

Dorf Ketal Brasil Ltda.

Translated Version of Statement of financial position fiscal years ended December 31, 2023, 2022 and 2021

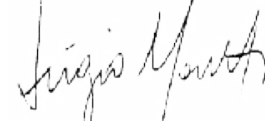
Particulars	Amount In BRL 2023	Amount In BRL 2022	Amount In BRL 2021	Amount In INR 2023	Amount In INR 2022	Amount In INR 2021
Assets						
Cash and cash equivalents	1,16,99,820	1,29,04,262	46,05,470	20,09,76,003	20,20,84,611	6,07,95,431
Financial investments	-	-	-	-	-	-
Trade accounts receivable	8,85,03,238	6,97,40,742	5,12,80,263	1,52,02,82,065	1,09,21,60,936	67,69,35,373
Inventories	5,82,43,332	6,19,11,305	4,46,83,746	1,00,04,86,487	96,95,49,616	58,98,56,721
Taxes recoverable	20,33,315	59,95,377	48,48,219	3,49,27,674	9,38,89,400	6,39,99,885
Advance payments	96,23,873	61,25,726	82,37,451	16,53,15,996	9,59,30,712	10,87,40,116
Insurance premium	7,22,007	-	-	1,24,02,415	-	-
Other assets	-	-	-	-	-	-
Total current assets	17,08,25,584	15,66,77,412	11,36,55,149	2,93,43,90,640	2,45,36,15,276	1,50,03,27,526
Other assets	12,000	69,860	10,990	2,06,132	10,94,022	1,45,076
Taxes recoverable	9,80,566	9,96,839	12,63,208	1,68,43,869	1,56,10,801	1,66,75,236
Deferred income tax and social contribution	30,74,344	29,59,728	-	5,28,10,159	4,63,50,221	-
	40,66,910	40,26,426	12,74,198	6,98,60,161	6,30,55,043	1,68,20,311
Investments	1,44,53,370	84,52,454	53,13,243	24,82,75,657	13,23,67,964	7,01,38,531
Property, plant and equipment	4,76,29,584	4,36,50,000	3,70,39,762	81,81,66,703	68,35,72,091	48,89,50,791
Right of use of assets	2,00,71,656	-	-	34,47,84,885	-	-
Intangible assets	62,567	91,860	1,02,816	10,74,762	14,38,548	13,57,247
	8,22,17,177	5,21,94,313	4,24,55,822	1,41,23,02,007	81,73,78,603	56,04,46,570
Total non-current assets	8,62,84,087	5,62,20,739	4,37,30,020	1,48,21,62,168	88,04,33,647	57,72,66,881
Total Assets	25,71,09,672	21,28,98,152	15,73,85,169	4,41,65,52,807	3,33,40,48,922	2,07,75,94,406
Liabilities						
Trade payables	2,46,28,758	2,62,03,181	1,40,84,904	42,30,65,410	41,03,49,682	18,59,30,597
Payroll and related charges	1,22,93,208	1,17,80,154	81,59,564	21,11,69,038	18,44,80,751	10,77,11,953
Borrowings	37,30,611	55,57,731	2,08,16,528	6,40,83,319	8,70,35,741	27,47,92,746
Lease	1,10,96,678	-	-	19,06,15,406	-	-
Taxes payables	47,83,757	40,22,637	33,03,358	8,21,73,943	6,29,95,707	4,36,06,636
Income taxes payables	33,24,626	10,27,576	21,15,180	5,71,09,424	1,60,92,153	2,79,21,858
Interest on net equity	1,27,47,126	56,62,578	20,13,242	21,89,66,306	8,86,77,670	2,65,76,198
Dividends payable	15,00,000	6,30,884	47,82,000	2,57,66,550	98,79,833	6,31,25,747
Advances	9,55,330	3,14,968	-	1,64,10,364	49,32,489	-
Other payables	48,098	-	-	8,26,215	-	-
Total current liabilities	7,51,08,191	5,51,99,711	5,52,74,776	1,29,01,85,975	86,44,44,026	72,96,65,736
Borrowings	54,03,493	3,51,34,128	3,35,71,888	9,28,19,586	55,02,10,987	44,31,72,422
Lease	1,04,22,723	-	-	17,90,38,409	-	-
Other payables	-	-	-	-	-	-
	1,58,26,216	3,51,34,128	3,35,71,888	9,28,19,586	55,02,10,987	44,31,72,422
Total non-current liabilities	1,58,26,216	3,51,34,128	3,35,71,888	9,28,19,586	55,02,10,987	44,31,72,422
Total liabilities	9,09,34,407	9,03,33,839	8,88,46,664	1,38,30,05,561	1,41,46,55,014	1,17,28,38,158
Shareholders' equity						
Capital	2,37,18,232	2,37,18,232	2,37,18,232	33,38,95,783	33,38,95,783	33,38,95,783
Profit reserves	14,30,19,959	9,92,21,197	4,61,33,737	2,45,67,53,942	1,55,38,33,712	60,89,97,625
Equity valuation adjustment	(5,62,926)	(3,75,116)	(13,13,464)	(96,69,778)	(58,74,432)	(1,73,38,642)
Foreign Currency Translation Reserve	-	-	-	25,25,67,300	3,75,38,846	(2,07,98,518)
Total attributable to the Company's shareholders	16,61,75,264	12,25,64,313	6,85,38,505	3,03,35,47,247	1,91,93,93,909	90,47,56,248
Non-controlling interest in subsidiaries	-	-	-	-	-	-
Total equity	16,61,75,264	12,25,64,313	6,85,38,505	3,03,35,47,247	1,91,93,93,909	90,47,56,248
Total liabilities and shareholders' equity	25,71,09,672	21,28,98,152	15,73,85,169	4,41,65,52,807	3,33,40,48,922	2,07,75,94,406

