of the derecognized portion;
- the sum of the consideration received from the derecognition portion and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss of the derecognized portion that has been recognized directly in other comprehensive income.
- when a transfer of a financial asset does not meet the criteria for derecognition, the financial asset shall continue to be recognized, and the consideration received shall be recognized as a financial liability.

(d) Derecognition of financial liabilities

When the current obligation of a financial liability has been discharged either partially or in full, the financial liability shall be derecognized either partially or in full; When the Company enters into an agreement with the creditor to replace an existing financial liability with a new financial liability, and the contractual terms of the new financial

liability are substantially different from those of the existing financial liability, the existing financial liability shall be derecognized and the new financial liability shall be recognized simultaneously.

When substantial revisions are made of the contractual stipulations either partially or in full, the existing financial liability shall be terminated either partially or in full, and the financial liability after revising the contractual stipulations shall be recognized as a new financial liability.

When a financial liability is derecognized either partially or in full, the difference between the carrying amount of the derecognized financial liability and the consideration paid (including the non-cash assets transferred or the new financial liabilities assumed) is recognized in profit or loss.

When the Company repurchase part of its financial liabilities, it allocates the carrying amount of the entire financial liability on the repurchase date based on the fair value of the portion to be continued to be recognized and the portion to be decognized. The difference between the carrying amount allocated to the derecognized portion and the consideration paid (including transferred non-cash assets or newly assumed financial liabilities) is recognized in profit or loss for the current period.

(e) Methods for Determining the Fair Value of Financial Assets and Financial Liabilities

For financial instruments that have an active market, their fair value is determined based on the quoted price in the active market. For financial instruments that do not have an active market, their fair value is determined based on the valuation techniques.

When measuring fair value, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure the value, selecting inputs that are consistent with the characteristics of the assets or liabilities considered by market participants in transactions involving the relevant asset or liability, and preferentially uses relevant observable inputs. Unobservable inputs are used only when the relevant observable inputs are unavailable or obtaining them is not

practicable.

(f) Impairment Testing Methods and Accounting Treatment of Financial Instruments

The Company applies impairment accounting treatment based on expected credit losses (ECL) for financial assets measured at amortized cost, debt instruments measured at FVOCI, and financial guarantee contracts.

The Company determines expected credit losses by considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. Using the risk of default as the weighting factor, it calculates the probability-weighted amount of the present value of the difference between the contractual cash flows receivable and the expected cash flows to be received, thereby recognizing expected credit losses.

For trade receivables and contract assets arising from transactions regulated by CAS 14 - Revenue, regardless of whether they contain a significant financing component, loss allowances are always measured at an amount equal to lifetime ECLs.

For lease receivables arising from transactions regulated by CAS 21 - Leases, our company has chosen to always measure the loss allowance at an amount equal to the expected credit losses over the entire lifetime.

For lease receivables arising from transactions regulated by CAS No 21 - Leases, as well as receivables and contract assets containing significant financing components arising from transactions regulated by CAS No 14 - Revenue (excluding financing components in contracts with a duration of one year or less that are not considered under CAS No 14 - Revenue), an entity may alternatively choose to apply the impairment approach for general financial assets. This approach measures the loss allowance based on whether there has been a significant increase in credit risk since initial recognition, using either the 12-month expected credit losses (Stage 1) or the lifetime expected credit losses (Stages 2 and 3).

For other financial instruments, the Company assesses changes in credit risk since initial

recognition at the balance sheet date.

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial instrument assessed at the balance sheet date of initial recognition. Generally, the Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless there is conclusive evidence to the contrary.

If the credit risk of a financial instrument is low at the balance sheet date, the Company considers that the credit risk on a financial instrument has not increased significantly since initial recognition.

If the credit risk of a financial instrument has increased significantly since initial recognition, the Company measures the loss allowances equal to lifetime ECLs.

If the credit risk has not increased significantly, the Company measures the loss allowances at an amount equal to 12-month ECLs. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. For debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income, and the impairment gain or loss is recognized in profit or loss, not a corresponding adjustment to their carrying amount.

If there is objective evidence that a specific receivable has incurred credit impairment, our company recognizes an impairment allowance for that receivable on an individual basis.

For receivables not subject to individual impairment assessment as described above, our company groups the remaining financial instruments into portfolios based on shared credit risk characteristics and determines expected credit losses on a portfolio basis.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

(8) Inventory

(a) Inventory Classification and Measurement

Inventory is classified into categories including: finished goods, goods in transit, etc.

Inventory is initially measured at cost, which comprises, purchase costs, processing costs and other costs incurred to bring the inventory to its present location and condition.

(b) Pricing Method for Issued Inventory

Inventory is priced using the weighted average method when issued.

(c) Basis for Determining Net Realizable Value of Different Inventory Categories

At the balance sheet date, inventory is measured at the lower of cost or net realizable value (NRV). When the cost of inventory exceeds its NRV, an inventory write-down allowance shall be recognized. Net realizable value refers to the estimated selling price in the ordinary course of business, less estimated costs to complete, estimated selling expenses, and related taxes.

- Finished goods, merchandise inventory, and materials held for sale
NRV is determined based on the estimated selling price minus estimated selling expenses and related taxes.
- Materials requiring further processing
NRV is calculated as the estimated selling price of the final product minus estimated costs to complete, selling expenses, and related taxes.
- Inventory held for sales or service contracts
NRV is based on the contract price. If the quantity held exceeds the contract amount, the NRV of the excess portion is determined using the general selling price.

If circumstances that previously caused inventory write-downs reverse, resulting in NRV exceeding carrying amount, the write-down shall be reversed up to the original allowance amount, with the reversal recognized in current period profit or loss.

(d) Inventory Stock-taking System

The perpetual inventory system is adopted.

(e) Amortization Methods for Low-value Consumables and Packaging Materials

- Low-value consumables are amortized using the one-time write-off method;
- Packaging materials are amortized using the one-time write-off method.

(9) Fixed Assets

(a) Recognition and initial measurement of fixed assets

Fixed assets represent the tangible assets held by the Company for use in the production of goods, supply of services, for rental to others or for administrative purposes with useful lives over one accountin year. Fixed assets are recognized when the following conditions are met simultaneously:

- The economic benefits related to the fixed assets are likely to flow into the enterprise;
- The cost of the fixed asset can be reliably measured.

Fixed assets are initially measured at cost (and taking into account the effect of the estimated costs of disposal).

Any subsequent costs are recognized as assets when it is probable that the economic benefits associated with the costs will flow to the Company. And the carrying amount of the replaced part is derecognized. Any other subsequent costs are recognized in profit or loss as incurred.

(b) Depreciation method

Fixed assets are depreciated using the straight-line method, and the depreciation rate is determined according to the type of fixed assets, the expected useful life and the estimated net residual value rate. For fixed assets that impairment provisions have been made, the depreciation amount for future periods is determined based on the carrying amount after

deducting the impairment provision and the remaining useful life. If the components of fixed assets have different useful lives or provide economic benefits to the enterprise in different ways, different depreciation rates or methods are selected and depreciation is accrued separately.

The depreciation methods, depreciation periods, residual value rate and depreciation rate of the fixed assets is as follows:

Categories	Depreciation period (year)	Residual value rate (%)	Annual depreciation rate (%)
Machinery and Equipment	2.75-10	0	10-36
Office Equipment	4-5	0	20-25
Laboratory Equipment	4-10	0	10-25

(c) Disposal of fixed assets

When a fixed asset is disposed of or no future economic benefits are expected from its use or disposal, the fixed asset is derecognized. The proceeds from the disposal of fixed assets through sale, transfer, retirement, or damage, after deducting their carrying amount and related taxes and fees, is recognized in profit or loss.

(10) Construction in Progress

Construction-in-progress is measured at actual incurred costs. The actual costs include: construction costs, installation costs, borrowing costs that meet capitalization criteria and other necessary expenditures incurred to bring the asset to its intended usable condition.

(11) Measurement Methods for Intangible Assets

(a) Initial Measurement

For externally acquired intangible assets, the cost includes: purchase consideration,

related taxes and duties and other directly attributable expenditures necessary to bring the asset to its intended use.

(b) Subsequent Measurement

The useful life of intangible assets is assessed upon acquisition. Intangible assets with finite useful lives are amortized over the period during which they generate economic benefits for the Company. Intangible assets with indefinite useful lives (where the future economic benefit period cannot be reasonably predicted) are not amortized.

(12) Impairment of long-term assets

For fixed assets and other long-term assets, if any indication exists at the balance sheet date, an impairment test shall be conducted. A provision for impairment of the asset is recognized when the recoverable amount of an asset is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of its expected future cash flows. It is difficult to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs shall be determined. An asset group is the smallest identifiable group of assets that generates cash inflows independently.

Intangible assets with indefinite useful lives and intangible assets not yet available for use shall, at a minimum, undergo impairment testing at each annual reporting date.

(13) Long-term deferred expenses

Long-term deferred expenses represent expenses that have already been incurred but should be allocated with an amortization period exceeding one year. Long-term deferred expenses represent expenses that have already been incurred but should be allocated with an amortization period exceeding one year.

The amortization periods and methods for different categories of expenses are as follows:

Categories	Amortization period (year)
Improvement expenditures on operating leased fixed assets	2-5

(14) Contract Liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between the performance of obligations and customer payments. Obligations to transfer goods or provide services to customers for which the Company has received or is entitled to receive consideration are presented as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

(15) Employee benefits

(a) Accounting treatment of short-term employee benefits

Short-term employee benefits incurred are recognized as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. The social security contributions and housing fund, as well as the union funds and employee education funds accrued at the applicable benchmarks, are determined according to the applicable basis and rates as the employee provides services. The staff welfare incurred are recognized in profit or loss or included in the cost of assets when appropriate, of which non-monetary benefits are measured at fair value.

(b) Accounting treatment of post-employment benefits

i. defined contribution plans

The Company makes contribution to basic pension insurance and unemployment insurance according to regulations of local government as the employee provides services.

Basic pension insurance contributions and unemployment insurance payable are recognized as liabilities based on the applicable benchmarks and rates stipulated by the local government, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. In addition, the Company also participates in enterprise annuity plans and supplementary pension insurance plans approved by the government. The Company makes contributions to the annuity plan and local social security agency based on the applicable rate of total employee wages, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

ii. defined benefit plans

The Company attributes the benefit obligations arising from the defined benefit plans to the period as the employee provides services according to the formula determined by the expected accrued benefit unit method, with a corresponding charge to profit or loss or included in the cost of assets where appropriate. The deficit or surplus resulting from the present value of the defined benefit obligation minus the fair value of the defined benefit plan assets is recognized as a net defined benefit liability or asset.

When a defined benefit plan is in surplus, the Company measures the net asset of the defined benefit plan at the lower of the surplus in the defined benefit plan and the asset ceiling.

All defined benefit plan obligations, including obligations expected to be settled within twelve months after the end of the annual reporting period as the employee provides services, are discounted based on the market yield at the balance sheet date on high-quality corporate bonds or government bonds that match the term and currency of the defined benefit plan obligations.

The service cost arising from the defined benefit plan and the net interest on the net defined benefit liability (or asset) are recognized in profit or loss or included in the cost of related assets.

The remeasurement changes in the net liability or net assets of a defined benefit plan are recognized in other comprehensive income and are not reversed to profit or loss in

subsequent accounting periods.

On termination of the original defined benefit plan, the portion previously recognized in other comprehensive income are fully transferred to retained earnings within the scope of equity.

On the settlement of the defined benefit plan, the Company recognizes a settlement gain or loss based on the difference between the present value of the defined benefit obligation and the settlement price determined on the settlement date.

(c) Accounting treatment of termination benefits

When the Company provides termination benefits to the employee, a provision is recognized with a corresponding expense in profit or loss at the earlier of the following dates: When the Company cannot unilaterally withdraw the offer of termination benefits provided in an employee termination plan or a curtailment proposal; When the company recognizes the costs or expenses relating to a restructuring involving the payment of termination benefits.

(16) Revenue

(a) Accounting policies of revenue recognition and measurement

Revenue is recognized when the Company satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers. Obtaining control of relevant goods or services refers to the ability to direct the use of the goods or services and obtain substantially all of the economic benefits from them.

When a contract has two or more performance obligations, the Company determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Company recognizes as revenue the amount of the transaction price that is allocated to each performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised to goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be returned to the customers. The Company determines the transaction price based on the contract terms and in combination with its past customary practices, taking into account the impact of factors such as variable consideration, significant financing components in the contract, non-cash consideration, and consideration payable to the customer when determining the transaction price. The Company recognizes the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. When the contract contains a significant financing component, the Company recognizes the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Company satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the customer can control the asset created or enhanced during the Company's performance;
- the Company's performance does not create an asset with an alternative use to it and the Company has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation, unless the performance progress cannot be reasonably determined. The Company considers the nature of the goods or services and adopts the output method or input method to determine the progress of performance obligations.

When the outcome of that performance obligation cannot be measured reasonably, but the Company expects to recover the costs incurred in satisfying the performance obligations, the Company recognizes revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Company recognizes revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Company considers the following indications:

- the Company has a present right to payment for the goods or services, i.e. the customer has the present obligation to pay for the goods or services.
- the Company has transferred the legal title of the goods to the customer, i.e. the customer has legal ownership of the goods.
- the Company has transferred physical possession of the goods to the customer, i.e. the customer has physically possessed the goods.
- the Company has transferred the significant risks and rewards of ownership of the goods to the customer, i.e., the customer has acquired the principal risks and rewards of ownership of the goods.
- the customer has accepted the goods or services.

The Company determines whether it is a principal or an agent, depending on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Company is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognizes revenue in the gross amount of consideration to which it has received (or receivable). Otherwise, the Company is an agent, and recognizes revenue in the amount of any fee or commission to which it expects to be entitled.

(17) Government grants

(a) Type

Government grants are non-reciprocal transfers of monetary or non-monetary assets from

the government to the Company, which are classified into asset-related government grants and income-related government grants.

A government grant related to an asset refers to government grants obtained by the Company for purchase, construction or other formation of long-term assets. A government grant related to income refers to government grants other than those related to assets.

(b) Accounting treatment

A government grant related to an asset is offset against the carrying amount of the related asset or recognizes as a deferred income.

For a government grant recognized as deferred income, it is amortized in profit or loss over the useful life of related assets using a reasonable and systematic method during the useful life of the relevant assets (if related to the Company's ordinary activities, they are classified as other income; otherwise, as non-operating income);

A government grant that compensates the Company for expenses or losses to be incurred in the future is recognized as deferred income, and recognized in profit or loss for the current period, when the related expenses or losses are recognized (if related to the Company's ordinary activities, they are classified as other income; otherwise, as non-operating income) or offset the relevant expenses or losses.

the Company accounts for interest subsidies obtained from policy-based preferential loans under the following two circumstances:

i. Subsidy Disbursed to Lending Bank

Where the government provides the interest subsidy to the lending bank, which then extends loans to the Company at the preferential policy rate: the carrying amount of the loan is recognized at the actual received amount. Borrowing costs are calculated based on the loan principal and the preferential policy interest rate.

ii. Subsidy Disbursed Directly to the Company

Where the government provides the interest subsidy directly to the Company: The corresponding interest subsidy offsets the related borrowing costs

(18) Deferred tax assets and deferred tax liabilities

Income tax comprises current income tax and deferred income tax. Except for income tax arising from business combinations and transactions or items directly recognized in equity (including other comprehensive income), the Company recognizes current income tax and deferred income tax in profit or loss for the current period.

Deferred tax assets and deferred tax liabilities are recognized based on temporary differences between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax assets are recognized for deductible temporary differences, limited to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are also recognized for deductible losses and tax credits carried forward to subsequent years, limited to the extent that it is probable that future taxable profit will be available to offset such deductible losses and tax credits.

Deferred tax liabilities are recognized for taxable temporary differences, save for specific exceptions.

Deferred tax assets or deferred tax liabilities shall not be recognized in the following circumstances:

- Initial recognition of goodwill;
- Transactions or items that do not constitute a business combination, and do not affect accounting profit or taxable income (or deductible losses) upon occurrence, and the initially recognized assets and liabilities do not give rise to equal taxable temporary differences and deductible temporary differences.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in associates and joint ventures, unless the Company is able to control the timing of the reversal of such temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences related to investments in associates and joint ventures where it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available to offset the deductible temporary differences.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the applicable tax rates expected to apply in the period when the related assets are recovered or liabilities are settled, in accordance with tax laws.

The Company reviews the carrying amounts of deferred tax assets at each balance sheet date. Where it is no longer probable that sufficient taxable profit will be available to utilize the benefits of deferred tax assets, the carrying amount of deferred tax assets is written down. The write-down is reversed when sufficient taxable profit is expected to be available in future periods.

Current tax assets and current tax liabilities are presented on a net basis when the Company has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

At the balance sheet date, deferred tax assets and deferred tax liabilities are presented on a net basis when both of the following criteria are met:

- The taxable entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend to settle current tax assets and liabilities on a net basis, or realize assets and settle liabilities simultaneously, in each future period in which material deferred tax items reverse.

(19) Lease

A lease is a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

At the commencement date of the contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of one or more identified assets for a period of time in exchange for consideration.

If a contract contains multiple separate lease components, the Company: Separates the contract into individual lease components; Applies lease accounting to each component separately. If a contract contains both lease and non-lease components, the Company (as either lessee or lessor) separates the lease components from the non-lease components.

(a) As a lessee

i. Right-of-use assets

The Company recognizes a right-of-use asset other than short-term leases and low-value asset leases.

The right-of-use asset is initially measured at cost. This cost includes:

- The initial amount of the lease liability;
- lease payments made at or before the commencement date, less any lease incentives received;
- Initial direct costs incurred;
- An estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, excluding the costs incurred for the production of inventory.

The right-of-use asset is depreciated using the straight-line method subsequently.

If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end the useful life of the right-of-use asset or the end of the lease term. The Company determines whether the right-of-use asset has been impaired in accordance with the principles described in Note III.(12) Impairment of Long-term Assets”, and performs accounting treatment for the identified impairment losses.

ii. Lease liabilities

The Company recognizes a lease liability other than short-term leases and low-value asset leases.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments include:

- Fixed payments (including substantial fixed payments), deducting relevant amount of lease incentives if any;
- Variable lease payments depending on the index or rate;
- The amount expected to be payable under a residual value guarantee;
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option;
- The payment to exercise the termination option provided that the lease term reflects that the Company will exercise the termination option.

The Company uses the interest rate implicit in the lease as the discount rate, if that rate cannot be readily determined, the Company use the incremental borrowing rate. A contract periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Company remeasures lease liabilities, and a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero:

- When there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option, the Company remeasures lease liabilities based on the revised lease payments and discount rate;
- When there are changes in substantively fixed payments, changes in the amounts expected to be payable under a residual value guarantee, or the index or rate used to determine the payments, the Company remeasures lease liabilities based on revised lease payments and original discount rate. However, if the change in lease payments arises from fluctuations in a floating interest rate, the present value is calculated using the revised discount rate.

iii. Short-term lease and low-value asset lease

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and low-value assets leases. The Company recognizes the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term. Short-term lease refers to a lease that has lease term of 12 months or less and without the purchase option at the commencement date.

Low-value asset lease refers to a lease where the individual leased asset has a low value when it is new. If the Company subleases or expects to sublease the leased asset, the original lease does not qualify as a low-value asset lease.

iv. Lease change

When a lease modification occurs and meets all of the following conditions, the Company accounts for the lease modification as a separate lease:

- The lease modification expands the scope of the lease by adding the right to use one or more of the underlying assets;
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope, adjusted to reflect the circumstances of the particular contract.

When the lease modification is not recognized as separate lease, on the effective date of the lease modification, the Company re-allocates the consideration of the modified contract, re-determines the lease term, remeasures the lease liability using the revised lease payments and revised discount rate.

When the lease modification results in a reduction of the lease scope or shortening of the lease term, the Company reduces the carrying amount of right-of-use asset correspondingly, and recognizes the gain or loss related to lease termination (either partially or in full) in profit or loss.

When other lease modification resulting the remeasurement of lease liabilities, the Company adjusts the carrying amount of the right-of-use asset accordingly.

(20) Significant Changes in Accounting Policies and Estimates, and the Corrections of Errors

(a) Significant changes in accounting policies

Application of the provisions in the Implementation Q&A on Accounting Standards for Financial Instruments regarding the accounting treatment of standard warehouse receipt transactions.

The Ministry of Finance issued the Implementation Q&A on the accounting treatment of standard warehouse receipt transactions on 8 July 2025. It clearly stipulates that, in accordance with the Accounting Standards for Recognition and Measurement of Financial Instruments, where an enterprise frequently enters into contracts for the purchase and sale

of standard warehouse receipts at futures trading venues to earn price spreads without taking physical delivery of the underlying commodities under such receipts, this generally indicates that the enterprise has a practice of reselling the contracted underlying items shortly after receipt to profit from short-term price fluctuations. The contracts for the purchase and sale of standard warehouse receipts shall be treated as financial instruments and accounted for in compliance with the Accounting Standards for Recognition and Measurement of Financial Instruments.

Where the enterprise resells standard warehouse receipts shortly after obtaining them pursuant to the aforesaid contracts, no sales revenue shall be recognized. The difference between the consideration received and the carrying amount of the sold standard warehouse receipts shall be recognized in investment income. Standard warehouse receipts held at the end of the reporting period pending sale shall be presented as other current assets.

In accordance with the requirements of the Circular on Strictly Implementing Accounting Standards for Business Enterprises and Effectively Completing the Preparation of 2025 Annual Financial Reports (Cai Kuai [2025] No. 33), enterprises that adjust their accounting policies due to the application of the above provisions on standard warehouse receipts shall restate the comparative period information in the financial statements. The application of the aforesaid provisions has no material impact on the Company's financial position and operating results.

(b) Significant Changes in Accounting Estimates

During the reporting period, the Company has no significant changes in accounting estimates.

3. TAXATION

(a) Main Tax types and Rates

Tax type	Tax basis	Tax rate
Value added tax (VAT)	Output VAT is calculated based on revenue from sales of goods and taxable services in accordance with tax laws. The balance after deducting deductible input VAT for the current period represents VAT payable.	13%, 6%
Urban Maintenance and Construction Tax	Calculated and levied based on the actual amount of VAT and Consumption Tax paid.	5%
Enterprise Income Tax	Calculated and levied based on taxable income.	25%
Education surcharge	Calculated and levied based on the actual amount of VAT and Consumption Tax paid.	3%
Local education surcharge	Calculated and levied based on the actual amount of VAT and Consumption Tax paid.	2%

5. NOTES TO FINANCIAL STATEMENT

(1) Cash and Cash Equivalents

Item	31 December 2025	31 December 2024
Bank deposits	32,597,404.73	37,921,661.64
Total	32,597,404.73	37,921,661.64

(2) Notes Receivable

Item	31 December 2025	31 December 2024
Banker's Acceptance	-	10,026,734.86
Total	-	10,026,734.86

(3) Accounts Receivable

(a) Accounts Receivable by Ageing

Ageing	31 December 2025	31 December 2024
Within 1 year	61,983,145.39	26,454,904.88
Subtotal	61,983,145.39	26,454,904.88
Less: Provision for bad and doubtful debts	-	-
Total	61,983,145.39	26,454,904.88

(b) Assessment of Expected Credit Losses (ECL) for Accounts Receivable

The Company always measures the impairment allowance for accounts receivable at an amount equal to the lifetime expected credit losses, calculated based on a mapping table of days past due vs. expected credit loss rates. Given the Company's historical experience, there are no significant differences in loss patterns among different customer segments. Therefore, the calculation of impairment allowances based on delinquency information does not further distinguish between customer groups.

The expected credit loss rates are derived from: Actual credit loss experience over the past 2 years, adjusted for: Differences between economic conditions during the historical data collection period, Current economic conditions, Forecasted economic conditions over the expected lifetime.

(4) Receivables Financing

Item	31 December 2025	31 December 2024
Notes Receivable	17,359,702.64	-
Total	17,359,702.64	-

(5) Advance to Customers

Ageing	31 December 2025		31 December 2024	
	Amount	Percentage(%)	Amount	Percentage(%)

Ageing	31 December 2025		31 December 2024	
	Amount	Percentage(%)	Amount	Percentage(%)
Within 1 year	1,036,586.80	100.00	889,251.28	100.00
Total	1,036,586.80	100.00	889,251.28	100.00

(6) Other Receivable

Item	31 December 2025	31 December 2024
Other receivable	1,962,818.65	1,277,841.54
Total	1,962,818.65	1,277,841.54

(a) Other Receivable

i. Other receivables by ageing

Ageing	31 December 2025	31 December 2024
Within 1 year	1,962,818.65	1,251,841.50
Subtotal	1,962,818.65	1,251,841.50
Less: Provision for bad and doubtful debts	-	-
Total	1,962,818.65	1,251,841.50

ii. Assessment of Expected Credit Losses

As at December 31, 2025, the Company concluded that its other receivables do not carry significant credit risk. No other receivables were classified under Stage 2 or Stage 3, and there is no material risk arising from counter party defaults.

(7) Inventories**(a) Categories**

Items	31 December 2025			31 December 2024		
	Balance	Provision for Inventory Write-down / Impairment of Contract Fulfillment Costs	Book value	Balance	Provision for Inventory Write-down / Impairment of Contract Fulfillment Costs	Book value
Goods on hand	56,053,502.80	3,336,057.56	52,717,445.24	48,630,418.78	1,672,346.71	46,958,072.07
Goods in transit	21,368,571.69	-	21,368,571.69	14,772,615.73	-	14,772,615.73
Total	77,422,074.49	3,336,057.56	74,086,016.93	63,403,034.51	1,672,346.71	61,730,687.80

(b) Provision for Inventory Write-down / Impairment of Contract Fulfillment Costs

Item	31 December 2024	Additional		Write-off		31 December 2025
		Accrued	Other	Reverse	Other	
Provision	1,672,346.71	1,663,710.85	-	-	-	3,336,057.56
Total	1,672,346.71	1,663,710.85	-	-	-	3,336,057.56

(8) Other Current Assets

Item	31 December 2025	31 December 2024
VAT input tax to be deducted	1,464,374.02	976,901.44
Total	1,464,374.02	976,901.44

(9) Fixed Assets**(a) Fixed Assets and Disposal**

Item	31 December 2025	31 December 2024
Fixed assets	5,237,885.64	6,385,034.17
Total	5,237,885.64	6,385,034.17

(b) Movement of Fixed Assets

Items	Machinery equipment	Labatory equipment	Office equipment	Low value consumables	Total
Cost					
31 December 2024	3,525,789.23	9,875,181.02	2,960,620.15	21,061.95	16,382,652.35
Additions	-	440,088.50	-	-	440,088.50
-transferred from CIP	-	440,088.50	-	-	440,088.50
Less	1,500,044.84	-	-	21,061.95	1,521,106.79
-disposals	1,500,044.84	-	-	21,061.95	1,521,106.79
31 December 2025	2,025,744.39	10,315,269.52	2,960,620.15		15,301,634.06
Accumulated Depreciation					
31 December 2024	2,393,787.23	6,425,256.02	1,157,512.98	21,061.95	9,997,618.18
Additional	237,071.00	482,722.86	592,124.17	-	1,311,918.03
Depreciation during the year	237,071.00	482,722.86	592,124.17	-	1,311,918.03
Less	1,224,725.84	-	-	21,061.95	1,245,787.79
Written-off	1,224,725.84	-	-	21,061.95	1,245,787.79
31 December 2025	1,406,132.39	6,907,978.88	1,749,637.15	-	10,063,748.42
Impairment					
31 December 2024	-	-	-	-	-
Additional	-	-	-	-	-
Less	-	-	-	-	-
31 December 2025	-	-	-	-	-
Net book value					
31 December 2025	619,612.00	3,407,290.64	1,210,983.00	-	5,237,885.64
31 December 2024	1,132,002.00	3,449,925.00	1,803,107.17	-	6,385,034.17

(10) Construction in Progress**(a) Construction in Progress and Engineering Materials**

Item	31 December 2025			31 December 2024		
	Balance	Impairment	Net Value	Balance	Impairment	Net Value
CIP	227,946.54	-	227,946.54	-	-	-
Total	227,946.54	-	227,946.54	-	-	-

(11) Right of use assets**(a) Right of use assets**

Items	Buildings	Total
Cost		
31 December 2024	11,292,862.57	11,292,862.57
Additions	-	-
Less	67,077.53	67,077.53
-disposal	67,077.53	67,077.53
31 December 2025	11,225,785.04	11,225,785.04
Accumulated depreciation		
31 December 2024	8,418,800.46	8,418,800.46
Additions	2,206,786.33	2,206,786.33
-depreciation during the year	2,206,786.33	2,206,786.33
Less	67,077.53	67,077.53
-disposal	67,077.53	67,077.53
31 December 2025	10,558,509.26	10,558,509.26
Impairment		
31 December 2024	-	-
Additional	-	-
Less	-	-
31 December 2025	-	-
Net book value		
31 December 2025	667,275.78	667,275.78
31 December 2024	2,874,062.11	2,874,062.11

(12) Long-term Deferred Expenses

Item	31 December 2024	Additions	Amortization	Other	31 December 2025
Leasehold Improvements for Operating Leased Assets	3,277,609.71	-	1,629,532.71	-	1,648,077.00
Total	3,277,609.71	-	1,629,532.71	-	1,648,077.00

(13) Accounts payable

Item	31 December 2025	31 December 2024
Within 1 year	138,503,344.56	113,142,747.95
Total	138,503,344.56	113,142,747.95

(14) Contract Liabilities

(a) Contract Liabilities

Item	31 December 2025	31 December 2024
Advance from customers	520,198.94	1,365,626.62
Total	520,198.94	1,365,626.62

(15) Employee Benefits Payable

(a) Breakdown of Employee Benefits Payable

Items	31 December 2024	Additions	Less	31 December 2025
Short-term employee benefits	3,589,935.78	31,357,278.52	30,980,157.62	3,967,056.68
Post-employment benefits- defined contribution plans	-	2,558,122.87	2,558,122.87	-
Total	3,589,935.78	33,915,401.39	33,538,280.49	3,967,056.68

(b) Breakdown of Short-term Employee Benefits

Items	31 December 2024	Additions	Less	31 December 2025
Payroll, bonus, allowance	3,589,935.78	27,554,003.72	27,176,882.82	3,967,056.68
Welfare	-	1,179,929.50	1,179,929.50	-
Social insurance	-	1,393,926.30	1,393,926.30	-
Include: medical insurance	-	1,341,253.35	1,341,253.35	-
work-related injury insurance	-	40,987.95	40,987.95	-
Maternity insurance	-	11,685.00	11,685.00	-
House funding	-	1,229,419.00	1,229,419.00	-
Union funds and employee education funds	3,589,935.78	31,357,278.52	30,980,157.62	3,967,056.68
Total	3,589,935.78	27,554,003.72	27,176,882.82	3,967,056.68

(c) Breakdown of Defined Contribution Plans

Items	31 December 2024	Additions	Less	31 December 2025
Basic pension insurance	-	2,472,401.42	2,472,401.42	-
Unemployment insurance	-	85,721.45	85,721.45	-
Total	-	2,558,122.87	2,558,122.87	-

(16) Tax Payable

Items	31 December 2025	31 December 2024
Individual income tax	471,617.69	869,297.56
Withholding and remitting taxes and fees	151.58	151.59
Total	471,769.27	869,449.15

(17) Other payable

Item	31 December 2025	31 December 2024
Others	20,182,046.33	10,791,286.11
Total	20,182,046.33	10,791,286.11

(a) Other payable**i. Other payable by ageing**

Item	31 December 2025	31 December 2024
Within 1 year	20,182,046.33	10,791,286.11
Total	20,182,046.33	10,791,286.11

(18) Non-current liabilities due within one year

Item	31 December 2025	31 December 2024
Lease liabilities within 1 year	640,845.40	2,597,338.20
Total	640,845.40	2,597,338.20

(19) Lease liabilities

Items	31 December 2025	31 December 2024
Lease payment amount	809,263.64	3,483,395.62
Unrecognized financing charges	(12,976.11)	(89,769.89)
Reclassified to lease liabilities due within 1 year	(640,845.40)	(2,597,338.20)
Total	155,442.13	796,287.53

(20) Paid-in Capital

Items	31 December	Change for the year	31 December
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	2024	Shareholders' contributions	Capitalization of capital reserve	Other	Subtotal	2025
Sudarshan Switzerland HLD1 AG	245,392,734.96	-	-	-	-	245,392,734.96

(Note: Sudarshan Switzerland HLD1 AG formerly Heubach Holding Switzerland AG)

(21) Retained Earnings

Items	31 December 2025	31 December 2024
Opening balance of retained earnings before adjustments	(226,730,716.87)	(219,971,094.05)
Opening balance of retained earnings after adjustments	(226,730,716.87)	(219,971,094.05)
Add: Net profit for the year	23,433,098.30	(6,759,622.82)
Closing balance of retained earnings	(203,297,618.57)	(226,730,716.87)

(22) Operating Income and Operating Cost

(a) Operating Income and Operating Cost

Items	2025		2024	
	Income	Cost	Income	Cost
Operating from principal activities	587,019,125.93	508,261,337.36	582,773,875.31	511,817,058.49
Operating from other activities	-	-	-	-
Total	587,019,125.93	508,261,337.36	582,773,875.31	511,817,058.49

Revenue is as follows:

Items	2025	2024
Sales of goods	585,013,589.25	580,150,547.22
Rendering service	2,005,536.68	2,623,328.09
Total	587,019,125.93	582,773,875.31

(23) Taxes and Surcharges

Items	2025	2024
Environmental protection tax	319,948.76	234,120.66
City maintenance and construction tax	226,534.64	184,249.25
Education surcharge	226,534.64	222,195.69
Stamp duty	32.72	75,176.64
Total	773,050.76	715,742.24

(24) Financial expenses

Items	2025	2024
Interest expenses	76,793.78	176,348.00
Including: interest on lease liabilities	76,793.78	176,348.00
Less: interest income	72,395.57	113,341.46
Foreign currency exchange losses	1,296,012.41	1,726,484.88
Other	49,912.23	106,313.67
Total	1,350,322.85	1,895,805.09

(25) Other Income

Items	2025	2024
Government grants	750,000.00	490,835.70
Refund of service fee for withholding individual income tax	104,780.61	49,763.55
Total	854,780.61	540,599.25

(26) Assets Impairment Losses

Item	2025	2024
Inventory write-down losses and impairment losses on contract performance costs	1,663,710.85	(529,708.49)
Total	1,663,710.85	(529,708.49)

(27) Gain on Disposal of Assets

Item	2024	2023
Gain/(loss) from disposal of assets	(275,319.00)	272,950.00
Total	(275,319.00)	272,950.00

(28) Non-operating Income

Items	2025	2024
Claim income	19,225.00	21,813.56
Other	2.78	60,555.42
Total	19,227.78	82,368.98

(29) Non-operating Expenses

Items	2025	2024
Total losses from the damage and scrapping of non-current assets	-	7,956.00
Including: losses from the damage and scrapping of fixed assets	-	7,956.00
Penalties and Surcharges	8,078.63	-
Total	8,078.63	7,956.00

(30) Income Tax Expense

Items	2025	2024
Current year income tax	-	-
Deferred tax expense	(8,264,585.58)	-
Total	(8,264,585.58)	-

(31) Supplement to the Cash Flow Statement**(a) Supplement to the Cash Flow Statement**

Supplement	2025	2024
Reconciliation of Net Profit to the Cash Flow		
Statement from Operating Activities		
Net profit	23,433,098.30	(6,759,622.82)
Add: Credit impairment loss	-	-
Asset impairment provisions	1,663,710.85	(529,708.49)
Depreciation of fixed assets	1,311,918.03	1,706,639.49
Biological assets depreciation	-	-
Oil and gas assets depreciation	2,206,786.33	2,206,786.35
Depreciation of right-of-use assets	-	-
Amortization of intangible assets	1,629,532.71	1,298,679.00
Amortization of long-term deferred expenses	275,319.00	(272,950.00)
(Gains) on disposal of fixed assets, intangible assets and other long-term assets	-	7,956.00
Losses on retirement of fixed assets	-	-
Losses/(Gains) from fair value changes	304,237.27	176,348.00
Financial expenses	-	-
Investment losses	(8,264,585.58)	-
Decrease in deferred tax assets	-	-
Increase/(Decrease) in deferred tax liabilities	(14,019,039.98)	(19,753,490.27)
(Increase) in inventories	(44,180,993.50)	55,132,213.65
Decrease/(Increase) in operating receivable	34,072,133.55	(11,246,504.43)
(Decrease) in operating payable		

Supplement	2025	2024
Other		
Net Cash Inflow/(Outflow) from Operating Activities	(1,567,883.02)	21,966,346.48
Significant Investment and Financing Activities not involving Cash Receipts and Payments		
Conversion of debt into capital		
Convertible corporate bonds due within one year		
Right-of-use assets acquired through lease liabilities		
Net Change in Cash and Cash Equivalents		
Cash at end of year	32,597,404.73	37,921,661.64
Less: Cash at beginning of year	37,921,661.64	19,287,657.96
Add: Cash equivalents at end of year		
Less: Cash equivalents at beginning of year		
Net Increase/(Decrease) in Cash and Cash Equivalents	(5,324,256.91)	18,634,003.68

6. RISKS RELATED TO FINANCIAL INSTRUMENTS

(a) Various Risks Arising from Financial Instruments

i. Credit Risk

Credit risk refers to the risk that the counterparty fails to fulfill its contractual obligations, resulting in financial losses for the Company.

The credit risks of this company mainly arise from monetary funds, receivables, etc. The management will continuously monitor the exposure of these credit risks.

The monetary funds of our company other than cash are mainly deposited in financial institutions with good credit. The management believes that there is no significant credit risk for them and expects that they will not cause losses to our company due to the default of the other party.

For receivables, our company has formulated a credit policy based on the actual situation and conducted credit evaluations of customers to determine the credit sales limit and credit period. Credit assessment is mainly based on the customer's financial situation, external ratings and bank credit records (if possible). Under normal circumstances, our company will not require customers to provide collateral.

The maximum credit risk exposure borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantees that may expose the Company or the Company to credit risks.

ii. Liquidity risk

Liquidity risk refers to the risk that an enterprise may experience a shortage of funds when fulfilling its obligation to settle by delivering cash or other financial assets.

The company is responsible for its own cash management work, including short-term investment of cash surplus and borrowing loans to meet the projected cash demand. The policy of our company is to regularly monitor the short-term and long-term working capital requirements and whether they comply with the provisions of the borrowing agreement, in order to ensure the maintenance of sufficient cash reserves and readily available securities, and at the same time obtain the commitment of major financial institutions to provide adequate reserve funds to meet the short-term and longer-term working capital requirements.

The maturity dates of the financial liabilities of the Company as of the balance sheet date, except for lease liabilities, are either repaid in real time or within one year.

iii. Market risk

The market risk of financial instruments refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

- Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates.

The floating-rate interest-bearing financial instruments held by our company as of December 31 were bank deposits other than time deposits. Since the relevant principal balance was not significant and the maturity was relatively short, the cash flow interest rate risk caused to the company by changes in market interest rates was relatively small. The fixed-rate interest-bearing financial instruments held by the Company as of December 31 are lease liabilities measured at amortized cost. Changes in market interest rates will not expose the Company to fair value interest rate risk due to these financial instruments. Overall, the interest rate risk faced by our company is not significant.

- Exchange rate risk

Exchange rate risk refers to the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in foreign exchange rates.

For foreign currency assets and liabilities such as monetary funds, accounts receivable and accounts payable that are not denominated in the bookkeeping base currency, if there is a short-term imbalance, the Company will buy and sell foreign currencies at the market exchange rate when necessary to ensure that the net risk exposure is maintained at an acceptable level.

The exchange rate risk faced by our company mainly stems from financial assets and financial liabilities denominated in foreign currencies. The amounts of foreign currency financial assets and foreign currency financial liabilities converted into RMB are presented as follows:

Items	31 December 2025	31 December 2024
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	USD	Other	Total	USD	Other	Total
Cash and cash equivalents	2,244,495.93	-	2,244,495.93	2,181,998.10	-	2,181,998.10
Accounts receivable	9,866,525.41	-	9,866,525.41	5,499,783.11	-	5,499,783.11
Accounts payable	(28,330,974.06)	(6,920,056.10)	(35,251,030.16)	(17,924,208.85)	(1,644,100.19)	(19,568,309.04)
Other Payable	-	(19,672,723.33)	(19,672,723.33)	-	(13,982,041.13)	(13,982,041.13)
Total	(16,219,952.72)	(26,592,779.43)	(42,812,732.15)	(10,242,427.64)	(15,626,141.32)	(25,868,568.96)

As at 31 December 2025, assuming all other variables remain unchanged, a 5% appreciation or depreciation of the Renminbi against the US Dollar and Euro would result in an increase or decrease of RMB 2,140,636.61 in the Company's net profit (31 December 2024: RMB 1,293,428.45).

7. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(a) Related Parties that Control the Company

Parent company	Registered address	Business nature	Registered capital (CHF)	Shareholding percentage (%)	Proportion of voting rights (%)
Sudarshan Switzerland HLD1 AG	Switzerland	Chemical products	18,800,000.00	100.00	100.00

Heubach Group GmbH, which is the parent company of Sudarshan Switzerland HLD1 AG (formerly Heubach Holding Switzerland AG).

(b) Relationship between the Company and Related Parties without Controlling Relationship

Name of entities	Relationship with the Company
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HEUBACH COLORANTS (SHANGHAI) CO., LTD.

For the year ended 31 December 2025

Notes to the financial statements

Name of entities	Relationship with the Company
Sudarshan Brasil MFG Ltda. (formerly Heubach Colorants Brasil Ltda.)	Same ultimate holding company
Sudarshan MFG (Thailand) Ltd. (formerly Heubach Colorants (Thailand) Limited)	Same ultimate holding company
Sudarshan Japan MFG K.K. (曾用名 Heubach Colorants Japan K.K.)	Same ultimate holding company
Sudarshan USA SLO LLC (formerly Heubach Colorants USA LLC)	Same ultimate holding company
Sudarshan Langelsheim PLT GmbH	Same ultimate holding company
Sudarshan Singapore SLO Pte. Ltd. (formerly Heubach Colorants Singapore Pte. Ltd.)	Same ultimate holding company
Sudarshan Colombia Slo S.A.S (formerly Heubach Colorants Colombia S.A.S.)	Same ultimate holding company
Sudarshan Mexico MFG, S.A. de C.V. (formerly Heubach Colorants Mexico S.A. de C.V.)	Same ultimate holding company
Sudarshan Colorants India Limited (formerly Heubach Colorants India Limited)	Same ultimate holding company
Sudarshan Chemical Industries Limited	Same ultimate holding company
Sudarshan Germany Horizons GmbH	Same ultimate holding company
Sudarshan Gujarat MFG Private Limited (formerly Heubach Colour Pvt. Ltd.)	Same ultimate holding company
Sudarshan Dahej MFG Private Limited (formerly Heubach Pigments Private Limited)	Same ultimate holding company
Heubach Colorants Germany GmbH	Same ultimate holding company
Heubach Group GmbH	Same ultimate holding company
Heubach GmbH	Indirect controlling shareholder
辉柏赫颜料制品 (天津) 有限公司 (Heubach Colorants Pigment Preparations (Tianjin) Ltd.)	Same ultimate holding company
杭州百合辉柏赫颜料有限公司 (Hangzhou Baihe Heubach Pigments Co., Ltd.)	Parent company associated enterprise
杭州海博颜料有限公司 (Hangzhou Haibo Pigments	Same ultimate holding company

Name of entities	Relationship with the Company
Co., Ltd)	

(c) The Amounts of Transactions with Related Parties are Set Out as Follows

i. Transactions Involving Purchase and Sale of Goods, and Provision and Receipt of Services

Purchase of goods/services:

Related parties	Nature	2025	2024
Sudarshan Chemical Industries Limited	Goods purchase	1,133,343.48	-
Sudarshan Brasil MFG Ltda.	Goods purchase	26,261.26	-
Sudarshan Switzerland HLD1 AG	Goods purchase	114,146,653.28	98,313,069.31
杭州百合辉柏赫颜料有限公司	Goods purchase	150,357,809.00	211,473,039.00
辉柏赫颜料制品 (天津) 有限公司	Goods purchase	76,094,533.76	68,953,349.70
Sudarshan Singapore SLO Pte. Ltd.	Goods purchase	3,741,297.78	2,361,131.11
Sudarshan Mexico MFG, S.A. de C.V.	Goods purchase	1,164,028.99	1,743,042.66
Sudarshan Langelsheim PLT GmbH	Goods purchase	23,551,452.37	-
Sudarshan Germany Horizons GmbH	Goods purchase	4,074,971.37	-
Sudarshan Germany Horizons GmbH	Goods purchase	33,639.94	-
Heubach Colorants Germany GmbH	Goods purchase	-	33,237.29
Sudarshan Gujarat MFG Private Limited	Goods purchase	19,786,096.71	12,260,383.09
杭州海博颜料有限公司	Goods purchase	-	28,600.00
Sudarshan Dahej MFG Private Limited	Goods purchase	3,404,026.41	1,879,071.85
Heubach Colorants Japan K.K.	Goods purchase	-	1,775,926.01
Sudarshan Colorants India Limited	Goods purchase	10,742,029.87	15,736,417.24
Heubach GmbH	Goods purchase	5,823,000.24	23,301,191.90
Sudarshan Colorants India Limited	Goods purchase	301,033.82	465,787.94
Heubach Group GmbH	Purchase of service	2,047,715.75	16,253,692.50
Total		416,427,894.03	454,577,939.60

Sales of goods/Rendering services:

Related parties	Nature	2025	2024
辉柏赫颜料制品（天津）有限公司	Goods Sales	175,979.20	492,788.40
Sudarshan Singapore SLO Pte. Ltd.	Goods Sales	15,588,772.66	1,710,454.92
P.T. Heubach Colorants	Goods Sales	-	169,360.47
Sudarshan Brasil MFG Ltda.	Goods Sales	2,002,425.78	665,816.90
Sudarshan Mexico MFG, S.A. de C.V.	Goods Sales	956,237.21	281,400.60
Sudarshan Singapore SLO Pte. Ltd.	Rendering service	2,005,536.68	2,620,763.99
Sudarshan Colombia SLO S.A.S.	Goods Sales	569,866.26	-
Sudarshan MFG (Thailand) Ltd.	Goods Sales	30,256.87	-
Sudarshan Germany Horizons GmbH	Goods Sales	77,081.66	-
Sudarshan USA SLO LLC	Goods Sales	3,188,440.13	1,668,194.76
Sudarshan Southern Africa	Goods Sales	167,593.79	-
Sudarshan Japan MFG K.K.	Goods Sales	558,387.99	-
Total		25,448,333.24	7,608,780.04

ii. Payroll for Key Management Personnel

Item	2025	2024
Payroll for key management personnel	4,066,988.00	7,754,779.80

(d) The Balances of Transactions with Related Parties as at 31 December are Set Out as Follows:

i. Accounts Receivable

Item	Related party	31 December 2025		31 December 2024	
		Balance	Provision	Balance	Provision
Account receivable	Sudarshan Brasil MFG Ltda.	254,142.95			

Item	Related party	31 December 2025		31 December 2024	
		Balance	Provision	Balance	Provision
	Sudarshan MFG (Thailand) Ltd.	30,256.87			
	Sudarshan Germany Horizons GmbH	77,081.66			
	Sudarshan Japan MFG K.K.	31,660.17			
	Sudarshan Singapore SLO Pte. Ltd.	7,756,464.78		2,490,753.74	
	Sudarshan USA SLO LLC	621,162.67		1,875,141.82	
	Sudarshan Mexico MFG, S.A. de C.V.	736,306.47		281,400.60	
	辉柏赫颜料制品（天津）有限公司	195,826.74		34,801.74	
	Total	9,702,902.31		4,682,097.90	

ii. Accounts Payable

Item	Related party	31 December 2025	31 December 2024
Accounts payable			
	Sudarshan Germany Horizons GmbH	26,856.63	-
	Sudarshan Gujarat MFG Private Limited	2,972,915.74	-
	Sudarshan Dahej MFG Private Limited	899,286.75	-
	Sudarshan Langelsheim PLT GmbH	5,159,274.35	-
	Sudarshan Switzerland HLD1 AG	24,529,950.34	12,552,915.90
	Sudarshan Colorants India Limited	1,075,299.25	5,287,057.94
	Sudarshan Singapore SLO Pte. Ltd.	423,906.14	63,861.71
	Heubach GmbH	-	1,249,172.99
	Sudarshan Colombia Slo S.A.S	-	93,704.93
	辉柏赫颜料制品（天津）有限公司	36,111,269.61	27,420,859.73
	杭州百合辉柏赫颜料有限公司	33,814,932.00	37,933,279.54
	Sudarshan Mexico MFG, S.A. de C.V.	143,529.38	-

Item	Related party	31 December 2025	31 December 2024
	Total	105,157,220.19	84,600,852.74
Other payable			
	Heubach Group GmbH	15,439,566.49	13,982,041.13
	Sudarshan Colorants India Limited	158,185.47	394,927.20
	Sudarshan Germany Horizons GmbH	4,074,971.37	-
	Total	19,672,723.33	14,376,968.33

8. Commitments and Contingencies

(a) Significant Commitments

As at 31 December 2025, the Company has no significant commitments requiring disclosure.

(b) Contingencies

As at 31 December 2025, there are no material contingent liabilities which need disclosure.

9. Post Balance Sheet Events

As at the approval date 29 April 2026 of the financial statements, there are no post balance sheet events incurred which need disclosure.

10. Other Significant Matters

As at 31 December 2025, the Company has no other significant matters requiring disclosure.

HEUBACH COLORANTS (SHANGHAI) CO., LTD.

29 April 2026



BRIGHTER COLORS - BRIGHTER LIFE

HEUBACH COLORANTS COLOMBIA S.A.S.

Financial Statements

December 31, 2024

(Expressed in Thousands of Colombian Pesos)

**Certification of the Legal Representative and Accountant of
Heubach Colorants Colombia S.A.S.**

Certification of the Legal Representative and Accountant

To the Shareholders of

Heubach Colorants Colombia S.A.S.

Date: February 28, 2025

The undersigned Legal Representative and Accountant of the Company certify that the financial statements of the Company as of December 31, 2024 and 2023 have been faithfully taken from the books, and that prior to being made available to you and third parties, we have verified the following statements contained therein:

1. All assets and liabilities included in the Company's financial statements as of December 31, 2024 and 2023 exist, and all transactions included in said statements were completed during the years ended on those dates.
2. All economic events carried out by the Company during the years ended December 31, 2024 and 2023 have been recognized in the financial statements.
3. Assets represent probable future economic benefits (rights) and liabilities represent probable future economic sacrifices (obligations), obtained by or charged to the Company as of December 31, 2024 and 2023.
4. All elements have been recognized at their appropriate values, in accordance with generally accepted accounting principles in Colombia.
5. All economic events affecting the Company have been correctly classified, described, and disclosed in the financial statements.

José Walsh
Legal Representative

Andrea Muñetón
Accountant
Professional Card No. 154108-T

HEUBACH COLORANTS COLOMBIA S.A.S.

Statement of Financial Position

As of December 31, 2024 and 2023

(Expressed in thousands of Colombian pesos \$)

The accompanying disclosures are an integral part of the financial statements.

ASSETS	NOTE	2024	2023
Non-Current Assets			
Property, Plant and Equipment	11	30,951	56,715
Right-of-Use Assets	11	-	-
Intangible Assets		-	-
Investments		-	-
Deferred Tax Assets	13	47,094	61,149
Financial Assets Available for Sale		-	-
Financial Accounts Receivable		-	-
Total Non-Current Assets		78,045	117,864
Current Assets			
Third-Party and Related-Party Trade Receivables	879	2,816,962	4,055,477
Cash and Cash Equivalents		691,049	1,962,110
Inventories	9	4,589,752	4,524,047
Tax Advances		3,771,565	2,605,358
Other Assets		3,620	23,844
Other Accounts Receivable		148,695	482
Total Current Assets		12,021,642	13,171,318
TOTAL ASSETS		12,099,687	13,289,182

HEUBACH COLORANTS COLOMBIA S.A.S.

Statement of Financial Position (Continued)

As of December 31, 2024 and 2023
(Expressed in thousands of Colombian pesos \$)

LIABILITIES & EQUITY	NOTE	2024	2023
Non-Current Liabilities			
Right-of-Use Liabilities		-	-
Deferred Tax Liabilities	13	-	-
Total Non-Current Liabilities		-	-
Current Liabilities			
Current Tax Liabilities		336,547	-
Third-Party and Related-Party Suppliers	12	4,208,324	5,438,628
Other Taxes Payable		568,614	650,186
Employee Benefit Liabilities (Severance)		487,732	176,868
Provisions for Other Liabilities		-	-
Other Accounts Payable		102,508	137,507
Obligations with Financial Institutions	12	-	-
Total Current Liabilities		5,703,725	6,403,188
TOTAL LIABILITIES		5,703,725	6,403,188
Equity			
Share Capital		5,567,000	5,567,000
Other Reserves		117,450	117,450
Retained Earnings from Prior Periods		1,201,543	1,478,464
Adjustments to Assets Held for Sale	14	-	-
Profit (Loss) for the Year		(490,032)	(276,920)
TOTAL EQUITY		6,395,962	6,885,994
TOTAL NET EQUITY AND LIABILITIES		12,099,687	13,289,182

José Walsh
Legal Representative

Andrea Muñetón
Accountant
Professional Card No. 154108-T

Rafael Espitia
Statutory Auditor (Revisor Fiscal)
Professional Card No. 27474-T

HEUBACH COLORANTS COLOMBIA S.A.S.

Income Statement

For the years ended December 31, 2024 and 2023

(Expressed in thousands of Colombian pesos \$)

The accompanying disclosures are an integral part of the financial statements.

CONTINUING OPERATIONS	NOTE	2024	2023
Revenue from Ordinary Activities	15	20,419,123	18,913,470
Cost of Sales		(13,519,251)	(13,699,038)
Gross Profit		6,899,872	5,214,431
Ordinary Administrative and Selling Expenses	16	(5,501,132)	(5,156,777)
Distribution Costs		(768,942)	(818,080)
Total Operating Costs and Expenses		(6,270,074)	(5,974,857)
Other Operating Income	17	294,485	856,355
Other Operating Expenses	17	(880,273)	(358,349)
Total Other Operating Income and Expenses		(585,788)	498,006
Operating Profit (Loss)		44,010	(262,420)
Financial Expenses	18	(156,167)	(77,822)
Financial Income	18	-	391
Result Before Taxes		(112,157)	(339,851)
Income Tax	19	(363,819)	6,315
Deferred Tax (Expense) Benefit	19	(14,055)	56,616
Profit (Loss) from Continuing Operations		(490,032)	(276,920)
NET PROFIT (LOSS) FOR THE YEAR		(490,032)	(276,920)

José Walsh
Legal Representative

Andrea Muñetón
Accountant
Professional Card No. 154108-T

Rafael Espitia
Statutory Auditor (Revisor Fiscal)
Professional Card No. 27474-T

HEUBACH COLORANTS COLOMBIA SAS
STATEMENT OF CHANGES IN EQUITY
AS OF DECEMBER 31, 2024

(Expressed in thousands of Colombian pesos \$)

	Share Capital	Other Reserves	Retained Earnings	Earnings for the Year	Total Equity
Balance as of December 31, 2023	5,567,000	117,450	1,478,464	(276,920)	6,885,994
Capitalizations	-	-	-		-
Accumulation of Results			(276,920)	276,920	-
Results for the Year					
Balance as of December 31, 2024				(490,032)	966,287
	5,567,000	117,450	1,201,544	(490,032)	6,395,962

The accompanying disclosures are an integral part of the financial statements.

Jose Walsh
Legal Representative

Andrea Muñetón
Accountant
Professional License No. 154108-T

Rafael Espitia
Statutory Auditor
Professional License No. 27474-T

HEUBACH COLORANTS COLOMBIA S.A.S.

Statement of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in thousands of Colombian pesos \$)

The accompanying disclosures are an integral part of the financial statements.

CASH FLOWS FROM OPERATING ACTIVITIES	2024	2023
Net Profit (Loss)	(490,032)	(276,920)
Adjustments to reconcile Net Profit (Loss) to Net Cash:		
Depreciation of Property, Plant and Equipment	25,764	20,146
Depreciation of Right-of-Use Assets	-	-
Amortization of Intangibles and/or Goodwill	-	-
Inventory Provisions	245,618	245,618
Recovery or Provision of Receivables	1,484	(15,918)
Recovery or Provision of Deferred Tax Liabilities	14,055	(56,616)
Current Income Tax Provision	336,547	(6,315)
Adjustments or Recovery of Income Tax Provision	133,436	(90,005)
Actuarial Calculation Provision	-	-
Total Adjustments for Non-Cash Items	266,872	(695,993)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	1,088,817	(779,661)
Inventories	(311,323)	(668,847)
Right-of-Use Assets	19,414	(23,034)
Other Current Assets	1,346,064	2,094,836
Obligations with Partners and Shareholders	1,166,207	(513,444)
Suppliers	310,864	(141,832)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(1,271,061)	(817,979)

HEUBACH COLORANTS COLOMBIA S.A.S.

Statement of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in thousands of Colombian pesos \$)

CASH FLOWS FROM INVESTING ACTIVITIES	2024	2023
Investment in Property, Plant and Equipment	-	(51,144)
Net Movement of Fixed Assets	-	(51,144)
Gain on Discontinued Operations	-	-
Net Cash Used in Investing Activities	-	(51,144)
NET CASH FLOW BEFORE FINANCING ACTIVITIES	(1,271,061)	(869,124)
Cash Flows from Financing Activities		
Dividends Paid to Parent Company	-	-
Financial Obligations	-	-
Lease Right-of-Use Interest	-	-
Capitalizations	-	-
Other Reserves	-	-
Payment of Lease Liabilities	-	-
Loans to Related Parties	-	-
Adjustments to Assets Held for Sale	-	-
Net Cash Used in Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(1,271,061)	(869,124)
Cash and Cash Equivalents at Beginning of Year	1,962,110	2,831,234
CASH AND CASH EQUIVALENTS AT END OF YEAR	691,049	1,962,110

José Walsh
Legal Representative

Andrea Muñetón
Accountant
Professional Card No. 154108-T

Rafael Espitia
Statutory Auditor (Revisor Fiscal)
Professional Card No. 27474-T

Statutory Auditor's Report

To the Shareholders of
Heubach Colorants Colombia SAS.

Date: February 28, 2025

1. Report on the Financial Statements

I have audited the accompanying financial statements of Heubach Colorants Colombia SAS. for the period from January 1 to December 31, 2024, which comprise the statement of financial position as of December 31, 2024, and the corresponding income statement, statement of changes in equity, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

OPINION

In my opinion, the financial statements, faithfully taken from the books, present fairly, in all material respects, the financial position of Heubach Colorants Colombia SAS as of December 31, 2024, and its financial performance and its cash flows for the year then ended, in accordance with Accounting and Financial Reporting Standards accepted in Colombia.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA) accepted in Colombia. My responsibilities under those standards are further described in the "Statutory Auditor's Responsibilities for the Audit of the Financial Statements" section of my report.

I am independent of Heubach Colorants Colombia SAS in accordance with the ethical requirements for professional accountants of the International Ethics Standards Board for Accountants. I have fulfilled my other ethical responsibilities in accordance with these requirements. Additionally, I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. It also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

RAFAEL FERNANDO ESPITIA F.

Certified Public Accountant

Email: rafaespitiafranco@gmail.com | TEL: 2634218 Bogotá D.C. | Mobile: 3158146754

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the year 2024. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Decrease in Trade Accounts Receivable

Trade accounts receivable decreased in the year 2024 by 31% compared to the year 2023.

This situation is particularly related to the fact that the volume of sales (approximately 80%) to specific customers was carried out at the end of 2023.

Credit conditions for other customers changed, with a shorter payment period in 2024, unlike the longer credit terms applied to end-of-2023 sales.

Management's Responsibility

The accompanying certified financial statements are the responsibility of Management, which supervised their appropriate preparation, as well as the adherence to the professional and technical guidelines of the Technical Council of Public Accounting (CTCP), together with the accounting policies manual adopted by Heubach Colorants Colombia SAS., in accordance with Accounting and Financial Reporting Standards accepted in Colombia.

This administrative responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, and making reasonable accounting estimates.

Additionally, in preparing the financial information, management is responsible for assessing the capacity of Heubach Colorants Colombia SAS to continue as a going concern, disclosing, as applicable, related matters, under the going concern assumption. In turn, those charged with governance of the entity are responsible for overseeing the entity's financial reporting process.

Statutory Auditor's Responsibility

My responsibility is to express an opinion on the aforementioned financial statements based on my audit.

I obtained the necessary information to perform my duties and conducted my examination in accordance with auditing standards accepted in Colombia. Those standards require that I comply with ethical requirements, plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements due to fraud.

Thus, the auditor considers internal control relevant to the preparation and presentation of the financial statements to design audit procedures that are appropriate in the circumstances. It also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. If, based on the audit performed, I determine that material errors exist, I must report them. I have nothing to report in this regard.

RAFAEL FERNANDO ESPITIA F.

Certified Public Accountant

Email: rafaespitiafranco@gmail.com | TEL: 2634218 Bogotá D.C. | Mobile: 3158146754

In accordance with the audit conducted under International Standards on Auditing accepted in Colombia, I maintained professional skepticism. Furthermore:

- No opinion is expressed on the effectiveness of the company's internal control. However, I obtained an understanding of internal control relevant to the audit in order to design appropriate procedures.
- I examined the accounting policies applied, the reasonableness of the accounting estimates, and the disclosures made by management. In this regard, the financial statements represent the underlying transactions and events, ensuring the fidelity of the information.
- The company and its management maintain the appropriate use of the going concern accounting principle. In any case, future conditions may determine that the Company cannot continue as a going concern.

Report on Other Legal and Regulatory Requirements

Based on the scope of my audit, I am not aware of situations indicating non-compliance with the following obligations of the Company: 1) Keeping the minute books, shareholder registration, and accounting books in accordance with legal requirements and accounting standards; 2) Conducting operations in accordance with the bylaws and decisions of the Shareholders' Assembly and the Board of Directors, and with regulations related to the comprehensive social security system; 3) Retaining correspondence and accounting vouchers; and, 4) Adopting internal control measures and measures for the conservation and custody of the Company's assets or those of third parties in its possession.

The information contained in the self-assessment declarations of contributions to the social security system was taken from the supporting documents and accounting records. Likewise, it was verified that the company complies with the regulations established in Law 603 of 2000 regarding the licensing of software used by the entity.

There is due agreement between the accounting information included in the management report of the administrators and that included in the financial statements.

The company's management did not hinder the free circulation of invoices issued by vendors or suppliers.

2. Report of the Statutory Auditor on Compliance with Paragraphs 1 and 3 of Article 209 of the Code of Commerce

Description of the Subject Matter under Analysis

As part of my duties as Statutory Auditor and in compliance with Articles 1.2.1.2 and 1.2.1.5 of Single Regulatory Decree 2420 of 2015, I report the results of the audit procedures performed in compliance with paragraphs 1 and 3 of Article 209 of the Code of Commerce, detailed as follows, for the one-year period ended December 31, 2024, which indicate the following:

RAFAEL FERNANDO ESPITIA F.

Certified Public Accountant

Email: rafaespitiafranco@gmail.com | TEL: 2634218 Bogotá D.C. | Mobile: 3158146754

1. Whether the acts of the managers comply with the bylaws and decisions of the Shareholders' Assembly, and
2. Whether there are internal control, conservation, and custody measures for the Company's assets or those of third parties in its possession, and if all of them are adequate.

Inherited Limitations

Due to inherent limitations, internal control may not prevent, or detect and correct material misstatements. Also, projections of any evaluation or effectiveness of controls to future periods are subject to the risk that controls may become inadequate due to changes in conditions, or that the degree of compliance with policies or procedures may deteriorate.

Management's Responsibility

Management is responsible for compliance with the bylaws and decisions of the Assembly, and for designing, implementing, and maintaining appropriate internal control measures, which include the risk management systems implemented, as well as the conservation and custody of the assets of the company and those of third parties in its possession.

Statutory Auditor's Responsibility

My responsibility is to carry out a reasonable assurance engagement to express a conclusion based on the evidence obtained on compliance with paragraphs 1 and 3 of Article 209 of the Code of Commerce. I conducted my procedures in accordance with the International Standard on Assurance Engagements (ISAE) in force in Colombia.

This standard requires that I comply with ethical requirements, plan and perform the procedures I consider necessary to obtain reasonable assurance about compliance with the bylaws and decisions of the Assembly, and whether there are adequate internal control measures, including risk management systems, conservation and custody of company and third-party assets, in accordance with paragraph 3 of the Code of Commerce and other applicable standards, in all material aspects of evaluation.

Procedures Performed

The procedures performed to reach my conclusion consisted mainly of:

- Evaluation of the design and operating effectiveness tests, with a scope defined based on the auditor's judgment, of the controls established by the company for each of the internal control elements.
- Evaluation of the design and operating effectiveness tests, with a scope defined based on the auditor's judgment, of controls in significant processes that materially affect the company's financial information.
- Issuance of letters to management with my recommendations on internal control deficiencies considered non-significant that were identified during the statutory audit work.

Conclusion

Based on my audit procedures as a whole and the inherent limitations detailed above, I can conclude that as of December 31, 2024, the acts of the Managers of HEUBACH COLORANTS COLOMBIA SAS comply with the bylaws and/or company decisions, and that internal control, conservation, and custody measures for the assets or those of third parties in its possession exist and are adequate, in all material respects, based on the applicable criteria.

RAFAEL A. ESPITIA F.

Statutory Auditor (Revisor Fiscal)

Professional Card 27.474-T

HEUBACH COLORANTS COLOMBIA S.A.S.

Disclosures to the Financial Statements

*As of December 31, 2024 and 2023
(Expressed in Thousands of Colombian Pesos)*

1. Reporting Entity

HEUBACH COLORANTS COLOMBIA SAS, domiciled at Autopistas Medellín Km 2.5, Vía Parcelas Km 1 Cota, was established under Colombian law on March 7, 2019, via private document. Its corporate purpose is the manufacture, mixing, handling, processing, and benefit of organic pigments, pigment preparations, and colorants, colorant concentrates, raw materials, and intermediate products necessary for its own industry and third parties. Trade, including the import and export of the aforementioned products, raw materials, finished products, and intermediates. For the proper development of its corporate purpose, the company may enter into and execute, inside and outside the country, all acts, contracts, and transactions directly related to its corporate purpose and those intended to exercise its rights or comply with its obligations.

2. Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with Accounting and Financial Reporting Standards Accepted in Colombia, which are based on International Financial Reporting Standards accepted in Colombia (NCIF), established by Law 1314 of 2009, regulated by Single Regulatory Decree 2420 of 2015, modified by Decree 2496 of 2015 and Decree 2136 of 2016. The NCIF are based on International Financial Reporting Standards (IFRS), together with their interpretations issued by the International Accounting Standards Board (IASB); the base standards correspond to those officially translated into Spanish and issued by the IASB as of December 31, 2013, along with their interpretations, conceptual framework, basis for conclusions, and application guidance authorized and issued by the IASB up to December 31, 2012, and published in Spanish up to August 2013; and other legal provisions applicable to entities supervised and/or controlled by the Superintendencia de Sociedades, which may differ in some aspects from those established by other government control bodies.

The main accounting policies applied in the preparation of these financial statements are detailed below.

2.1. Foreign Currency Transactions

2.1.1. Functional and Presentation Currency

When preparing the company's financial statements, transactions in currencies other than the entity's functional currency are recognized at the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates prevailing at that date. The financial statements are presented in Colombian Pesos, which is the functional and presentation currency of the Company.

2.1.2. Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation, in the case of items that have been revalued. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets

and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges or qualifying net investment hedges. Foreign exchange gains and losses relating to loans and cash and cash equivalents are presented in the income statement within "Financial income or expenses". All other foreign exchange gains and losses are presented as "Other net gains / (losses)".

2.2. Cash and Cash Equivalents

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, and bank overdrafts. Bank overdrafts are shown within current Financial Obligations in the statement of financial position.

2.3. Financial Instruments

2.3.1. Financial Assets

The Company classifies its financial assets into the following measurement categories: those measured at fair value and those measured at amortized cost. This classification depends on whether the financial asset is a debt or equity instrument.

Debt Instrument:

(a) Financial assets at amortized cost: A debt instrument is classified as measured at "amortized cost" only if both of the following criteria are met: 1) the objective of the Company's business model is to hold the asset to collect the contractual cash flows, and 2) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The nature of embedded derivatives in a debt investment is considered to determine whether the investment's cash flows are solely payments of principal and interest on the principal outstanding, and in that case, they are not accounted for separately.

(b) Financial assets at fair value: If either of the two criteria indicated for financial assets at amortized cost is not met, the debt instrument is classified as measured at "fair value through profit or loss".

Equity Instrument:

All equity instruments are measured at fair value. Equity instruments held for trading are measured at fair value through profit or loss. For other equity instruments, the Company can make an irrevocable choice at initial recognition to recognize changes in fair value through other comprehensive income in equity, instead of profit or loss.

2.3.2. Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade date, which is the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets measured at fair value through profit or loss are expensed directly in the income statement.

Gains or losses on a debt instrument subsequently measured at fair value and not part of a hedging relationship are recognized in profit or loss and presented in the income statement within "Other gains / (losses) - net" in the period in which they arise.

Gains or losses on a debt instrument subsequently measured at amortized cost and not part of a hedging relationship are recognized in profit or loss of the period when the financial asset is derecognized or impaired, and through the amortization process using the effective interest method.

Subsequently, the Company measures all equity instruments at fair value. When Management has elected to present realized and unrealized fair value gains and losses on equity instruments in other comprehensive income, these gains and losses cannot be recycled to the income statement. Dividends from equity instruments are recognized in profit or loss, provided they represent a return on investment.

The Company must reclassify all affected debt instruments when and only when its business model for managing financial assets changes.

2.3.3. Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and Management intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.3.4. Fair Values

The fair values of publicly traded investments are based on their current bid price. If the market for a financial instrument is not active (or the instrument is not listed), the Company establishes fair value using valuation techniques. These techniques include the use of recent arm's length transactions, reference to other substantially similar instruments, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

2.3.5. Impairment of Financial Assets

Assets measured at amortized cost: The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. A financial asset or group of financial assets is impaired and impairment losses have been incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.3.6. Trade Accounts Payable

Trade accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade accounts payable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.3.7. Borrowings (Financial Obligations)

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently recorded at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognized in the income statement as interest expense.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

General and specific borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

2.4. Inventories

Inventories are valued at the lower of cost and net realizable value. For tax purposes, cost is determined using the average method. For financial statement purposes under IFRS, cost is determined using the standard cost method. The cost of finished goods and work in progress includes design costs, raw materials, direct labor, other direct costs, and related production overheads (based on normal operating capacity), and excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Inventory costs include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of inventories.

2.5. Property, Plant and Equipment

Property, plant, and equipment comprise land and buildings related mainly to factories, terminals or supply plants, and offices; machinery; vehicles; furniture and fixtures; and office equipment (including communication and computer equipment). Property, plant, and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition, construction, or assembly of the items. Cost also includes borrowing costs of general and specific loans directly attributable to the acquisition, construction, or production of qualifying assets and may include transfers from equity of gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant, and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized when applicable. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method over their estimated useful lives as follows:

- Buildings: 40 years
- Machinery: 16 years
- Vehicles: 5 years
- Computer Equipment: 5 years
- Furniture, Fixtures, and Equipment: 8 years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized within "Other gains / (losses) - net" in the income statement.

2.6. Intangible Assets

2.6.1. Software Licenses

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 3 to 5 years.

2.6.2. Software Development

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial, and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which do not exceed 5 years.

2.6.3. Acquired Goodwill

When an intangible asset acquired in a business combination does not meet the definition and recognition criteria (meaning it is not separable from goodwill), the derivative of its acquisition will form part of the amount attributed to the goodwill of the business combination. Goodwill is not depreciated; instead, an annual review of the carrying amount is carried out to assess the recoverability of this goodwill based on the cash-generating potential of the business activities. This may give rise to an impairment loss. The procedure for the review of its impairment is managed centrally. No change in the carrying amount of any goodwill should be made without corporate accounting approval.

2.6.4. Internally Generated Goodwill

In some cases, expenditure is incurred to generate future economic benefits, but it does not result in the creation of an intangible asset that meets the identifiability and recognition criteria. Such expenditure is often described as an internally generated contribution to goodwill that is not an identifiable resource (i.e., it is not separable and does not arise from contractual or other legal rights).

2.7. Impairment of Non-Financial Assets

Assets that have an indefinite useful life and are not yet available for use are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) is reviewed for possible reversal at each reporting date.

2.8. Provisions

Provisions for decommissioning and environmental restoration, restructuring costs, and legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions include lease termination penalties. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

2.9. Income Tax

The income tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, net of discounts, returns, and value-added tax. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates of returns on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

2.10.1. Sales of Goods - Wholesale

The Company manufactures and markets a range of products in the market. Sales of goods are recognized when the Company has delivered products to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Products are sold without volume discounts, and customers have a right to return faulty products. Therefore, sales are recorded based on the price specified in the sales contracts, net of estimated returns at the time of sale. Cumulative experience is used to estimate and provide for discounts and returns. Volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with a credit term of maximum 60 days, which is consistent with market practice.

2.10.2. Sales of Goods - Retail

To date, the company does not perform direct retail sales. Under no circumstances does the company perform direct sales to the final consumer of the commercialized or manufactured product. We refer by this to the fact that our products

are not found on shelves available to the general public. We are a specialty chemical company that provides solutions to the Colombian industrial sector.

2.11. Non-Current Assets Held for Sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

2.12. Leases

The company assesses whether a contract is or contains a lease at the inception of the contract. A right-of-use asset and a corresponding lease liability are recognized with respect to lease agreements, except for short-term leases (defined as 12 months or less) and leases of low-value assets (under 5,000 CHF).

The lease liability is initially measured at the present value of the lease payments, discounted using the interest rate implicit in the lease; if this rate cannot be easily determined, the company uses the incremental borrowing rate, which is updated annually and provided by corporate.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- (a) the lease term has changed or there is a significant event or change in circumstances.
- (b) lease payments change due to changes in an index or rate.
- (c) the lease contract is modified, in which case the lease liability is remeasured based on the modified lease term.

2.13. Retirement and Termination Benefit Costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, are recognized in other comprehensive income. Employee benefits are recognized in profit or loss when a plan amendment or curtailment occurs, or when the company recognizes related restructuring costs or termination benefits.

Benefit costs are split into three categories:

- (a) Service cost, which includes current service cost, past service cost, and gains or losses on curtailments and settlements.
- (b) Interest expense or income, and
- (c) Remeasurements.

2.13.1. Short-Term and Other Long-Term Employee Benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the company in respect of services provided by employees up to the reporting date.

3. Regulatory Changes

3.1. New standards, amendments and interpretations incorporated into the accounting framework accepted in Colombia whose application must be evaluated from January 1, 2016, January 1, 2017, and January 1, 2018, which may be early adopted

Decrees 2615 of December 17, 2014, 2420 of December 13, 2015, and 2496 of December 24, 2015, introduced into the technical regulatory framework of financial information new standards, modifications, or amendments issued or made by the IASB to International Financial Reporting Standards during the years 2013 and 2014, to evaluate their application in financial years beginning on or after January 1, 2016, and January 1, 2017, although early application could be performed.

IAS 36 "Impairment of Assets"

This amendment removes certain disclosures about the recoverable amount of Cash-Generating Units that had been included in IAS 36 by IFRS 13. The Company has assessed the standard, and it has no impact until disclosures about asset impairment are required.

IFRIC 21 "Levies"

Provides guidance on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and those where the timing and amount of the levy are certain.

The interpretation identifies the obligating event for the recognition of a liability as the activity that triggers the payment of the levy, in accordance with the relevant legislation. The following guidance is provided on the recognition of a liability to pay levies: The liability is recognized progressively if the obligating event occurs over a period of time; if the obligation is triggered upon reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. Early application is permitted. It is effective from January 1, 2014. The Company has assessed the standard, and its considerations were already being applied consistently, as occurred with the treatment applied to the wealth tax (impuesto a la riqueza), which is recognized annually.

IAS 16 "Property, Plant and Equipment", IAS 38 "Intangible Assets"

IAS 16 and IAS 38 establish the principle of the basis of depreciation and amortization as the expected pattern of consumption of the future economic benefits of an asset. In its amendments to IAS 16 and IAS 38 published in May 2014, the IASB clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, this assumption can be rebutted in certain limited circumstances. The amendments are applicable from January 1, 2016. Early application is permitted. The Company has assessed the standard, and it has no impact.

IAS 24 "Related Party Disclosures"

Payments to entities providing management services must be disclosed.

IFRS 13 "Fair Value Measurement"

Clarifies that the issuance of IFRS 13 and the amendment to IFRS 9 and IAS 39 do not eliminate the possibility of measuring certain short-term receivables and payables without discounting. Scope of the portfolio exception. The Company has carried out the assessment of the standard and it has no impacts.

IAS 32 "Financial Instruments: Presentation"

The amendment clarifies that the right of set-off must be available currently, i.e., it does not depend on a future event. Additionally, the right must be legally enforceable for all counterparties involved in the ordinary course of business, even in cases of default, insolvency, or bankruptcy. The amendment also considers clearing mechanisms. The Company has carried out the assessment of the standard and it has no impacts.

IAS 19 "Employee Benefits"

The amendments to IAS 19, issued in November 2013, apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the employee's years of service; for example, employee contributions calculated as a fixed percentage of salary. The amendments are applicable starting July 1, 2014. Early application is permitted. The Company has carried out the assessment of the standard and it has no impacts.

IFRS 9 "Financial Instruments"

Addresses the classification, measurement, and recognition of financial assets and financial liabilities. The complete version of this IFRS was published in July 2014. It replaces the guidance in IAS 39 on the classification and measurement of financial instruments. IFRS 9 retains, while simplifying, the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification basis depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in non-recyclable other comprehensive income. There is now a new expected credit loss model that replaces the incurred loss impairment model of IAS 39. For financial liabilities, there were no changes in classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this threshold by requiring an economic relationship between the hedged item and the hedging instrument, and that the hedge ratio is the same as the one the entity actually uses for its risk management. Contemporary documentation remains necessary but is different from what was prepared under IAS 39. The standard...

comes into force for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company did not find any impacts from the application of this standard.

IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 Regulatory Deferral Accounts, issued in January 2014, is an interim standard aimed at improving the comparability of financial reporting for entities involved in rate-regulated activities. Many countries have industrial sectors subject to price regulation (for example: gas, water, and electricity), which can have a significant impact on the timing and amount of the entity's revenue recognition. This standard permits first-time adopters of IFRS to continue to recognize regulatory deferral account balances in accordance with their previous GAAP requirements; however, presenting them separately. An entity that already presents financial statements under IFRS shall not apply this standard. Its application is effective for periods beginning on or after January 1, 2016, and early application is permitted. The Company has carried out the assessment of the standard and it has no impacts.

3.2. New standard incorporated into the accepted accounting framework in Colombia whose application must be assessed from January 1, 2018, and January 1, 2019, and which cannot be applied early

Decree 2496 of December 24, 2015, introduced to the technical regulatory framework of financial information the following standard issued by the IASB during 2014, to assess its application in financial years beginning on or after January 1, 2017, and whose application cannot be performed early.

IFRS 16 "Leases"

In the current year, the company applied IFRS 16 (issued by the IASB in January 2016), which is effective starting January 1, 2019.

IFRS 16 introduces new or amended requirements regarding lease accounting. It introduces significant changes to lease accounting by eliminating the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability for all contracts, except those that are short-term or of low value (less than CHF 5,000).

a) Impact of the new definition of leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the IFRS 16 approach to lessor accounting...

remaining substantially unchanged relative to its predecessor, IAS 17. It also introduces new lease disclosures; this standard applies from January 1, 2019. In the last semester of 2018, the company was responsible for implementing the new Leasing module, and since January 2019 the standard has been applied, showing impacts on assets and expenses.