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors



Sergio Mangoni Moretti
Director

Date : November 14, 2024

Dorf Ketal Brasil Ltda.
Translated Version of Statement of profit or loss
Years ended December 31, 2023, 2022 and 2021

Particulars	Amount In BRL 2023	Amount In BRL 2022	Amount In BRL 2021	Amount In INR 2023	Amount In INR 2022	Amount In INR 2021
<i>Net revenue</i>	46,60,12,053	37,93,71,708	27,67,77,232	7,65,62,05,220	5,50,52,33,576	3,77,50,06,189
<i>Cost of products and services sold</i>	(24,46,84,085)	(20,08,89,385)	(16,77,19,056)	(4,01,99,63,774)	(2,91,51,96,259)	(2,28,75,45,364)
Gross profit	22,13,27,968	17,84,82,324	10,90,58,176	3,63,62,41,446	2,59,00,37,317	1,48,74,60,825
<i>Selling and distribution</i>	(5,60,40,151)	(5,13,14,496)	(4,09,55,575)	(92,06,94,853)	(74,46,47,742)	(55,85,99,234)
<i>Administrative</i>	(4,06,40,614)	(3,07,42,211)	(2,09,14,429)	(66,76,92,777)	(44,61,14,060)	(28,52,55,041)
<i>Other income</i>	51,59,759	8,58,530	1,02,74,737	8,47,70,705	1,24,58,515	14,01,38,685
<i>Other expenses</i>	(2,72,77,717)	(3,70,789)	(8,07,386)	(44,81,51,074)	(53,80,686)	(1,10,12,063)
<i>Results from equity consolidation</i>	61,88,726	22,00,863	25,21,294	10,16,75,822	3,19,37,713	3,43,88,311
Profit (loss) before net financial expenses and taxes	10,87,17,970	9,91,14,221	5,91,76,817	1,78,61,49,269	1,43,82,91,057	80,71,21,482
<i>Financial income</i>	16,43,668	26,19,372	19,82,871	2,70,04,154	3,80,10,879	2,70,44,678
<i>Financial expenses</i>	(73,96,245)	(1,13,97,592)	(68,86,247)	(12,15,14,384)	(16,53,95,592)	(9,39,22,562)
Profit (loss) before income tax and social contribution	10,29,65,393	9,03,36,000	5,42,73,441	1,69,16,39,038	1,31,09,06,343	74,02,43,598
<i>Income tax and social contribution</i>						
<i>Current</i>	(2,84,46,486)	(2,84,14,931)	(1,67,69,840)	(46,73,53,007)	(41,23,41,845)	(22,87,26,361)
<i>Deferred</i>	1,14,617	29,59,728	-	18,83,058	4,29,49,938	-
Net profit for the year	7,46,33,524	6,48,80,797	3,75,03,601	1,22,61,69,089	94,15,14,436	51,15,17,237
<i>Items that will be reclassified subsequently to profit or loss</i>						
<i>Foreign branches currency translation adjustment</i>	(1,87,810)	9,38,348	(2,52,357)	(30,85,569)	1,36,16,785	(34,41,939)
Total comprehensive (loss) income for the year	7,44,45,714	6,58,19,144	3,72,51,244	1,22,30,83,520	95,51,31,221	50,80,75,298