The change in the definition of a lease relates mainly to the concept of control. IFRS 16 determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time.

b) Impact on lessee accounting

IFRS 16 changes the way the company accounts for leases previously classified as operating leases under IAS 17. Applying IFRS 16 for all leases, the company:

- (a) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments;
- (b) Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- (c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

In accordance with IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. For short-term leases (lease term of 12 months or less) and leases of low-value assets (less than CHF 5,000), the company has chosen to recognize a lease expense as permitted by IFRS 16; this expense is presented under "ordinary administrative and selling expenses" in the statement of comprehensive income.

c) Impact on lessor accounting

IFRS 16 does not substantially change how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as finance or operating leases and accounts for these two types of leases differently. However, IFRS 16 has changed and expanded the required disclosures, particularly regarding how a lessor manages risks arising from its residual interest in leased assets.

d) The company as a lessee**IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 Revenue from Contracts with Customers, issued in May 2014, is a new standard applicable to all contracts with customers, except leases, financial instruments, and insurance contracts. It provides a new model for revenue recognition and more detailed requirements for contracts with multiple elements. Furthermore, ...

it requires more detailed disclosures. A single, five-step model is established to be applied to all contracts with customers: I. Identify the contract with the customer, II. Identify the performance obligations contained in the contract, III. Determine the transaction price, IV. Allocate the transaction price to the performance obligations contained in the contracts, V. Recognize ordinary revenue when (or as) the entity satisfies the performance obligation. During the 2018 period, the company implemented a technological tool to comply with the standard, but it began operating in the 2019 period.

3.3. The national government issued Decree 938 of August 19, 2021, which "amends the technical framework of financial reporting standards for Group 1 of the Single Regulatory Decree on Accounting, Financial Reporting and Information Assurance Standards, Decree 2420 of 2015, and other provisions are dictated". This decree is effective as of January 1, 2023.

The decree contemplates the modification of the Technical Annex of Financial Information for Group 1. The modified annex includes seven paragraphs presenting the following considerations:

IAS 1 "Classification of Liabilities as Current or Non-current"

This standard amends the requirement to classify a liability as current, by establishing that a liability is classified as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. According to the above, the standard would be as follows:

Current liabilities

The entity shall classify a liability as current when:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The entity shall classify all other liabilities as non-current.

a) Normal operating cycle

Some current liabilities, such as trade payables and other accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. An entity shall classify these operating items as current liabilities even if they are due to be settled more than twelve months after the reporting period. The same normal operating cycle applies to the classification of an entity's assets and liabilities. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

b) Held primarily for the purpose of trading or due to be settled within twelve months

Other types of current liabilities are not settled as part of the normal operating cycle, but are due to be settled within twelve months after the reporting period or are held primarily for the purpose of trading. Examples are some financial liabilities that meet the definition of held for trading in IFRS 9, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes, and other non-trade payables. Financial liabilities that provide financing on a long-term basis (i.e., are not part of the working capital used in the entity's normal operating cycle) and are not due to be settled within twelve months after the reporting period are non-current liabilities.

The entity shall classify its financial liabilities as current when they are due to be settled within twelve months after the reporting period, even if:

- (a) The original term was for a period longer than twelve months; and
- (b) An agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue.

c) Right to defer settlement for at least twelve months

An entity's right to defer settlement of a liability for at least twelve months after the reporting period must be substantial and must exist at the end of the reporting period. If the right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at that time. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

If an entity has the right at the end of the reporting period to roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it shall classify the obligation as non-current, even if it would otherwise be due within a shorter period. If the entity has no such right, it does not consider the potential refinancing and the obligation is classified as current.

When an entity breaches a condition of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender agreed, after the reporting period and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date.

However, an entity shall classify the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria for classification as non-current, it is classified as non-current even if management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are authorized for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity's financial position.

If the following events occur between the end of the reporting period and the date the financial statements are authorized for issue, those events are disclosed as non-adjusting events after the reporting period in accordance with IAS 10 Events After the Reporting Period:

- (a) Long-term refinancing of a liability classified as current;
- (b) Rectification of a breach of a long-term loan contract classified as current; and
- (c) Granting by the lender of a grace period to rectify a breach relating to a long-term loan contract classified as current; and
- (d) Settlement of a liability classified as non-current.

d) Settlement

For the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of:

- (a) Cash or other economic resources - for example, goods or services; or
- (b) The entity's own equity instruments, unless the following paragraph applies:

Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if, applying IAS 32 Financial Instruments: Presentation, the entity classifies the option as an equity instrument, recognizing it separately from the liability as an equity component of a compound financial instrument.

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts"

If the entity has an onerous contract, the present obligations arising under it must be recognized and measured as a provision. Many contracts (for example, some routine purchase orders) can be canceled without paying any compensation to the other party, and therefore will not create any obligation. Other contracts establish both rights and obligations for each of the contracting parties. When certain circumstances make such contracts onerous, they fall within the scope of this Standard, and any existing obligations shall be recognized. Executory contracts that are not onerous fall outside the scope of the Standard.

This Standard defines an onerous contract as one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of:

- (a) The incremental costs of fulfilling the contract - for example, materials and direct labor; and
- (b) An allocation of other costs that relate directly to fulfilling contracts - for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract, among others.

Before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract (see IAS 36).

3.4. New standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) that have not yet been incorporated into the accepted accounting framework in Colombia

Improvements and amendments to IFRS, as well as interpretations that have been published during 2015, could eventually be incorporated into the Colombian regulatory framework.

4. Operating Segments

The company is organized internally by a business unit named Pigments, with the purpose of differentiating future business units.

5. Financial Risk Management**5.1. Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: market risks (including currency risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Company adjusts its risk management strategies to the global programs established by the Group's Parent Company to minimize adverse effects on the Group's financial position. Management in Colombia does not use derivatives to hedge these risks.

The Group's central treasury department is responsible for risk management in accordance with policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close coordination with the Company's management. The Board provides written principles and policies for overall risk management and for the investment of excess liquidity.

5.2. Market risks

5.2.1. Exchange rate risk

The Company markets, manufactures, imports, and exports chemical products for various areas such as plastics, mining, agriculture, personal care, pigments, additives, and oil. It buys and sells raw materials and equipment abroad, which exposes it to exchange rate risk resulting from the exposure of the Colombian peso to the United States Dollar. Exchange rate risk arises when future commercial transactions and recognized assets or liabilities are denominated in currencies other than the functional currency. The Company's financial area periodically monitors the net position of current assets and liabilities in United States Dollars. The exchange rate used for calculations on December 31, 2024, was \$4,409.15 (December 31, 2023: \$3,822.05 per US\$1). The Company had the following assets and liabilities in foreign currency, recognized at their equivalent in thousands of pesos:

	2024			2023		
	EUR\$	US\$	Equivalent in thousands of pesos	EUR\$	US\$	Equivalent in thousands of pesos
Current Assets						
Cash		28,615	126,167		28,650	109,501
Domestic and foreign debtors		256,131	1,129,319		246,830	943,397
Related parties		25,302	113,356		58,725	227,975
Total current assets		310,048	1,368,842		334,205	1,280,874
Current Liabilities						
Domestic and foreign suppliers					(40,248)	(153,830)
Related parties	(135,086)	(763,360)	(3,984,091)	(208,938)	(208,938)	(5,011,531)
Total current liabilities	(135,086)	(763,360)	(3,984,091)	(208,938)	(1,119,096)	(5,165,361)
Active (Passive) Net Position	(135,086)	(453,312)	(2,615,249)	(208,938)	(784,891)	(3,884,488)

5.2.2. Price risk

The Company is exposed to price risk of the goods and services it acquires for its operations, for which it negotiates purchase contracts to ensure a continuous supply and, in some cases, at fixed prices.

5.2.3. Fair value and cash flow interest rate risk

Since the Company has no significant interest-bearing assets or liabilities, its income and cash flows are substantially independent of changes in market interest rates.

5.3. Credit risk

Credit risk arises from cash and cash equivalents (deposits in banks and financial institutions), as well as credit exposure to wholesale and retail customers, which includes outstanding balances of accounts receivable and committed transactions. Regarding banks and financial institutions, only institutions with independent risk ratings of at least 'A' are accepted. Independent ratings of wholesale customers are used to the extent they are available. If no independent risk ratings exist, the credit manager assesses the customer's credit quality, taking into account their financial position, past experience, and other factors. Individual credit limits are established in accordance with limits set by the board on the basis of internal or external ratings. The use of credit limits is regularly monitored. Sales to new or high-risk customers are made in cash / in advance. Credit limits were not exceeded during the reporting period, and management does not expect the Company to incur any losses from the performance of its counterparties.

5.4. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate number of committed credit lines. Due to the dynamic nature of businesses and transactions, the Company's treasury maintains flexibility in financing through the availability of committed credit lines.

Management monitors projections of the Company's liquidity reserve on the basis of expected cash flows. The Group's liquidity management policy contemplates: i) projecting cash flows in the main currencies and considering the level of liquid assets necessary to meet these projections; ii) monitoring balance sheet liquidity ratios; and iii) maintaining debt financing plans.

5.5. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

The Company maintains very low levels of debt, with leverage ratios (net debt to equity) close to zero.

6. Critical Accounting Estimates

The Company's Management makes estimates and assumptions that affect the reported amounts of assets and liabilities in future years. Such estimates and assumptions are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

The following is a summary of the main accounting estimates and judgments made by the Company in preparing the financial statements:

6.1. Impairment of non-monetary assets

The Company assesses annually whether its property, plant, and equipment and intangibles have suffered any impairment in value in accordance with the policy indicated in Note 2. The Company has not identified events or changes in economic circumstances indicating that the carrying amount of assets is not recoverable.

6.2. Useful lives and residual values of property, plant, and equipment

The determination of the economic useful lives and residual values of property, plant, and equipment is subject to management's estimation regarding the level of utilization of the assets, as well as expected technological developments. The Company regularly reviews all of its depreciation rates and residual values at a corporate level to account for any changes regarding the level of utilization, technological framework, and future developments, which are events difficult to predict, and any changes could affect future depreciation charges and carrying amounts of assets.

6.3. Income tax

The Company is subject to Colombian tax regulations. Significant judgments are required in determining the provisions for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company assesses the recognition of liabilities for discrepancies that may arise with tax authorities based on estimates of additional taxes to be paid. The amounts provisioned for income tax payments are estimated by management on the basis of its interpretation of the current tax regulations and the probability of payment.

Actual liabilities may differ from the provisioned amounts, generating a negative effect on the net income and position of the Company. When the final tax outcome of these situations is different from the amounts initially recorded, such differences will impact current and deferred income tax assets and liabilities in the period in which such determination is made.

The Company assesses the recoverability of deferred tax assets based on estimates of future taxable profits and the ability to generate sufficient results during the periods in which such deferred taxes are deductible. Deferred tax liabilities are recorded according to the estimates made of net assets that will not be tax-deductible in the future.

6.4. Fair value of financial instruments

The fair value of financial assets and liabilities for initial recognition and financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

The fair value of financial instruments traded in active markets is based on market prices at the balance sheet date. The market quotation price used for financial assets is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company applies judgment to select a variety of methods and applies assumptions that are mainly based on existing market conditions at each balance sheet date. To determine the fair value of other financial instruments, other techniques are used, such as estimated discounted cash flows.

It is assumed that the carrying amount less the impairment provision of accounts receivable approximates its fair value.

6.5. Impairment of accounts receivable

The Company reviews its accounts receivable monthly to assess impairment. To determine whether an impairment loss should be recorded in profit or loss, the Company makes judgments as to whether there is any observable data indicating an impairment and whether a reliable measurement of estimated future cash flows can be made. This evidence may include observable data indicating that there has been an adverse change in the payment status of counterparties, or national or local economic conditions that correlate with defaults on the Company's assets. Management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used to estimate the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual losses.

6.6. Provisions

The Company makes estimates of the amounts to be settled in the future, including corresponding contractual obligations, pending litigation, or other liabilities. These estimates are subject to interpretations of current facts and circumstances, projections of future events, and estimates of the financial effects of such events.

7. Cash and Cash Equivalents

In thousands of pesos

Item	2024	2023
Petty Cash	1,000	1,000
Domestic Banks	563,881	1,851,609
Foreign Banks	126,167	109,501
Cash and cash equivalents in the statement of cash flows	691,048	1,962,110

8. Third-Party and Related Customers

In thousands of pesos

Item	2024	2023
Domestic Customers	2,154,492	3,571,758
Foreign Customers	595,059	300,205
Impairment Provision	(45,945)	(44,461)
Net Customers - Net Third Parties	2,703,606	3,827,502
Accounts Receivable - Group Company	113,356	227,975
Total Net Customers	2,816,962	4,055,477

The movements in the impairment provision for accounts receivable from customers and other accounts receivable were as follows:

Item	2024	2023
Balance as of January 1	(44,461)	(60,379)
Increases	(45,945)	(44,461)
Write-offs	-	-
Reversions	44,461	60,379
Balance as of December 31	(45,945)	(44,461)

Reversions of the impairment provision on accounts receivable have been included in the "Administrative and Selling Expenses" line of the income statement (see Note 17). Amounts charged to the provision account are typically written off when there is no expectation of receiving additional cash. As of December 31, 2024, provisions on sales to countries with economic risk such as Ecuador and Venezuela "According to our Accounting Policies manual" were for the impairment of accounts receivable, which amounted to \$45,945 as of December 31, 2024.

Aging of Portfolio excluding Related Parties - Impairment

In thousands of pesos

Aging	2024	2023
Up to 90 days	2,749,551	3,874,586
Between 91 and 180 days	-	-
Between 181 and 365 days	-	-
More than 365 days	-	-
Total Accounts Receivable from Third Parties	2,749,551	4,092,436

The maximum exposure to Portfolio Risk is determined by the "Heubach country risk" policy, under which export sales are made to customers located in Ecuador and Venezuela. Consequently, we can say that 99% of the portfolio is current and does not represent a high risk for the company.

We exclude accounts receivable from the group from this analysis, as, under our internal policy, it does not represent any risk to the company.

The carrying amount of trade and other accounts receivable is denominated in the following currencies (these items include impairment):

	2024				2023			
	COP	US\$	USD Equiv. in COP (thousands)	Total COP (thousands)	COP	US\$	USD Equiv. in COP (thousands)	Total COP (thousands)
Current Assets								
Domestic and foreign debtors	1,574,287	256,131	1,129,319	2,703,606	2,884,105	246,830	943,397	3,827,502
Related companies	0	25,302	113,356	113,356	0	58,725	227,975	227,975
Total current assets	1,574,287	281,433	1,242,675	2,816,962	2,886,730	305,555	1,167,847	4,055,477

9. Inventories

Item	2024	2023
Raw materials	148,845	398,811
Raw materials in transit	56,133	286,790
Merchandise for resale	2,867,118	2,638,200
Merchandise for resale in transit	1,515,547	1,191,207
Packaging material	2,109	9,038
Total	4,589,752	4,524,047

The cost of inventories recognized during the year 2024 as cost of sales amounted to \$13,519,251.

Inventory Balance by Origin

Item	2024	2023
Inventories acquired from Group companies	4,561,957	4,342,463
Inventories acquired from third-party companies	343,657	394,774
Slow-moving inventory provision	(315,862)	(213,190)
Total Inventories	4,589,752	4,524,047

Slow-Moving Inventory Provision

Initial Balance 2024	(213,190)
Increases in provision*	(315,862)
Recovery in provision	213,190
Final Balance 2024	(315,862)

The slow-moving provision applies to all inventories owned by Heubach Colorants Colombia SAS. This provision is recognized at 2 milestones:

1. When 360 days have elapsed without movement. 50% of the inventory value is provisioned.
2. When 720 days have elapsed without movement. 100% of the inventory value is provisioned.

The calculation policy is as follows:

- Purchase of inventories from third parties: applies from the date of arrival at the factory (Creation Date).
- Purchase of inventories from related companies: applies from the date of production (Prod. Date).
- Local manufacturing (own): applies from the production date (Prod. Date).

10. Income Tax

In terms of corporate income tax, it is important to note that Law 2010 of 2019 incorporates the favorable provisions contained in Law 1943 of 2018, which were considered essential for economic growth and competitiveness in the country, as they reduce the tax burden through: the gradual reduction of the income tax rate, tax discounts for VAT paid on the acquisition of capital goods, the payment of Industry and Commerce Tax, the reduction of presumptive income, the Colombian Holding Companies (CHC) regime, the works-for-taxes regime, the Mega-Investments special regime, and tax-exempt income for the orange economy and investments in the agricultural sector.

However, the law introduces some specific amendments and adds new provisions to the Tax Statute, as shown below:

1. First employment law deduction

According to Article 108-5 of the Tax Statute, a deduction of 120% of salaries paid by income taxpayers who hire employees under twenty-eight (28) years of age is recognized, provided it is the person's first job. This deduction is limited for each employee up to one hundred and fifteen (115) monthly UVT and will apply...

in the taxable year in which the employee is hired by the taxpayer and it constitutes a new job. As a formal requirement, the standard requires a certification from the Ministry of Labor to accredit this condition.

Thus, the Growth Law joins existing measures to promote employment generation and youth entrepreneurship enacted in Law 1780 of 2016, which exempts companies in their first year from the 4% contribution to family welfare funds (cajas de compensación familiar) for companies hiring new staff who are between 18 and 28 years old at the start of the contract, provided that the company's payroll increases compared to the previous year.

To the extent that these workers earn less than 10 current monthly minimum wages, payments made by the entity are exempt from paying parafiscal contributions to SENA and ICBF, as well as contributions to the contributory health system, under the general rule.

Finally, it is important to observe that, regarding additional deductions for employment, Article 31 of Law 361 of 1997 remains in force, which allows employers who employ workers with a proven disability of not less than 25% to deduct 200% of the salaries and social benefits paid during the taxable period.

2. Minimum Tax Rate

Through the 2022 Tax Reform Law, the minimum tax rate is incorporated into Colombian legislation under Article 240 of the Tax Statute. It basically indicates that certain income taxpayers must pay a minimum of 15% based on adjusted accounting profits. It acts as a minimum presumptive income tax that increases taxation in some cases for certain taxpayers.

3. Income tax rate

Corporate income tax:

The Growth Law maintains the gradual decrease of the general income tax rate applicable to national corporations and equivalents, permanent establishments of foreign entities, and foreign legal entities filing as non-residents, as follows:



4. Tax discounts

VAT discount for capital goods formed or constructed by the taxpayer:

The benefit granted to VAT-registered parties to deduct from their due income tax the VAT paid on the acquisition, construction, formation, and importation of productive real fixed assets—which had been considered one of the necessary measures to improve company competitiveness—is reproduced in the same terms in the Growth Law.

It is important to note that, in compliance with Judgment C-481 of 2019, the declaration of unconstitutionality of Law 1943 of 2018 was ordered starting January 1, 2020, and would only take effect in the future without affecting the consolidated legal situations of taxpayers who acted under the law. Thus, taxpayers who made investments in productive real assets during 2019 retain the right to deduct the VAT paid in subsequent periods. Regarding constructed or formed assets, it must be evaluated in each case whether the conditions for activation and start of depreciation or amortization were met before the Financing Law was expelled from the legal system, in order to apply the discount in subsequent periods.

Finally, the Growth Law revives Article 491 of the Tax Statute to clarify that, when determining VAT, the deduction of VAT paid on the acquisition of fixed assets is not permissible.

Discount for Industry, Commerce, Signs, and Billboards Tax (ICA):

This benefit, which was contained in Article 115 of the Tax Statute, was eliminated by Article 19 of Law 2277 of 2022. Therefore, payments or accruals for industry and commerce tax can continue to be used as a deduction.

Tax rate reconciliation

Tax Rate Reconciliation - Year 2024 (in thousands of pesos)	Rate / Value
Applicable tax rate (%)	35%
Other applicable tax rates	0%
Total applicable tax rate (expected) (%)	35%
Total future applicable tax rate for deferred tax (%)	35%
IFRS profit before tax (-) or loss (+)	112,157
Applicable tax rate (expected) (%)	35%
Expected tax expense (+) or income (-)	39,255

Reasons why the effective tax is different from expected:

Taxes on non-deductible items (permanent difference)	0
Changes in recognition of tax losses or tax credits (and expiration)	0
Previously unrecognized tax losses or tax credits used to offset current taxes	0
Tax losses or tax credits of the current year not recognized	0
Tax effect of profit/loss transfers to and from group companies	0
Effect of tax losses transferred from (-) / to (+) related entities	0
Adjustments for current taxes of prior years	27,272
Tax-exempt income	0
Others	297,292
Effective tax value	363,819

Tax Rate Reconciliation - Year 2023 (in thousands of pesos)

Applicable tax rate (%)	35%
Other applicable tax rates	0
Total applicable tax rate (expected) (%)	35%
Total future applicable tax rate for deferred tax (%)	35%
IFRS profit before tax (-) or loss (+)	337,277
Applicable tax rate (expected) (%)	35%
Expected tax expense (+) or income (-)	(118,047)
Reasons why the effective tax is different from expected:	
Taxes on non-deductible items (permanent difference)	0
Changes in recognition of tax losses or tax credits (and expiration)	0
Previously unrecognized tax losses or tax credits used to offset current taxes	0
Tax losses or tax credits of the current year not recognized	0
Tax effect of profit/loss transfers to and from group companies	0
Effect of tax losses transferred from (-) / to (+) related entities	0
Adjustments for current taxes of prior years	(6,315)
Tax-exempt income	0
Others	118,047
Effective tax value	(6,315)

Income Tax Expense

Item	2024	2023
Income tax expense - Current period	336,547	-
Adjustment for prior periods	27,272	(6,315)
Total	363,819	(6,315)

11. Property, Plant and Equipment

Cost	Machinery and Technical Equipment	Total Property, Plant and Equipment
Balance as of January 1, 2023	78,995	78,995
Additions	0	0
Retirements	0	0
Balance as of December 31, 2023	78,995	78,995
Depreciation		
Balance as of January 1, 2023	-22,280	-22,280
Depreciation	0	0
Retirements	0	0
Balance as of December 31, 2023	-22,280	-22,280
Cost (2024)		
Balance as of January 1, 2024	78,995	78,995
Additions	0	0
Retirements	0	0
Balance as of December 31, 2024	78,995	78,995
Depreciation (2024)		
Balance as of January 1, 2024	-22,280	-22,280
Depreciation	-25,764	-25,764
Retirements	0	0
Balance as of December 31, 2024	-48,044	-48,044
Net Book Value as of December 31, 2023	56,715	56,715
Net Book Value as of December 31, 2024	30,951	30,951

Leases

Cost	Vehicles	Total Leases
Balance as of January 1, 2023	127,767	127,767
Additions	0	0
Retirements	0	0
Balance as of December 31, 2024	127,767	127,767
Depreciation		
Balance as of January 1, 2023	-127,767	-127,767
Depreciation	0	0
Retirements	0	0
Balance as of December 31, 2024	-127,767	-127,767
Net Book Value as of December 31, 2023	0	0
Net Book Value as of December 31, 2024	0	0

12. Third-Party and Related Suppliers

Item	2024	2023
Domestic Suppliers	224,233	273,267
Foreign Suppliers	0	153,830
Accounts Payable - Group Company	3,984,091	5,011,531
Total Suppliers	4,208,324	5,438,628
Provisions for other liabilities	102,508	137,507
Total Provisions for other liabilities	102,508	137,507

(In thousands of Colombian Pesos)

CLASSIFICATION / ITEM	TAX BALANCE	IFRS BALANCE	DIFFERENCE	DEFERRED TAX LIABILITY			DEFERRED TAX ASSET			VALUE AS OF DEC 31, 2023
				PERMANENT	TEMPORARY	TAX (35%)	PERMANENT	TEMPORARY	TAX (35%)	
ASSETS										
Land	0	0	0	0	0	0	0	0	0	0
Property, Plant and Equipment	64,915	56,715	8,200	0	0	0	0	8,200	2,870	2,870
IFRS 16	0	0	0	0	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0	0	0	0	0
Inventories	4,524,047	4,524,047	0	0	0	0	0	0	0	0
Accounts receivable - Group companies	227,975	229,678	-1,703	0	-1,703	-596	0	0	0	-596
Loans to group companies	0	0	0	0	0	0	0	0	0	0
Receivables - 3rd parties	3,871,962	3,886,668	-14,706	0	-14,706	-5,147	0	0	0	-5,147
Other assets	4,592,691	4,592,691	-897	0	-897	-314	0	0	0	-314
TOTAL ASSETS	13,289,799	13,280,693	-9,106	0	-17,306	-6,057	0	8,200	2,870	-3,187
LIABILITIES										
Pension provisions	0	0	0	0	0	0	0	0	0	0
Other provisions including Income Tax	-44,460	71,164	115,624	0	0	0	0	115,625	40,468	40,468
IFRS 16	0	0	0	0	0	0	0	0	0	0
Accrued liability and deferred tax	-137,506	-137,506	0	0	0	0	0	0	0	0
Other liabilities	-6,333,874	-6,265,682	68,192	0	0	0	0	68,192	23,867	23,867
TOTAL LIABILITIES EXCLUDING DEFERRED TAX	-6,515,840	-6,332,024	183,816	0	0	0	0	183,816	64,336	64,336
EQUITY										
Equity	-7,922,066	6,773,959	174,710	0	0	0	0	0	0	0
TOTAL DEFERRED TAX FOR THE YEAR 2023										61,149

(In thousands of Colombian Pesos)

CLASSIFICATION / ITEM	TAX BALANCE	IFRS BALANCE	DIFFERENCE	DEFERRED TAX LIABILITY			DEFERRED TAX ASSET			VALUE AS OF DEC 31, 2024
				PERMANENT	TEMPORARY	TAX (35%)	PERMANENT	TEMPORARY	TAX (35%)	
ASSETS										
Land	0	0	0	0	0	0	0	0	0	0
Property, Plant and Equipment	49,487	30,951	18,536	0	0	0	0	18,536	6,481	6,481
IFRS 16	0	0	0	0	0	0	0	0	0	0
Goodwill	0	0	0	0	0	0	0	0	0	0
Inventories	4,589,752	4,589,752	0	0	0	0	0	0	0	0
Accounts receivable - Group companies	111,475	113,356	1,880	0	0	0	0	1,880	658	658
Loans to group companies	0	0	0	0	0	0	0	0	0	0
Receivables - 3rd parties	2,749,551	2,748,703	848	0	0	0	0	848	297	297
Other assets	4,614,929	4,614,834	95	0	95	33	0	0	0	33
TOTAL ASSETS	12,117,075	12,095,716	21,359	0	95	33	0	21,264	7,436	7,476
LIABILITIES										
Pension provisions	0	0	0	0	0	0	0	0	0	0
Other provisions including Income Tax	-266,867	-382,492	115,625	0	0	0	0	115,625	40,469	40,469
IFRS 16	0	0	0	0	0	0	0	0	0	0
Accrued liability and deferred tax	-345,098	-345,098	0	0	0	0	0	0	0	0
Other liabilities	-5,019,650	-5,022,080	-2,430	0	-2,430	-851	0	0	0	-851
TOTAL LIABILITIES EXCLUDING DEFERRED TAX	-5,747,240	-5,634,045	113,195	0	-2,430	-851	0	115,625	40,469	64,336
EQUITY										
Equity	6,348,476	6,483,030	134,554	0	0	0	0	0	0	0
TOTAL DEFERRED TAX FOR THE YEAR 2024										47,094

14. Assets Held for Sale

On January 1, 2022, when the acquisition of the international division of Clariant Pigments is confirmed, the reversal of adjustments to assets held for sale is completed, amounting to 62 million.

15. Ordinary Revenue

Item	2024	2023
Domestic Sales to Third Parties	17,367,241	16,834,616
Export Sales - Third Parties	2,976,817	1,795,658
Sales to Group Companies	75,065	283,196
Total Ordinary Sales	20,419,123	18,913,470

During the year 2024, Operational Revenue totaled \$20,419 million. Of the aforementioned value, 85% was generated in the domestic market and 15% in the international market, including both third-party customers and affiliate companies.

16. Ordinary Administrative and Selling Expenses

Concept	2024	2023
Salaries - Bonuses - Vacations	1,712,734	1,134,367
Service fees from Group Companies	1,411,046	1,504,841
Additional staff expenses	619,407	646,661
Services provided by Third Parties	625,940	472,679
Social Security expenses for employees	329,061	291,957
Other Taxes and Contributions	560,677	550,457
Travel and representation expenses	48,627	174,571
Repair and Maintenance expenses	1,189	52,310
Audit and Consulting expenses	86,370	110,025
Other expenses with Third Parties	64,805	195,545
Right of use depreciation	-	-
Inventory provisions	15,512	2,399
Rents	-	-
Donations	-	200
Depreciation of fixed assets	25,764	20,146
Subscriptions	-	619
Total Expenses by Concept	5,501,132	5,156,777

Expenses under the category "Service fees from Group Companies" mainly consist of IT Services and Services from our shared services center in Poland and India.

17. Other Net Income / (Expenses)

Other Operating Income

Item	2024	2023
Other service income *	7,266	3,490
Exchange Difference	219,906	621,117
Commissions	67,223	231,723
Other recoveries	90	25
Total Other Income	294,485	856,355

Other Operating Expenses

Item	2024	2023
Exchange Difference	(819,249)	(289,317)
Other Operating Expenses **	(61,024)	(69,032)
Total Other Expenses	(880,273)	(358,349)
Net Other Operating Income (Expenses)	(585,788)	498,006

* Of the "Other operating income from services", these correspond to the discount obtained for the timely filing of the ICA declaration in the Municipality of Cota. ** "Other operating expenses" correspond to the rental of the vehicles owned by the company. Additionally, there is an 83% impact on exchange differences compared to last year, as in 2023 there were multiple global events that caused it to rise more than normal.

18. Net Financial Income / (Expenses)

Financial Income	2024	2023
Financial Income	-	-
Yields	-	391
Late Payment Interest from Customers	-	-
Interest on Loans	-	-
Discount Income	-	-
Total Financial Income	-	391
Financial Expenses		
Bank Interest Expenses	-	-
Right of Use Interest Expense	-	-
Domestic Bank Expenses	-37,855	-35,252
Bank Debit Tax (GMF)	-118,312	-42,570
Total Financial Expenses	-156,167	-77,822
Total Net Financial Expenses	-156,167	-77,431

19. Provision for Income Tax

Item	2024	2023
Calculation Base	961,563	(189,325)
Tax Provision	336,547	-6,315
Adjustment from prior years	27,272	-
Total	363,819	-6,315
Provision for Deferred Tax	14,055	-56,616
Provision Charged to Profit and Loss	377,874	-62,931

20. Changes in Shareholders of HEUBACH HOLDING SWITZERLAND AG

As of January 3, 2022, Clariant AG completed the sale of its global pigments business ("Clariant Pigments") to a consortium formed by the Heubach Group, a global pigment producer, and SK Capital Partners, a private investment fund focused on specialized materials, chemical and pharmaceutical sectors. In this transaction, Clariant retains a 20% stake in the new combined business comprising Heubach Group and Clariant Pigments.

The new combined business described above operates under the "Heubach" brand. To reflect the new ownership structure, all former subsidiaries of Clariant Pigments changed their corporate names in October 2022 to include the name of Heubach in the new designation of companies worldwide.

IFRS 13 "Fair Value Measurement"

Clarifies that the issuance of IFRS 13 and the amendment to IFRS 9 and IAS 39 do not eliminate the possibility of measuring certain short-term receivables and payables without discounting. Scope of the portfolio exception. The Company has carried out the assessment of the standard and it has no impacts.

IAS 32 "Financial Instruments: Presentation"

The amendment clarifies that the right of set-off must be available currently, i.e., it does not depend on a future event. Additionally, the right must be legally enforceable for all counterparties involved in the ordinary course of business, even in cases of default, insolvency, or bankruptcy. The amendment also considers clearing mechanisms. The Company has carried out the assessment of the standard and it has no impacts.

IAS 19 "Employee Benefits"

The amendments to IAS 19, issued in November 2013, apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the employee's years of service; for example, employee contributions calculated as a fixed percentage of salary. The amendments are applicable starting July 1, 2014. Early application is permitted. The Company has carried out the assessment of the standard and it has no impacts.

IFRS 9 "Financial Instruments"

Addresses the classification, measurement, and recognition of financial assets and financial liabilities. The complete version of this IFRS was published in July 2014. It replaces the guidance in IAS 39 on the classification and measurement of financial instruments. IFRS 9 retains, while simplifying, the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification basis depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in non-recyclable other comprehensive income. There is now a new expected credit loss model that replaces the incurred loss impairment model of IAS 39. For financial liabilities, there were no changes in classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness. Under IAS 39, a hedge must be highly effective, both prospectively and retrospectively. IFRS 9 replaces this threshold by requiring an economic relationship between the hedged item and the hedging instrument, and that the hedge ratio is the same as the one the entity actually uses for its risk management. Contemporary documentation remains necessary but is different from what was prepared under IAS 39. The standard...

comes into force for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. The Company did not find any impacts from the application of this standard.

IFRS 14 "Regulatory Deferral Accounts"

IFRS 14 Regulatory Deferral Accounts, issued in January 2014, is an interim standard aimed at improving the comparability of financial reporting for entities involved in rate-regulated activities. Many countries have industrial sectors subject to price regulation (for example: gas, water, and electricity), which can have a significant impact on the timing and amount of the entity's revenue recognition. This standard permits first-time adopters of IFRS to continue to recognize regulatory deferral account balances in accordance with their previous GAAP requirements; however, presenting them separately. An entity that already presents financial statements under IFRS shall not apply this standard. Its application is effective for periods beginning on or after January 1, 2016, and early application is permitted. The Company has carried out the assessment of the standard and it has no impacts.

3.2. New standard incorporated into the accepted accounting framework in Colombia whose application must be assessed from January 1, 2018, and January 1, 2019, and which cannot be applied early

Decree 2496 of December 24, 2015, introduced to the technical regulatory framework of financial information the following standard issued by the IASB during 2014, to assess its application in financial years beginning on or after January 1, 2017, and whose application cannot be performed early.

IFRS 16 "Leases"

In the current year, the company applied IFRS 16 (issued by the IASB in January 2016), which is effective starting January 1, 2019.

IFRS 16 introduces new or amended requirements regarding lease accounting. It introduces significant changes to lease accounting by eliminating the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability for all contracts, except those that are short-term or of low value (less than CHF 5,000).

a) Impact of the new definition of leases

IFRS 16 specifies how an IFRS reporter will recognize, measure, present, and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with the IFRS 16 approach to lessor accounting...

remaining substantially unchanged relative to its predecessor, IAS 17. It also introduces new lease disclosures; this standard applies from January 1, 2019. In the last semester of 2018, the company was responsible for implementing the new Leasing module, and since January 2019 the standard has been applied, showing impacts on assets and expenses.

The change in the definition of a lease relates mainly to the concept of control. IFRS 16 determines whether a contract contains a lease based on whether the customer has the right to control the use of an identified asset for a period of time.

b) Impact on lessee accounting

IFRS 16 changes the way the company accounts for leases previously classified as operating leases under IAS 17. Applying IFRS 16 for all leases, the company:

- (a) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments;
- (b) Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- (c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

In accordance with IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. For short-term leases (lease term of 12 months or less) and leases of low-value assets (less than CHF 5,000), the company has chosen to recognize a lease expense as permitted by IFRS 16; this expense is presented under "ordinary administrative and selling expenses" in the statement of comprehensive income.

c) Impact on lessor accounting

IFRS 16 does not substantially change how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as finance or operating leases and accounts for these two types of leases differently. However, IFRS 16 has changed and expanded the required disclosures, particularly regarding how a lessor manages risks arising from its residual interest in leased assets.

d) The company as a lessee**IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 Revenue from Contracts with Customers, issued in May 2014, is a new standard applicable to all contracts with customers, except leases, financial instruments, and insurance contracts. It provides a new model for revenue recognition and more detailed requirements for contracts with multiple elements. Furthermore, ...

it requires more detailed disclosures. A single, five-step model is established to be applied to all contracts with customers: I. Identify the contract with the customer, II. Identify the performance obligations contained in the contract, III. Determine the transaction price, IV. Allocate the transaction price to the performance obligations contained in the contracts, V. Recognize ordinary revenue when (or as) the entity satisfies the performance obligation. During the 2018 period, the company implemented a technological tool to comply with the standard, but it began operating in the 2019 period.

3.3. The national government issued Decree 938 of August 19, 2021, which "amends the technical framework of financial reporting standards for Group 1 of the Single Regulatory Decree on Accounting, Financial Reporting and Information Assurance Standards, Decree 2420 of 2015, and other provisions are dictated". This decree is effective as of January 1, 2023.

The decree contemplates the modification of the Technical Annex of Financial Information for Group 1. The modified annex includes seven paragraphs presenting the following considerations:

IAS 1 "Classification of Liabilities as Current or Non-current"

This standard amends the requirement to classify a liability as current, by establishing that a liability is classified as current when it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. According to the above, the standard would be as follows:

Current liabilities

The entity shall classify a liability as current when:

- (a) It expects to settle the liability in its normal operating cycle;
- (b) It holds the liability primarily for the purpose of trading;
- (c) The liability is due to be settled within twelve months after the reporting period; or
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The entity shall classify all other liabilities as non-current.

a) Normal operating cycle

Some current liabilities, such as trade payables and other accruals for employee and other operating costs, are part of the working capital used in the entity's normal operating cycle. An entity shall classify these operating items as current liabilities even if they are due to be settled more than twelve months after the reporting period. The same normal operating cycle applies to the classification of an entity's assets and liabilities. When the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be twelve months.

b) Held primarily for the purpose of trading or due to be settled within twelve months

Other types of current liabilities are not settled as part of the normal operating cycle, but are due to be settled within twelve months after the reporting period or are held primarily for the purpose of trading. Examples are some financial liabilities that meet the definition of held for trading in IFRS 9, bank overdrafts, and the current portion of non-current financial liabilities, dividends payable, income taxes, and other non-trade payables. Financial liabilities that provide financing on a long-term basis (i.e., are not part of the working capital used in the entity's normal operating cycle) and are not due to be settled within twelve months after the reporting period are non-current liabilities.

The entity shall classify its financial liabilities as current when they are due to be settled within twelve months after the reporting period, even if:

- (a) The original term was for a period longer than twelve months; and
- (b) An agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue.

c) Right to defer settlement for at least twelve months

An entity's right to defer settlement of a liability for at least twelve months after the reporting period must be substantial and must exist at the end of the reporting period. If the right to defer settlement is subject to the entity complying with specified conditions, the right exists at the end of the reporting period only if the entity complies with those conditions at that time. The entity must comply with the conditions at the end of the reporting period even if the lender does not test compliance until a later date.

If an entity has the right at the end of the reporting period to roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it shall classify the obligation as non-current, even if it would otherwise be due within a shorter period. If the entity has no such right, it does not consider the potential refinancing and the obligation is classified as current.

When an entity breaches a condition of a long-term loan agreement on or before the end of the reporting period with the effect that the liability becomes payable on demand, the liability is classified as current, even if the lender agreed, after the reporting period and before the authorization of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date.

However, an entity shall classify the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria for classification as non-current, it is classified as non-current even if management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are authorized for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity's financial position.

If the following events occur between the end of the reporting period and the date the financial statements are authorized for issue, those events are disclosed as non-adjusting events after the reporting period in accordance with IAS 10 Events After the Reporting Period:

- (a) Long-term refinancing of a liability classified as current;
- (b) Rectification of a breach of a long-term loan contract classified as current; and
- (c) Granting by the lender of a grace period to rectify a breach relating to a long-term loan contract classified as current; and
- (d) Settlement of a liability classified as non-current.

d) Settlement

For the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of:

- (a) Cash or other economic resources - for example, goods or services; or
- (b) The entity's own equity instruments, unless the following paragraph applies:

Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if, applying IAS 32 Financial Instruments: Presentation, the entity classifies the option as an equity instrument, recognizing it separately from the liability as an equity component of a compound financial instrument.

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts"

If the entity has an onerous contract, the present obligations arising under it must be recognized and measured as a provision. Many contracts (for example, some routine purchase orders) can be canceled without paying any compensation to the other party, and therefore will not create any obligation. Other contracts establish both rights and obligations for each of the contracting parties. When certain circumstances make such contracts onerous, they fall within the scope of this Standard, and any existing obligations shall be recognized. Executory contracts that are not onerous fall outside the scope of the Standard.

This Standard defines an onerous contract as one in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

The cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of:

- (a) The incremental costs of fulfilling the contract - for example, materials and direct labor; and
- (b) An allocation of other costs that relate directly to fulfilling contracts - for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract, among others.