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors


Sergio Mangoni Moretti
Director

Date : November 14, 2024

Dorf Ketal Brasil Ltda.
Translated Version of Statement of cash flow

Particulars	Amount In BRL 2023	Amount In BRL 2022	Amount In BRL 2021	Amount In INR 2023	Amount In INR 2022	Amount In INR 2021
Net profit for the year	7,46,33,524	6,48,80,797	3,75,03,601	1,22,61,69,089	94,15,14,436	51,15,17,237
Adjustments for						
Depreciation and amortization	84,85,177	85,47,649	63,10,328	13,94,04,670	12,40,38,783	8,60,67,512
Depreciation Right of Use Asset	93,95,777	-	-	15,43,65,099	-	-
Interest on Leases	12,97,273	-	-	2,13,13,158	-	-
Profit sharing	76,81,481	80,50,253	47,70,248	12,62,00,590	11,68,20,845	6,50,62,134
Exclusion of ICMS from PIS/COFINS calculation base	-	-	(40,30,991)	-	-	(5,49,79,293)
Equity equivalence result	(61,88,726)	(22,00,863)	(25,21,294)	(10,16,75,822)	(3,19,37,713)	(3,43,88,311)
Income taxes expenses	2,83,31,869	2,54,55,203	1,67,69,840	46,54,69,949	36,93,91,907	22,87,26,361
Write-off intangible assets	-	-	38,234	-	-	5,21,481
Result of the write-off of fixed assets	62,83,371	-	-	10,32,30,759	-	-
Write-off of an asset due loss ratio	2,39,05,044	-	-	39,27,40,749	-	-
Lease	-	-	-	-	-	-
Other	(22,19,116)	-	-	(3,64,58,301)	-	-
Assets and liabilities variation						
Trade accounts receivable	(1,87,62,496)	(1,84,60,478)	(66,32,001)	(30,82,52,799)	(26,78,88,307)	(9,04,54,859)
Inventories	(1,44,69,589)	(1,72,27,560)	(2,18,32,496)	(23,77,23,772)	(24,99,96,872)	(29,77,76,691)
Taxes recoverable	39,78,335	11,12,890	1,716	6,53,60,861	1,61,49,645	23,400
Insurance premium	(7,22,007)	-	-	(1,18,61,993)	-	-
Other assets	57,860	(58,870)	(10,990)	9,50,586	(8,54,283)	(1,49,894)
Advance payments	(34,98,146)	21,11,724	(45,68,417)	(5,74,71,744)	3,06,44,182	(6,23,09,325)
Trade payables	(15,74,424)	1,21,18,277	34,73,441	(2,58,66,524)	17,58,53,772	4,73,74,786
Taxes payables	(39,32,918)	(7,19,279)	(8,84,581)	(6,46,14,696)	(1,04,37,788)	(1,20,64,933)
Payroll and related charges	(71,68,428)	(44,29,663)	(9,04,536)	(11,77,71,530)	(6,42,80,826)	(1,23,37,100)
Other liabilities	6,88,460	3,14,968	-	1,13,10,846	45,70,638	-
Cash generated (used in) from operations	10,62,02,321	7,94,95,048	2,74,82,102	1,74,48,19,177	1,15,35,88,420	37,48,32,505
Income taxes	(2,73,99,650)	(2,65,42,807)	(1,53,50,105)	(45,01,54,330)	(38,51,74,614)	(20,93,62,383)
Net cash generated (used in) from operating activities	7,88,02,671	5,29,52,242	1,21,31,997	1,29,46,64,848	76,84,13,806	16,54,70,123
Investments	-	-	-	-	-	-
Capital paid to subsidiary	-	-	(9,900)	-	-	(1,35,028)
Additions of property, plant and equipment and intangible assets	(1,97,92,284)	(1,25,65,741)	(1,39,67,387)	(32,51,71,392)	(18,23,47,128)	(19,05,03,290)
Additions of intangible assets	-	-	-	-	-	-
Net cash used in investing activities	(1,97,92,284)	(1,25,65,741)	(1,39,77,287)	(32,51,71,392)	(18,23,47,128)	(19,06,38,318)
Borrowing issued	-	65,15,075	5,16,18,636	-	9,45,43,183	70,40,34,316
Borrowing payments	(3,15,57,755)	(2,26,58,331)	(2,56,05,386)	(51,84,68,671)	(32,88,05,242)	(34,92,35,702)
Lease payments	(70,26,191)	-	-	(11,54,34,703)	-	-
Dividends paid	(2,16,30,884)	(1,59,44,453)	(2,55,73,274)	(35,53,78,119)	(23,13,77,132)	(34,87,97,726)
Net cash generated from financing activities	(6,02,14,830)	(3,20,87,709)	4,39,975	(98,92,81,493)	(46,56,39,190)	60,00,887
Increase (decrease) in cash and cash equivalents	(12,04,443)	82,98,792	(14,05,315)	(1,97,88,038)	12,04,27,489	(1,91,67,308)
Cash and cash equivalents at the beginning of the year	1,29,04,262	46,05,470	60,10,786	20,20,84,611	6,07,95,431	8,46,17,436
Translation exchange difference	-	-	-	1,86,79,430	2,08,61,691	(46,54,697)
Cash and cash equivalents at the end of the year	1,16,99,820	1,29,04,262	46,05,470	20,09,76,003	20,20,84,611	6,07,95,431