Before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract (see IAS 36).

3.4. New standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) that have not yet been incorporated into the accepted accounting framework in Colombia

Improvements and amendments to IFRS, as well as interpretations that have been published during 2015, could eventually be incorporated into the Colombian regulatory framework.

4. Operating Segments

The company is organized internally by a business unit named Pigments, with the purpose of differentiating future business units.

5. Financial Risk Management**5.1. Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: market risks (including currency risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Company adjusts its risk management strategies to the global programs established by the Group's Parent Company to minimize adverse effects on the Group's financial position. Management in Colombia does not use derivatives to hedge these risks.

The Group's central treasury department is responsible for risk management in accordance with policies approved by the Board of Directors. Group treasury identifies, evaluates, and hedges financial risks in close coordination with the Company's management. The Board provides written principles and policies for overall risk management and for the investment of excess liquidity.

5.2. Market risks

5.2.1. Exchange rate risk

The Company markets, manufactures, imports, and exports chemical products for various areas such as plastics, mining, agriculture, personal care, pigments, additives, and oil. It buys and sells raw materials and equipment abroad, which exposes it to exchange rate risk resulting from the exposure of the Colombian peso to the United States Dollar. Exchange rate risk arises when future commercial transactions and recognized assets or liabilities are denominated in currencies other than the functional currency. The Company's financial area periodically monitors the net position of current assets and liabilities in United States Dollars. The exchange rate used for calculations on December 31, 2024, was \$4,409.15 (December 31, 2023: \$3,822.05 per US\$1). The Company had the following assets and liabilities in foreign currency, recognized at their equivalent in thousands of pesos:

	2024			2023		
	EUR\$	US\$	Equivalent in thousands of pesos	EUR\$	US\$	Equivalent in thousands of pesos
Current Assets						
Cash		28,615	126,167		28,650	109,501
Domestic and foreign debtors		256,131	1,129,319		246,830	943,397
Related parties		25,302	113,356		58,725	227,975
Total current assets		310,048	1,368,842		334,205	1,280,874
Current Liabilities						
Domestic and foreign suppliers					(40,248)	(153,830)
Related parties	(135,086)	(763,360)	(3,984,091)	(208,938)	(208,938)	(5,011,531)
Total current liabilities	(135,086)	(763,360)	(3,984,091)	(208,938)	(1,119,096)	(5,165,361)
Active (Passive) Net Position	(135,086)	(453,312)	(2,615,249)	(208,938)	(784,891)	(3,884,488)

5.2.2. Price risk

The Company is exposed to price risk of the goods and services it acquires for its operations, for which it negotiates purchase contracts to ensure a continuous supply and, in some cases, at fixed prices.

5.2.3. Fair value and cash flow interest rate risk

Since the Company has no significant interest-bearing assets or liabilities, its income and cash flows are substantially independent of changes in market interest rates.

5.3. Credit risk

Credit risk arises from cash and cash equivalents (deposits in banks and financial institutions), as well as credit exposure to wholesale and retail customers, which includes outstanding balances of accounts receivable and committed transactions. Regarding banks and financial institutions, only institutions with independent risk ratings of at least 'A' are accepted. Independent ratings of wholesale customers are used to the extent they are available. If no independent risk ratings exist, the credit manager assesses the customer's credit quality, taking into account their financial position, past experience, and other factors. Individual credit limits are established in accordance with limits set by the board on the basis of internal or external ratings. The use of credit limits is regularly monitored. Sales to new or high-risk customers are made in cash / in advance. Credit limits were not exceeded during the reporting period, and management does not expect the Company to incur any losses from the performance of its counterparties.

5.4. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate number of committed credit lines. Due to the dynamic nature of businesses and transactions, the Company's treasury maintains flexibility in financing through the availability of committed credit lines.

Management monitors projections of the Company's liquidity reserve on the basis of expected cash flows. The Group's liquidity management policy contemplates: i) projecting cash flows in the main currencies and considering the level of liquid assets necessary to meet these projections; ii) monitoring balance sheet liquidity ratios; and iii) maintaining debt financing plans.

5.5. Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

The Company maintains very low levels of debt, with leverage ratios (net debt to equity) close to zero.

6. Critical Accounting Estimates

The Company's Management makes estimates and assumptions that affect the reported amounts of assets and liabilities in future years. Such estimates and assumptions are continuously evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under current circumstances.

The following is a summary of the main accounting estimates and judgments made by the Company in preparing the financial statements:

6.1. Impairment of non-monetary assets

The Company assesses annually whether its property, plant, and equipment and intangibles have suffered any impairment in value in accordance with the policy indicated in Note 2. The Company has not identified events or changes in economic circumstances indicating that the carrying amount of assets is not recoverable.

6.2. Useful lives and residual values of property, plant, and equipment

The determination of the economic useful lives and residual values of property, plant, and equipment is subject to management's estimation regarding the level of utilization of the assets, as well as expected technological developments. The Company regularly reviews all of its depreciation rates and residual values at a corporate level to account for any changes regarding the level of utilization, technological framework, and future developments, which are events difficult to predict, and any changes could affect future depreciation charges and carrying amounts of assets.

6.3. Income tax

The Company is subject to Colombian tax regulations. Significant judgments are required in determining the provisions for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company assesses the recognition of liabilities for discrepancies that may arise with tax authorities based on estimates of additional taxes to be paid. The amounts provisioned for income tax payments are estimated by management on the basis of its interpretation of the current tax regulations and the probability of payment.

Actual liabilities may differ from the provisioned amounts, generating a negative effect on the net income and position of the Company. When the final tax outcome of these situations is different from the amounts initially recorded, such differences will impact current and deferred income tax assets and liabilities in the period in which such determination is made.

The Company assesses the recoverability of deferred tax assets based on estimates of future taxable profits and the ability to generate sufficient results during the periods in which such deferred taxes are deductible. Deferred tax liabilities are recorded according to the estimates made of net assets that will not be tax-deductible in the future.

6.4. Fair value of financial instruments

The fair value of financial assets and liabilities for initial recognition and financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

The fair value of financial instruments traded in active markets is based on market prices at the balance sheet date. The market quotation price used for financial assets is the current bid price. The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company applies judgment to select a variety of methods and applies assumptions that are mainly based on existing market conditions at each balance sheet date. To determine the fair value of other financial instruments, other techniques are used, such as estimated discounted cash flows.

It is assumed that the carrying amount less the impairment provision of accounts receivable approximates its fair value.

6.5. Impairment of accounts receivable

The Company reviews its accounts receivable monthly to assess impairment. To determine whether an impairment loss should be recorded in profit or loss, the Company makes judgments as to whether there is any observable data indicating an impairment and whether a reliable measurement of estimated future cash flows can be made. This evidence may include observable data indicating that there has been an adverse change in the payment status of counterparties, or national or local economic conditions that correlate with defaults on the Company's assets. Management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used to estimate the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual losses.

6.6. Provisions

The Company makes estimates of the amounts to be settled in the future, including corresponding contractual obligations, pending litigation, or other liabilities. These estimates are subject to interpretations of current facts and circumstances, projections of future events, and estimates of the financial effects of such events.

7. Cash and Cash Equivalents

In thousands of pesos

Item	2024	2023
Petty Cash	1,000	1,000
Domestic Banks	563,881	1,851,609
Foreign Banks	126,167	109,501
Cash and cash equivalents in the statement of cash flows	691,048	1,962,110

8. Third-Party and Related Customers

In thousands of pesos

Item	2024	2023
Domestic Customers	2,154,492	3,571,758
Foreign Customers	595,059	300,205
Impairment Provision	(45,945)	(44,461)
Net Customers - Net Third Parties	2,703,606	3,827,502
Accounts Receivable - Group Company	113,356	227,975
Total Net Customers	2,816,962	4,055,477

The movements in the impairment provision for accounts receivable from customers and other accounts receivable were as follows:

Item	2024	2023
Balance as of January 1	(44,461)	(60,379)
Increases	(45,945)	(44,461)
Write-offs	-	-
Reversions	44,461	60,379
Balance as of December 31	(45,945)	(44,461)

Reversions of the impairment provision on accounts receivable have been included in the "Administrative and Selling Expenses" line of the income statement (see Note 17). Amounts charged to the provision account are typically written off when there is no expectation of receiving additional cash. As of December 31, 2024, provisions on sales to countries with economic risk such as Ecuador and Venezuela "According to our Accounting Policies manual" were for the impairment of accounts receivable, which amounted to \$45,945 as of December 31, 2024.

Aging of Portfolio excluding Related Parties - Impairment

In thousands of pesos

Aging	2024	2023
Up to 90 days	2,749,551	3,874,586
Between 91 and 180 days	-	-
Between 181 and 365 days	-	-
More than 365 days	-	-
Total Accounts Receivable from Third Parties	2,749,551	4,092,436

The maximum exposure to Portfolio Risk is determined by the "Heubach country risk" policy, under which export sales are made to customers located in Ecuador and Venezuela. Consequently, we can say that 99% of the portfolio is current and does not represent a high risk for the company.

We exclude accounts receivable from the group from this analysis, as, under our internal policy, it does not represent any risk to the company.

The carrying amount of trade and other accounts receivable is denominated in the following currencies (these items include impairment):

	2024				2023			
	COP	US\$	USD Equiv. in COP (thousands)	Total COP (thousands)	COP	US\$	USD Equiv. in COP (thousands)	Total COP (thousands)
Current Assets								
Domestic and foreign debtors	1,574,287	256,131	1,129,319	2,703,606	2,884,105	246,830	943,397	3,827,502
Related companies	0	25,302	113,356	113,356	0	58,725	227,975	227,975
Total current assets	1,574,287	281,433	1,242,675	2,816,962	2,886,730	305,555	1,167,847	4,055,477

9. Inventories

Item	2024	2023
Raw materials	148,845	398,811
Raw materials in transit	56,133	286,790
Merchandise for resale	2,867,118	2,638,200
Merchandise for resale in transit	1,515,547	1,191,207
Packaging material	2,109	9,038
Total	4,589,752	4,524,047

The cost of inventories recognized during the year 2024 as cost of sales amounted to \$13,519,251.

Inventory Balance by Origin

Item	2024	2023
Inventories acquired from Group companies	4,561,957	4,342,463
Inventories acquired from third-party companies	343,657	394,774
Slow-moving inventory provision	(315,862)	(213,190)
Total Inventories	4,589,752	4,524,047

Slow-Moving Inventory Provision

Initial Balance 2024	(213,190)
Increases in provision*	(315,862)
Recovery in provision	213,190
Final Balance 2024	(315,862)

The slow-moving provision applies to all inventories owned by Heubach Colorants Colombia SAS. This provision is recognized at 2 milestones:

1. When 360 days have elapsed without movement. 50% of the inventory value is provisioned.
2. When 720 days have elapsed without movement. 100% of the inventory value is provisioned.

The calculation policy is as follows:

- Purchase of inventories from third parties: applies from the date of arrival at the factory (Creation Date).
- Purchase of inventories from related companies: applies from the date of production (Prod. Date).
- Local manufacturing (own): applies from the production date (Prod. Date).

10. Income Tax

In terms of corporate income tax, it is important to note that Law 2010 of 2019 incorporates the favorable provisions contained in Law 1943 of 2018, which were considered essential for economic growth and competitiveness in the country, as they reduce the tax burden through: the gradual reduction of the income tax rate, tax discounts for VAT paid on the acquisition of capital goods, the payment of Industry and Commerce Tax, the reduction of presumptive income, the Colombian Holding Companies (CHC) regime, the works-for-taxes regime, the Mega-Investments special regime, and tax-exempt income for the orange economy and investments in the agricultural sector.

However, the law introduces some specific amendments and adds new provisions to the Tax Statute, as shown below:

1. First employment law deduction

According to Article 108-5 of the Tax Statute, a deduction of 120% of salaries paid by income taxpayers who hire employees under twenty-eight (28) years of age is recognized, provided it is the person's first job. This deduction is limited for each employee up to one hundred and fifteen (115) monthly UVT and will apply...

in the taxable year in which the employee is hired by the taxpayer and it constitutes a new job. As a formal requirement, the standard requires a certification from the Ministry of Labor to accredit this condition.

Thus, the Growth Law joins existing measures to promote employment generation and youth entrepreneurship enacted in Law 1780 of 2016, which exempts companies in their first year from the 4% contribution to family welfare funds (cajas de compensación familiar) for companies hiring new staff who are between 18 and 28 years old at the start of the contract, provided that the company's payroll increases compared to the previous year.

To the extent that these workers earn less than 10 current monthly minimum wages, payments made by the entity are exempt from paying parafiscal contributions to SENA and ICBF, as well as contributions to the contributory health system, under the general rule.

Finally, it is important to observe that, regarding additional deductions for employment, Article 31 of Law 361 of 1997 remains in force, which allows employers who employ workers with a proven disability of not less than 25% to deduct 200% of the salaries and social benefits paid during the taxable period.

2. Minimum Tax Rate

Through the 2022 Tax Reform Law, the minimum tax rate is incorporated into Colombian legislation under Article 240 of the Tax Statute. It basically indicates that certain income taxpayers must pay a minimum of 15% based on adjusted accounting profits. It acts as a minimum presumptive income tax that increases taxation in some cases for certain taxpayers.

3. Income tax rate

Corporate income tax:

The Growth Law maintains the gradual decrease of the general income tax rate applicable to national corporations and equivalents, permanent establishments of foreign entities, and foreign legal entities filing as non-residents, as follows:



4. Tax discounts

VAT discount for capital goods formed or constructed by the taxpayer:

The benefit granted to VAT-registered parties to deduct from their due income tax the VAT paid on the acquisition, construction, formation, and importation of productive real fixed assets—which had been considered one of the necessary measures to improve company competitiveness—is reproduced in the same terms in the Growth Law.

It is important to note that, in compliance with Judgment C-481 of 2019, the declaration of unconstitutionality of Law 1943 of 2018 was ordered starting January 1, 2020, and would only take effect in the future without affecting the consolidated legal situations of taxpayers who acted under the law. Thus, taxpayers who made investments in productive real assets during 2019 retain the right to deduct the VAT paid in subsequent periods. Regarding constructed or formed assets, it must be evaluated in each case whether the conditions for activation and start of depreciation or amortization were met before the Financing Law was expelled from the legal system, in order to apply the discount in subsequent periods.

Finally, the Growth Law revives Article 491 of the Tax Statute to clarify that, when determining VAT, the deduction of VAT paid on the acquisition of fixed assets is not permissible.

Discount for Industry, Commerce, Signs, and Billboards Tax (ICA):

This benefit, which was contained in Article 115 of the Tax Statute, was eliminated by Article 19 of Law 2277 of 2022. Therefore, payments or accruals for industry and commerce tax can continue to be used as a deduction.

Tax rate reconciliation

Tax Rate Reconciliation - Year 2024 (in thousands of pesos)	Rate / Value
Applicable tax rate (%)	35%
Other applicable tax rates	0%
Total applicable tax rate (expected) (%)	35%
Total future applicable tax rate for deferred tax (%)	35%
IFRS profit before tax (-) or loss (+)	112,157
Applicable tax rate (expected) (%)	35%
Expected tax expense (+) or income (-)	39,255

Reasons why the effective tax is different from expected:

Taxes on non-deductible items (permanent difference)	0
Changes in recognition of tax losses or tax credits (and expiration)	0
Previously unrecognized tax losses or tax credits used to offset current taxes	0
Tax losses or tax credits of the current year not recognized	0
Tax effect of profit/loss transfers to and from group companies	0
Effect of tax losses transferred from (-) / to (+) related entities	0
Adjustments for current taxes of prior years	27,272
Tax-exempt income	0
Others	297,292
Effective tax value	363,819

Tax Rate Reconciliation - Year 2023 (in thousands of pesos)

Applicable tax rate (%)	35%
Other applicable tax rates	0
Total applicable tax rate (expected) (%)	35%
Total future applicable tax rate for deferred tax (%)	35%
IFRS profit before tax (-) or loss (+)	337,277
Applicable tax rate (expected) (%)	35%
Expected tax expense (+) or income (-)	(118,047)
Reasons why the effective tax is different from expected:	
Taxes on non-deductible items (permanent difference)	0
Changes in recognition of tax losses or tax credits (and expiration)	0
Previously unrecognized tax losses or tax credits used to offset current taxes	0
Tax losses or tax credits of the current year not recognized	0
Tax effect of profit/loss transfers to and from group companies	0
Effect of tax losses transferred from (-) / to (+) related entities	0
Adjustments for current taxes of prior years	(6,315)
Tax-exempt income	0
Others	118,047
Effective tax value	(6,315)

Income Tax Expense

Item	2024	2023
Income tax expense - Current period	336,547	-
Adjustment for prior periods	27,272	(6,315)
Total	363,819	(6,315)

11. Property, Plant and Equipment

Cost	Machinery and Technical Equipment	Total Property, Plant and Equipment
Balance as of January 1, 2023	78,995	78,995
Additions	0	0
Retirements	0	0
Balance as of December 31, 2023	78,995	78,995
Depreciation		
Balance as of January 1, 2023	-22,280	-22,280
Depreciation	0	0
Retirements	0	0
Balance as of December 31, 2023	-22,280	-22,280
Cost (2024)		
Balance as of January 1, 2024	78,995	78,995
Additions	0	0
Retirements	0	0
Balance as of December 31, 2024	78,995	78,995
Depreciation (2024)		
Balance as of January 1, 2024	-22,280	-22,280
Depreciation	-25,764	-25,764
Retirements	0	0
Balance as of December 31, 2024	-48,044	-48,044
Net Book Value as of December 31, 2023	56,715	56,715
Net Book Value as of December 31, 2024	30,951	30,951

Leases

Cost	Vehicles	Total Leases
Balance as of January 1, 2023	127,767	127,767
Additions	0	0
Retirements	0	0
Balance as of December 31, 2024	127,767	127,767
Depreciation		
Balance as of January 1, 2023	-127,767	-127,767
Depreciation	0	0
Retirements	0	0
Balance as of December 31, 2024	-127,767	-127,767
Net Book Value as of December 31, 2023	0	0
Net Book Value as of December 31, 2024	0	0

12. Third-Party and Related Suppliers

Item	2024	2023
Domestic Suppliers	224,233	273,267
Foreign Suppliers	0	153,830
Accounts Payable - Group Company	3,984,091	5,011,531
Total Suppliers	4,208,324	5,438,628
Provisions for other liabilities	102,508	137,507
Total Provisions for other liabilities	102,508	137,507

14. Assets Held for Sale

On January 1, 2022, when the acquisition of the international division of Clariant Pigments is confirmed, the reversal of adjustments to assets held for sale is completed, amounting to 62 million.

15. Ordinary Revenue

Item	2024	2023
Domestic Sales to Third Parties	17,367,241	16,834,616
Export Sales - Third Parties	2,976,817	1,795,658
Sales to Group Companies	75,065	283,196
Total Ordinary Sales	20,419,123	18,913,470

During the year 2024, Operational Revenue totaled \$20,419 million. Of the aforementioned value, 85% was generated in the domestic market and 15% in the international market, including both third-party customers and affiliate companies.

16. Ordinary Administrative and Selling Expenses

Concept	2024	2023
Salaries - Bonuses - Vacations	1,712,734	1,134,367
Service fees from Group Companies	1,411,046	1,504,841
Additional staff expenses	619,407	646,661
Services provided by Third Parties	625,940	472,679
Social Security expenses for employees	329,061	291,957
Other Taxes and Contributions	560,677	550,457
Travel and representation expenses	48,627	174,571
Repair and Maintenance expenses	1,189	52,310
Audit and Consulting expenses	86,370	110,025
Other expenses with Third Parties	64,805	195,545
Right of use depreciation	-	-
Inventory provisions	15,512	2,399
Rents	-	-
Donations	-	200
Depreciation of fixed assets	25,764	20,146
Subscriptions	-	619
Total Expenses by Concept	5,501,132	5,156,777

Expenses under the category "Service fees from Group Companies" mainly consist of IT Services and Services from our shared services center in Poland and India.

17. Other Net Income / (Expenses)

Other Operating Income

Item	2024	2023
Other service income *	7,266	3,490
Exchange Difference	219,906	621,117
Commissions	67,223	231,723
Other recoveries	90	25
Total Other Income	294,485	856,355

Other Operating Expenses

Item	2024	2023
Exchange Difference	(819,249)	(289,317)
Other Operating Expenses **	(61,024)	(69,032)
Total Other Expenses	(880,273)	(358,349)
Net Other Operating Income (Expenses)	(585,788)	498,006

* Of the "Other operating income from services", these correspond to the discount obtained for the timely filing of the ICA declaration in the Municipality of Cota. ** "Other operating expenses" correspond to the rental of the vehicles owned by the company. Additionally, there is an 83% impact on exchange differences compared to last year, as in 2023 there were multiple global events that caused it to rise more than normal.

18. Net Financial Income / (Expenses)

Financial Income	2024	2023
Financial Income	-	-
Yields	-	391
Late Payment Interest from Customers	-	-
Interest on Loans	-	-
Discount Income	-	-
Total Financial Income	-	391
Financial Expenses		
Bank Interest Expenses	-	-
Right of Use Interest Expense	-	-
Domestic Bank Expenses	-37,855	-35,252
Bank Debit Tax (GMF)	-118,312	-42,570
Total Financial Expenses	-156,167	-77,822
Total Net Financial Expenses	-156,167	-77,431

19. Provision for Income Tax

Item	2024	2023
Calculation Base	961,563	(189,325)
Tax Provision	336,547	-6,315
Adjustment from prior years	27,272	-
Total	363,819	-6,315
Provision for Deferred Tax	14,055	-56,616
Provision Charged to Profit and Loss	377,874	-62,931

20. Changes in Shareholders of HEUBACH HOLDING SWITZERLAND AG

As of January 3, 2022, Clariant AG completed the sale of its global pigments business ("Clariant Pigments") to a consortium formed by the Heubach Group, a global pigment producer, and SK Capital Partners, a private investment fund focused on specialized materials, chemical and pharmaceutical sectors. In this transaction, Clariant retains a 20% stake in the new combined business comprising Heubach Group and Clariant Pigments.

The new combined business described above operates under the "Heubach" brand. To reflect the new ownership structure, all former subsidiaries of Clariant Pigments changed their corporate names in October 2022 to include the name of Heubach in the new designation of companies worldwide.

Annual accounts 2025

Exercise from 01/01/2025 to 31/12/2025

SUDARSHAN FRANCE SLO SAS

43 AVENUE DE LA GRANDE ARMEE
75016 PARIS

Registration number: 850.576.935

Legal form: SAS

VAT number: FR26850576935

Summary

Balance sheet	3
Balance sheet assets	4
Balance sheet liabilities and equity	5
Income statement	6
Income Statement	7
Accounts details	9
Detailed balance sheet assets	10
Detailed balance sheet liabilities and equity	12
Detailed income statement	14
File management	17
Intermediate balances	18

Balance sheet



Balance sheet assets

Items	Gross	Deprec. & impair.	Net 31/12/2025	Net 31/12/2024
Uncalled committed capital (I)				
Formation expenses (II)				
INTANGIBLE ASSETS				
Development costs				
Concessions, patents, licenses, trademarks, processes, rights and similar assets	267,410	175,443	91,967	114,840
Goodwill	2,858,000		2,858,000	2,858,000
Other intangible assets				
Intangible fixed assets in progress, advances and deposits				
TANGIBLE ASSETS				
Land				
Constructions				
Plant, equipment and tooling				
Other tangible assets				
Tangible fixed assets in progress, advances and deposits				
FINANCIAL ASSETS				
Participation				
Receivables related to equity investments				
Portfolio investments				
Other investments				
Loans				
Other financial assets	300,300		300,300	300,300
TOTAL FIXED ASSETS (III)	3,425,710	175,443	3,250,267	3,273,140
INVENTORIES AND WORK IN PROGRESS				
Raw materials and other supplies				
In-progress (goods and services)				
Finished goods				
Merchandise				
Advances and prepayments on orders				15,800
RECEIVABLES				
Trade receivables and related accounts	302,219	1,106	301,113	4,297
Other trade accounts	787,491		787,491	285,836
Prepaid expenses	19,915		19,915	4,026
Subscribed capital called but not paid				
MARKETABLE SECURITIES				
Treasury shares				
Other securities				
Derivative financial instruments and tokens held				
Cash assets	4,053,558		4,053,558	4,539,015
TOTAL CURRENT ASSETS (IV)	5,163,182	1,106	5,162,077	4,848,974
Loan insurance costs (V)				
Loan redemption premiums (VI)				
Unrealized foreign exchange losses and valuation differences - Assets (VII)				
TOTAL ASSETS (I + II + III + IV + V + VI + VII)	8,588,892	176,549	8,412,344	8,122,113

Balance sheet liabilities and equity

Items	31/12/2025	31/12/2024
Capital (of which paid-up)	300,000	300,000
Issue premiums, merger contributions	1,200,000	1,200,000
Revaluation increases		
Goodwill equivalence		
RESERVES		
Legal reserve	13,630	13,630
Statutory reserves or contractual		
Regulated reserves		
Other reserves	170,974	170,974
Retained earnings	871,467	128,364
Year profit or loss	232,543	738,248
Investment grants		
Regulated provisions		
TOTAL EQUITY (I)	2,788,613	2,551,216
Product of equity emissions		
Conditional advances		
TOTAL OTHER EQUITY (I BIS)	0	0
Risk provisions		
Provisions for expenses	71,245	67,545
TOTAL PROVISIONS (II)	71,245	67,545
Convertible bonds		
Other bonds		
Borrowings from credit institutions		
Loans and other borrowings	2,000,000	2,000,000
Derivative financial instruments		
Advances and prepayments received on orders in progress		19,710
Trade payables and related accounts	3,349,328	2,982,682
Social and tax debts	110,934	418,710
Debts on fixed assets and related accounts		
Other debts	92,223	65,206
Deferred income		
TOTAL DEBTS (III)	5,552,485	5,486,308
Passive conversion differences (IV)		
TOTAL LIABILITIES (I + I BIS + II + III + IV)	8,412,344	8,105,069

Income statement



Income Statement

Items	2025	2024
REVENUES		
Sales of goods	6,881,382	7,899,449
Production sold of goods	17,044	
Production sold of services	35,476	63,579
NET REVENUE	6,933,902	7,963,028
Stocked production		-1,729
Capitalized production		
Subsidies		
Reversal of depreciation, amortization, impairment and provisions	43,451	3,372
Income from disposal of intangible and tangible fixed assets		
Others products	10,723	1
TOTAL REVENUE (I)	6,988,076	7,964,672
OPERATING EXPENSES		
Purchases of goods	99,298	
Changes in inventory	6,245,627	6,510,012
Raw material purchases and other supplies		2
Change in inventories of raw materials		
Other purchases and external expenses	267,459	502,281
Taxes, other and payments	5,080	3,851
Salaries and treatments	202,020	139,903
Social security contributions	89,719	64,470
Depreciation, amortization and provisions:		
- On fixed assets: Amortization	22,873	20,223
- On fixed assets: Depreciation		
- Current assets: impairment losses		44,556
Provisions charges	3,700	6,725
Book values of intangible and tangible fixed assets sold		
Other expenses	8,015	4
TOTAL OPERATING EXPENSES (II)	6,943,791	7,292,027
OPERATING PROFIT (I - II)	44,285	672,645
QUOTES, SHARES OF EARNINGS ON JOINT OPERATIONS		
Attribute benefit or transferred loss (III)		
Loss incurred or profit transferred (IV)		
FINANCIAL INCOME		
Holdings		
Other securities and receivables of fixed assets	9,129	38,670
Other interests and similar products	257,725	299,754
Reversal of impairment losses and provisions		
Foreign exchange gains	3,610	3,788
Income from sale of financial fixed assets		
Net gains on sales of investment securities and financial assets		
TOTAL FINANCIAL INCOME (V)	270,463	342,212
FINANCIAL EXPENSES		
Depreciation, amortization and provisions		
Interest expense	1	5,149
Foreign exchange losses	651	3,190
Book value of financial fixed assets sold		
Net expenses on sales of investment securities and financial assets		
TOTAL FINANCIAL EXPENSES (VI)	652	8,339

Items	2025	2024
FINANCIAL RESULT (V - VI)	269,810	333,873
PROFIT BEFORE TAXES (I - II + III - IV + V - VI)	314,096	1,006,518
Total extraordinary income (VII)		
Total extraordinary expenses (VIII)		14,540
EXCEPTIONAL ITEMS (VII - VIII)	0	-14,540
Employee participation in company results (IX)		
Income taxes (X)	81,553	253,730
TOTAL INCOMES (I + III + V + VII)	7,258,539	8,306,884
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	7,025,996	7,568,636
YEAR PROFIT	232,543	738,248

Accounts details



Detailed balance sheet assets

Items	Gross	Deprec. & impair.	Net 31/12/2025	Net 31/12/2024	Var. (€)	Var. (%)
Uncalled committed capital (I)						
Formation expenses (II)						
INTANGIBLE ASSETS						
Development costs						
Concessions, patents, licenses, trademarks, processes, ri...	267,410	175,443	91,967	114,840	-22,873	-19.92
205400000 - REACH	267,410		267,410	267,410		
280540000 - AMORTISSEMENT REACH		175,443	-175,443	-152,571	-22,873	-14.99
Goodwill	2,858,000		2,858,000	2,858,000		
207000000 - FONDS COMMERCIAL	2,858,000		2,858,000	2,858,000		
Other intangible assets						
Intangible fixed assets in progress, advances and deposits						
TANGIBLE ASSETS						
Land						
Constructions						
Plant, equipment and tooling						
Other tangible assets						
Tangible fixed assets in progress, advances and deposits						
FINANCIAL ASSETS						
Participation						
Receivables related to equity investments						
Portfolio investments						
Other investments						
Loans						
Other financial assets	300,300		300,300	300,300		
275100000 - DÉPÔTS	300,300		300,300	300,300		
TOTAL FIXED ASSETS (III)	3,425,710	175,443	3,250,267	3,273,140	-22,873	-0.70
INVENTORIES AND WORK IN PROGRESS						
Raw materials and other supplies						
In-progress (goods and services)						
Finished goods						
Merchandise						
Advances and prepayments on orders				15,800	-15,800	-100.00
409100000 - FOURNISSEURS - AVANCES ET ACOMPTE S VER...				15,800	-15,800	-100.00
RECEIVABLES						
Trade receivables and related accounts	302,219	1,106	301,113	4,297	296,817	6.91K
411000000 - CLIENTS	302,219		302,219	48,853	253,366	518.63
491000000 - DÉPRÉCIATIONS DES COMPTES DE CLIENTS		1,106	-1,106	-44,556	43,451	97.52
Other trade accounts	787,491		787,491	285,836	501,655	175.50
421000000 - PERSONNEL - RÉMUNÉRATIONS DUES	71,397		71,397		71,397	
431112000 - INDEMNITÉS JOURNALIÈRES	355		355		355	
444000000 - ÉTAT - IMPÔTS SUR LES BÉNÉFICES	172,178		172,178		172,178	
451800000 - INTÉRÊTS GROUPE	543,561		543,561	285,836	257,725	90.17
Prepaid expenses	19,915		19,915	4,026	15,888	394.61
486000000 - CHARGES CONSTATÉES D'AVANCE	19,915		19,915	4,026	15,888	394.61
Subscribed capital called but not paid						
MARKETABLE SECURITIES						
Treasury shares						

Items	Gross	Deprec. & impair.	Net 31/12/2025	Net 31/12/2024	Var. (€)	Var. (%)
Other securities						
Derivative financial instruments and tokens held						
Cash assets	4,053,558		4,053,558	4,539,015	-485,457	-10.70
512100300 - AUTRE - CTB MAIN ACC. EUR				810,537	-810,537	-100.00
512100400 - AUTRE - CITI CP EUR CH84				3,728,478	-3,728,478	-100.00
512140000 - 51214	325,080		325,080		325,080	
512149000 - 512149	3,728,478		3,728,478		3,728,478	
TOTAL CURRENT ASSETS (IV)	5,163,182	1,106	5,162,077	4,848,974	313,103	6.46
Loan insurance costs (V)						
Loan redemption premiums (VI)						
Unrealized foreign exchange losses and valuation differen...						
TOTAL ASSETS (I + II + III + IV + V + VI + VII)	8,588,892	176,549	8,412,344	8,122,113	290,231	3.57

Detailed balance sheet liabilities and equity

Items	31/12/2025	31/12/2024	Var. (€)	Var. (%)
Capital (of which paid-up) 101310000 - CAPITAL NON AMORTI	300,000 300,000	300,000 300,000		
Issue premiums, merger contributions 104100000 - PRIMES D'ÉMISSION	1,200,000 1,200,000	1,200,000 1,200,000		
Revaluation increases				
Goodwill equivalence				
RESERVES				
Legal reserve 106100000 - RÉSERVE LÉGALE	13,630 13,630	13,630 13,630		
Statutory reserves or contractual				
Regulated reserves				
Other reserves 106800000 - AUTRES RÉSERVES	170,974 170,974	170,974 170,974		
Retained earnings 110000000 - REPORT À NOUVEAU	871,467 871,467	128,364 128,364	743,103 743,103	578.90 578.90
Year profit or loss	232,543	738,248	-505,705	-68.50
Investment grants				
Regulated provisions				
TOTAL EQUITY (I)	2,788,613	2,551,216	237,398	9.31
Product of equity emissions				
Conditional advances				
TOTAL OTHER EQUITY (I BIS)	0	0	0	
Risk provisions				
Provisions for expenses 152100000 - PROVISIONS POUR PENSIONS ET OBLIGATIONS SIMILAIRES 152110000 - 15211 153000000 - PROVISIONS POUR PENSIONS ET OBLIGATIONS SIMILAIRES 153300000 - PROVISION IDR	71,245 11,001 60,244 10,015 57,530	67,545 10,015 57,530	3,700 11,001 60,244 -10,015 -57,530	5.48 -100.00 -100.00
TOTAL PROVISIONS (II)	71,245	67,545	3,700	5.48
Convertible bonds				
Other bonds				
Borrowings from credit institutions				
Loans and other borrowings 451093000 - GROUPE - CH84	2,000,000 2,000,000	2,000,000 2,000,000		
Derivative financial instruments				
Advances and prepayments received on orders in progress 419000000 - CLIENTS CRÉDITEURS		19,710 19,710	-19,710 -19,710	-100.00 -100.00
Trade payables and related accounts 401000000 - FOURNISSEURS 408116000 - CH. PAYER 408500000 - ACCRUAL PAYABLES TO 408502000 - 408502 408830000 - CONTR LE FACTURES ENTRETIEN 408950000 - REIMB. PAY.GC	3,349,328 3,149,265 30,000 128,098 197 60 41,708	2,982,682 2,937,539 45,083 60	366,647 211,727 30,000 83,015 197 41,708	12.29 7.21 184.14
Social and tax debts	110,934	418,710	-307,776	-73.51

Items	31/12/2025	31/12/2024	Var. (€)	Var. (%)
421000000 - PERSONNEL - RÉMUNÉRATIONS DUES		6,113	-6,113	-100.00
422000000 - COMITÉ SOCIAL ET ÉCONOMIQUE (ANCIENNEMENT COMITÉS D'ENTREPRIS...		1,725	-1,725	-100.00
428200000 - DETTES PROVISIONNÉES POUR CONGÉS À PAYER	17,644	10,757	6,887	64.02
431112000 - INDEMNIT S JOURNALI RES		1,530	-1,530	-100.00
437000000 - AUTRES ORGANISMES SOCIAUX	5,716	18,732	-13,016	-69.49
437800000 - TICKETS RESTAURANTS	2,557		2,557	
438600000 - AUTRES CHARGES À PAYER	25,127	16,241	8,886	54.71
438616000 - ORGANISMES SCX CHARGES PAYER	2,351	2,174	177	8.12
438622000 - CHARGES SUR PROVISION CP	7,940	4,841	3,099	64.02
442100000 - PRÉLÈVEMENTS À LA SOURCE (IMPÔT SUR LE REVENU)	6,078	10,906	-4,828	-44.27
444000000 - ÉTAT - IMPÔTS SUR LES BÉNÉFICES		259,661	-259,661	-100.00
445510000 - TVA À DÉCAISSER	43,412	82,072	-38,660	-47.11
448100000 - ÉTAT - CHARGES À PAYER	111		111	
448611000 - ETAT DIVERS PAYER		3,959	-3,959	-100.00
Debts on fixed assets and related accounts				
Other debts	92,223	65,206	27,016	41.43
411000000 - CLIENTS		17,516	-17,516	-100.00
419000000 - CLIENTS CRÉDITEURS	92,223		92,223	
467000000 - DIVERS COMPTES DÉBITEURS ET PRODUITS À RECEVOIR (ANCIENNEMENT ...		45,500	-45,500	-100.00
468000000 - DIVERS COMPTES CRÉDITEURS ET CHARGES À PAYER (ANCIENNEMENT DIV...		2,190	-2,190	-100.00
Deferred income				
TOTAL DEBTS (III)	5,552,485	5,486,308	66,177	1.21
Passive conversion differences (IV)				
TOTAL LIABILITIES (I + I BIS + II + III + IV)	8,412,344	8,105,069	307,275	3.79

Detailed income statement

Items	2025	2024	Var. (€)	Var. (%)
REVENUES				
Sales of goods	6,881,382	7,899,449	-1,018,067	-12.89
707001000 - VENTES MARCHANDISES FR	6,881,382	7,916,493	-1,035,110	-13.08
709700000 - RABAIS, REMISES ET RISTOURNES ACCORDÉS SUR VENTES DE MARCHANDI...		-17,044	17,044	100.00
Production sold of goods	17,044		17,044	
709100000 - RABAIS, REMISES ET RISTOURNES ACCORDÉS SUR VENTES DE PRODUITS FI...	17,044		17,044	
Production sold of services	35,476	63,579	-28,103	-44.20
708500000 - PORTS ET FRAIS ACCESSOIRES FACTURÉS	26,301	52,728	-26,427	-50.12
708520000 - PDTS/VTES HG EXPORT	9,175	10,852	-1,676	-15.45
NET REVENUE	6,933,902	7,963,028	-1,029,126	-12.92
Stocked production		-1,729	1,729	100.00
713586000 - FUEL-COST GOODS SOLD		-1,729	1,729	100.00
Capitalized production				
Subsidies				
Reversal of depreciation, amortization, impairment and provisions	43,451	3,372	40,079	1.19K
781743000 - REPRISE BAD DEBT	43,451		43,451	
791000000 - TRANSFERTS DE CHARGES D'EXPLOITATION		3,372	-3,372	-100.00
Income from disposal of intangible and tangible fixed assets				
Others products	10,723	1	10,722	924.31K
758205000 - PRODUITS GESTION COURANTE	10,723	1	10,722	924.31K
TOTAL REVENUE (I)	6,988,076	7,964,672	-976,596	-12.26
OPERATING EXPENSES				
Purchases of goods	99,298		99,298	
607101000 - 607101	99,298		99,298	
Changes in inventory	6,245,627	6,510,012	-264,385	-4.06
603703000 - PR DES VENTES MSES	6,245,627	6,510,012	-264,385	-4.06
Raw material purchases and other supplies		2	-2	-100.00
602600000 - EMBALLAGES		2	-2	-100.00
Change in inventories of raw materials				
Other purchases and external expenses	267,459	502,281	-234,822	-46.75
606150000 - CARBURANT	5,013	8,060	-3,046	-37.80
606300000 - FOURNITURES D'ENTRETIEN ET DE PETIT ÉQUIPEMENT		7	-7	-100.00
606400000 - FOURNITURES ADMINISTRATIVES		7	-7	-100.00
611625000 - SERVICES RENDUS PAR LE GROUPE	107,424	264,318	-156,894	-59.36
611700000 - PRESTATIONS DE SERVICES EXT DIVERSE	129	134	-5	-3.64
613512000 - CAR HIRE	169	820	-651	-79.38
613532000 - ROU V HICULES	10,939	10,861	79	0.72
615503000 - ENTRETIEN R PARATION MAT. ROULANT	4,614	4,333	281	6.48
615506000 - ENTRETIEN DIVERS		15	-15	-100.00
616100000 - MULTIRISQUES	2,680		2,680	
616380000 - ASSURANCE - TRANSPORT SUR AUTRES BIENS	-240		-240	
616410000 - ASSURANCE RESPONSABILIT CIVILE	21,827	16,288	5,539	34.01
616600000 - ASSURANCE COFACE	4,958	773	4,185	541.55
616800000 - PRIMES D ASSURANCE RESPONSABIL. CIVIL	3,528		3,528	
622600000 - HONORAIRES	39,263	44,306	-5,043	-11.38
622610000 - HONORAIRES CAC ET AUDIT	30,000	90,008	-60,008	-66.67
622700000 - FRAIS D'ACTES ET DE CONTENTIEUX	19,200	51,614	-32,414	-62.80
624200000 - TRANSPORTS SUR VENTES		186	-186	-100.00
625100000 - VOYAGES ET DÉPLACEMENTS	4,563	4,187	376	8.97

Items	2025	2024	Var. (€)	Var. (%)
625600000 - MISSIONS	1,635	1,206	429	35.55
625610000 - MISSIONS-HEBERGEMENT	3,928	2,746	1,182	43.04
625700000 - RÉCEPTIONS	166	319	-153	-48.04
625720000 - 62572	20		20	
626100000 - FRAIS POSTAUX	4,492		4,492	
626110000 - 62611	1,547		1,547	
626200000 - TÉLÉPHONE ET INTERNET		856	-856	-100.00
627800000 - AUTRES FRAIS ET COMMISSIONS SUR PRESTATIONS DE SERVICES	1,248	992	256	25.79
628500000 - 6285	357		357	
628761000 - RBST D PENSES SG & A		247	-247	-100.00
Taxes, other and payments	5,080	3,851	1,230	31.94
631200000 - TAXE D'APPRENTISSAGE		-1,197	1,197	100.00
631300000 - PARTICIPATION DES EMPLOYEURS À LA FORMATION PROFESSIONNELLE CO...		1,350	-1,350	-100.00
633300000 - CONTRIBUTION UNIQUE DES EMPLOYEURS À LA FORMATION PROFESSIONN...	1,346		1,346	
633500000 - VERSEMENTS LIBÉRATOIRES OUVRANT DROIT À L'EXONÉRATION DE LA TAX...	1,005		1,005	
635110000 - CONTRIBUTION ÉCONOMIQUE TERRITORIALE	1,151	2,203	-1,052	-47.75
635140000 - TAXE SUR LES VÉHICULES DES SOCIÉTÉS	1,578	1,494	84	5.62
Salaries and treatments	202,020	139,903	62,117	44.40
641100000 - SALAIRES, APPOINTEMENTS	138,260	137,146	1,114	0.81
641111000 - WAGES & SAL. BONUS		5,678	-5,678	-100.00
641200000 - CONGÉS PAYÉS	6,887	-18,327	25,213	137.58
641300000 - PRIMES ET GRATIFICATIONS	-1,051		-1,051	
641320000 - PRIMES ET GRATIFICATIONS	56,017	13,865	42,153	304.03
641400000 - INDEMNITÉS ET AVANTAGES DIVERS	-572	528	-1,100	-208.18
641450000 - INDEM. AVTG CH. SOC. OBLIGATOIRES	2,390	669	1,721	257.17
648000000 - AUTRES CHARGES DE PERSONNEL	88	343	-255	-74.30
Social security contributions	89,719	64,470	25,249	39.16
645100000 - COTISATIONS À L'URSSAF	60,085	46,555	13,530	29.06
645200000 - COTISATIONS AUX MUTUELLES	5,695	4,757	938	19.71
645201000 - 645201	-1,725		-1,725	
645300000 - COTISATIONS AUX CAISSES DE RETRAITES	22,565	15,775	6,791	43.05
645937000 - AUTRES CHARGES SOCIALES CP	3,099	-8,247	11,346	137.58
647400000 - VERSEMENTS AUX AUTRES ŒUVRES SOCIALES		5,630	-5,630	-100.00
Depreciation, amortization and provisions:				
- On fixed assets: Amortization	22,873	20,223	2,650	13.10
681115000 - DOTATION AMORTISSEMENT REACH	22,873	20,223	2,650	13.10
- On fixed assets: Depreciation				
- Current assets: impairment losses		44,556	-44,556	-100.00
681740000 - CRÉANCES		1,106	-1,106	-100.00
681741000 - ACC.EXP.RES.BAD DEBT		43,451	-43,451	-100.00
Provisions charges	3,700	6,725	-3,025	-44.98
681500000 - DOTATIONS AUX PROVISIONS D'EXPLOITATION		1,194	-1,194	-100.00
681501000 - DOTATION PRC EXPLOITATION NON D DUC	3,700	5,531	-1,831	-33.10
Book values of intangible and tangible fixed assets sold				
Other expenses	8,015	4	8,012	217.71K
658000000 - PÉNALITÉS ET AUTRES CHARGES (ANCIENNEMENT CHARGES DIVERSES DE ...	4,857	0	4,857	1.01M
658005000 - CHARGES DIVERSES GESTION COURANTE	1	3	-2	-55.31
658200000 - PÉNALITÉS, AMENDES FISCALES ET PÉNALES	3,157		3,157	
TOTAL OPERATING EXPENSES (II)	6,943,791	7,292,027	-348,236	-4.78
OPERATING PROFIT (I - II)	44,285	672,645	-628,360	-93.42
QUOTES, SHARES OF EARNINGS ON JOINT OPERATIONS				
Attribute benefit or transferred loss (III)				
Loss incurred or profit transferred (IV)				
FINANCIAL INCOME				
Holdings				

Items	2025	2024	Var. (€)	Var. (%)
Other securities and receivables of fixed assets	9,129	38,670	-29,541	-76.39
762400000 - BANK INTEREST RECD.	9,129	38,670	-29,541	-76.39
Other interests and similar products	257,725	299,754	-42,029	-14.02
768100000 - INTER. RECUS DU GR	257,725	299,754	-42,029	-14.02
Reversal of impairment losses and provisions				
Foreign exchange gains	3,610	3,788	-179	-4.72
766000000 - GAINS DE CHANGE FINANCIERS	0		0	
766001000 - GAINS DE CHANGE CLIENTS HORS GROUPE		3,745	-3,745	-100.00
766002000 - EX DIFF AP REAL-GN		43	-43	-100.00
766003000 - GAINS DE CHANGES FOURNISSEURS GROUP	1,686		1,686	
766004000 - GAIN CGE LAT.FRS GPE	1,923		1,923	
Income from sale of financial fixed assets				
Net gains on sales of investment securities and financial assets				
TOTAL FINANCIAL INCOME (V)	270,463	342,212	-71,749	-20.97
FINANCIAL EXPENSES				
Depreciation, amortization and provisions				
Interest expense	1	5,149	-5,148	-99.98
661000000 - CHARGES D'INTÉRÊTS		5	-5	-100.00
661500000 - INTÉRÊTS DES COMPTES COURANTS ET DES DÉPÔTS CRÉDITEURS	1		1	
665020000 - ESCOMPTES ACCORD S		5,144	-5,144	-100.00
Foreign exchange losses	651	3,190	-2,539	-79.58
666001000 - PERTES DE CHANGE CLIENTS HORS GROUP		959	-959	-100.00
666002000 - EX DIFF AR REAL-L IC		28	-28	-100.00
666003000 - EX DIFF AP REAL-L IC		30	-30	-100.00
666004000 - EX DIFF AP REAL-LS		436	-436	-100.00
666008000 - 666008	651		651	
666009000 - EX DIFF AP UNRE-L IC		1,737	-1,737	-100.00
Book value of financial fixed assets sold				
Net expenses on sales of investment securities and financial assets				
TOTAL FINANCIAL EXPENSES (VI)	652	8,339	-7,687	-92.18
FINANCIAL RESULT (V - VI)	269,810	333,873	-64,062	-19.19
PROFIT BEFORE TAXES (I - II + III - IV + V - VI)	314,096	1,006,518	-692,422	-68.79
Total extraordinary income (VII)				
Total extraordinary expenses (VIII)		14,540	-14,540	-100.00
671200000 - PÉNALITÉS, AMENDES FISCALES ET PÉNALES		14,540	-14,540	-100.00
EXCEPTIONAL ITEMS (VII - VIII)	0	-14,540	14,540	100.00
Employee participation in company results (IX)				
Income taxes (X)	81,553	253,730	-172,177	-67.86
695100000 - IMPÔTS DUS EN FRANCE	81,553	253,730	-172,177	-67.86
TOTAL INCOMES (I + III + V + VII)	7,258,539	8,306,884	-1,048,345	-12.62
TOTAL EXPENSES (II + IV + VI + VIII + IX + X)	7,025,996	7,568,636	-542,640	-7.17
YEAR PROFIT	232,543	738,248	-505,705	-68.50

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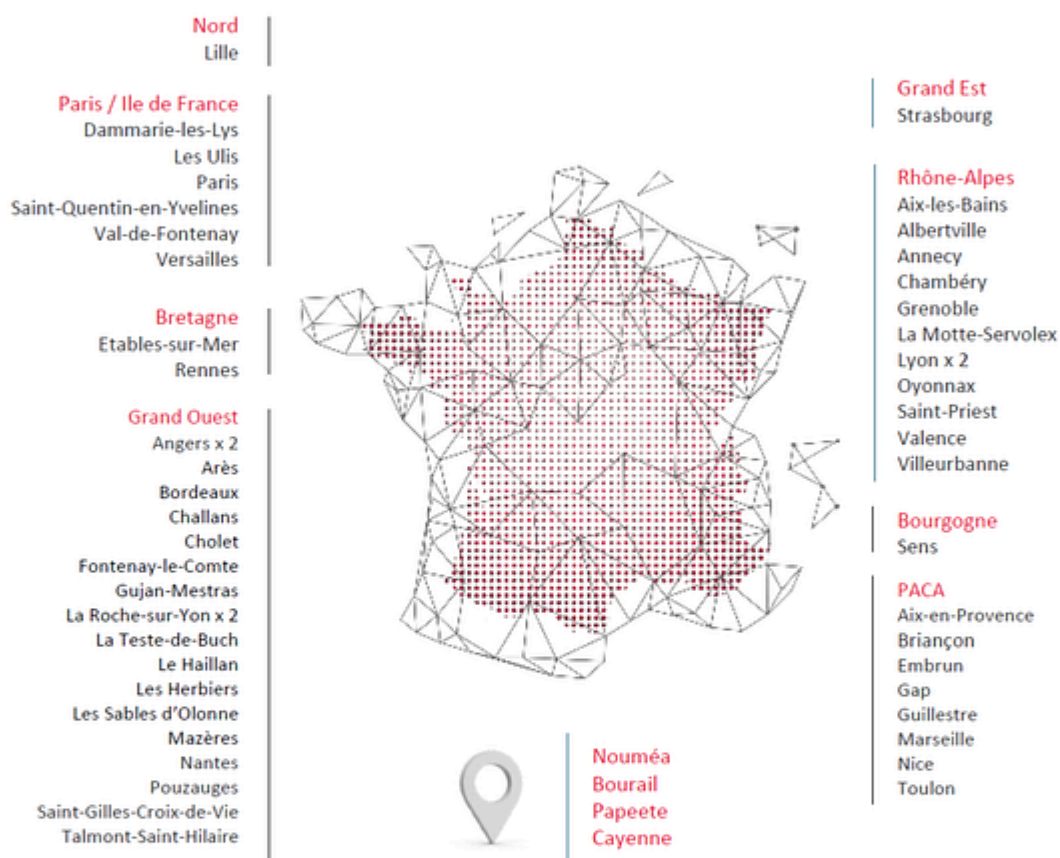
Intermediate balances

Items	2025	Dis. (%)	2024	Dis. (%)	Var. (€)	Var. (%)
NET REVENUE	6,933,902	100.00	7,963,028	100.00	-1,029,126	-12.92
SALE OF GOODS						
+ Sales of goods	6,881,382	99.24	7,899,449	99.20	-1,018,067	-12.89
- Purchases of goods	6,344,925	91.51	6,510,012	81.75	-165,087	-2.54
COMMERCIAL MARGIN	536,457	7.80	1,389,437	17.59	-852,980	-61.39
PRODUCTION						
+ Production sold	52,520	100.00	63,579	102.80	-11,059	-17.39
+ Stocked production			-1,729	-2.80	1,729	100.00
+ Capitalized production						
PRODUCTION OF THE YEAR	52,520	0.76	61,850	0.78	-9,330	-15.09
- MP, consommables			2		-2	-100.00
- Direct subcontracting						
PRODUCTION MARGIN	52,520	100.00	61,848	100.00	-9,328	-15.08
TOTAL MARGIN	588,977	8.49	1,451,285	18.23	-862,307	-59.42
- Other purchases	112,566	1.62	272,525	3.42	-159,959	-58.70
- External expenses	154,893	2.23	229,756	2.89	-74,863	-32.58
VALUE ADDED	321,518	4.64	949,003	11.92	-627,485	-66.12
+ Operating grants						
- Taxes, other and payments	5,080	0.07	3,851	0.05	1,230	31.94
- Salaries and treatments	291,739	4.21	204,373	2.57	87,366	42.75
GROSS OPERATING SURPLUS	24,699	0.36	740,780	9.30	-716,081	-96.67
+ Other products	10,723	0.15	1		10,722	924.31K
+ Reversals and expense transfers	43,451	0.63	3,372	0.04	40,079	1.19K
- Depreciation, amortization and provisions	22,873	0.33	64,779	0.81	-41,907	-64.69
- Other expenses	8,015	0.12	4		8,012	217.71K
OPERATING INCOME	47,985	0.69	679,370	8.53	-631,385	-92.94
+ Attribute benefit or transferred loss						
+ Other interests and similar products	270,463	3.90	342,212	4.30	-71,749	-20.97
- Loss incurred or profit transferred						
- Interest expense	652	0.01	8,339	0.10	-7,687	-92.18
PROFIT BEFORE TAXES	317,796	4.58	1,013,243	12.72	-695,447	-68.64
+ Total extraordinary income						
- Total extraordinary expenses			14,540	0.18	-14,540	-100.00
EXCEPTIONAL ITEMS	0		-14,540	-0.18	14,540	100.00
- Employee participation in company results						
- Income taxes	81,553	1.18	253,730	3.19	-172,177	-67.86
NET RESULT	236,243	3.41	744,973	9.36	-508,730	-68.29

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**SUDARSHAN UK SLO LTD
(previously HEUBACH
COLORANTS UK LTD)**

Annual Report and Financial Statements

Year Ended

31 December 2024

Company Number 11839760

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Company Information

Director	S Wiedemann
Company secretary	Oakwood Corporate Secretary Limited
Registered number	11839760
Registered office	3rd Floor 1 Ashley Road Altrincham Cheshire WA14 2DT
Independent auditors	Sumer Auditco Limited 1st Floor Mayesbrook House Lawnswood Business Park Redvers Close Leeds LS16 6QY

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Contents

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 - 22

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Strategic Report For the Year Ended 31 December 2024

The director presents the Strategic Report for the year ended 31 December 2024.

Sudarshan UK Slo Ltd (previously Heubach Colorants UK Ltd) (the "Company") is a subsidiary of the global speciality chemicals business, Sudarshan Group (formerly Heubach Group (the "Group")).

On 13 June 2025, the Company changed its name from Heubach Colorants UK Ltd to Sudarshan UK Slo Ltd.

The Company's principal activity is the supply of chemicals to the pigments industry.

Fair review of the business

The Company is a subsidiary of Sudarshan Group, a global leader in specialty chemicals. The Company's principal activity is supplying chemicals to the pigments industry. The Group continues to navigate a complex landscape of opportunities and challenges, driven by its five strategic pillars: increasing profitability, portfolio repositioning, sustainability-driven value addition, fostering innovation and research, and intensifying growth initiatives.

At the end of April 2024, Heubach Group GmbH, the indirect owner of Sudarshan UK Slo Ltd filed for insolvency together with other related parties in the Heubach Group located in Germany and Austria. The management of the Heubach Group reacted in this way to the threat of over-indebtedness in the context of rapidly changing financial markets of the past two years and the unsuccessful attempt of achieving a financial restructuring with all shareholders and lenders. The insolvency administrator appointed by the Court together with the lenders sought a new investor for the Heubach Group.

On 11 October 2024 purchase agreements for the assets and subsidiaries of the Heubach Group were signed with the Sudarshan Group. The new investor intends to continue and develop the Heubach Group at all locations in the long term. The formal implementation of the purchase agreements took place in March 2025.

The financial statements for 2024 have been prepared with the going concern assumption. The management of Sudarshan UK Slo Ltd is convinced the signing of the agreements with the new investor have minimized the threat of insolvency for the Company to the normal, operational level. Management have acknowledged there remains uncertainty over the impact that the acquisition will have on the future operations of the business, despite forecast profitability.

Financial performance

For the year ended 31 December 2024, the Company achieved a loss before tax of £391,557 (2023 - profit of £42,966), primarily driven by non-cash impairment charges. Excluding the impairment effects, underlying operating performance remained relatively stable, with revenue broadly in line with the expectation and disciplined cost management.

The Company's assets exceeded its liabilities at the end of the year by £1,235,409 (2023 - £1,626,966). The amortisation expense of £119,279 (2023 - £119,279) related to the customer list acquired in 2020 continued to impact results. No dividends were declared or paid during the year.

Principal risks and uncertainties

The insolvency of German and Austrian Heubach companies may give rise to certain operational, commercial, and reputational uncertainties for the Group. However, the company, now operating under the Sudarshan Group, continues to conduct its business in ordinary course. Management remains steadfast in its commitment to the highest standards of environmental protection, Safety, and Health (EHS) principles, which are embedded in its strategic operations. The Company continues to meet its obligations to employees, customers, suppliers, and other stakeholders within the legal and financial framework."

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Strategic Report (continued) For the Year Ended 31 December 2024

Promoting the success of the Company

The director remains committed to fostering the Company's long-term success by adhering to a governance framework rooted in the Code of Conduct. Stakeholder engagement and ethical conduct continue to underpin all decision-making processes, reinforcing the Company's dedication to sustainable value creation.

This report was approved by the board of director and signed on its behalf by:

Stefan Wiedemann

.....
*Signer ID: Q98PROCBL9:.....

S Wiedemann

Director

Date: 08/06/2026 GMT

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Directors' Report For the Year Ended 31 December 2024

The director presents their report and the financial statements for the year ended 31 December 2024.

Principal activity

The principal activity of the Company continued to be that of the supply of chemicals to the pigments industry.

Results and dividends

The loss for the year, after taxation, amounted to £391,557 (2023 - loss of £198,035).

No ordinary dividends were paid (2023 - £Nil). The director does not recommend payment of a final dividend.

No preference dividends were paid (2023 - £Nil). The director does not recommend payment of a final dividend.

Directors

The directors of the Company who served throughout the year and to the date of this report were:

S Wiedemann (appointed 14 June 2024)
D Jain (appointed 8 July 2025, resigned 11 February 2026)
D J Kowal (resigned 14 June 2024)
B S K D'Hondt (appointed 14 June 2024, resigned 2 July 2025)

Qualifying third party indemnity provisions

A qualifying third party indemnity provision as defined in section 234 of the 2006 Companies Act, applicable to all of the Company's director, was in place during the financial year and continues to be in force as at the date these financial statements were approved.

Principal risks and uncertainties

The principal risks and uncertainties are discussed within the Strategic Report.

Future developments

The director's view on the future outlook for the Company was outlined in the Strategic Report.

Auditors

Sumer Auditco Limited were appointed as auditor to the Company following BHP LLP becoming part of the Sumer Group on 31 December 2025, which required a change in audit firm to comply with applicable regulatory requirements.

The auditor, Sumer Auditco Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Directors' Report (continued) For the Year Ended 31 December 2024

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are director at the time when this Director's Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board and signed on its behalf by:

Stefan Wiedemann

.....
Signature ID: 098PROCBL9...

S Wiedemann

Director

Date: 08/06/2026 GMT

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Independent Auditors' Report to the Members of SUDARSHAN UK SLO LTD

Opinion

We have audited the financial statements of Sudarshan UK Slo Ltd (the "Company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements where it indicates there is uncertainty around the going concern of the Company. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company continuing as a going concern. Our opinion is not modified in this respect.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Independent Auditors' Report to the Members of SUDARSHAN UK SLO LTD (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that he gives a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 ISAs (UK) 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Company through discussions with director and other management, and from our commercial knowledge and experience of the trade;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company;
- we assessed the extent of compliance with the laws and regulations considered above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Independent Auditors' Report to the Members of SUDARSHAN UK SLO LTD (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- discussions with senior management regarding relevant regulations and reviewing the company's legal and professional fees.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director's and other management and the inspection of regulatory and legal correspondence.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of nominal ledger. We evaluated whether there was evidence of bias by the director that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Felix Lee

Signature ID: OUX6NYIBUJ
Felix Lee (Senior Statutory Auditor)

For and on behalf of Sumer Auditco Limited, Statutory Auditor
Chartered Accountants

1st Floor
Mayesbrook House
Lawnswood Business Park
Redvers Close
Leeds
LS16 6QY

Date: 08/06/2026 GMT

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Statement of Comprehensive Income For the Year Ended 31 December 2024

	Note	2024 £	2023 £
Revenue	5	6,012,131	7,274,381
Raw materials and consumables		(5,525,536)	(6,649,724)
Gross profit		486,595	624,657
Staff costs	8	(26,870)	(68,550)
Amortisation	6	(119,279)	(119,279)
Other operating expenses	6	(484,852)	(368,631)
Impairment	13	(503,000)	-
Operating (loss)/profit	6	(647,406)	68,197
Interest receivable and similar income	10	260,705	-
Interest payable and similar expenses	11	(4,856)	(25,231)
(Loss)/profit before tax		(391,557)	42,966
Tax on (loss)/profit	12	-	(241,001)
Loss for the financial year		(391,557)	(198,035)

The notes on pages 11 to 22 form part of these financial statements.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Registered number:11839760

Statement of Financial Position As at 31 December 2024

	Note	2024 £	As restated 2023 £
Non-current assets			
Intangible assets - goodwill	13	-	249,386
Other intangible assets	13	342,782	715,675
		<u>342,782</u>	<u>965,061</u>
Current assets			
Inventories	14	-	96,340
Trade and other receivables	15	4,261,345	2,606,982
Cash and cash equivalents	16	79,415	222,094
		<u>4,340,760</u>	<u>2,925,416</u>
Trade and other payables	17	(3,448,133)	(2,263,511)
Net current assets		<u>892,627</u>	<u>661,905</u>
Net assets		<u>1,235,409</u>	<u>1,626,966</u>
Equity			
Share capital	18	3,501,000	3,501,000
Retained earnings		(2,265,591)	(1,874,034)
Total equity		<u>1,235,409</u>	<u>1,626,966</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Stefan Wiedemann

Signer ID: Q98PROCBL9:.....

S Wiedemann

Director

Date: 08/06/2026 GMT

The notes on pages 11 to 22 form part of these financial statements.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Statement of Changes in Equity For the Year Ended 31 December 2024

	Share capital £	Retained earnings £	Total equity £
At 1 January 2023 (as previously stated)	3,501,000	(1,951,960)	1,549,040
Prior year adjustment (note 4)	-	275,961	275,961
At 1 January 2023 (restated)	3,501,000	(1,675,999)	1,825,001
Comprehensive loss for the year			
Loss for the year	-	(198,035)	(198,035)
Total comprehensive loss for the year	-	(198,035)	(198,035)
At 31 December 2023 and 1 January 2024 (restated)	3,501,000	(1,874,034)	1,626,966
Comprehensive loss for the year			
Loss for the year	-	(391,557)	(391,557)
Total comprehensive loss for the year	-	(391,557)	(391,557)
At 31 December 2024	3,501,000	(2,265,591)	1,235,409

The notes on pages 11 to 22 form part of these financial statements.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

1. General information

Sudarshan UK Slo Ltd (the "Company") provides the supply of chemicals to the pigments industry.

The Company is a private company, incorporated and domiciled in England, United Kingdom.

On 13 June 2025, the Company changed its name from Heubach Colorants UK Ltd to Sudarshan UK Slo Ltd.

2. Accounting policies

2.1 Accounting convention

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework', the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 101') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements in paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of: - paragraph 79(a)(iv) of IAS 1; and - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period);
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transactions is wholly owned by such a member.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.2 New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendment to IAS 1).

The Company has assessed that these amendments have not had any significant impact on the Company.

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The Company is a wholly owned subsidiary within the Heubach Group. On 22 April 2024, Heubach GmbH filed for insolvency. This led to uncertainty regarding future operations of Sudarshan UK Slo Ltd. On 18 October 2024, the Heubach Group announced a deal with Sudarshan Chemical Industries Limited (SCIL) in which it would be acquired. The transaction completed on 3 March 2025.

At the time of approval of these financial statements the current operations of the UK business remain unchanged, and the director has based their going concern assessment on the on-going operations of the Company remaining unaffected and forecasts show continued profitability.

However, the strategic plans of the acquirer in so far as they apply to this Company are unclear, and as such the director acknowledges that there is significant uncertainty in relation to the future operations of the UK business. This indicates the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.5 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the director, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impractical and, in the option of the director, would be misleading.

2.6 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably, the intangible asset arises from contractual or other legal rights and the intangible asset is separable from the entity.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Customer list - 10% per annum

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less cost to complete and sell. Cost is based on the cost of purchase on a standard cost basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Trade and other receivables

Short-term trade receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.11 Trade and other payables

Short-term trade payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits, and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

2. Accounting policies (continued)

2.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the year are included in profit or loss.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

(a) Impairment of goodwill

The Company performs impairment tests annually, or whenever a triggering event causes the fair market value of a goodwill asset to drop below the carrying value. The Company uses discounted future cash flows to estimate the carrying value of goodwill with any impairment loss being written off through profit and loss. The key assumptions within the cash flow forecast are the estimated revenue growth rate of 1.5%, which has been determined on historical results, expected future sales and inflation, and the EBIT margin, which is relatively flat due to the operating model of this company but is forecast to grow from 2.25% to 8.5%. Future cash flows have been projected for a period of 5 years, and then extrapolated for a further 5 years using the long-term growth rate. The discount rate used, of 11.15%, is in line with industry standards as provided by external advisors.

As a result of the current performance against budget, management have deemed there to be a triggering event and, as a result, the goodwill has been fully impaired in the year.

(b) Intangible asset valuation

At the purchase date of the pigments business, the Company fair valued the customer listing based on the discounted cash flow model. This is considered as a significant estimate due to significant judgements and estimation involved in the valuation model. The key assumptions within the cash flow forecast were the estimated annual revenue growth rate of up to 2.5%, annual customer attrition rate of 10% which have been determined on historical results, expected future sales and inflation, and the EBIT margin, which is relatively flat due to the operating model of this company. Future cash flows were projected for a period of 10 years which equates to the estimated useful life of the customer listing. The discount rate used, of 10.1% is in line with industry standards as provided by external advisors.

Similarly to the goodwill, budgeted performance has not been met and therefore management considered to value of the customer relationships alongside the value of goodwill using the same key judgements and estimates. This has resulted in an impairment of the customer relationships of £253,614 in the year.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

4. Prior year adjustment

During the year, the Company identified an error relating to the recognition of a transfer pricing (TP) provision recorded in the 2022 financial statements. The provision had been incorrectly recognised, resulting in a reduction of revenue and an increase in amounts payable to the Company's head office in Germany.

Subsequent review determined that the TP provision should not have been recognised. The provision was reversed in 2024. However, its impact on the comparative period had not previously been adjusted. As a result, the opening balances for the year ended 31 December 2023 have been restated to remove the provision and correct the related payable balance.

The effect of this prior year adjustment is a decrease in payables as at 31 December 2023 and a corresponding correction to retained earnings.

Statement of Financial Position	2023 as previously stated £	Adjustment £	2023 restated £
Non-current assets	£		
Intangible assets - goodwill	249,386	-	249,386
Other intangible assets	715,675	-	715,675
	965,061	-	965,061
Current assets			
Inventories	96,340	-	96,340
Trade and other receivables	2,606,982	-	2,606,982
Cash and cash equivalents	222,094	-	222,094
	2,925,416	-	2,925,416
Trade and other payables	(2,539,472)	275,961	(2,263,511)
Net current assets	385,944	275,961	661,905
Net assets	1,351,005	275,961	1,626,966
Equity			
Share capital	3,501,000	-	3,501,000
Retained earnings	(2,149,995)	275,961	(1,874,034)
Total equity	1,351,005	275,961	1,626,966

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

5. Revenue

Analysis of turnover by country of destination:

	2024 £	2023 £
United Kingdom	5,744,757	6,362,133
Rest of Europe	267,374	912,248
	<u>6,012,131</u>	<u>7,274,381</u>

6. Expenses by nature

	2024 £	2023 £
Cost of inventories recognised as an expense	5,525,536	6,649,724
Staff costs	26,870	68,550
Amortisation of intangible assets	119,279	119,279
Legal and professional fees	215,088	86,043
Bank charges	6,778	6,526
Foreign exchange differences	55,963	7,588
Insurance	13,112	(6,614)
Service fees	179,271	99,121
Reimbursement expense	210	175,937
Sundry expenses	-	30
Bad debt	14,430	-
	<u>14,430</u>	<u>-</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2024 £	2023 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>31,730</u>	<u>30,220</u>

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

8. Employees

	2024 £	2023 £
Wages and salaries	-	60,433
Social security costs	26,870	8,117
	<u>26,870</u>	<u>68,550</u>

The average monthly number of employees, including the director, during the year was as follows:

	2024 No.	2023 No.
Employees	<u>2</u>	<u>2</u>

9. Director's remuneration

The director received no remuneration for their services to the Company during the year (2023 - £Nil).

The director's emoluments paid by Sudarshan Switzerland HLD1 AG are solely in respect of duties under the director's contracts of employment with Sudarshan Switzerland HLD1 AG and Sudarshan Germany Horizons GmbH and no separate director's fees are payable.

10. Interest receivable and similar income

	2024 £	2023 £
Interest receivable from group companies	253,507	-
Other interest receivable	7,198	-
	<u>260,705</u>	<u>-</u>

Interest receivable from group companies relates to Cashpool interest.

11. Interest payable and similar expenses

	2024 £	2023 £
Other loan interest payable	4,856	11,561
Interest payable on loans from group undertakings	-	13,670
	<u>4,856</u>	<u>25,231</u>

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

12. Taxation

	2024 £	2023 £
Deferred tax		
Origination and reversal of timing differences	-	241,001
Total deferred tax	-	241,001
Tax on (loss)/profit	-	241,001

Factors affecting taxation for the year

The table below presents a reconciliation between tax on (loss)/profit and the amount calculated by applying the standard rate of UK Corporation tax applicable to the Company for the year of 25% (2023 - 23.52%) to the (loss)/profit before taxation.

	2024 £	2023 £
(Loss)/profit on ordinary activities before tax	(391,557)	42,966
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 23.52%)	(97,889)	10,106
Effects of:		
Expenses not deductible for tax purposes	173,432	2,719
Fixed asset differences	-	28,055
Remeasurement of deferred tax for changes in tax rates	-	2,572
Movement in deferred tax not recognised	(75,543)	197,549
Total tax charge for the year	-	241,001

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

13. Intangible assets

	Customer list £	Goodwill £	Total £
Cost			
At 1 January 2024	1,192,791	2,403,883	3,596,674
At 31 December 2024	1,192,791	2,403,883	3,596,674
Amortisation and impairment			
At 1 January 2024	477,116	2,154,497	2,631,613
Amortisation charge for the year	119,279	-	119,279
Impairment charge	253,614	249,386	503,000
At 31 December 2024	850,009	2,403,883	3,253,892
Net book value			
At 31 December 2024	342,782	-	342,782
At 31 December 2023	715,675	249,386	965,061

14. Inventories

	2024 £	2023 £
Finished goods	-	96,340

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

15. Trade and other receivables

	2024 £	2023 £
Trade debtors	288,526	1,054,879
Amounts owed by group undertakings	3,972,478	1,520,451
Other debtors	341	27,210
Prepayments and accrued income	-	4,442
	<u>4,261,345</u>	<u>2,606,982</u>

Amounts owed to group undertakings are unsecured and repayable on demand. Interest receivable from group companies relates to Cashpool interest.

Trade receivables

	2024 £	2023 £
Trade receivables	312,626	1,065,333
Provision for bad and doubtful debts	(24,100)	(10,454)
	<u>288,526</u>	<u>1,054,879</u>

16. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	79,415	222,094

17. Trade and other payables

	2024 £	As restated 2023 £
Trade payables	125,877	11,410
Amounts owed to fellow group undertakings	3,083,279	2,180,384
Other taxation and social security	192,502	56,993
Other creditors	5,000	5,000
Accruals and deferred income	41,475	9,724
	<u>3,448,133</u>	<u>2,263,511</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

SUDARSHAN UK SLO LTD (previously HEUBACH COLORANTS UK LTD)

Notes to the Financial Statements For the Year Ended 31 December 2024

18. Share capital

	2024 £	2023 £
Authorised, allotted, called up and fully paid		
3,501,000 (2023 - 3,501,000) Ordinary shares of £1.00 each	3,501,000	3,501,000

The ordinary shares have full voting rights, dividend and capital distribution rights, including on winding up, and they do not confer any rights of redemption.

19. Reserves

Share capital

Share capital reserve represents the nominal value of the shares issued.

Retained earnings

Retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

20. Post balance sheet events

On the 3rd of March 2025, Heubach Group's assets and subsidiaries were acquired by Sudarshan Chemical Industries Limited. This transition aims to secure long-term growth and operational stability for Heubach Group, including Sudarshan UK Slo Ltd UK Ltd.

21. Controlling party

The immediate parent undertaking is Heubach Holding Switzerland AG (formerly Colorants International AG).

The ultimate parent undertaking and controlling party during the year was SK Neptune Husky Intermediate IV S.à r.l., a company incorporated in Luxembourg, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of SK Neptune Husky Intermediate IV S.à r.l. consolidated financial statements can be obtained from Investor Relations at Boulevard Royal 53, Luxembourg, 2449, LU.

HEUBACH FOUNDATION
CIN No. U88900GJ2024NPL147524
BALANCE SHEET AS AT MARCH 31, 2026

(in ₹ Hundred)

	Note	As at March 31, 2026	As at March 31, 2025
A) ASSETS			
Non-current assets			
Total non-current assets		-	-
Current assets			
a) Financial assets			
i) Cash and cash equivalents	2	149.78	332.78
Total current assets		149.78	332.78
Total Assets		149.78	332.78
B) EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	3	1,000.00	1,000.00
b) Other equity	4	(1,027.22)	(844.22)
Total equity		(27.22)	155.78
LIABILITIES			
Non-current Liabilities			
Current Liabilities			
a) Provisions	5	177.00	177.00
Total current liabilities		177.00	177.00
Total liabilities		177.00	177.00
Total equity and liabilities		149.78	332.78
Summary of Significant Accounting Policies	1		
See accompanying notes to the financial statements	2-13		
As per our report of even date attached			

For Jain & Hindocha
Chartered Accountants
Firm Registration Number: 103868W

Nakul Naik
Partner
Membership Number: 187200

Place: Vadodara, India
Date: 15/05/2026



For and on behalf of Board of
Heubach Foundation

Deepak Joshi
Director
DIN: 06643511

Place: Vadodara, India
Date: 15/05/2026

Dinesh Rana
Director
DIN: 06643515

Place: Vadodara, India
Date: 15/05/2026



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2026

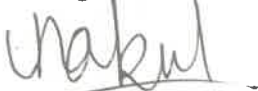
(in ₹ Hundred)

	Note	Year ended March 31, 2026	Period ended March 31, 2025
INCOME			
Grant or Donations		-	-
Total income		-	-
EXPENSES			
Other expenses	6	183.00	844.22
Total expenses		183.00	844.22
Surplus / (Deficit) for the year/period		(183.00)	(844.22)
Summary of Significant Accounting Policies	1		
The Accompanying Notes are an integral part of the Financial Statement	2-13		
As per our report of even date attached			

For Jain & Hindocha

Chartered Accountants

Firm Registration Number: 103868W

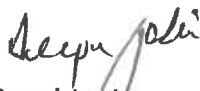
**Nakul Naik**

Partner

Membership Number: 187200

Place: Vadodara, India

Date: 15/05/2026

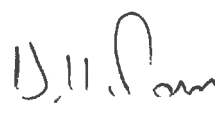
**For and on behalf of Board of
Heubach Foundation****Deepak Joshi**

Director

DIN: 06643511

Place: Vadodara, India

Date: 15/05/2026

**Dinesh Rana**

Director

DIN: 06643515

Place: Vadodara, India

Date: 15/05/2026



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(in ₹ Hundred)

A. Equity share capital

	Amount
As at beginning of the period	-
Issued during the period	1,000.00
As at March 31, 2025	1,000.00
Changes in equity share capital during the year	-
As at March 31, 2026	1,000.00

B. Other equity

	Surplus / (Deficit)
As at beginning of the period	-
Surplus / (Deficit) for the period	(844.22)
As at March 31, 2025	(844.22)
Surplus / (Deficit) for the year	(183.00)
As at March 31, 2026	(1,027.22)

As per our report of even date attached

For Jain & Hindocha

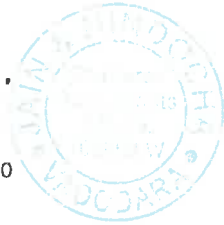
Chartered Accountants

Firm Registration Number: 103868W

**Nakul Naik**

Partner

Membership Number: 187200



Place: Vadodara, India

Date: 15/05/2026

For and on behalf of Board of
Heubach Foundation**Deepak Joshi**

Director

DIN: 06643511

Place: Vadodara, India

Date: 15/05/2026

**Dinesh Rana**

Director

DIN: 06643515

Place: Vadodara, India

Date: 15/05/2026



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

(in ₹ Hundred)

	Year ended March 31, 2026	Period ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Surplus / (Deficit) for the year/period	(183.00)	(844.22)
Adjustments for :		
Depreciation	-	-
	(183.00)	(844.22)
Change in working capital		
Increase (Decrease) In current provisions	-	177.00
Cash generated from operations	(183.00)	(667.22)
Income taxes paid (net of refund)	-	-
Net cash (outflow) from operating activities	(A) (183.00)	(667.22)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Net cash changes from investing activities	(B) -	-
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of equity shares	-	1,000.00
Net cash inflow from financing activities	(C) -	1,000.00
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(183.00)	332.78
Cash and cash equivalents at the beginning of the year/period	332.78	-
Cash and cash equivalents at the end of the year/period	149.78	332.78
Cash and cash equivalents		
Balance with Bank in current account	149.78	332.78
	149.78	332.78

As per our report of even date attached

For Jain & Hindocha

Chartered Accountants

Firm Registration Number: 103868W

**Nakul Naik**

Partner

Membership Number: 187200

Place: Vadodara, India

Date: 15/05/2026

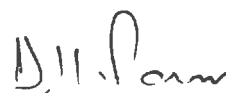
**For and on behalf of Board of****Heubach Foundation****Deepak Joshi**

Director

DIN: 06643511

Place: Vadodara, India

Date: 15/05/2026

**Dinesh Rana**

Director

DIN: 06643515

Place: Vadodara, India

Date: 15/05/2026



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

NOTE - 1)

COMPANY OVERVIEW

Heubach Foundation ('the Company' or 'the Foundation') was incorporated on January 05, 2024 under Section 8 of the Companies Act, 2013 and Rule 18 of the Companies (incorporation) Rules, 2014. The foundation is a non-profit organisation focusing on Corporate Social Activities ('CSR') activities relating to healthcare, education and skill development and environmental sustainability.

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention on a going concern and accrual basis. The financial statements of the Company have been prepared in accordance with accounting principles generally accepted

(b) Current and Non Current Classification

The Company presents assets and liabilities on the Balance Sheet based on Current / Non Current classification.

An Asset is treated as Current when it is:

- Expected to be realized or consumed in operating cycle,
- Expected to be realised within twelve months after the reporting period, or
- Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other Assets are classified as non-current.

However, the Company does not have any assets except Cash or Cash equivalent.

A Liability is treated as Current when it is;

- It is due to settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

However, the Company does not have any liabilities except provisions.

(c) Income Recognition

Donations are recognised as income upon compliance with significant condition, if any, and where it is reasonable to expect ultimate collection. However, there are no donations have been received during the period.

(d) Current Tax

The Foundation has been incorporated on January 05, 2024 under Section of the Companies Act, 2013 and Rule 18 of the Companies (incorporation) Rules, 2014. The Foundation is registered under section 12AB of the Income Tax Act, 1961.