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors


Sergio Mangoni Moretti
Director

Date : November 14, 2024

Notes to Translated Version of Financial Statements

1 Operational context

Dorf Ketal Brasil Ltda. is a limited liability company with its head office and industrial plant in the state of Rio Grande do Sul.

The separate financial statements of the Group cover the parent company and its branches (jointly referred to as the 'Group'). The Group is primarily involved in the manufacture and distribution of specialty chemicals in the energy market, focused on the area of oil production and refining, fuel additives, petrochemicals and pulp and paper.

On November 20, 2022, a fire broke out at the Nova Santa Rita - RS plant. The accounting records for the write-off of raw material and finished product inventories, as well as assets, were made in 2023, specifically during the months of January and February, representing the total amount of R\$ 23,905,044.(₹ 41,06,33,674) of which R\$ 18,137,562 (₹ 31,15,61,598) in inventories, R\$ 4,694,038(₹ 8,06,32,776) in taxes payable and R\$ 1,073,444(₹1,84,39,298)in property, plant and equipment. These amounts were recorded against the income statement. Up until the issue of the separate financial statements, no contingency was recorded as a result of this matter.

Expenses relating to firefighting, mitigation and repair of environmental, material and civil damage were recorded in specific accounting accounts in the income statement and are shown in note 21 as "Loss expenses".

To cover these losses, the Group had insurance, as follows: factory/operations insurance, in the amount of R\$ 30,000,000 (thirty million reais)(₹51,53,31,000); civil liability insurance for damage to the environment, in the amount of R\$ 5,500,000 (five million five hundred thousand reais)(₹9,44,77,350) and; general civil liability insurance, in the amount of R\$ 5,500,000 (five million five hundred thousand reais)(₹9,44,77,350). The insurance companies have already been notified of the claim and have carried out an on-site inspection. The partial documents for reimbursement of expenses have already been filed and are being analyzed by the insurers.

On July 11, 2023, the Group received the partial amount of R\$ 3,000,000 (three million reais) (₹ 5,08,24,800) from the insurance company for civil liability insurance for damage to the environment and general civil liability, the expenses have been updated and the final report for later reimbursement is being analyzed.

With relation to factory insurance, the insurer rejected the Group's initial request for insurance coverage. The Group and its legal advisors are in negotiations with the insurer to review the initial decision. As a result, no insurance receivables have been recognized in these separate financial statements.

The company opened branches in Peru and Mexico in September and November 2023, respectively. As of the date of these individual and consolidated financial statements, there are no operations or paid-in capital.

2 List of controlled entities

Below is a list of the Group's relevant branches.

Dorf Ketal Brasil Ltda Argentina Branch (DKAR)	Argentina	100	100
Dorf Ketal Brasil Ltda Colombia Branch (DKCO)	Colômbia	100	100
Dorf Ketal Brasil Ltda Peru Branch	Peru	100	-
Dorf Ketal Brasil Ltda México Branch	México	100	-
DRK Logística Ltda (DRK)	Brasil	99	99

3 Basis of preparation

a. Declaration of compliance and basis of preparation

These Financial Statements (herein referred to as The Translated version of financial statements) is prepared from the financial statements audited by other auditor to comply with ICDR regulations for the purpose of the proposed Indian Public Offer (IPO) of the Ultimate Holding company Dorf Ketel Chemicals India Limited. The audited financial statements were prepared in accordance with accounting practices adopted in Brazil (BR GAAP).

All relevant information specific to the company, only this information, is being disclosed, and corresponds to that used by Management in its management.

4 Functional Currency and Presentation Currency

These individual financial statements are presented in Reais, which is the Group's functional currency.

These financial statements been translated from the functional currency i.e., Reais (BRL) to Indian Rupees (INR)

5 Use of Estimates and Judgments

These Translated version of financial statements have been prepared from the financial statements audited by other auditor to comply with ICDR regulations for the purpose of the proposed Indian Public Offer (IPO) of the Ultimate Holding company Dorf Ketel Chemicals India Limited.

The Audited financial statements have been prepared under and comply with:

In preparing the audited financial statements, management has used judgments and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on a continuous basis. Revisions to estimates are recognized prospectively.

Significant assets and liabilities subject to these estimates and assumptions include the useful life of property, plant and equipment, provision for impairment, provision for expected credit losses, deferred income tax, provision for civil, tax and labor risks.

Information on the judgments made in applying accounting policies that have a significant effect on the amounts recognized in the financial statements is included in the following notes:

Accounts receivable (measurement of expected credit loss for accounts receivable)

Leases (if there is reasonable certainty that the extension option will be exercised)

Financial instruments (liquidity, foreign exchange, interest, fair value)

Income taxes (recognition of deferred taxes)

Contingencies (Recognition and Measurement of Provisions and Provision for Legal Proceedings: Key Assumptions on the Probability and Magnitude of Outflows of Resources)

6 Material accounting policies

The company has applied the accounting policies described below consistently to all the years presented in these financial statements.

a. Basis of consolidation

(i) Branches

The Group controls an entity when it is exposed to, or has rights over, variable returns arising from its involvement with the entity and has the ability to affect those returns by exercising its power over the entity. The financial statements of branches are included in the consolidated financial statements from the date on which the Group obtains control until the date on which control ceases to exist.

In the parent company's individual financial statements, the financial information of branches is recognized using the equity method.

(ii) Transactions Eliminated in Consolidation

Intra-group balances and transactions, and any unrealized income or expenses derived from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment in proportion to the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b. Foreign Currency

(i) Foreign Currency transactions

Foreign currency transactions are converted into the respective functional currencies of the Group entities at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated and calculated in foreign currencies on the balance sheet date are reconverted to the functional currency at the exchange rate on that date. Non-monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate on the transaction date. Foreign currency differences resulting from translation are generally recognized in profit or loss.