(e) Provisions and Contingencies

A Provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A Contingent Asset is neither recognised not disclosed in the fianncial statements.



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

	As at March 31, 2026		(in ₹ Hundred) As at March 31, 2025	
2) Cash and cash equivalents				
Balance with Bank in current account		149.78		332.78
		<u>149.78</u>		<u>332.78</u>
3) Equity share capital				
	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
Authorised:				
10000 equity shares of Rs. 10 each	10,000	1,000.00	10,000	1,000.00
Issued, subscribed and fully paid-up:				
10000 equity shares of Rs. 10 each	10,000	1,000.00	10,000	1,000.00
(i) Reconciliation of number of equity shares and the amount outstanding at the beginning and at the end of the year/period				
	As at March 31, 2026		As at March 31, 2025	
	No of shares	Amount	No of shares	Amount
As at the beginning of the year/period	10,000	1,000.00	-	-
Add: Issue of shares during the year/period	-	-	10,000	1,000.00
As at the end of the year/period	<u>10,000</u>	<u>1,000.00</u>	<u>10,000</u>	<u>1,000.00</u>
(ii) Details of equity shares held by shareholders holding more than 5% shares in the Company and Promoters Group				
	As at March 31, 2026		As at March 31, 2025	
	No of shares	% of holding	No of shares	% of holding
Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited)	10,000	100%	10,000	100%
4) Other equity				
Surplus from the Statement of Income and Expenditure				
Opening balance		(844.22)		-
Add: Surplus/(Deficit) for the year/period		(183.00)		(844.22)
Closing balance		<u>(1,027.22)</u>		<u>(844.22)</u>
5) Provisions				
Provision for Expenses		177.00		177.00
		<u>177.00</u>		<u>177.00</u>



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(in ₹ Hundred)

	For the year ending March 31, 2026	For the period ending March 31, 2025
6) Other expenses		
Rates and taxes	6.00	135.00
Audit Fees	177.00	177.00
Legal and professional fees	-	507.22
Printing & Stationery	-	25.00
	183.00	844.22

7) Related party disclosure

(i) Related party

Sudarshan Gujarat MFG Private Limited
(formerly known as Heubach Colour Private Limited)

Relationship

Holding Company

(ii) Key management personnel

Mr. Ravi Brijmohan Kapoor
Mr. Deepak Kumar Joshi
Mr. Dinesh Kumar Rana

Relationship

Director (up to 31 March 2025)
Director
Director

(iii) Transactions with related parties

Particulars	Party referred to in (i) above Period ended March 31, 2026	Party referred to in (i) above Period ended March 31, 2025
Share Capital issued		
Sudarshan Gujarat MFG Private Limited (formerly known as Heubach Colour Private Limited)	-	1,000.00
	-	1,000.00

(iv) There are no balances at the end of the year with related parties

Other Disclosures

8) Company does not have any contingent liability as at March 31, 2026.

9) Segment information

Segment information in accordance with Ind AS 108 'Operating Segment' is disclosed below:

The Company is a non-profit organisation focusing on Corporate Social Activities ('CSR') activities relating to healthcare, education and skill development and environmental sustainability. The Company revenue is measured in the same way as in the Statement of Income and Expenditure.

10) Earnings per share

Particulars	Year Ended March 31, 2026	Period Ended March 31, 2025
Basic and diluted earnings per share		
(a) Profit attributable to the equity holders of the company	(183.00)	(844.22)
(b) Weighted average number of shares used as the denominator	10,000	10,000
Basic and diluted earnings per share (in INR) - non annualised	(1.83)	(8.44)

11) These financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 15, 2026.

12) With effect from August 05, 2022, the Ministry of Corporate Affairs (MCA) has amended Companies (Accounting Standards) Rules 2021, relating to maintenance of electronic books of account and other relevant books and papers. Pursuant to this amendment, the Companies are required to maintain the books of account which are accessible in India at all times and their backup is to be kept on servers located in India on a daily basis. The Company has a process to maintain daily backups on server physically located in India but backup logs are not available for verification due to inherent software limitations.



HEUBACH FOUNDATION

CIN No. U88900GJ2024NPL147524

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

13) Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company have not traded or invested in Crypto currency or Virtual currency during the period.
- (iv) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - a. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company.
 - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (v) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
 - a. 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 beneficiary) or
 - b. provide any guarantee, security or the like on behalf of the Ultimate beneficiaries.
- (vi) The Company have no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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)

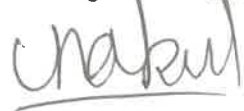
The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Jain & Hindocha

Chartered Accountants

Firm Registration Number: 103868W



Nakul Naik

Partner

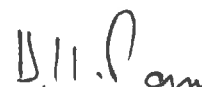
Membership Number: 187200



Deepak Joshi

Director

DIN: 06643511



Dinesh Rana

Director

DIN: 06643515

Place: Vadodara, India

Date: 15/05/2026

Place: Vadodara, India

Date: 15/05/2026

Place: Vadodara, India

Date: 15/05/2026



INDEPENDENT AUDITOR'S REPORT

To the Members of Sudarshan Gujarat MFG Private Limited (Formerly Known as Heubach Colour Private Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Sudarshan Gujarat MFG Private Limited (Formerly Known as Heubach Colour Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2026, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "financial statements").

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 prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs 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 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 obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.



MSK A & Associates LLP

(Formerly known as M S K A & Associates)

Chartered Accountants

Responsibilities of Management and Board of Directors for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Company are 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.

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter:

The financial statements of the Company for the year ended March 31, 2025, were audited by another auditor whose report dated July 16, 2025 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report 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 purposes of our audit of the aforesaid financial statements.



MSK A & Associates LLP

(Formerly known as M S K A & Associates)
Chartered Accountants

- (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, except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the financial statements.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 38 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2026.
- (iv) a. To the best of our knowledge and belief, as disclosed in the note 41 to the financial statements, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. To the best of our knowledge and belief, as disclosed in the note 41 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.



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c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to my/our notice that has caused me/us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.

(v) The Company has neither declared nor paid any dividend during the year.

(vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 44 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software. Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account relating to payroll managed and maintained by a third-party software service provider which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all the relevant transactions recorded in the software.

Further, during the course of our audit and considering SOC report, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention.

3. In our opinion, according to information, explanations given to us, the remuneration paid or provided by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

Shraddha D. Khivasara
Partner

Membership No.: 134285

UDIN: 26134285OAUPKF1402

Place: Pune

Date: May 18, 2026

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(Formerly known as M S K A & Associates)

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDARSHAN GUJARAT MFG PRIVATE LIMITED (Formerly Known as Heubach Colour Private Limited)

Auditor's Responsibilities for the Audit of the 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 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 and Board of Directors.
- Conclude on the appropriateness of Management and Board of Director'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 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.
- 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.

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.



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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 M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

SD Khivasara

Shraddha D. Khivasara

Partner

Membership No.: 134285

UDIN: 26134285OAUPKF1402



Place: Pune

Date: May 18, 2026

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED) FOR THE YEAR ENDED MARCH 31, 2026

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a)A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, and relevant details of right-of-use assets.
- i. (a)B The Company has maintained proper records showing full particulars of intangible assets.
- i. (b) Property, Plant and Equipment and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment, and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- i. (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in the financial statements, are held in the erstwhile name of the Company. As explained to us, necessary formalities for updating of title deeds in the revised name are currently under process.
- i. (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- i. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks-in-transit) has been physically verified by the management during the year. No discrepancies were noticed. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- ii. (b) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, Revised quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company.

Further, during any point of time of the year, the Company has not been sanctioned working capital limits from financial institutions, on the basis of security of current assets.



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- iii. (a) According to the information and explanations provided to us, the Company has provided loans, and stood guarantee, to other entities. During the year the Company has provided security to any other entity.

(A) The details of such loans, advances, guarantee or security(ies) to subsidiaries, Joint Ventures and Associates are as follows:

	Guarantees	Loans
Aggregate amount granted/provided during the year		
- Subsidiaries	-	INR 500 Lakhs
Balance Outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	INR 712.29 Lakhs	INR 16,083.87 Lakhs

- iii. (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, and terms and conditions in relation to grant of all loans and advances in the nature of loans are not prejudicial to the interest of the Company.
- iii. (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the same is not due during the year.
- iii. (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans granted to Company.
- iii. (e) According to the information and explanations provided to us, the loans or advances in the nature of loan granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.
- iii. (f) According to the information and explanations provided to us, the Company has not granted any loans and / or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act, either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Act, and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.
- vi. The provisions of sub-Section (1) of Section 148 of the Act, are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any



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of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

- vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income-tax, custom duty, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year. No undisputed amounts payable in respect of these statutory dues were outstanding as at March 31, 2026, for a period of more than six months from the date they became payable.
- vii. (b) According to the information and explanations given to us and the records examined by us, dues relating to Excise Duty, Income Tax which have not been deposited as on March 31, 2026, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded Rs in Lakhs	Amount Paid Rs in Lakhs	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	19.67	-	May 2006 to November 2010 and April 2011 to September 2014	Commissioner of customs and central Excise (Appeals)
The Income Tax Act, 1961	Income Tax	2,325.90	-	AY 2007-08	High Court, Ahmedabad
The Income Tax Act, 1961	Income Tax	824.58	189.29	AY 2010-11, AY 2013-14, AY 2017-18, AY 2018-19 and AY 2020-21	Commissioner of Income Tax Appeals (Vadodara)

There are no dues relating to employees' state insurance, Provident Fund, Good and Service Tax, Custom duty and other statutory dues which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- ix. (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.



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- ix. (d) According to the information and explanations provided to us, there are no funds raised during the year. Accordingly, the requirement to report under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, or joint ventures.
- ix. (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised any loans during the year. Accordingly, reporting under clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.
- x. (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.
- xi. (b) During the year no report under Section 143(12) of the Act, has been filed by secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 177 of the Act are not applicable to the Company. Further, the transactions with the related parties are in compliance with Section 188 of the Companies Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- xiv. (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and



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accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.
- xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.
- xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.
- xvi. (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the requirement to report under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 34 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans 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 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 (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Act as disclosed in note 28C to the financial statements.
- xx (b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account as specified in Schedule VII of the Act, as disclosed in note 28C to the financial statements.



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- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

SD Khivasara



Shraddha D. Khivasara

Partner

Membership No.: 134285

UDIN: 26134285OAUPKF1402

Place: Pune

Date: May 18, 2026

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) on the Financial Statements for the year ended March 31, 2026]

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")

Opinion

We have audited the internal financial controls with reference to financial statements of Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) ("the Company") as of March 31, 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

Management's and Board of Director's Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls 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 issued by the 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 its business, including adherence to 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk



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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.

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 controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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 includes 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitations of internal financial controls 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 controls 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.

For M S K A & Associates LLP (Formerly known as M S K A & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W/W101187

SD Khivasara



Shraddha D. Khivasara

Partner

Membership No.: 134285

UDIN: 26134285OAUPKF1402

Place: Pune

Date: May 18, 2026

SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

BALANCE SHEET AS AT MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Non-current assets			
a) Property, Plant and Equipment	3	13,252.32	14,506.70
b) Right-of-use assets	4	1,354.16	1,432.28
c) Capital work-in-progress	3	2,243.56	365.18
d) Other Intangible assets	5	4.26	7.49
e) Financial assets			
i. Investments	6	2,721.99	2,721.99
ii. Loans	7	4,772.09	5,784.42
iii. Other financial assets	8	583.80	573.38
f) Deferred tax assets (net)	29 (f)	1,769.92	1,359.06
g) Other non-current assets	9	8,184.03	7,079.10
Total Non-current assets		34,886.13	33,829.60
Current assets			
a) Inventories	10	13,316.13	13,410.13
b) Financial assets			
i. Investments	6	12,671.41	5,870.94
ii. Trade receivables	11	14,882.51	8,570.08
iii. Cash and cash equivalents	12	825.83	295.82
iv. Bank balances other than iii above	13	-	271.61
v. Other financial assets	8	50.68	110.13
c) Other current assets	9	1,177.54	2,559.21
Total Current assets		42,924.10	31,087.92
Total Assets		77,810.23	64,917.52
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share capital	14	880.50	880.50
b) Other Equity	15	49,064.45	40,688.12
Total Equity		49,944.95	41,568.62
LIABILITIES			
Non-current Liabilities			
a) Financial liabilities			
i. Borrowings	16	2,469.84	2,409.44
ii. Lease liabilities	36	901.43	929.32
b) Provisions	17	9,374.84	7,944.09
c) Other Non-current Liabilities	20	497.85	572.82
Total Non-current Liabilities		13,243.96	11,855.67
Current Liabilities			
a) Financial liabilities			
i. Lease liabilities	36	125.22	120.34
ii. Trade payables			
(a) total outstanding dues of micro and small enterprises	18	2,385.27	950.39
(b) total outstanding dues other than (ii) (a) above	18	9,067.70	7,600.16
iii. Other financial liabilities	19	570.68	956.29
b) Provisions	17	217.04	150.27
c) Other Current Liabilities	20	1,935.31	1,615.29
d) Current Tax liabilities (net)	29 (d)	320.10	100.49
Total Current Liabilities		14,621.32	11,493.23
Total Liabilities		27,865.28	23,348.90
Total Equity and Liabilities		77,810.23	64,917.52
Material accounting policies, Key accounting estimates and judgements	1 - 2		
The accompanying notes are an integral part of the financial statements	3-46		
As per our report of even date			

For M S K A & Associates LLP

(Formerly Known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047W/0-101182

Shraddha D. Khivasara

Partner

Membership Number: 134285

Place: Pune

Date: 18/05/2026

For and on behalf of the Board of Directors

Sudarshan Gujarat MFG Private Limited

CIN: U24110GJ1993PTC033372

Dinesh Kumar Rana

Whole Time Director

DIN: 06643515

Place: Vadodara

Date: 18/05/2026

Deepak Kumar Joshi

Director

DIN: 06643511

Place: Vadodara

Date: 18/05/2026

Ninad Awachat

Company Secretary

M. No.: 26995

Place: Pune

Date: 18/05/2026



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	Note	Year ended March 31, 2026	Year ended March 31, 2025
INCOME			
Revenue from operations	21	64,549.40	63,930.49
Other Income	22	9,454.84	6,978.06
Total Income		74,004.24	70,908.55
EXPENSES			
Cost of materials consumed	23	27,957.95	26,457.03
Purchases of Stock-in-Trade	24	1,566.45	1,737.45
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	25	345.56	(697.34)
Employee benefits expense	26	4,295.78	5,054.62
Finance costs	27	438.05	621.55
Depreciation and amortization expense	3, 4 & 5	1,920.44	2,262.88
Other expenses	28	16,662.47	15,760.60
Total Expense		53,186.70	51,196.79
Profit Before Exceptional Items and Tax		20,817.54	19,711.76
Exceptional Items	28 (B) & 43	8,466.08	63,572.63
(Loss) / Profit Before Tax		12,351.46	(43,860.87)
Tax expense			
- Current tax	29 (a)	4,362.20	4,118.17
- Deferred tax Expense / (Credit)	29 (a)	(422.91)	(2,341.74)
Total Tax expense		3,939.29	1,776.43
Profit / (Loss) for the year		8,412.17	(45,637.30)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurements of defined benefit plans		(47.89)	(29.73)
- Income Tax relating to the above		12.05	7.48
Other Comprehensive (Income) / Loss for the year (net of taxes)		(35.84)	(22.25)
Total Comprehensive Income for the year (net of taxes)		8,376.33	(45,659.55)
Earnings per share			
Basic and Diluted (in Rs.)	40	955.38	(5,183.10)
Nominat Value per equity share		100	100
Material accounting policies, Key accounting estimates and judgements	1 - 2		
The accompanying notes are an integral part of the financial statements	3-46		

As per our report of even date

For M S K A & Associates LLP
(Formerly Known as M S K A & Associates)
Chartered Accountants
Firm Registration Number: 105047W/W-101187

Shraddha D. Khilvasara
Partner
Membership Number: 134285

Place : Pune
Date: 18/05/2026



For and on behalf of the Board of Directors
Sudarshan Gujarat MFG Private Limited
CIN: U24110GJ1993PTC033372

Dinesh Kumar Rana
Whole Time Director
DIN: 06643515

Place: Vadodara
Date: 18/05/2026

Deepak Kumar Joshi
Director
DIN: 06643511

Place: Vadodara
Date: 18/05/2026

Ninad Awachat
Company Secretary
M. No.: 26995

Place: Pune
Date: 18/05/2026



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	12,351.46	(43,860.87)
Adjustments for:		
Depreciation and amortization Expenses	1,920.44	2,262.88
Provision for slow moving Inventories	(362.87)	73.81
Liabilities no longer required, written back	(168.97)	(188.62)
Finance Cost	438.05	621.55
Income from operating lease	(178.91)	(178.91)
Change in fair value of loan from JV Company	(74.96)	(74.96)
Interest Income	(1,610.73)	(1,385.11)
Dividend Income	(217.03)	(357.46)
Loss on sale of Property, Plant and Equipments (net)	-	2.12
Gain on fair valuation of mutual funds designated as FVTPL	(259.21)	(93.26)
Profit on sale of mutual funds	(463.75)	(183.27)
Fair value of preference shares from Sudarshan Dahej MFG Private Limited (formerly known as Heubach Pigments Private Limited)	(4,945.95)	(4,511.60)
Unrealised Exchange (Gain) / Loss	(1,531.78)	(165.94)
Advances written back	-	(53.59)
Impairment on Capital Work in Progress	27.67	2,369.89
Provision of balance with government authorities	4.37	208.90
Provision for capital advances	-	24.93
Impairment losses on Investments and loans	7,892.62	60,993.84
Allowances for Expected Credit Losses	1,367.31	265.91
	14,187.76	15,770.24
Change in operating assets and liabilities		
(Increase) Decrease in Inventories	456.87	196.70
(Increase) Decrease in Trade receivables	(6,043.52)	11,293.33
(Increase) Decrease in Loans	-	4.13
(Increase) Decrease in Other financial assets	49.03	(92.90)
(Increase) Decrease in Other Assets	240.82	(2,697.07)
Increase (Decrease) in Trade Payables	2,966.96	(4,432.69)
Increase (Decrease) in Other financial liabilities	(610.75)	(103.03)
Increase (Decrease) in Provisions	1,461.68	1,045.07
Increase (Decrease) in Other Liabilities	320.00	265.96
Cash generated from operations	13,028.85	21,249.74
Income taxes paid (net of refund)	(4,130.53)	(3,935.74)
Net Cash Inflow from Operating Activities	(A) 8,898.32	17,314.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment (Incl. Capital Work in Progress, Capital advance and Capital Creditors)	(2,223.43)	(178.13)
Proceeds from sale of Property, Plant and Equipment	-	59.02
Unsecured loan to Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	(500.00)	(3,967.00)
Repayment of loan to Sudarshan Dahej MFG Private Ltd	-	1,000.00
Proceeds from/(Investments in) bank deposits other than cash and cash equivalents	271.61	30.60
Income from operating lease	178.91	178.91
Interest Income	176.39	166.32
Profit on sale of mutual funds (net)	463.75	183.27
Dividend from Investments	217.03	357.46
Proceeds from/(Investments in) mutual funds (net)	(6,541.26)	(5,777.69)
Net Cash Outflow from Investing Activities	(B) (7,957.00)	(7,947.24)



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds / (Repayment) of Borrowings	-	(8,954.00)
Interest paid	(287.12)	(463.62)
Payment made for lease liabilities	(124.19)	(114.86)
Net Cash Outflow from Financing Activities	(C) (411.31)	(9,532.48)
Net Decrease in Cash and cash equivalents (A+B+C)	530.01	(165.72)
Cash and cash Equivalents at beginning of the year	295.82	461.54
Cash and cash Equivalents at end of the year	825.83	295.82
	As at	As at
	March 31, 2026	March 31, 2025
Balances with Banks		
- In Current Accounts	414.55	295.82
- In Exchange earners' foreign currency account	411.28	-
	825.83	295.82

Notes:

- The above Statement of Cash Flows has been prepared under the "Indirect Method" set out in the Ind AS - 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015.
- Net Debt Reconciliation**

	Non-current Borrowings	Current Borrowings
Net debt as at March 31, 2024	(2,353.72)	(8,982.20)
(Proceeds) / Repayment (net)	-	8,954.00
Finance cost accrued	(154.25)	(264.24)
Adjustment of fair valuation w.r.t. borrowings	(55.72)	-
Interest paid	154.25	292.44
Net debt as at March 31, 2025	(2,409.44)	-
(Proceeds) / Repayment (net)	-	-
Interest expense capitalised	-	-
Finance cost accrued	(154.25)	-
Adjustment of fair valuation w.r.t. borrowings	(60.39)	-
Interest paid	154.25	-
Net debt as at March 31, 2026	(2,469.83)	-

The accompanying notes are an integral part of the financial statements

For M S K A & Associates LLP

(Formerly Known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047/WA-101187

Shiraddha D. Khivadasa

Partner

Membership Number: 134285

Place : Pune

Date: 18/05/2026

For and on behalf of the Board of Directors

Sudarshan Gujarat MFG Private Limited

CIN: U24110GJ1993PTC033372

Dinesh Kumar Rana

Whole Time Director

DIN: 06643515

Place: Vadodara

Date: 18/05/2026

Deepak Kumar Joshi

Director

DIN: 06643511

Place: Vadodara

Date: 18/05/2026

Ninad Awachat

Company Secretary

M. No.: 26995

Place: Pune

Date: 18/05/2026



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

A. Equity Share Capital

Equity shares of Rs. 100 each issued, subscribed and fully paid

	No. of shares	Amount
Balance as at March 31, 2024	880,502	880.50
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	880,502	880.50
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	880,502	880.50

B. Other Equity

Particulars	Reserves and Surplus					Total Other Equity
	Capital Reserve	Securities Premium	Retained Earnings *	Capital Redemption Reserve	Capital Contribution	
Balance as at March 31, 2024	93.33	3,024.83	76,434.47	3,259.24	3,535.80	86,347.67
(Loss) / Profit for the year (net of tax)	-	-	(45,637.30)	-	-	(45,637.30)
Other Comprehensive Income / (Loss) (net of tax)	-	-	(22.25)	-	-	(22.25)
Total Comprehensive Income for the year	-	-	(45,659.55)	-	-	(45,659.55)
Balance as at March 31, 2025	93.33	3,024.83	30,774.92	3,259.24	3,535.80	40,688.12
(Loss) / Profit for the year (net of tax)	-	-	8,412.17	-	-	8,412.17
Other Comprehensive Income / (Loss) (net of tax)	-	-	(35.84)	-	-	(35.84)
Total Comprehensive Income for the year	-	-	8,376.33	-	-	8,376.33
Balance as at March 31, 2026	93.33	3,024.83	39,151.25	3,259.24	3,535.80	49,064.45

* Includes re-measurement of defined employee benefit plans

There are no prior period errors during the current year and previous year.

The accompanying notes are an integral part of the financial statements

For M S K A & Associates LLP

(Formerly Known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047/2015-16/187



Shradha D. Khivasara

Partner

Membership Number: 134285

Place : Pune

Date: 18/05/2026

For and on behalf of the Board of Directors

Sudarshan Gujarat MFG Private Limited

CIN: U24110GJ1993PTC033372

D. N. D. Rana

Dinesh Kumar Rana

Whole Time Director

DIN: 06643515

Place: Vadodara

Date: 18/05/2026

Deepak Kumar Joshi

Deepak Kumar Joshi

Director

DIN: 06643511

Place: Vadodara

Date: 18/05/2026

Ninad Awachat

Ninad Awachat

Company Secretary

M. No.: 26995

Place: Pune

Date: 18/05/2026



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

1) Background

Sudarshan Gujarat MFG Private Limited (Formerly known as Heubach Colour Private Limited) was incorporated in 1993 in Ankleshwar, Gujarat and has its registered office at Office no. 601, 6th Floor, The Baroda Crossway, Akota Dandia Bazar Road, Vadodara, Gujarat - 390001. It has three independent plants manufacturing a full gamut of organic colour pigments in the classical and specialty areas across the entire colour spectrum of Green, Blue, Red and Yellow. The Company is on a continuous path of growth since it was founded and can now be said to be one of the few companies offering a full range of organic pigments and preparations across a wide range of applications for the conventional areas of paints, inks and plastics to the more sophisticated applications like automotive coatings, inkjet and colour-filter.

2) Material accounting policies

2.1 Statement of Compliance:

The Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation and disclosures requirement of Division II of revised Schedule III of the Companies Act 2013, (Ind AS Compliant Schedule III), as applicable to financial statements.

Accordingly, the Company has prepared these financial statements which comprise the Balance Sheet as at 31st March 2026, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements" or "financial statements"). These financial statements are approved for issue by the Board of Directors on 18 May, 2026.

2.2 Basis of preparation:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time), (Ind AS compliant Schedule III), as applicable to the financial statements of the Company.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- Defined benefit plans – plan assets measured at fair value. Refer Note 17(ii).

The financial statements are presented in INR and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.3 Summary of material accounting policies:

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies:

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency and presentation currency of the Company is Indian National Rupee (INR). The Company's financial statements are presented in INR.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency's closing rate of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalised as cost of assets.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

(c) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

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

The Company determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

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

(d) Revenue:

Revenue from contracts with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to the customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government).

Consideration is generally due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional. Generally, the credit period varies between 7-180 days from the shipment or delivery of goods or services as the case may be.

The Company does not adjust short-term advances received from the customer for the effects of significant financing component if it is expected at the contract inception that the promised goods or services will be transferred to the customer within a period of one year.

The Company has following streams of revenue:

(i) Revenue from sale of goods:

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The point-in-time is determined when the control of the goods or services is transferred which is determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, Inco-terms the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Contract balances

Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 2.3 (n)(i)(1) Financial instruments.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

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

(ii) Export Incentive:

Income from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

(iii) Interest Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of Income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Other Income:

Insurance claims are accounted on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims. Other income is recognised when it is received or when the right to receive payment is established.

(e) Taxes:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

(i) Current tax:

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(ii) Deferred tax:

Deferred tax is provided using the balance-sheet approach 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 recognised for all taxable temporary differences, except:

-When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

-In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences ("outside-basis differences") can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

-When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

-In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(All amounts in INR lakhs, unless otherwise stated)

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside the Statement of Profit and Loss (either in other comprehensive income or in equity).

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity which intends either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(f) Property, plant and equipment and Capital work in progress:**(i) Recognition and measurement :**

An item of property, plant and equipment ('PPE') is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. These recognition principles are applied to the costs incurred initially to acquire an item of PPE, to the pre-operative and trial run costs incurred (net of sales), if any, and to the costs incurred subsequently to add to, or to replace any part of, or service it.

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment loss, if any. Cost comprises of the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, if any, and directly attributable cost of bringing the item to its working condition for its intended use and estimated present value of costs of dismantling and removing the item and restoring the site on which it is located. Borrowing costs relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Cost also includes cost of replacement of part of plant and equipment if the recognition criteria are met. If significant parts of plant and equipment have different useful lives, then they are accounted for as separate items (major components) of plant and equipment. The Company depreciates them separately based on their specific useful lives.

Machinery spares which meet the definition of PPE are capitalised and depreciated over the useful life of the principal asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Cost of assets not ready for intended use, as at the reporting date, are classified as capital work-in progress. Capital work-in progress is stated at cost, net of accumulated impairment loss, if any.

Advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

(ii) Depreciation :

Depreciation on items of property, plant and equipment is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule - II of the Companies Act, 2013, except in respect of the following assets where, useful life of assets has been determined based on technical evaluation done by the management's expert:

Asset Class	Estimated useful life (in yrs)
Buildings	30-61
Plant and Equipments*	10-21
Furniture and Fixtures	10
Vehicles	8
Office Equipments	5
Laboratory Equipments*	7
Computers*	6

* Useful life of assets are determined by the Management based on technical assessments carried out, which suggests a life different from those prescribed by Schedule II- Part 'C'.

The Company, based on technical assessment management, depreciates certain items of assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the P&L when the asset is derecognised.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(All amounts in INR lakhs, unless otherwise stated)

(g) Intangible assets and Intangible assets under development:**(i) Recognition and measurement:**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Asset Class	Estimated useful life
Computer Software	3
Goodwill, trademarks and Technical know-how	5

(h) Borrowing costs:

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset till the date the asset is ready for intended use. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended period when active development activity on the qualifying asset is suspended. Other borrowing costs are recognised as an expense in the period in which they are incurred. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(i) Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of Asset	Useful life estimated by management (years)
Leasehold land	99
Buildings	3-15

If ownership of the right-of-use asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



iii) Short-term leases and leases of low-value assets:

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the Statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(j) Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, stores and spares and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Traded goods: Cost is determined on weighted average basis.

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

(l) Provisions, contingent liabilities and contingent assets:

Provisions:

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability

Contingent liability is:

- (a) possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or
- (b) a present obligation that arises from past events but is not recognized because;
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - the amount of the obligation cannot be measured with sufficient reliability.

Contingent asset

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its Financial Statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset, and the Company recognise such assets.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

(m) Post-employment and other employee benefits:

(i) Short-term employee benefits

The distinction between short-term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short-term compensated absences, awards, ex-gratia, performance pay etc. and are recognised in the period in which the employee renders the related service. A liability is recognised at an undiscounted value for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.



(ii) Post-employment benefits:**1. Defined contribution plans:**

The contributions to provident fund and superannuation schemes are recognised in the Statement of Profit and Loss during the period in which the employee renders the related service. The Company has no further obligations under these schemes beyond its periodic contributions. The Company recognizes contribution payable to the scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

2. Defined benefit plans:

The Company operates one defined benefit plans for its employees, viz. gratuity which is funded. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. The fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on a net basis.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.
- Re-measurement

The Company presents the first two components of defined benefit costs in Statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Compensated absences:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

(n) Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets:**1. Initial recognition and measurement:**

With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in Note 2.3(d) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2. Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost (debt instruments):

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method and are subject to impairment as per the accounting policy applicable to 'Impairment of financial assets'. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables. For more information on financial assets, refer Note 30 and for receivables, refer 11

Financial assets at fair value through other comprehensive income (FVTOCI) (debt instruments):

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the Statement of Profit and Loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to Statement of Profit and Loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through other comprehensive income (equity instruments):

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under Ind AS 32 Financial Instruments - Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to Statement of Profit and Loss. Dividends are recognised as other income in the Statement of Profit and Loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company has not elected to classify irrevocably any of its equity investments under this category.

Financial assets at fair value through profit or loss (FVTPL):

Financial assets in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109 i.e. they do not meet the criteria for classification as measured at amortised cost or FVOCI. Management only designates an instrument at FVTPL upon initial recognition, if the designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument-by-instrument basis.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through other comprehensive income. The Company has not designated any financial assets at FVTPL. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profit and Loss. Interest earned on instruments designated at FVTPL is accrued in interest income, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using the contractual interest rate. Dividend income on listed equity investments are recognised in the Statement of Profit & Loss as Other Income when the right of payment has been established.



3. Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

(a) The rights to receive cash flows from the asset have expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(II) Financial liabilities and equity instruments:

1. Classification as debt or equity

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 recognised at the proceeds received, net of direct issue costs. The Company classifies a financial instrument issued by it as equity instrument only if below conditions are met:

The instrument neither includes contractual obligation to deliver cash or another financial asset to another entity, nor it includes any obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Issuer.

If the instrument will or may be settled in the Company's own equity instruments, it is non-derivative instrument that includes no contractual obligation for the Company to deliver a variable number of its own equity instruments. If the instrument is derivative, then it should be settled only by the Company exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

All other instruments are classified as financial liability and accounted for using the accounting policy applicable to the Financial Liabilities.

2. Initial recognition and measurement:

All financial liabilities are recognised at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost. The Company's financial liabilities include trade and other payables and loans and borrowings. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. Subsequent measurement:

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss (FVTPL):

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. Financial liabilities are carried at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss. For more information refer Note 30.

4. Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.



(iii) Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest

(iv) Offsetting of financial instruments:

Financial assets and financial liabilities are offset, and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

(p) Earnings per share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(q) Events after the reporting date:

If the Company receives information after the reporting period, but prior to the date of approval for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable

(r) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors.

The Board of Directors are identified as the chief operating decision maker, who assesses the financial performance and position of the Company and makes strategic decisions.

The Company has identified its business segment as Organic Pigments (comprising of CPC Green, CPC Blue, Red, Yellow and Dispersions of Green and Blue). Since 100% of the Company's business is in this segment, there are no other primary reportable segments.

2.4 New and amended standards:

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1st April 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

1. Amendments to Ind AS 21 - Lack of exchangeability

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025, which amend Ind AS 21, The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments do not have a material impact on the Company's financial statements.



II. Amendments to Ind AS 1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

In August 2025, the MCA notified amendments to paragraphs 69 to 76 of Ind AS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

If there is a breach of a material covenant of a long term loan arrangement on or before the end of the reporting period, resulting in the liability becoming payable on demand as at the reporting date, and the lender agrees—after the reporting period but before the financial statements are approved for issue—not to demand repayment for at least 12 months as a consequence of the breach, this shall be treated as an adjusting event. Accordingly, the entity is not required to classify the liability as current.

The amendments are effective for annual reporting periods beginning on or after 1 April 2025 retrospectively in accordance with Ind AS 8. The amendments do not have a material impact on the Company's financial statements.

2.5 Significant accounting judgements, estimates and assumptions:

The preparation of the Company's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year, if the revision affects current and future year.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies Note 31.
- Sensitivity analyses disclosures Note 17c.
- Capital management Note 32.

Use of significant judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Financial Statements:

(i) Useful life of property, plant and equipment and intangible assets:

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of Company's property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Consequently, the future depreciation charge could be revised and may have an impact on profit for future years. The policy for the same has been explained in notes 2.3(f)(i)

(ii) Recognition of deferred tax assets

Deferred tax is recorded on temporary differences between the tax bases of assets and liabilities and their carrying amounts, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction, at the rates that have been enacted or substantively enacted at the reporting date. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. The amount of the deferred tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced. The policy for the same has been explained under Note 2.3 (e)(ii).

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.



(iii) Defined benefit obligation:

The cost of the defined benefit gratuity plan and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables for respective countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for respective countries. Further details about defined benefit plans are given in Note 17

(iv) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(v) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Company also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss. When an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

(vi) Provision for inventory obsolescence:

The Company identifies slow and non-moving stock of all inventories on an ongoing basis. These materials are then classified based on their expected quality parameters to determine the possibility of utilisation / liquidation of these materials. Based on this study, a provision for slow and non-moving inventory is created.

(viii) Determination of timing of satisfaction of performance obligation:

For revenue recognised at a point in time, the Company has applied judgement in determining the point in time when the control of the goods are transferred based on the criteria mentioned in the standard read along with the contract with customers, applicable laws and considering the industry practices. The goods manufactured by the Company are on the basis of the open purchase order as on date and the order expected to be received. Further, the goods are dispatched as per the terms mentioned in the purchase order.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

3) Property, Plant and Equipment and Capital Work-In-Progress:

Description	Gross Carrying Amount				Depreciation and impairment losses				Net Carrying Amount
	As at April 01, 2025	Additions during the year	Disposal / Adjustment	As at March 31, 2026	As at April 01, 2025	For the year	Disposal / Adjustment	Impairment loss	As at March 31, 2026
Buildings	10,544.44	52.21	-	10,596.65	3,432.98	416.89	-	-	3,849.87
Plant and Equipment	24,182.98	440.74	-	24,623.72	17,428.18	1,260.54	-	-	18,688.72
Furniture and Fixtures	442.90	1.71	-	444.61	149.60	40.65	-	-	190.25
Vehicles	137.36	-	-	137.36	84.02	12.27	-	-	96.29
Office Equipments	321.38	5.89	-	327.27	246.29	31.14	-	-	277.43
Laboratory Equipments	229.18	72.95	-	302.13	191.48	16.87	-	-	208.35
Computers	370.71	0.57	-	371.28	189.71	50.09	-	-	239.81
GIDC Pipeline Development	0.01	-	-	0.01	-	-	-	-	-
Total	36,228.96	574.07	-	36,803.03	21,722.26	1,828.44	-	-	23,550.71
Capital Work-In-Progress	2,735.06	2,399.47	493.42	4,641.11	2,369.88	-	-	27.64	2,397.55
									2,243.56

Description	Gross Carrying Amount				Depreciation and impairment losses				Net Carrying Amount
	As at April 01, 2024	Additions during the year	Disposal / Adjustment	As at March 31, 2025	As at April 01, 2024	For the year	Disposal / Adjustment	Impairment loss	As at March 31, 2025
Buildings	10,433.82	110.62	-	10,544.44	3,010.76	422.22	-	-	3,432.98
Plant and Equipment	23,662.98	559.25	39.25	24,182.98	15,857.40	1,581.35	10.57	-	17,428.18
Furniture and Fixtures	442.33	0.57	-	442.90	108.47	41.13	-	-	149.60
Vehicles	201.42	30.01	94.07	137.36	121.92	25.14	63.04	-	293.30
Office Equipments	318.77	4.14	1.53	321.38	213.45	34.37	1.53	-	84.02
Laboratory Equipments	229.18	-	-	229.18	177.11	14.37	-	-	246.29
Computers	381.88	-	11.17	370.71	147.35	52.10	9.74	-	191.48
GIDC Pipeline Development	0.01	-	-	0.01	-	-	-	-	189.71
Total	35,670.39	704.59	146.02	36,228.96	19,636.46	2,170.68	84.88	-	21,722.26
Capital Work-In-Progress	3,312.50	62.61	640.05	2,735.06	-	-	-	2,369.88	365.18
									14,506.70

Note

i) The title deeds of immovable properties are held in the erstwhile name of the Company, i.e., Heubach Colour Private Limited, consequent to the change of name to Sudarshan Gujarat MFG Private Limited. The ownership of such properties vests with the Company and the necessary formalities for updation of title deeds in the revised name are currently under process.

(ii) The Company has not revalued its property, plant and equipment during financial year ended 31st March, 2026 and 31st March, 2025.

(iii) There are no assets which are lying with the third parties.