In July 2018, Argentina was considered a hyperinflationary economy, after exceeding 100% accumulated inflation in the last three periods. For this reason, the financial statement of the Branch Dorf Ketal Brasil LTDA Sucursal Argentina, which operates in a hyperinflationary economy, is adjusted for the change in the general purchasing power of the currency, so that its values are shown in the monetary unit of measurement at the end of the period, in accordance with CPC 42 - Financial Reporting in Hyperinflationary Economies. Non-monetary assets and liabilities are recorded at historical cost and adjusted for changes in the general purchasing power of the currency, using a consumer price index. Shareholders' equity and the income statement are also restated. The impacts of monetary restatement on initial adoption were recognized in the equity of branches and the monetary restatement of subsequent periods was recognized directly in the income statement in a specific account, in the financial result (note 24). The exchange rate used to convert the Branch's financial information into the Group's presentation currency takes into account the closing conversion rate published by the Central Bank of Brazil (BACEN). In the consolidated financial statements, the differences resulting from exchange rate conversions were reflected in shareholders' equity under other comprehensive income. The impacts of hyperinflation resulting from changes in general purchasing power were reported in the financial result of the income statement. As a result of the above effects, in the year ended December 31, 2023 the Group recognized in its consolidated income statement the amounts of R\$ 155,385 (₹25,52,851) in financial expenses (R\$ 233,002 (₹38,28,036) in the year ended December 31, 2022).

(ii) Foreign Transactions

The assets and liabilities of foreign operations, including goodwill and fair value adjustments resulting from acquisitions, are converted into Brazilian Real at the exchange rates calculated on the balance sheet date. Income and expenses from foreign operations are converted into Brazilian Real at the exchange rates calculated on the dates of the transactions.

Foreign currency differences resulting from the exchange into the presentation currency are recognized in other comprehensive income and accumulated in equity valuation adjustments. If the Branch is not a wholly-owned Branch, the corresponding portion of the exchange difference is attributed to non-controlling shareholders.

When a foreign entity is derecognized in whole or in part, so as to lose control, significant influence or joint control, the accumulated amount of exchange variations related to that foreign entity is reclassified to profit or loss as part of the gain or loss on the derecognition. If the Group disposes of part of its interest in a Branch but retains control, the relevant proportion of the accumulated value is attributed to the interest of non-controlling shareholders. When the Group writes off only part of an associate or joint venture, while retaining significant influence or joint control, the relevant proportion of the accumulated value is reclassified to profit or loss.

c. Financial income and expenses

The Group's financial income and expenses includes:

- Interest income;
- Income from discounts received;
- Discount expense;
- Effect of hyperinflation in Argentina;
- Interest expense;
- Net foreign exchange gains/losses on financial assets and liabilities;

When calculating interest income or expense, the effective interest rate is applied to the gross book value of the asset (when the asset is not impaired) or to the amortized cost of the liability.

However, interest income is calculated by applying the effective interest rate to the amortized cost of the impaired financial asset after initial recognition. If the asset is no longer impaired, interest income is calculated again on a gross basis.

d. Income Tax and Social Contribution

Income tax and social contribution for the current year are calculated monthly after calculating the result, based on the rates of 15%, plus an additional 10% on surplus taxable income for income tax and 9% on taxable income for social contribution on net income.

Income and social contribution tax expense comprises current and deferred income and social contribution taxes. Current and deferred taxes are recognized in the income statement unless they relate to a business combination or to items directly recognized in equity or other comprehensive income.

(i) Current Income Tax and Social Contribution Expenses

Current tax expense is the estimated tax payable or receivable on taxable profit or loss for the year and any adjustment to tax payable in respect of previous years. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability at the best estimate of the expected amount of taxes to be paid or received that reflects the uncertainties related to their determination, if any. It is measured based on the tax rates enacted at the balance sheet date.

Current tax assets and liabilities are offset only if certain criteria are achieved.

(ii) Deferred income tax and social contribution expenses

Deferred tax assets and liabilities are recognized in relation to temporary differences between the accounting values of assets and liabilities for financial statement purposes and those used for taxation purposes. Changes in deferred tax assets and liabilities during the year are recognized as deferred income tax and social contribution expense.

A deferred tax asset is recognized in relation to unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they will be used. Future taxable profits are determined on the basis of the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to fully recognize a deferred tax asset, future taxable profits will be considered, adjusted for the reversals of existing temporary differences, based on the business plans of the parent company and its branches individually.

The measurement of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are achieved.

e. Inventories

Inventories are measured at the lower of cost and net realizable value. Inventories are recorded at average acquisition cost. In the case of manufactured inventories, the cost includes a portion of the general manufacturing costs based on normal operating capacity.

f. Fixed Assets

(i) Recognition and measurement

Items of property, plant and equipment are measured at historical acquisition or construction cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

When significant parts of an item of fixed assets have different useful lives, they are recorded as separate items (major components) of fixed assets.

Any gains and losses on the disposal of an item of fixed assets are recognized in profit or loss.

(ii) Subsequent costs

Subsequent costs are capitalized only when it is probable that future economic benefits associated with the expenditure will be earned by the Group.

(iii) Depreciation

Depreciation is calculated to allocate the cost of items of fixed assets, 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.

The estimated useful lives of fixed assets are as follows:

Buildings
Machinery and Equipment
Machinery and Equipment – 3 shifts
Furniture and Fixtures
Vehicles
Trucks
Computers and peripherals

Depreciation methods, useful lives, and residual values are reviewed at each balance sheet and adjusted if appropriate.

g. Financial instruments

(i) Initial recognition and measurement

Receivables from customers and debt securities issued are initially recognized on the date they were originated. All other financial assets and liabilities are initially recognized when the Group 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, increased, for an item not measured at FVTPL (fair value through profit or loss), by the transaction costs that are directly attributable to its acquisition or issue. A receivable from customers without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured: at amortized cost; at FVTOCI - debt instrument; at FVTOCI - equity instrument; or at FVTPL.

Financial assets are not reclassified subsequent to initial recognition, unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in business model.

A financial asset is measured at amortized cost if it satisfies both of the following conditions and is not designated as measured at FVTPL:

It is maintained within a business model whose objective is to hold financial assets to receive contractual cash flows; and

Their contractual terms generate, on specific dates, cash flows that relate only to the payment of principal and interest on the outstanding principal amount.

On initial recognition of an investment in an equity instrument that is not held for trading, the Group may irrevocably choose to present subsequent amendments to the fair value of the investment in ORA. This choice is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or at FVTOCI, as described above, are classified as FVTPL. This includes all derivative financial assets. At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial Assets - Evaluation of Business Model

The Group conducts an assessment of the business model objective in which a financial asset is held in the portfolio because it better reflects the way the business is managed and information is provided to management. The information considered includes:

The policies and objectives stipulated for the portfolio and the practical operation of these policies. These include the question of whether management's strategy is focused on obtaining contractual interest income, maintaining a certain interest rate profile, matching the duration of financial assets to the duration of related liabilities or expected cash outflows, or realizing cash flows through the sale of assets;

How the portfolio's performance is assessed and reported to the Group's Board of Directors;

The risks affecting the performance of the business model (and the financial assets held in that business model) and the way those risks are managed;

How business managers are compensated – for example, whether compensation is based on the fair value of managed assets or contractual cash flows obtained;

The frequency, volume and timing of sales of financial assets in previous periods, the reasons for these sales and their expectations about future sales.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales, consistent with the Group's ongoing recognition of the assets.

Financial assets held for trading or managed with performance measured based on fair value are measured at fair value through profit or loss.

For the purposes of this assessment, the 'principal' is defined as the fair value of the financial asset on initial recognition. Interest' is defined as consideration for the time value of money and the credit risk associated with the principal amount outstanding over a given period of time and the other basic risks and costs of borrowing (e.g. liquidity risk and administrative costs), as well as a profit margin.