(iv) On transition to Ind AS (i.e. April 1, 2016), the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost used for property, plant and equipment.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

4) Right-of-use assets

Description	Gross Carrying Amount			Depreciation			Net Carrying Amount
	As at April 01, 2025	Additions during the year	Disposal/ Adjustment	As at March 31, 2026	For the year	Disposal/ Adjustment	As at March 31, 2026
Leasehold Land Buildings	602.24	-	-	602.24	8.80	-	517.55
	1,109.67	10.65	12.19	1,108.13	79.97	12.19	836.61
Total	1,711.91	10.65	12.19	1,710.37	88.77	12.19	1,354.16

Description	Gross Carrying Amount			Depreciation			Net Carrying Amount
	As at April 01, 2024	Additions during the year	Disposal/ Adjustment	As at March 31, 2025	For the year	Disposal/ Adjustment	As at March 31, 2025
Leasehold Land Buildings	602.24	-	-	602.24	8.77	-	526.35
	1,109.67	-	-	1,109.67	79.26	-	905.93
Total	1,711.91	-	-	1,711.91	88.03	-	1,432.28

5) Other Intangible Assets

Description	Gross Carrying Amount			Amortisation			Net Carrying Amount
	As at April 01, 2025	Additions during the year	Disposal	As at March 31, 2026	For the year	Disposal	As at March 31, 2026
Computer Software Technical Know-How	50.82	-	-	50.82	-	-	-
	198.01	-	-	198.01	3.23	-	193.75
Total	248.83	-	-	248.83	3.23	-	244.57

Description	Gross Carrying Amount			Amortisation			Net Carrying Amount
	As at April 01, 2024	Additions during the year	Disposal	As at March 31, 2025	For the year	Disposal	As at March 31, 2025
Computer Software Technical Know-How	50.82	-	-	50.82	0.94	-	50.82
	198.01	-	-	198.01	3.23	-	190.52
Total	248.83	-	-	248.83	4.17	-	241.34

(i) The Company has not revalued its Intangible Assets during the financial years ended March 31, 2026 and March 31, 2025

(ii) On transition to Ind AS (April 1, 2016), the Company has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

3a) CWIP ageing Schedule as at March 31, 2026

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress	2,190.89	-	-	-	2,190.89
Projects temporarily suspended	-	-	3.30	2,446.92	2,450.22
Total	2,190.89	-	3.30	2,446.92	4,641.11
Less: Impairment Loss	-	-	(3.30)	(2,394.25)	(2,397.55)
Net Carrying Amount	2,190.89	-	-	52.67	2,243.56

Completion Schedule whose completion is overdue or has exceeded its cost compared to its original plan:

CWIP	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Completion is overdue:					
Improvement Capex- Unit 1	32.89	-	-	-	32.89
Capex- Maintenance Unit 3	30.51	-	-	-	30.51
Guard Pond - Unit 3	71.96	-	-	-	71.96
Improvement Capex- Unit 3	9.70	-	-	-	9.70
Project has exceeded its cost compared to its original plan					
PR 168	1,923.45	-	-	-	1,923.45
Sub-Total (A)	2,068.51	-	-	-	2,068.51
Projects temporarily suspended					
Completion is overdue:					
Crude Plant-2	-	-	-	130.76	130.76
New Green 2800 TPA	-	-	-	2,256.10	2,256.10
Orange	-	-	-	30.00	30.00
66 KV Expansion	-	-	-	4.25	4.25
Infrastrutture New Development	-	-	-	4.79	4.79
66 KV Bay Expansion and HT yard Green	-	-	-	21.03	21.03
Safety Upgradation Unit 1/2/3	-	-	3.30	-	3.30
	-	-	-	-	-
Sub-Total	-	-	3.30	2,446.92	2,450.22
Less: Impairment Loss	-	-	(3.30)	(2,394.25)	(2,397.55)
Sub-Total (B)	-	-	-	52.67	52.67
Grand Total (A+B)	2,068.51	-	-	52.67	2,121.18



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

3b) CWIP ageing Schedule as at March 31, 2025

CWIP	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress	-	-	-	150.85	150.85
Projects temporarily suspended	-	-	-	2,584.21	2,584.21
Total	-	-	-	2,735.06	2,735.06
Less: Impairment Loss	-	-	-	(2,369.88)	(2,369.88)
Net Carrying Amount	-	-	-	365.18	365.18

Completion Schedule whose completion is overdue or has exceeded its cost compared to its original plan:

CWIP	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in Progress					
Completion is overdue:					
66 KV Bay Expansion and HT yard Green	-	35.17	-	-	35.17
Infrastruture New Development	-	4.79	-	-	4.79
Pipe Rack- Green & Blue	-	55.60	-	-	55.60
Sub-Total (A)	-	95.56	-	-	95.56
Projects temporarily suspended					
Completion is overdue:					
Crude Plant-2	-	-	130.76	-	130.76
New Green 2800 TPA	-	2,423.46	-	-	2,423.46
Orange	-	30.00	-	-	30.00
Sub-Total	-	2,453.46	130.76	-	2,584.22
Less: Impairment Loss	-	(2,239.13)	(130.76)	-	(2,369.89)
Sub-Total (B)	-	214.33	-	-	214.33
Grand Total	-	309.89	-	-	309.89



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
6) Investments		
Non-current		
Investments in Equity Instruments (Unquoted):		
I) Investment in wholly owned subsidiaries (At Cost)		
1 equity share of Heubach Research Centre s.r.o., Czech Republic, of Face value CZK 200,000, fully paid up. (March 31,2025 1 equity share)	5.61	5.61
100 equity shares of Sudarshan Osaka SLO K.K. (Formerly known as Heubach Japan KABUSHIKIKAISYA, Japan,) of Face value JPY 50,000 each fully paid up. (March 31,2025 100 equity shares)	27.08	27.08
40,00,000 equity shares of Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigment Private Limited, India,) of Face value Rs. 100 each fully paid up. (March 31,2025 40,00,000 equity shares) Less: Loss allowance in investment value	4,000.00 (4,000.00)	4,000.00 (4,000.00)
10,000 equity shares of Heubach Foundation, India,(Section 8 company) of Face value Rs. 10 each fully paid up. (March 31,2025 10,000 equity shares)	1.00	1.00
II) Investment in Joint Venture (At Cost)		
24,800,000 equity shares of Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited, India,) of Face value Rs. 10 each fully paid up. (March 31,2025 24,800,000 equity shares)	2,480.00	2,480.00
III) Investment in Others * (At Fair Value through Profit and Loss)		
89,426 equity shares of Bharuch Enviro Infrastructure Ltd, India, of Face value of Rs. 10 each fully paid up. (March 31,2025 89,426 equity shares)	8.94	8.94
1,988,681 equity shares of Narmada Cleantech, India of Face value of Rs. 10 each fully paid up. (March 31,2025 1,988,681 equity shares)	198.87	198.87
2,400 equity shares of Enviro Technology Ltd, India of Face value of Rs. 10 each fully paid up. (March 31,2025 2,400 equity shares)	0.24	0.24
2,500 equity shares of Ankleshwar Research and Analytical Infrastructure Limited, India of Face value of Rs. 10 each fully paid up. (March 31,2025 2,500 equity shares)	0.25	0.25
The Company has complied with the number of layers prescribed under clause (B7) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.		
Investments in Preference Shares (Unquoted):		
Investment in subsidiaries (At Amortised Cost)		
3,47,00,000 preference shares of Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited, India,) of Face value of Rs. 50 each, at Rs. 100 each fully paid up. (March 31,2025 3,47,00,000 preference shares) Less: Loss allowance in investment value	53,574.68 (53,574.68)	48,628.73 (48,628.73)
	2,721.99	2,721.99
* These investments are for operation purpose and are obligatory in nature. On disposal, these will fetch only the principal amount invested and hence the Company considers their cost and fair value to be the same.		
Aggregate value of unquoted investments	2,721.99	2,721.99
Aggregate amount of Impairment in value of investments	57,574.68	52,628.73
Current		
Investments in Mutual Funds (Quoted) (At Fair Value through Profit and Loss)		
Name of scheme		
- HDFC Overnight Fund	1,550.71	338.18
(March 31,2026: 38,837.772 units, March 31,2025: 8,932.04 units)		
- HDFC Liquid Fund	-	1,865.50
(March 31,2026: Nil, March 31,2025: 36,632.32 units)		
-HDFC Money Market Fund	1,985.64	-
(March 31,2026: 32,538.044, March 31,2025: Nil)		
- Axis Money Market Fund	2,159.03	-
(March 31,2026:1,42,774.207 units, March 31,2025: Nil)		
- Axis Liquid Fund	1,549.20	-
(March 31,2026: 50,550.921 units, March 31,2025: Nil)		
- Axis Overnight Fund	708.54	-
(March 31,2026: 49,696.433 units, March 31,2025: Nil)		
-Kotak Money Market Fund	1,545.47	-
(March 31,2026:32,572.894 units, March 31,2025: Nil)		
- Kotak Liquid Fund	1,579.79	2,006.70
(March 31,2026:28,385.642 units, March 31,2025: 38,300.18 units)		
- HDFC Low Duration Fund	1,593.03	1,660.56
(March 31,2026:24,30,780,196 units, March 31,2025:27,10,242,17 units)		
	12,671.41	5,870.94
Aggregate amount of quoted investments	12,412.20	5,777.68
Aggregate market value of quoted investments	12,671.41	5,870.94
7) Loans		
Non-current		
Loan to related party:		
Unsecured,Considerd good- Loan to subsidiary	16,083.87	14,149.53
Less: Loss allowance in loan value	(11,311.78)	(8,365.11)
	4,772.09	5,784.42



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
 (All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Refer note no 40 for terms of loan to subsidiary and note no 33 for details on transaction with related parties		
Break-up of security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4,772.09	5,784.42
Loans which have significant Increase in Credit Risk	-	-
Loans - credit Impaired	11,311.78	8,365.11
	16,083.87	14,149.53



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
8) Other financial assets		
Non-current (unsecured, considered good)		
Security deposits	520.70	520.74
Deposit with Bank#	52.30	52.64
Interest accrued but not due on deposits	10.80	-
	583.80	573.38
Current (unsecured, considered good)		
Security deposits	47.86	93.19
Interest accrued but not due on deposits	2.82	15.92
Others	-	1.02
	50.68	110.13

Includes pledged with Superintendent of Prohibition Excise towards security deposit Rs. 2.00 Lakhs (March 31, 2025 Rs. 3.00 Lakhs)

9) Other Assets		
Non-current		
Capital Advances (unsecured, considered good)	1.40	32.95
Advances other than capital advances:		
Other Duties and Taxes paid under protest	0.20	0.20
Income tax paid under protest	189.29	124.70
Payment under protest to Narmada Clean Tech	7,993.14	6,921.25
	8,184.03	7,079.10

Note: No advances are due from directors or other officers of the Company, firms in which a director is a partner or private companies in which a director is a director or a member either severally or jointly with any other person except as disclosed in note 33

Current		
Balances with Government authorities	496.72	2,094.20
Less: Provision for balances with Government authorities	(213.28)	(208.90)
Prepaid Expenses	63.92	20.14
GST Refund Receivable	321.77	518.44
Export Incentive Receivable	24.41	29.24
Advance to suppliers	484.00	106.09
	1,177.54	2,559.21

Movement in provision for balance with government authorities

Balance at the beginning of the year	208.90	-
Add: Provision created during the year	4.38	208.90
Balance at the end of the year	213.28	208.90

Note: A provision has been made for balance with government authorities that are considered doubtful of recovery. This provision is based on a review of outstanding balances for the items which are available in Capital Work in Progress.

10) Inventories*		
Stores and spares	587.29	635.13
Raw Materials	2,958.82	2,816.95
(In transit Rs. 70.03 Lakhs, March 31, 2025 in transit Rs. 551.07 Lakhs)		
Packing Materials	318.39	160.86
Work-in-Progress	2,865.10	2,468.98
Finished Goods	6,522.11	7,224.54
(In transit Rs. 1384.00 Lakhs, March 31, 2025 in transit Rs. 392.45 Lakhs)		
Traded Goods	64.42	103.67
(In transit Rs. 33.74 Lakhs, March 31, 2025 in transit Rs. 41.72 Lakhs)		
	13,316.13	13,410.13

*Valued at cost or net realisable value, whichever is lower.

Amounts recognised in the Statement of Profit or Loss:

During the year, an amount of Rs. (49.27) Lakhs (31st March, 2025: Rs. 46.11 Lakhs) was (reversed) / charged off to the Statement of Profit and Loss on account of provision for difference in stock values and net realisable values of inventories.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
11) Trade receivables		
Current		
Secured, considered good	-	0.52
Unsecured, considered good	14,882.51	8,569.56
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	8,784.36	7,417.05
	23,666.87	15,987.13
Less		
Impairment allowance (allowance for bad and doubtful debts including expected credit loss)		
Credit impaired	(8,784.36)	(7,417.05)
	14,882.51	8,570.08
 Trade receivable from:		
Related parties (refer note 33)	9,583.33	3,695.19
Trade receivables from other than related parties	14,083.54	12,291.94
	23,666.87	15,987.13

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. For details of debts due from firms or private companies in which any director is a partner, a director or a member, refer note 33.

Refer note 31 for details of credit risk related to trade receivables.

Trade Receivable ageing schedule as at March 31, 2026

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	1,002.71	11,497.24	2,319.60	50.54	12.42	-	-	14,882.51
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	25.20	45.61	40.20	2,088.12	6,430.05	-	8,629.18
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	155.18	155.18
Total	1,002.71	11,522.44	2,365.21	90.74	2,100.54	6,430.05	155.18	23,666.87
Less: Impairment allowance (allowance for bad and doubtful debts including expected credit loss)	-	-	-	-	-	-	-	(8,784.36)
Total	1,002.71	11,522.44	2,365.21	90.74	2,100.54	6,430.05	155.18	14,882.51

Trade Receivable ageing schedule as at March 31, 2025

Particulars	Outstanding for following period from due date of payment							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	-	6,891.90	1,675.65	-	2.53	-	-	8,570.08
(ii) Undisputed Trade Receivables - which have significant Increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	9.73	17.65	1,768.66	5,461.26	0.56	4.01	7,261.87
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant Increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	155.18	155.18
Total	-	6,901.63	1,693.30	1,768.66	5,463.79	0.56	159.19	15,987.13
Less: Impairment allowance (allowance for bad and doubtful debts including expected credit loss)	-	-	-	-	-	-	-	(7,417.05)
Total	-	6,901.63	1,693.30	1,768.66	5,463.79	0.56	159.19	8,570.08

Refer note 31 for details of credit risk related to trade receivables.

	As at March 31, 2026	As at March 31, 2025
12) Cash and cash equivalents		
Balances with Banks:		
- In Current Accounts	414.55	295.82
- In Exchange earners' foreign currency accounts *	411.28	-
	825.83	295.82
 * This amount pertains to remittance in transit.		
13) Bank Balances other than cash and cash equivalents		
Earmarked balances with banks	-	1.61
Earmarked deposits with banks	-	270.00
	-	271.61



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

14) Equity Share Capital

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
Authorised:				
Equity shares of Rs. 100 each	1,250,000	1,250.00	1,250,000	1,250.00
Preference shares of Rs. 100 each	3,250,000	3,250.00	3,250,000	3,250.00
	4,500,000	4,500.00	4,500,000	4,500.00
Issued, Subscribed and Fully Paid-up:				
Equity shares of Rs. 100 each	880,502	880.50	880,502	880.50

(i) Reconciliation of authorised equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning and at the end of the year	1,250,000	1,250.00	1,250,000	1,250.00
Add : Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	1,250,000	1,250.00	1,250,000	1,250.00

(ii) Reconciliation of Issued, subscribed and fully paid-up equity share capital

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	Amount	No. of Shares	Amount
As at the beginning and at the end of the year	880,502	880.50	880,502	880.50
Add : Increase/ (decrease) during the year	-	-	-	-
Outstanding at the end of the year	880,502	880.50	880,502	880.50

(III) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in 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 amounts, in proportion to their shareholding.

(iv) Shares in the company held by its holding company and subsidiaries of holding Company in aggregate

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sudarshan Lux Holding S.a.r.l.(Formerly known as Heubach Holding S.a.r.l., Luxembourg), the Holding Company	880,335	99.98%	880,335	99.98%

(v) Details of equity shares held by shareholders holding more than 5% shares of the aggregate shares in the Company including Promotor

	As at March 31, 2026		As at March 31, 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Sudarshan Lux Holding S.a.r.l.(Formerly known as Heubach Holding S.a.r.l., Luxembourg), the Holding Company	880,335	99.98%	880,335	99.98%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(vi) Aggregate number of shares issued for consideration other than cash, bonus shares allotted and shares bought back during the period of five years immediately preceding the reporting date

There are no such shares issued, allotted or bought back during the period of five years immediately preceding the reporting date.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

15) Other Equity

	As at March 31, 2026	As at March 31, 2025
(a) Capital Reserve		
Balance at the beginning of the year	93.33	93.33
Additions		
Balance at the end of the year	93.33	93.33
(b) Capital Contribution		
Balance at the beginning of the year	3,535.80	3,535.80
Additions	-	-
Balance at the end of the year	3,535.80	3,535.80
(c) Retained Earnings		
Balance at the beginning of the year	30,774.92	76,434.47
Add: Profit / (loss) for the year	8,412.17	(45,637.30)
Add: Other comprehensive Income / (loss) recognised directly in retained earnings*	(35.84)	(22.25)
Balance at the end of the year	39,151.25	30,774.92
(d) Securities Premium		
Balance at the beginning of the year	3,024.83	3,024.83
Add: Receipt of security premium on existing shares	-	-
Balance at the end of the year	3,024.83	3,024.83
(e) Capital Redemption Reserve		
Balance at the beginning of the year	3,259.24	3,259.24
Transferred to retained earnings		
Balance at the end of the year	3,259.24	3,259.24
	49,064.45	40,688.12

*Includes balance of remeasurement of net gain on defined employee benefit plans of Rs. 35.84 Lakhs
(March 31, 2025 net gain : Rs. 22.25 Lakhs)



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026**

(All amounts in INR lakhs, unless otherwise stated)

Nature and purpose of Other Equity**Retained Earnings**

Retained earnings represents accumulated profit of the Company as on reporting date. The reserve can be utilized in accordance with the provision of the Companies Act, 2013

Capital Reserve

It is the difference between the consideration and value of net identifiable assets acquired as per the scheme of Amlagamation on April 1, 2007 from Eusa Pigments Private Limited. The reserve is utilised in accordance with the provisions of the Act.

Securities Premium

Securities premium is used to record the premium on issue of equity shares. The reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

1) Pursuant to the special resolution passed by the shareholders at the Annual General Meeting held on September 18, 2002, the Company made an offer for the buy-back of shares from the shareholders. Consequent to the offer, 15,984 shares were bought back and extinguished. Accordingly, the amount has been transferred to Capital Redemption Reserve, being the amount equal to the nominal value of the shares bought back. The reserve will be utilised in accordance with the provisions of the Act.

2) Shareholder requested the Company for the redemption of all Preference Shares. Board of Directors of the Company by passing a circular resolution on March 10, 2023 approved the redemption. Consequent to the request received and subsequent acceptance of the request by the Company, 3,243,260 shares were bought back and extinguished. Accordingly, the amount has been transferred to Capital Redemption Reserve, being the amount equal to the nominal value of the shares bought back. The reserve will be utilised in accordance with the provisions of the Act.

Capital Contribution

The Company issued 0% Redeemable preference shares of Rs. 3,243.26 Lakhs as per the Scheme of Amalgamation. The Company had also received interest free and below market rate bearing unsecured loan from parent Company of USD 66 lakhs. These financial liabilities were measured at amortised cost and fair value difference on inception was recognised as deemed capital contribution from Parent Company at the time of transition to Ind AS.

16) Borrowings

	Maturity date	Terms of repayment	Interest rate	As at March 31, 2026	As at March 31, 2025
<u>Non-current</u>					
<u>Loan from Related parties (unsecured)</u>					
-Sudarshan Toyo Colour Private Limited(formerly known as Heubach Toyo Colour Private Limited)	Sept, 2033	Repayable by Sept, 2033	5% p.a	2,469.84	2,409.44
				<u>2,469.84</u>	<u>2,409.44</u>



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
17) Provisions		
Non-current		
Provision for Employee Benefits		
- Leave Encashment	515.39	452.96
- Gratuity	492.48	129.28
Provision for others		
Provision for litigation with Narmada Clean Tech	8,366.97	7,361.85
Provision for reversal of ITC on suspension of projects	-	-
	9,374.84	7,944.09
Current		
Provision for Employee Benefits		
- Gratuity	151.07	104.22
- Leave Encashment	65.97	46.05
	217.04	150.27

The Company has classified various benefits provided to employees as under :

(i) Defined Contribution Plans

- a) Provident Fund
- b) Employees' State Insurance
- c) Employees' Pension Scheme, 1995

The Company has charged the following amounts in the Statement of Profit and Loss during the year:

	Year ended March 31, 2026	Year ended March 31, 2025
- Employers' Contribution to Provident Fund	98.33	108.58
- Employers' Contribution to Employees' State Insurance	0.71	0.78
- Employers' Contribution to Employees' Pension Scheme, 1995	53.06	58.86

(ii) Defined Benefit Plans

The Company has funded Defined Benefit Plan for the post employment benefit in the form of Gratuity under Life Insurance Corporation of India. Liability of Defined Benefit Plan is provided on the basis of actuarial valuation, as at balance sheet date, carried out by an Independent actuary. The actuarial valuation method used by an actuary for measuring the liability is the Projected Unit Credit Method. The Company's Defined Benefit Plan is funded, the fair value of the plan asset is reduced from the gross amount of obligation under the defined benefit plan, to recognise on a net basis. Actuarial gain and losses comprise experience adjustments and the effect of changes in actuarial assumptions and are recognised immediately in the statement of Other Comprehensive Income as Income or expense.

Gratuity

The company provides for gratuity for employees in India as per Payment of New Labour Code 2025 Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of New Labour Code 2025 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier.

Particulars	As at March 31, 2026	As at March 31, 2025
Current service cost	81.00	78.21
Net Interest (income) / expense	25.34	18.17
Net expenses	106.34	96.39



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

a) Changes in the Present Value of Obligation and Fair value of Plan Assets

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net amount
As at April 01, 2025	1,155.94	922.44	233.50
Interest Cost	90.78	-	90.78
Current service cost	81.00	-	81.00
Past Service Cost	468.15	-	468.15
Expected return on plan assets	-	65.43	(65.43)
Total amount recognised in Statement of Profit and Loss	639.92	65.43	574.49
Return on plan assets excluding Interest Income	-	(4.27)	4.27
Actuarial (Gains)/Losses on Obligation due to:			
- Change In demographic assumptions	-	-	-
- Change In financial assumptions	(54.40)	-	(54.40)
- Experience	2.23	-	2.23
Total amount recognised in Other Comprehensive Income	(52.16)	(4.27)	(47.89)
Contribution by the Employer	-	116.54	(116.54)
Benefit paid	(74.04)	(74.04)	-
As at March 31, 2026	1,669.66	1,026.10	643.55

Note:

The Company contributes to LIC due to which contributions once made cannot be refunded to the Company inspite of excess of fair value of plan asset over present value of defined benefit obligation. Hence no gratuity asset and corresponding Income are recognised in the books. Amount of gratuity expenses are recognised on the basis of contribution paid to LIC.

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net amount
As at April 01, 2024	1,213.01	960.97	252.04
Interest Cost	87.46	-	87.46
Current service cost	78.21	-	78.21
Past Service Cost	-	-	-
Expected return on plan assets	-	69.29	(69.29)
Total amount recognised in Statement of Profit and Loss	165.67	69.29	96.38
Return on plan assets excluding Interest Income	-	(2.88)	2.88
Actuarial (Gains)/Losses on Obligation due to:			
- Change In demographic assumptions	-	-	-
- Change In financial assumptions	36.67	-	36.67
- Experience	(69.28)	-	(69.28)
Total amount recognised in Other Comprehensive Income	(32.61)	(2.88)	(29.73)
Contribution by the Employer	-	85.19	(85.19)
Benefit paid	(190.13)	(190.13)	-
As at March 31, 2025	1,155.94	922.44	233.50

Note:

Amount of gratuity expenses are recognised on basis of actuarial valuation



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

b) Amount recognised in the Balance Sheet

Particulars	As at March 31, 2026	As at March 31, 2025
Present Value of Obligation at the end of the year	(1,669.66)	(1,155.94)
Fair Value of Plan Assets at the end of the year	1,026.11	922.44
Amount recognised in the Balance Sheet	(643.55)	(233.50)

c) Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions are as follows:

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.27%	6.78%
Rate of Increase in compensation level**	9.00%	9.00%
Expected Return on plan assets	7.27%	6.78%
Expected Weighted Average remaining working lives of employees (years)	11	11
	-For service 4 years and below 8.00% p.a.	-For service 4 years and below 8.00% p.a.
Rate of Employee Turnover	-For service 5 years and above 3.00% p.a	-For service 5 years and above 3.00% p.a
Retirement age	58, 60 & 63 years	58, 60 & 63 years
Vesting period	5 years	5 years

** Takes Into account the inflation, seniority, promotions and other relevant factors

Fair value of plan assets at the balance sheet date for defined benefit obligations:

Category of assets (% allocation)	As at March 31, 2026	As at March 31, 2025
Life Insurance Corporation of India (100%)	1,026.11	922.44
	1,026.11	922.44

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

As at March 31, 2026	Change in assumption (Percentage)	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	(108.77)	123.63
Salary escalation rate	1%	120.36	(108.08)
Employee Turnover rate	1%	(13.86)	15.23

As at March 31, 2025	Change in assumption (Percentage)	Impact on defined benefit obligation	
		Increase	Decrease
Discount rate	1%	(82.25)	93.81
Salary escalation rate	1%	90.88	(81.38)
Employee Turnover rate	1%	(13.06)	14.42

Sensitivity analysis Indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
 (All amounts in INR lakhs, unless otherwise stated)

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous year and the points / percentage by which the assumptions are stressed are same to that in the previous year.

The assumptions for mortality do not have a significant impact on the liability, hence are not considered a significant actuarial assumption for the purpose of sensitivity analysis.

Risk Exposure

The gratuity scheme is a salary defined benefit plan that provides for lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

Demographic risk

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

Expected contribution by the company for the next year: Rs. 151.07 lakhs

Weighted Average Duration of the Defined Benefit Obligation is 8 years (Previous Year: 9 Years).

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability 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.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(III) Leave Encashment

The leave obligations cover the Company's liability for sick leave, privilege leave. The amount of the provision to be settled within next 12 months is presented as current, since the Company does not have an unconditional right to defer the 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. The following table shows bifurcation of current and non-current provision for leave encashment.

Particulars	As at 31st March, 2026	As at 31st March, 2025
Current leave obligations expected to be settled within the next 12 Months	65.97	46.05
Leave obligations expected to be settled beyond 12 months	515.39	452.96

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of unutilised compensated absences and utilise it in the future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the Balance Sheet date carried out by qualified actuary on projected unit credit method carried out for assessing the liability as on the reporting date.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
 (All amounts in INR lakhs, unless otherwise stated)

The principal assumptions used in determining leave obligation for the Company are shown below:

	As at March 31, 2026	As at March 31, 2025
Discount rate	7.27%	6.78%
Rate of increase in compensation level**	9.00%	9.00%
Expected Return on plan assets	7.27%	6.78%
Expected Weighted Average remaining working lives of employees (years)	11	11
	-For service 4 years and below 8.00% p.a.	-For service 4 years and below 8.00% p.a.
Rate of Employee Turnover	-For service 5 years and above 3.00% p.a.	-For service 5 years and above 3.00% p.a.
Retirement age	58, 60 & 63 years	58, 60 & 63 years
Leave avallment(Sick Leave)	8.00%	8.00%
Leave avallment(Privilege leave)	2.00%	2.00%

** Takes Into account the Inflation, seniority, promotions and other relevant factors



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
18) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	2,385.27	950.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,067.70	7,600.16
	11,452.97	8,550.55
Trade payable to:		
Related parties	873.93	98.41
Others	10,579.04	8,452.14
	11,452.97	8,550.55

Note:

Details of Dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

	As at March 31, 2026	As at March 31, 2025
(i) Principal amount due to suppliers under MSMED Act, 2006	2,364.12	769.56
(ii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	445.56	3,273.57
(iii) Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount	1.04	38.48
(iv) Interest paid to suppliers under MSMED Act, 2006 (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	183.20	182.16
The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company.		

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are generally settled on 7 to 150 days terms.
- For terms and conditions with related parties, refer note 33.
- For the Company's credit risk management processes, refer note 31.

Following is the ageing schedule for trade payables

Particulars		Outstanding for following period from due date of payment						Total
		Unbilled*	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	183.20	2,187.77	14.30	-	-	-	2,385.27	
(ii) Others	1,300.68	7,189.62	186.59	361.90	19.28	9.63	9,067.70	
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	
(iv) Disputed dues -Others	-	-	-	-	-	-	-	
Total	1,483.88	9,377.39	200.89	361.90	19.28	9.63	11,452.97	

Following is the ageing schedule for trade payables

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled*	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	180.83	767.38	2.18	-	-	-	950.39
(ii) Others	738.15	6,510.39	330.81	16.79	1.54	2.29	7,600.16
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
Total	918.98	7,277.77	332.99	16.79	1.54	2.29	8,550.55

* Unbilled represents accrual for expenses

	As at March 31, 2026	As at March 31, 2025
19) Other financial liabilities		
Current		
Capital Creditors*	247.44	22.30
Employee Benefits Payable	314.52	653.66
Deposits from Customer	8.72	8.72
Provision for CSR expense	-	271.61
	570.68	956.29

* Includes amount payable to MSME parties amounting to INR 162.04 lakhs as at March 31, 2026 (March 31, 2025: 12.94 lakhs)

20) Other Liabilities		
Non-current		
Fair valuation of loan from JV Company	497.85	572.82
	497.85	572.82
Current		
Advance from customers	263.30	176.30
Other Advances		
Advance against Working Capital requirement	1,318.00	1,136.00
Others		
Fair valuation of loan from JV Company	74.96	74.96
Statutory dues including provident fund and tax deducted at source	279.05	228.03
	1,935.31	1,615.29



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
21) REVENUE FROM OPERATIONS		
Sale of Products		
- Finished goods	61,871.63	60,931.35
- Traded goods	2,007.53	2,339.23
Other operating revenues		
- Reimbursement of Fixed overhead charges	221.26	179.79
- Income from operating lease	178.91	178.91
- Scrap Sales	55.28	45.80
- Change in fair value of loan from JV Company	74.96	74.96
- Export Incentives	139.83	180.51
Total revenue from operations	64,549.40	63,930.49

Below is the disclosure as required under Ind AS 115 - "Revenue from Contracts with Customers".

(a) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and timing of revenue recognition.

Particular	Year ended 31st March, 2026	Year ended 31st March, 2025
Major product lines		
Sale of pigments	63,879.18	63,270.58
Primary geographical market		
In India	23,496.50	18,335.28
Outside India	40,382.66	44,935.30

(b) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted price

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue as per contracted price	64,497.56	64,465.43
Less: Adjustments		
Rebate & Discounts	(1.82)	(60.14)
Sales returns	(216.41)	(776.07)
Revenue from contract with customers*	64,279.33	63,629.22

*It includes reimbursement of fixed overhead charges, income from operating leases.

(c) Contract balances (Net off expected loss)

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Trade receivable	14,882.51	8,570.08
Contract liabilities (advance from customer)	263.30	176.30

The receivable is net of provision for expected credit losses as recognised in accordance with the provisions of Ind AS 109 amounting to Rs.8,784.36 lakhs (Previous year Rs.7,417.05 lakhs).

Particulars	Year ended 31st March, 2026	Year ended 31st March, 2025
Revenue recognised from amount included in contract liabilities at the beginning of the year	151.65	39.08

22) Other Income

Interest on:

- Fixed Deposits with Banks	4.08	24.80
- Income Tax Refunds	2.51	-
- Loans to related parties	1,593.71	1,349.88
- Deposits with Vendors	10.43	10.43
	1,610.73	1,385.11

Dividend Income	217.03	357.46
Insurance Claim Received	-	1.25
Exchange Gain (Net)	1,611.84	69.57
Gain on fair valuation of mutual funds designated as FVTPL	259.21	93.26
Profit on sale of mutual funds	463.75	183.27
Liabilities no longer required, written back	168.97	188.62
Fair value of preference shares from Sudarshan Daheh MFG Private Limited (Formerly known as Heubach Pigments Private Limited)	4,945.95	4,511.60
Advances written back	-	53.59
Miscellaneous Income	177.36	134.33
	9,454.84	6,978.06

23) Cost of material consumed

Raw Materials Consumed

Opening Inventory	2,816.95	3,738.32
Add: Purchases and Incidental expenses	28,099.82	25,535.66
Less: Closing Inventory	2,958.82	2,816.95
Cost of Raw Material consumed during the year	27,957.95	26,457.03



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

24) Purchases of Stock-In-Trade

Purchase of traded goods

1,566.45	1,737.45
1,566.45	1,737.45

25) Changes in inventories of finished goods, Stock-In-Trade and work-In progress

Opening balance :

- Finished Goods
- Work-In-Progress
- Stock In trade

7,224.54	6,323.83
2,468.98	2,580.08
103.67	195.94
9,797.19	9,099.85

Less : Closing balance :

- Finished Goods
- Work-In-Progress
- Stock In trade

6,522.11	7,224.54
2,865.10	2,468.98
64.42	103.67
9,451.63	9,797.19

345.56	(697.34)
---------------	-----------------

Year ended	Year ended
March 31, 2026	March 31, 2025

26) Employee benefit expenses

Salaries, Wages and Bonus
Contribution to provident and other funds
Staff Welfare Expenses

3,800.85	4,521.36
153.39	196.83
341.54	336.43
4,295.78	5,054.62

27) Finance cost

Interest on Long term borrowings
Interest on Short term borrowings
Interest on lease liabilities measured at amortised cost
Effect of fair value of Loan from Related parties
Interest on delayed payments to Micro & Small Enterprises
Other finance Cost

154.25	154.25
-	264.24
90.53	91.93
60.39	55.72
1.04	38.48
131.84	16.93
438.05	621.55



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

28) Other expenses

Consumption of Stores and Spares	934.89	877.73
Consumption of Packing Material	603.89	622.91
Power fuel and Water Charges	5,445.72	5,712.14
Pollution Control Expenses	1,328.77	1,365.48
Sub-contract charges	3.04	12.10
Manufacturing facilitation charges	67.90	126.03
Drainage Cess	139.08	153.31
Labour Charges	1,714.89	1,603.33
Repairs and Maintenance		
- Plant and Machinery	743.68	551.58
- Buildings	223.23	181.62
- Others	73.10	83.24
Rent	14.50	14.02
Rates and taxes	184.22	158.34
Product Registration charges	-	12.40
Laboratory expenses	212.46	154.48
Advertisement and Sales Promotion	19.76	21.50
Travelling and conveyance	156.52	176.24
Telephone and postage	80.44	128.21
Insurance	306.83	289.31
Legal and Professional fees	959.97	793.21
Auditor's Remuneration [Refer Note 28(A)]	14.85	29.49
Sales commission	6.25	31.67
Carriage Outwards	879.98	1,682.86
Bank charges and commission	32.39	46.33
Expenses towards Corporate Social Responsibility activities [Refer Note 28(C)]	228.00	325.67
Allowances for Expected Credit Losses	1,367.31	265.91
Loss on sale of property, plant and equipment (net)	-	2.12
Group Management Charges	600.00	-
Provision for capital advances	-	24.93
Impairment on Capital Work In Progress	27.67	
Miscellaneous expenses	293.13	314.44
	16,662.47	15,760.60

28(A) Auditor's Remuneration

a) Statutory audit fees	14.85	15.85
b) Tax audit fees	-	1.30
c) Other Services (Including certification)	-	10.75
d) Reimbursement of Out-of-Pocket Expenses	-	1.59
	14.85	29.49

28(B) Exceptional Items (Refer Note 42)

Impairment losses on Investments and loans	7,892.62	60,993.84
Impairment on Capital Work In Progress	-	2,369.89
Provision of balance with government authorities	-	208.90
Impact due to new wage code	573.46	-
	8,466.08	63,572.63



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
28(C) a. Expenses towards Corporate Social Responsibility activities		
Gross amount required to be spent during the year as per section 135 of the Companies Act 2013	228.00	266.88
Interest earned on CSR marked fixed deposit required to be spent	16.41	58.79
Amount required to be spent for CSR	244.40	325.67
Amount approved by the Board to be spent during the year	228.00	266.88
b. Amount spent during the year on (incl. Ongoing project) :		
(i) Construction / acquisition of an asset (in cash)	11.41	11.42
(ii) on purposes other than (i) above (in cash)	503.83	613.82
	515.24	625.24
c. For details of CSR expenditure incurred toward related parties refer to note 33.		
d. Project wise actual spent during current year		
Ongoing project		
Heubach Skill Development Centre for Excellence*	11.41	296.47
To establish and run PG Degree Course in Industrial Chemistry and Sustainable Technologies in collaboration with M.S. University of Baroda	-	24.12
Educational Infrastructure Development	220.00	-
GSFC Sustainable Chemistry Education Project	13.11	-
Health Projects	14.77	-
Youth Empowerment project	21.61	-
Sudha Sitara Scholarship Program	6.34	-
Toilet Block at Govt Primary School- Sarangpur	-	8.04
Green Development	-	13.71
Total spent for ongoing project	287.25	342.34
* For the year ending March 31, 2025 - Paid as advance		
Other than ongoing project		
Deepak Foundation	75.14	92.41
Shrimati Jayaben Mody Hospital	25.00	30.00
Donations made to schools for various works	-	36.62
Sudarshan CSR Foundation	13.00	-
Akshar Trust	5.00	-
Sickle Cell Awareness Foundation	3.00	-
Pahal Nurturing Lives	85.78	-
Anand Ashram Charitable Trust	-	14.00
MSU Project	-	6.00
Others	21.07	103.87
Total spent for other than ongoing project	228.00	282.90
Provision for CSR Expenses		
Opening Balance	271.61	573.04
Add: Provision created during the year	-	-
Less: Provision utilised during the year	(271.61)	(301.43)
Closing Balance	-	271.61



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

28(C) Expenses towards Corporate Social Responsibility activities (continue)

In case of Section 135(5) of the Companies Act, 2013 (Ongoing Project)						
Opening Balance as at 01 April 2025		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2026	
With Company	In Unspent CSR Account		With Company	In Unspent CSR Account	With Company	In Unspent CSR Account
-	271.61	271.61	-	271.61	-	-

In case of Section 135(5) of the Companies Act, 2013 (other than Ongoing Project)				
Opening Balance as at 01 April 2025	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as at 31 March 2026
-	-	228.00	228.00	-

In case of Section 135(5) of the Companies Act, 2013 (Ongoing Project)						
Opening Balance as at 01 April 2024		Amount required to be spent during the year	Amount spent during the year		Closing Balance as at 31 March 2025	
With Company	In Unspent CSR Account		With Company	In Unspent CSR Account	With Company	In Unspent CSR Account
279.32	293.72	42.03	42.03	301.43	-	271.61

In case of Section 135(5) of the Companies Act, 2013 (other than Ongoing Project)				
Opening Balance as at 01 April 2024	Amount deposited in specified fund of Schedule VII within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance as at 31 March 2025
-	-	283.64	283.64	-



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

29) Current and Deferred tax

(a) Income Tax expense

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
(I) Current tax		
Current tax on profit for the year	4,352.00	3,873.50
Adjustment of tax relating to earlier periods	(13.89)	244.67
(II) Deferred Tax		
(Decrease) / Increase in deferred tax liabilities	(44.06)	(2,284.95)
Decrease / (Increase) in deferred tax assets	(354.76)	(56.79)
Income tax expenses	3,939.29	1,776.43

(b) Effective tax reconciliation

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Profit Before Tax	12,351.46	(43,860.87)
Statutory Income tax rate	25.168%	25.168%
Tax at statutory Income tax rate	3,108.62	(11,038.90)
Tax effects of:		
Adjustment of tax relating to earlier periods	(13.89)	244.67
Deferred tax asset not recognised	763.03	7,639.43
Expenses not deducted for tax purpose	97.47	759.53
Permanent difference on account of Fair Value adjustments	(3.67)	(4.84)
Tax at special rate	-	4,205.92
Others	(12.27)	(29.38)
Income tax expense	3,939.29	1,776.43

(c) No aggregate amounts of current and deferred tax have arisen in the reporting periods which have been recognised in equity and not in Statement of Profit and Loss or Other Comprehensive Income.

(d) Current tax liabilities (net)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	100.49	(68.04)
Add: Current tax payable for the year	4,352.00	3,873.49
Add: Tax for earlier years (Refund of earlier tax received)	-	230.78
Add: Interest payable on late payment of advance tax	79.96	-
Less: Taxes paid during the year	(4,212.36)	(3,935.74)
Closing balance	320.10	100.49



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

29) (f) Deferred tax assets / (liabilities) (net)

Particulars	As at March 31, 2026	Charged/ (credited) to profit and loss	As at March 31, 2025	Charged/ (credited) to profit and loss	As at March 31, 2024
Deferred tax assets					
Provision for leave encashment	167.73	(42.14)	125.59	11.40	136.99
Provision for gratuity	140.55	(81.78)	58.77	4.66	63.43
Provision for slow moving Inventories	180.72	95.06	275.78	(18.79)	256.99
Lease liabilities under Ind AS 116	258.39	5.79	264.18	5.77	269.95
Payment to MSME	-	0.39	0.39	(0.39)	-
Allowance for expected credit loss	2,210.85	(344.13)	1866.72	(66.92)	1,799.80
Total	2,958.24	(366.81)	2,591.43	(64.27)	2,527.16
Deferred tax liabilities					
Property, Plant and Equipment	(889.06)	(91.84)	(980.90)	(133.83)	(1,114.73)
Right-of-use assets under Ind AS 116	(210.55)	(17.45)	(228.00)	(19.95)	(247.95)
Mark-to-market gain on mutual funds	(88.71)	65.24	(23.47)	23.47	-
Premium on Redemption of Pref. Shares	-	-	0	(2,154.64)	(2,154.64)
Total	(1,188.32)	(44.05)	(1,232.37)	(2,284.95)	(3,517.32)
Deferred tax charge/(Income) recognised during the year		(410.86)		(2,349.22)	
Charged to Profit & Loss		(422.91)		(2,341.74)	
Charged to OCI		12.05		(7.48)	
Net deferred tax assets/ (liabilities)	1,769.92		1,359.06		(990.16)

Reconciliation of Deferred tax assets (liabilities) (net):

Particulars	Amount
Closing balance as on March 31, 2024	(990.16)
Tax (income) l expense during the year recognised in P&L	(2,341.74)
Tax (income) l expense during the year recognised in OCI*	(7.48)
Closing balance as on March 31, 2025	1,359.06
Tax (income) l expense during the year recognised in P&L	(422.91)
Tax (income) l expense during the year recognised in OCI*	12.05
Closing balance as on March 31, 2026	1,769.92

*net of reversal of previous year

Note

The Company has not recognised Deferred tax assets (net) aggregating to Rs.763.03 lakhs (March 31, 2025 Rs.7,639.43 Lakhs) in absence of reasonable certainty on loan given and investment in shares of Sudarshan Dahej MFG Private Ltd.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

30) Fair value measurements
Financial instrument by category:

Particulars	As at March 31, 2026			As at March 31, 2025		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
- Measured at fair value						
Investments (refer note 1 below)	12,879.71	-	-	6,079.24	-	-
- Not measured at fair value						
Loans	-	-	4,772.09	-	-	5,784.42
Trade receivables	-	-	14,882.51	-	-	8,570.08
Cash and cash equivalents	-	-	825.83	-	-	295.82
Bank Balances other than cash and cash equivalents	-	-	-	-	-	271.61
Other financial assets	-	-	634.48	-	-	683.51
Total Financial Assets	12,879.71	-	21,114.91	6,079.24	-	15,605.44
Financial liabilities						
- Not measured at fair value						
Borrowings	-	-	2,469.84	-	-	2,409.44
Lease liabilities	-	-	1,026.65	-	-	1,049.66
Trade payables	-	-	11,452.97	-	-	8,550.55
Other financial liabilities	-	-	570.68	-	-	956.29
Total Financial Liabilities	-	-	15,520.14	-	-	12,965.94

Note 1: Investments in subsidiaries and joint venture have been accounted at historical cost. Since these are scoped out of Ind AS 109 for the purposes of measurement, the same have not been disclosed in the tables above. Investments in unquoted equity shares of entities other than subsidiaries and joint venture have been designated as FVTPL. However, these investments are for operation purpose and are obligatory in nature. On disposal, these will fetch only the principal amount invested and hence the Company considers their cost and fair value to be the same.

(i) Fair Value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

The fair value of financial instruments are classified into three categories i.e. Level 1, 2 or 3 depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

The hierarchies used are as follows:

Level 1 - Hierarchy includes financial instruments measured using quoted price.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair values and fair value hierarchy of financial assets and liabilities:

Particulars	As at March 31, 2026			As at March 31, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Investments	12,671.41	-	208.30	5,870.94	-	208.30
Total Financial Assets	12,671.41	-	208.30	5,870.94	-	208.30

There were no transfers between Level 1, Level 2 and Level 3 during the year.

(ii) Valuation technique used to determine fair value

Level 1 hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of mutual fund investments. Level 3 of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(iii) Valuation Process

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

(iv) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, unbilled revenue, export incentive receivable and trade payables are considered to be the same as their fair values, due to their short-term nature.

The carrying amounts of financial assets and liabilities other than those valued at Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

The fair values of these financial instruments are determined using unobservable inputs and would therefore be categorised under Level 3. For Level 3 financial instruments, the fair value has been based on present values and the discount rates used adjust for counterparty or own risk.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

31) Financial risk management

The Company's principal financial liabilities comprise of borrowings, trade payables, lease liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, trade receivables, and other bank balances that is derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by an Enterprise Risk Management (ERM) team that advises on financial risks and the appropriate financial risk governance framework for the Company. The ERM team provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The ERM team process seeks to provide greater confidence to the decision maker and thus enhance achievement of objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management Policy
Credit risk	Cash and cash equivalent, trade receivable, financial assets measured at amortised cost.	Ageing analysis and credit rating	Diversification of bank deposit and credit limits
Liquidity risk	Borrowings and other liabilities	Maturity analysis	Availability of bank credit lines and borrowings facilities.
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Monitoring and shifting benchmark interest rates
Market risk – foreign exchange	- Highly probable forecast transactions - Recognised financial assets and liabilities not denominated in Indian rupee (Rs.)	- Cash flow forecasting - Sensitivity analysis	Regular monitoring of exchange rate movements, and timely conversion of foreign currency balances.

31) (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with bank and financial institution, foreign exchange transactions and other financial instruments.

Credit Risk Management

Financial instruments and cash deposits

The Company maintains exposure in cash and cash equivalents, term deposits with banks and investments. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company. For banks and financial institutions, only high rated banks are accepted.

Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The provision matrix takes into account a continuing credit evaluation of Company's customers' financial condition; ageing of trade accounts receivable; the value and adequacy of collateral received from the customers in certain circumstances (if any); the Company's historical loss experience and adjustment based on forward looking information. The Company defines default as an event when there is no reasonable expectation of recovery.

Statement of Allowance for Expected credit loss

Particulars	Amount
Allowance for expected credit loss as on March 31, 2024	7,151.14
Provision for expected credit loss during the year	265.91
Allowance for expected credit loss as on March 31, 2025	7,417.05
Provision for expected credit loss during the year	1,367.31
Allowance for expected credit loss as on March 31, 2026	8,784.36

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from customers as at March 31, 2026:

Particulars	Weighted Average loss rate	Gross carrying Amount	Loss allowances
Not due	0.42%	5961.24	25.19
0-90 days	1.96%	1046.46	20.49
91-180 days	27.07%	92.80	25.13
181-270 days	58.78%	44.84	26.36
270-365 days	78.57%	17.61	13.84
More than 365 days	100.00%	8673.36	8,673.36
Total		15,836.32	8,784.36



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

The following table provides information about the exposure to credit risk and expected credit losses for trade receivables from customers as at March 31, 2025:

Particulars	Weighted Average loss rate	Gross carrying Amount	Loss allowances
Not due	0.28%	3,515	9.74
0-90 days	1.51%	1,461	22.09
91-180 days	21.21%	12	2.65
181-270 days	61.41%	18	11.27
More than 270 days	100.00%	178	178.43
Total		5,186	224.18

31) (B) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Further to this, the Company also has unutilized credit limits with banks.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity grouping based on their contractual maturities for all non-derivative and derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities

Particulars	As at March 31, 2026				
	Less than 6 months	6-12 Months	1-5 years	More than 5 year	Total
Borrowings	-	-	-	3,160.51	3,160.51
Lease liabilities	62.58	62.64	528.11	1,011.45	1,664.79
Trade payables	11,452.97	-	-	-	11,452.97
Other Financial Liabilities	570.68	-	-	-	570.68

Particulars	As at March 31, 2025				
	Less than 6 months	6-12 Months	1-5 years	More than 5 year	Total
Borrowings	-	-	-	3,160.51	3,160.51
Lease liabilities	57.31	57.31	641.89	1,034.06	1,790.57
Trade payables	8,550.55	-	-	-	8,550.55
Other Financial Liabilities	956.29	-	-	-	956.29



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026

(All amounts in INR lakhs, unless otherwise stated)

31) (C) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Instruments affected by market risk include trade and other receivable and trade and other payables. The sensitivity analysis in the following sections relate to the position as at 31st March, 2026 and 31st March, 2025.

(i) Foreign exchange risk:

The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised Financial assets and Liabilities denominated in a currency that is not the Company's functional currency (INR). The risk also includes highly probable foreign currency cash flows.

The amounts disclosed in the table are undiscounted cash flows. The exposure to foreign currency risk of the Company at the end of the reporting period expressed in INR are as follows:

Particulars	As at March 31, 2026				As at March 31, 2025			
	EUR	USD	JPY	KRW	EUR	USD	JPY	KRW
Financial Assets								
Trade receivables	11,850.91	4,976.23	876.67	-	8,463.31	3,736.34	369.22	-
Balances with Banks - in EEFC account	411.28	-	-	-	-	-	-	-
Net exposure to foreign currency risk (Assets)	12,262.19	4,976.23	876.67	-	8,463.31	3,736.34	369.22	-
Financial Liabilities								
Trade payables	1,007.18	505.43	-	-	471.38	1,460.17	1.82	6.64
Net exposure to foreign currency risk (Liabilities)	1,007.18	505.43	-	-	471.38	1,460.17	1.82	6.64

The sensitivity of profit or loss to changes in the exchange rates arises from above referred outstanding balances

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
INR/EURO	562.75	(562.75)	399.60	(399.60)
INR/USD	223.54	(223.54)	113.81	(113.81)
INR/JPY	43.83	(43.83)	18.37	(18.37)
INR/KRW	-	-	(0.33)	0.33
Impact on profit before tax	830.12	(830.12)	531.45	(531.45)

Particulars	As at March 31, 2026		As at March 31, 2025	
	5% Increase	5% Decrease	5% Increase	5% Decrease
INR/EURO	421.12	(421.12)	299.03	(299.03)
INR/USD	167.28	(167.28)	85.17	(85.17)
INR/JPY	32.80	(32.80)	13.75	(13.75)
INR/KRW	-	-	(0.25)	0.25
Impact on equity net of taxes	621.20	(621.20)	397.70	(397.70)



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

32) Capital Management

The Company considers the following components of its Balance Sheet to be managed capital:

The Company monitors capital on the basis of the net debt to adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as the total borrowings and lease liabilities less cash and cash equivalents and other bank balances. Adjusted capital includes all components of equity other than amounts accumulated in cash flow hedging reserve.

Particulars	As at March 31, 2026	As at March 31, 2025
Borrowing and lease liabilities	3,496.49	3,459.10
less: Cash and cash equivalents and other bank balances	825.83	567.43
Net Debt	2,670.66	2,891.67
Total equity	49,944.95	41,568.62
Less: Amounts accumulated in cash flow hedging reserve	-	-
Adjusted capital	49,944.95	41,568.62
Debt Equity Ratio (times)	0.05	0.07

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

33) Related party disclosure:

A) Related party disclosure as required by Ind AS-24, "Related Party Disclosure", is given below:

I. Parties where control exists:

Related Party	Relationship
Sudarshan Chemical Industries Limited	Ultimate Holding Company (from 3 March 2025)
SK Neptune Husky Holdings S.à.r.l., Luxembourg	Ultimate Holding Company (up to 3 March 2025)
Sudarshan Europe B.V.	Intermediate Holding
Sudarshan Lux Holding S.a.r.l (formerly known as Heubach Holding S.a.r.l., Luxembourg)	Holding Company
Heubach Research Centre s.r.o, Czech Republic	Subsidiary Company
Sudarshan Osaka Sio K.K (formerly known as Heubach Japan KABUSHIKIKAI SYA)	Subsidiary Company
Sudarshan Dajej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	Subsidiary Company
Heubach Foundation	Subsidiary Company
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	Joint Venture Company

II. Other related parties where there is significant influence and transactions have taken place:

Hangzhou Heubach Pigments Co. Ltd.
Sudarshan Argentina SLO S.A.U (formerly known as Heubach Colorants Argentina S.A.U)
Sudarshan Brasil MFG Ltda (formerly known as Heubach Colorants BR - Pigment SZ)
Heubach Colorants CO - Pigment
Heubach Colorants Germany GmbH#
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)
Sudarshan Japan MFG K.K. (formerly known as Heubach Colorants Japan KK)
Sudarshan Mexico MFG S.A. de C.V. (formerly known as Sudarshan Mexico MFG S.A. de C.V.)
Heubach Colorants Pigment Preparation (Tianjin) Ltd
Sudarshan Singapore SLO Pte. Ltd. (formerly known as Heubach Colorants Singapore Pte.Ltd)
Sudarshan USA SLO LLC (formerly known as Heubach Colorants USA)
Heubach Colorants (Shanghai) Ltd.
Heubach GmbH#
Sudarshan Fairless Hills MFG Ltd (formerly known as Heubach limited)
Heubach Group GmbH (formerly known as Neptune Husky German Bidco GmbH)
Sudarshan Chile Industria Química (formerly known as Heubach Colorants Chile Industria Química Limitada)
Sudarshan Colombia SLO S.A.S. - Pig (formerly known as Heubach Colorants Colombia S.A.S.
Sudarshan Germany Horizons GmbH
Sudarshan CSR Foundation
Sudarshan Switzerland HLD1 AG (formerly known as Heubach Holding Switzerland AG)
Sudarshan MFG (Thailand) Ltd. (formerly known as Heubach Colorants (Thailand) Ltd.)
P.T.Sudarshan Indonesia Sio (formerly known as P.T. Heubach Colorants Indonesia)
Heubach Colorants Middle East
Sudarshan Southern Africa MFG (Pty) (formerly known as Heubach Colorants Southern Africa (Pty) Ltd)
Sudarshan Langelsheim PLT GmbH
Shri Jagannath Rathii Charity Trust



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

iii. Key Management Personnel:

Mr. Ravi Kapoor
Mr. Dinesh Kumar Rana
Mr. Maheswar Sahu
Mr. Milin Mehta
Mr. Deepak Kumar Joshi
Mr. Rajesh Balakrishna Rathil
Mr. Ashish Vij
Mr. Himanshu Jayantilal Trivedi
Mr. Nilkanth Jayant Natu
Ms. Shivalika Arvind Raje
Mr. Aviral Jain
Mr. Ashwini Mehra
Mr. Venkatraman Subramanian
Mr. Jason Kardachi
Ms. Prachi Agarwal
Mr. Ninad V Awachat

Managing Director (up to 31.03.2025)
Whole time Director
Independent Director (up to 20.05.2024)
Non-executive Director (up to 13.05.2024)
Director (from 23.05.2024)
Additional Director (from 03.04.2025 to 31.01.2026)
Additional Director (from 02.02.2026)
Director (from 03.04.2025)
Director (from 03.04.2025)
Director (from 03.04.2025)
Independent Director (from 28.08.2024 to 26.02.2025)
Independent Director (from 28.08.2024 to 26.02.2025)
Independent Director (from 28.08.2024 to 26.02.2025)
Independent Director (from 28.08.2024 to 26.02.2025)
Company Secretary (upto 30.05.2025)
Company Secretary (from 30.11.2025)

iv. Relatives of Key Management Personnel / Enterprises significantly Influenced by Key Management Personnel and/or their relatives:

Ms. Natasha Kapoor *
K. C. Mehta & Co. LLP (earlier known as K. C. Mehta & Co.) **

Relative of Mr. Ravi Kapoor
Enterprises significantly Influenced by Mr. Milin Mehta

v. Post employment benefit plan

Employee's Group Gratuity-cum-Life Assurance (Cash Accumulation) Scheme

Ceases to be Related Party w.e.f. 03.03.2025

* Ceases to be Related Party w.e.f. 31.03.2025

** Ceases to be Related Party w.e.f. 13.05.2024



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

B) Transactions with related parties:

	Year ended March 31, 2026	Year ended March 31, 2025
(i) Transaction with parties where control exists:		
a) Sales and Other Income		
1) Sale of Goods (Including Other Operating Revenue)		
Sudarshan Chemical Industries Limited	2,450.47	-
Sudarshan Osaka Sto K.K (formerly known as Heubach Japan KABUSHIKIKAI SYA)	2,536.68	2,607.80
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	-	0.04
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	2,844.06	2,975.89
2) Rent Income		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	1.20	1.20
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	1.20	1.20
3) Miscellaneous Income		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)		
Business Consignment Fees	31.64	39.27
Sales Commission	41.15	43.25
4) Interest Income on overdues / loans		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	1,593.71	1,349.88
5) Corporate guarantee commission		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	7.12	5.41
6) Trade Mark Fees		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	2.24	2.29
7) Recovery of Expense		
Sudarshan Osaka Sto K.K (formerly known as Heubach Japan KABUSHIKIKAI SYA)	-	0.14
8) Testing & Analysis		
Sudarshan Chemical Industries Limited	5.66	
9) Sale of Service		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	51.35	
b) Purchases and expenses		
1 Purchase of goods		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	61.62	187.31
Sudarshan Chemical Industries Limited	414.69	
2 Manufacturing Facilitation charges		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	67.90	126.03
3 Laboratory expenses		
Heubach Research Centre s.r.o	105.89	93.18
4 Product registration charges		
Heubach Research Centre s.r.o	-	12.40
5 Management Consultancy service*		
Sudarshan Europe B.V.	427.06	-

* It Includes Prepaid Expenses amount of INR 30.81 Lakhs as well.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

B) Transactions with related parties:

	Year ended March 31, 2026	Year ended March 31, 2025
c) <u>Other transactions</u>		
1 <u>Loan Given</u>		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	500.00	3,967.00
2 <u>Loan Repayment Received</u>		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	-	1,000.00
3 <u>Interest on loan taken</u>		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	154.25	154.25
4 <u>Purchase of asset</u>		
Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	12.24	22.07
5 <u>Advance taken</u>		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	380.00	744.00
7 <u>Advance refunded</u>		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	198.00	479.00
8 <u>Dividend received</u>		
Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	214.35	355.00

(II) Transaction with Fellow Subsidiaries where common control exists

a) Sales and Other Income

1) Sale of Goods

Heubach GmbH	-	6,472.36
Sudarshan Fairless Hills MFG Ltd (formerly known as Heubach Limited)	2,679.80	3,156.61
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	4,055.16	2,551.13
Sudarshan Colombia SLO S.A.S. - Pig (formerly known as Heubach Colorants CO - Pig)	58.30	110.05
Heubach Colorants(Shanghai) Ltd.	2,203.36	685.78
P.T.Sudarshan Indonesia Slo (formerly known as P.T. Heubach Colorants Indonesia)	326.15	420.83
Sudarshan Brasil MFG Ltda (formerly known as Heubach Colorants BR - Pig SZ)	618.28	614.73
Sudarshan Chile Industria Química (formerly known as Heubach Colorants Chile Industria Química Limitada)	6.17	-
Sudarshan Germany Horizons GmbH	577.25	-
Heubach Colorants Germany GmbH	-	387.29
Sudarshan Japan MFG K.K.(formerly known as Heubach Colorants Japan kk)	369.02	378.50
Sudarshan Langelshelm PLT GmbH	10,418.83	679.70
Sudarshan Mexico MFG S.A. de C.V.(formerly known as Sudarshan Mexico MFG S.A. de C.V.	502.09	339.43
Heubach colorants Pigment Preparation (Tianjin) Ltd	-	8.83
Sudarshan MFG (Thailand) Ltd. (formerly known as Heubach Colorants (Thailand) Ltd.)	69.20	138.59
Sudarshan Singapore SLO Pte. Ltd (formerly known as Heubach Colorants Singapore Pte.Ltd)	3,074.53	4,523.82
Sudarshan Southern Africa MFG (Pty) (formerly known as Heubach Colorants Southern Africa (Pty) Ltd)	3.80	2.09
Sudarshan USA SLO LLC (formerly known as Heubach Colorants USA)	1,377.60	2,349.27

2) Commission on Sales

Sudarshan Langelshelm PLT GmbH	5.73	
Heubach GmbH	-	6.84



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

B) Transactions with related parties:

	Year ended March 31, 2026	Year ended March 31, 2025
3) Interest income on overdue receivables		
Sudarshan Fairless Hills MFG Ltd (formerly known as Heubach limited)	-	125.45
Heubach GmbH	-	289.63
Heubach Colorants Germany GmbH	-	15.17
Sudarshan Japan MGF K.K (formerly known as Heubach Colorants Japan K.K.)	-	2.47
Sudarshan Mexico MFG S.A. de C.V. (formerly known as Heubach Colorants México S.A. de C.)	-	0.53
Sudarshan Singapore SLO Pte. Ltd.(formerly known as Heubach Colorants Singapore Pte.Ltd)	-	4.60
Sudarshan USA SLO LLC (formerly known as Heubach Colorants USA)	-	17.16
4) Technical and analysis fee		
Sudarshan Mexico MFG S.A. de C.V.(formerly known as Heubach Colorants México S.A. de C.)	2.88	-
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	24.87	29.63
5) Reimbursement of expenses received		
Sudarshan Brasil MFG Ltda (formerly known as Heubach Colorants BR - Pigm SZ)	-	4.17
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	-	1.55
Heubach GmbH	-	39.69
b) Purchases and Expenses		
1) Purchase of Goods		
Heubach GMBH	-	12.27
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	80.32	170.26
Sudarshan Germany Horizons GmbH	8.31	-
Sudarshan Switzerland HLD1 AG(formerly known as Heubach Holding Switzerland AG)	-	-
Sudarshan Langelsheim PLT GmbH	72.32	0.63
Rleco Industries Ltd.	3.09	-
	0.40	-
2) Commission on Sales		
Heubach GmbH	-	-
Sudarshan Fairless Hills MFG Ltd (formerly known as Heubach limited)	-	6.62
3) Management Consultancy service		
Sudarshan Germany Horizons GmbH	208.70	-
4) Donation		
Sudarshan CSR Foundation	19.34	-
Shri Jagannath Rathl Charity Trust	220.00	-
(iii) Transaction with Key Management Personnel		
1) Short term employment benefits / Remuneration		
Mr. Ravi Kapoor	-	843.51
Mr. Dinesh Kumar Rana	147.00	191.62
Mr. Deepak Kumar Joshi	183.08	191.88
Ms. Prachi Agarwal	4.92	10.63
Mr. Ninad V Awachat	6.45	-
2) Director sitting fees		
Mr. Millin Mehta	-	1.00
Mr. Maheswar Sahu	-	1.00
3) Post-employment benefits		
Mr. Ravi Kapoor	-	147.81
Mr. Dinesh Kumar Rana	19.23	6.04
Mr. Deepak Kumar Joshi	21.67	6.40
Ms. Prachi Agarwal	-	0.33
Mr. Ninad V Awachat	-	-



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

B) Transactions with related parties:

	Year ended March 31, 2026	Year ended March 31, 2025
4) Other long-term benefits		
Mr. Ravi Kapoor	-	19.80
Mr. Dinesh Kumar Rana	2.38	0.71
Mr. Deepak Kumar Joshi	4.69	2.85
Ms. Prachi Agarwal	-	0.67
Mr. Ninad V Awachat	0.48	-

(iv) Transaction with relatives of Key Management Personnel/Enterprises significantly influenced by Directors and/or their relatives:

1) Remuneration		
Ms. Natasha Kapoor	-	22.08
2) Legal and Professional charges		
K. C. Mehta & Co. LLP (earlier known as K. C. Mehta & Co.)	-	0.81

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. All transactions were made on normal commercial terms and conditions and at market rates.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

C)	Outstanding balances as at year end with related parties:	As at	As at
		March 31, 2026	March 31, 2025
(I)	With parties where control exists:		
	a) Loan payable		
	Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	3,160.51	3,160.51
	b) Advance for working capital payable		
	Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	1,318.00	1,136.00
	c) Balance payable at the end of year		
	Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	17.51	17.07
	Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	8.35	2.63
	Heubach Research Centre s.r.o	1.60	-
	Sudarshan Chemical Industries Limited	203.38	-
	d) Advanced receivable at the end of year		
	Heubach Research Centre s.r.o	-	11.54
	e) Balance Receivables		
	Sudarshan Osaka Slo K.K (formerly known as Heubach Japan KABUSHIKIKAI SYA)	784.98	306.66
	Sudarshan Toyo Colour Private Limited (formerly known as Heubach Toyo Colour Private Limited)	961.73	903.35
	Sudarshan Chemical Industries Limited	1,277.41	-
	Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	55.58	0.12
	f) Loan receivable at the end of year		
	Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	16,083.88	14,149.53
	g) Preference share valuation		
	Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited)	53,574.68	48,628.73
(II)	With fellow subsidiaries where common control exists		
	a) Balance Payables		
	Sudarshan Fairless Hills MFG Ltd (formerly known as Heubach limited)	62.35	56.08
	Sudarshan Germany Horizons GmbH	173.37	-
	Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	-	22.63
	Sudarshan Langelshelm PLT GmbH	36.88	-
	Sudarshan Colomba SLO S.A.S. - Plg (formerly known as Heubach Colorants Colomba S.A.S.	22.58	-
		6.31	-
	Sudarshan Mexico MFG S.A. de C.V. (formerly known as Heubach Colorants México S.A. de C.)		
	Sudarshan Chile Industria Química (formerly known as Heubach Colorants Chile Industria Química Limitada)	4.82	-
	Sudarshan Europe B.V.	336.77	-



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

b) Balance receivable

Sudarshan Fairless Hills MFG Ltd (formerly known as Heubach limited)	763.15	383.98
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	699.42	237.23
Sudarshan Argentina SLO S.A.U (formerly known as Heubach Colorants Argentina S.A.U)*	141.10	126.91
Heubach Colorants(Shanghai) Ltd.	104.01	303.37
Sudarshan Brasil MFG Ltda (formerly known as Heubach Colorants BR - Pigment SZ)	9.21	199.14
Heubach Colorants CO - Pigment	-	41.33
Sudarshan USA SLO LLC (formerly known as Heubach Colorants USA)	1,000.60	276.62
Sudarshan Germany Horizons GmbH	114.04	-
Sudarshan Japan MFG K.K. (formerly known as heubach colorants japan kk)	88.68	2.53
Sudarshan Langelsheim PLT GmbH	3,027.02	677.74
P.T.Sudarshan Indonesia Slo(formerly known as P.T. Heubach Colorants Indonesia)	110.47	-
Sudarshan Singapore SLO Pte. Ltd. (formerly known as Heubach Colorants Singapore Pte.Ltd)	449.86	236.22
Sudarshan MFG (Thailand) Ltd. (formerly known as Heubach Colorants (Thailand) Ltd.)	6.90	-

*The amount disclosed represents the gross carrying value of the receivable, allowance for expected credit loss for the said entity has been recognised in the books of account for the year ended March 31, 2026 is Rs 141.10 lakhs (March 31, 2025 Rs. 126.91 lakhs)

c) Advances at the end of the year

Sudarshan USA SLO LLC (formerly known as Heubach Colorants USA)	1.85	-
Sudarshan Colorants India Limited (formerly known as Heubach Colorants India Ltd)	8.98	-
Sudarshan Singapore SLO Pte. Ltd. (formerly known as Heubach Colorants Singapore Pte.Ltd)	-	89.94

	As at March 31, 2026	As at March 31, 2025
(iii) With Key Management Personnel		
1) Balance payable at the end of the Year*		
Mr. Ravi Kapoor #	-	276.96
Mr. Dinesh Kumar Rana	31.77	29.86
Mr. Deepak Kumar Joshi	38.90	38.22
Ms. Prachi Agarwal	-	2.27
Mr. Ninad V Awachat	0.78	-
2) Post-employment benefits payable at end of the year		
Mr. Dinesh Kumar Rana	68.69	49.46
Mr. Deepak Kumar Joshi	62.62	40.95
Ms. Prachi Agarwal	-	0.49
Mr. Ninad V Awachat	-	-
3) Other long-term benefits payable at end of the year		
Mr. Ravi Kapoor #	-	-
Mr. Dinesh Kumar Rana	16.00	13.62
Mr. Deepak Kumar Joshi	26.49	21.80
Ms. Prachi Agarwal	-	1.13
Mr. Ninad V Awachat	0.48	-
(iv) With relatives of Key Management Personnel / Enterprises significantly influenced by Directors and/or their relatives:		
1) Balance payable at the end of the Year		
Ms. Natasha Kapoor #	-	3.78

#Ceases to be Related Party w.e.f. 31.03.2025



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

34) Ratios:

Particulars	Numerator	Denominator	31-03-26	31-03-25	% of variance	Explanation for change in the ratio by more than 25%
Liquidity Ratio						
Current Ratio (times)	Current Assets	Current Liabilities	2.94	2.73	7.54%	NA
Solvency Ratio						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	0.05	0.06	-17.58%	NA
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest payments + Short term loans and short terms lease	26.19	-4.48	-684.51%	During the previous year, the company has impaired equity share, preference share and loans related to its subsidiary Sudarshan Dahej MFG Private Limited (formerly Heubach Pigments Private Limited). Hence there was a decrease in net profit after tax in previous year.
Profitability ratio						
Net Profit Ratio (%)	Profit After Tax	Total Sales	13.03%	-71.39%	-118.25%	Refer note mentioned in Debt service coverage ratio
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	18.38%	-70.87%	-125.94%	Refer note mentioned in Debt service coverage ratio
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	40.55%	46.24%	-12.30%	NA
Return on Investment (%)	Income generated from invested funds	Average invested funds	7.80%	5.89%	32.39%	Investment in mutual funds increased, resulting in a gain on sale of investments.
Utilization Ratio						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	5.49	4.47	22.74%	NA
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	4.81	4.70	2.43%	NA
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	2.97	2.57	15.41%	NA
Net capital turnover ratio (times)	Net Sales	Working Capital	2.27	3.23	-29.63%	Increase in Mutual funds and Trade receivable resulted into higher working capital as compared to previous year.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

35) Leases

A) Company as a lessee:

The Company's significant leasing arrangements are mainly in respect of leasehold land and buildings. Leases typically run in a range from 2 years to 99 years, with an option to renew the lease after that date. Leasehold land pertains to upfront payments made to Gujarat Industrial Development Corporation and hence have longer lease terms upto 99 years with no corresponding lease liabilities. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(i) Amount recognised in Statement of Profit and Loss

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Interest on lease liabilities	90.53	91.93
Amortisation of Right of Use Assets	88.77	88.03
Expenses relating to short term and low value leases charged as Rent	14.50	14.02

(ii) Amount recognised in Statement of Cash Flows

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Total cash outflow for leases	124.19	114.86

(iii) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity Analysis - Undiscounted		
Less than one year	125.22	114.62
One to five years	528.11	641.89
More than five years	1,011.45	1,034.06

Lease liabilities included in Balance Sheet	As at March 31, 2026	As at March 31, 2025
- Current	125.22	120.34
- Non-current	901.43	929.32

(iv) Movement of Right of Use Assets

Forming part of note to "Right of Use Assets" (Refer note 4).

(v) Movement of Lease Liability

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Balance as at beginning of the year	1,049.66	1,072.59
Addition of lease liabilities	10.65	-
Interest on lease liabilities	90.53	91.93
Payment of lease liabilities	(124.19)	(114.86)
Balance as at end of the year	1,026.65	1,049.66

B) Company as a lessor:

The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Company during the year ended 31 March 2026 was Rs. 178.91 Lakhs (Previous year Rs. 178.91 Lakhs)

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	As at March 31, 2026	As at March 31, 2025
Maturity Analysis - Undiscounted		
Less than one year	178.71	178.91
One to two years	177.71	178.71
Two to three years	177.71	177.71
Three to four years	177.71	177.71
Four to five years	177.71	177.71
More than five years	466.49	644.20

36) Capital Commitments

Particulars	As at March 31, 2026	As at March 31, 2025
Estimated amount of contracts (net of capital advances) remaining to be executed on capital account and not provided for	922.19	136.99



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

37) Segment Information

The Company's Board of Directors, assesses the financial performance and position of the Company, and makes strategic decisions.

The Company is engaged in the business of manufacturing Organic Pigments (comprising of CPC Green, CPC Blue, Red, Yellow and Dispersions of Green and Blue). The Company's business falls within a single business segment of pigments. The segment revenue is measured in the same way as in the Statement of Profit or Loss.

Information about major customers

The revenue of Rs. 10,104.82 lakhs (Previous year Rs. 679.70 lakhs) is generated from transactions with a single customer, which is more than 10% of the Company's total revenue.

38) Contingent liabilities

Particulars	As at March 31, 2026	As at March 31, 2025
Central Excise, Service Tax and Custom duty matters	19.67	19.67
Income Tax Matters	824.58	1,044.97
Corporate guarantees given on behalf of subsidiary company	712.29	712.29
	1,556.54	1,776.93

The above tax matters are currently being considered by the tax authorities and the Company expects the judgment will be in its favor and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement/decision pending with tax authorities. The potential undiscounted amount of total payments for taxes that the Company could be required to make if there was an adverse decision related to these disputed demands of regulators as of the date reporting period ends are as illustrated above.

Amounts mentioned above do not include possible interest / penalty from the date of the contested order till the balance sheet date.

Claims not acknowledged as debts

Claims not acknowledged as debts- Claims made by Heubach Group GMBH for certain services rendered which is disputed by the company amounting to INR 1600 Lakhs for the year ended 31 March 2025

39) Earnings per share

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Basic and diluted earnings per share		
a) Profit attributable to the equity holders of the Company (In Rs. Lakhs)	8,412.17	(45,637.30)
(b) Weighted average number of shares used as the denominator	880,502	880,502
Basic and diluted earnings per share (in Rs.)	955.38	(5,183.10)

40) Details of unsecured loan to subsidiary

Name of the Company	Maturity date *	Given during the year	Maximum Outstanding	Repaid during the year
Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited) (@ 12.55% p.a. to 12.95% p.a.)	31.03.2032	500.00	16,083.87	-

The above mentioned loan is given to Sudarshan Dahej MFG Private Ltd (formerly known as Heubach Pigments Private Limited) for its business operations and principal business activities.

* During the year the company has executed a supplementary agreement extending the repayment tenure to March 31, 2032 which was originally due on March 31, 2027.

- 41)** 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.



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

- 42) (a) The subsidiary of the Company viz., Sudarshan Dahej MFG Private Limited (Formerly known as Heubach Pigments Private Limited) (SDMPL) is working on less than budgeted capacity and is incurring losses. It is expected that the trend shall continue in the future years. Hence, the management of SDMPL decided to impair the Property, Plant and Equipment ("PPE") during F.Y 2024-25 amounting to Rs. 31,034.95 Lakhs and Intangible Assets amounting to Rs. 247.99 Lakhs, based on the fair valuation report obtained from a valuer for the said assets as on 31 January 2025.

The Company estimated that the recoverable amount of its investments and loans in SDMPL to be the enterprise value of SDMPL after considering the impact of abovementioned fair valuation.

During the current year, basis further assessment a charge of Rs. 7,892.62 Lakhs (March 31, 2025: Rs. 60,993.84 Lakhs) has been provided in the Statement of Profit and Loss for the year 2025-26 which is disclosed as exceptional item.

(b) During the Previous year 3 projects in Capital Work-In-Progress were identified which were no longer expected to be capitalised in the foreseeable future. Hence an impairment amounting to Rs. 2,369.88 lakhs was taken during year ended March 31, 2025 in the books of accounts.

(c) A provision amounting to Rs. 208.90 lakhs has been made for balance with government authorities that are considered doubtful of recovery during F.Y 2024-25. This provision is based on a review of outstanding balances for the items is a part of Capital Work in Progress, which is covered in Note 42 (b).

(d) On 21 November 2025, the Central Government issued four separate notifications in the Official Gazette announcing implementation of four Labour Codes, viz., the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020. These four codes replace and consolidate 29 existing labour laws. Following the implementation of the four labour codes, the Central Government has pre-published the draft rules on 31 December 2025 under the respective Labour Codes, for public comment and the final rules are expected to be notified in due course. To ensure smooth implementation, the Ministry of Labour and Employment has also issued the Frequently Asked Questions (FAQs) on the four codes. The four codes prescribe an inclusive definition of the term 'wages', which among other matters is relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, certain specified items forming part of remuneration are not included in the wages and these excluded items cannot exceed 50% of total remuneration. If there is an excess, then it is presumed that excess amount also forms part of wages. The four codes also introduce changes related to leave entitlement and encashment for workers. Going forward, workers' leave balance in excess of 30 days will be encashed at the end of each calendar year and workers will have a right to demand encashment for entire accumulated leave. The Company has assessed and disclosed the incremental impact of these changes on the basis of the best information available till approval of the financial statements for issue, consistent with the guidance provided by the Institute of Chartered Accountants of India. The Company has determined that these changes result in an increase in gratuity obligation and leave encashment obligation of Rs. 468.15 Lakhs and Rs. 105.31 Lakhs, respectively. The changes to gratuity obligation resulting from the labour codes are accounted as plan amendments and resulting past service cost are recognised as an expense immediately in the Statement of Profit and Loss (Refer note 17). Considering the materiality and regulatory-driven, non-recurring nature of this change, the Company has such incremental impact as "Statutory impact of new Labour Codes" under "Exceptional Items" in the consolidated statement of profit and loss for the year ended 31 March 2026. Considering that it is emerging topic and the finalisation of Central/ State Rules is still pending, the Company will continue monitoring changes and provide appropriate accounting effect as required based on future developments.

- 43) During the year, the Board of Directors approved the initiation of the voluntary liquidation process of Heubach Research Centre s.r.o., a wholly owned subsidiary of the Company, as part of the ultimate holding Company's ongoing initiatives to streamline the corporate structure, optimize operational efficiencies and support post-acquisition integration following the acquisition of the Heubach Group by Sudarshan Group. Management does not expect the proposed liquidation to have a material impact on the financial statements of the Company.
- 44) The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of accounting software to log any direct data changes. Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software. Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.
- 45) The Company has foreign currency trade receivables and trade payables with Heubach GmbH that remain outstanding beyond the timelines prescribed under the Foreign Exchange Management Act, 1999 ("FEMA") and the related rules and regulations. As at March 31, 2026, the gross outstanding trade receivables amount to INR 8,348.09 Lakhs and trade payables amount to INR 461.93 Lakhs. The Company had obtained an extension from its Authorised Dealer ("AD") Banker in respect of these outstanding balances till March 22, 2026 and has further filed for extension and/or regularization in accordance with applicable FEMA requirements. Pending extension from AD Banker, management does not expect this matter to have any material impact on the financial statements of the Company.

46) Other statutory disclosures :

i) The Company have balance with the below-mentioned companies struck off under section 248 of the Companies Act 2013 or section 560 of the Companies Act 1956:

Name of struck off Company	Nature of transactions with struck-off Company	Balance Outstanding as on March 31, 2026	Balance Outstanding as on March 31, 2025	Relationship with the Struck off company, If any
Danke Electricals Limited	Purchase of material	3.00	3.00	-
Bluestone Inorganics Pvt Ltd	Sale of goods	0.85	0.85	-



SUDARSHAN GUJARAT MFG PRIVATE LIMITED (FORMERLY KNOWN AS HEUBACH COLOUR PRIVATE LIMITED)
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2026
(All amounts in INR lakhs, unless otherwise stated)

- ii) The Company has not traded or Invested in Crypto currency or Virtual Currency during reporting years.
- iii) 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.
- iv) Funds raised on short term basis have not been utilised for long term purposes and spent for the purpose it were obtained.
- v) Section 8 of the Companies Act, 2013 company is required to disclose grants or donations received during the year. Since, the company is not covered under Section 8 of the Companies Act, 2013, the said disclosure is not applicable.
- vi) The company has not been declared a wilful defaulter as defined by RBI Circular.
- vii) The Company is in the process of registering a charge with the Registrar of Companies related to its borrowing of Rs. 2,469.84 Lakhs from Sudarshan Toyo Colour Private Limited (Formerly known as Heubach Toyo Colour Private Limited).
- viii) The Company has not entered into scheme of arrangement during the financial year 2025-26.
- ix) The Company has not surrendered or disclosed previously undisclosed transactions as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- x) No Significant Subsequent events have been observed which may require an adjustments to the financial statements. The other requirements of the Schedule III of the Companies Act, 2013 not specifically disclosed are either NIL or not applicable to the Company.
- xi) The Company has not provided any loans or advances to specified persons being promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) during the current or previous year.
- xii) The Board of Directors has appointed Mr. Ninad V Awachat as Company Secretary of the Company w.e.f. November 30, 2025 and the Company is in compliance with the provision of section 203 of the Companies Act, 2013.
- xiii) The figures for the previous year have been regrouped/recasted wherever necessary, to confirm to the current year's classification.

The accompanying notes form an integral part of the financial statements

For M S K A & Associates LLP

(Formerly Known as M S K A & Associates)

Chartered Accountants

Firm Registration Number: 105047/WV-101867

Shraddha D. Khilvasara

Partner

Membership Number: 134285

Place : Pune

Date: 18/05/2026



For and on behalf of the Board of Directors

Sudarshan Gujarat MFG Private Limited

CIN: U24110GJ1993PTC033372

Dinesh Kumar Rana

Whole Time Director

DIN: 06643515

Place: Vadodara

Date: 18/05/2026

Deepak Kumar Joshi

Director

DIN: 06643511

Place: Vadodara

Date: 18/05/2026

Ninad Awachat

Company Secretary

M. No.: 26995

Place: Pune

Date: 14/05/2026