The Group considers the contractual terms of the instrument to assess whether the contractual cash flows are solely payments of principal and interest. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows so that it would not meet this condition. In making this assessment, the Group considers:

Contingent events that change the amount or timing of cash flows;

Terms that can adjust the contractual rate, including variable rates;

Prepayment and the extension of the deadline; and

Terms that limit the Group's access to cash flows from specific assets (for example, based on the performance of an asset).

Prepayment is consistent with the principal and interest payments criterion if the prepayment

amount represents, for the most part, unpaid principal and interest on the outstanding principal amount - which may include reasonable compensation for early termination of the contract. In addition, with respect to a financial asset acquired for an amount less than or greater than the nominal value of the contract, allowing or requiring prepayment for an amount representing the nominal value of the contract plus contractual interest (which may also include reasonable compensation for early termination of the contract) accrued (but not paid) is treated as consistent with this criterion if the fair value of the prepayment is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net income, including interest or dividend income, is recognized in profit or loss.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The 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.

Debt instruments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest rate method, gains and losses on foreign exchange, and impairments are recognized in the income statement. Other net gains or losses are recognized in other comprehensive income (OCI). Upon derecognition, the accumulated amount in OCI is reclassified to the income statement.

Equity instruments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognized as a gain in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net income is recognized in OCI and are never reclassified to profit or loss.

Financial Liabilities - Classification, Subsequent Measurement, and Gains and Losses

Financial liabilities have been classified as measured at amortized cost or at Fair Value Through Profit or Loss (FVTPL). A financial liability is classified as measured at fair value through profit or loss if it is classified as held for trading, is a derivative, or is designated as such at initial recognition. Financial liabilities measured at FVTPL are measured at fair value, and the net result, including interest, is recognized in the income statement. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, gains and losses on foreign exchange, are recognized in the income statement. Any gain or loss on derecognition is also recognized in the income statement.

(iii) Offset

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends to settle them on a net basis or to realize the asset and settle the liability simultaneously.

h. (Impairment)

(i) Non-derivative financial assets

The need to provision for losses on accounts receivable from customers is assessed and measured at an amount equal to the expected credit loss for the entire life of the instrument.

The Group assumes that the credit risk of a financial asset has increased significantly if it is more than 30 days overdue.

The Group considers a financial asset to be in default when:

It is unlikely that the debtor will pay its credit obligations to the Group in full, without resorting to actions such as realizing the collateral (if any).

At December 31, 2023 and 2022, the Group did not record any losses on financial assets.

(ii) Non-financial assets

At each reporting date, the Group reviews the book values of its non-financial assets (except inventories) to determine whether there is any indication of impairment. If there is any indication, the asset's recoverable amount is estimated.

For impairment tests, assets are grouped into Cash Generating Units (CGUs), i.e. the smallest possible group of assets that generates cash inflows from their continuous use, which are largely independent of the cash inflows from other assets or CGUs.

The recoverable amount of an asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on estimated future cash flows, discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the asset or CGU.

An impairment loss is recognized if the carrying amount of the asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in the income statement.

Impairment losses are reversed only to the extent that the new book value of the asset does not exceed the book value that would have been determined, net of depreciation or amortization, if the loss in value had not been recognized.

7 New standards and interpretations not yet effective

A number of new standards will be effective for fiscal years beginning after January 1, 2023. The Company has not adopted these standards in preparing these financial statements.

Classification of liabilities as current or non-current with Covenants (amendments to CPC 26/1

The alterations, issued in 2020 and 2022, aims to clarify the requirements to determine whether a liability is current or non-current, and require new disclosures for non-current liability subject to future covenants. The alterations apply to fiscal years started on January 1, 2024. These alterations do not have significant impact on the Company's individual and consolidated Financial Statements.

b) Supplier loan agreements ("Drawee Risk") (alterations to CPC 26/IAS 1 and CPC 40/IFRS)

The alterations create new disclosures related to supplier loan agreements ("Drawee Risk") that assist users of financial statements to assess the effects of such agreements on the liabilities and cash flow of an entity and on the entity's exposure to liquidity risk.

The Company and its controlled entities do not participate in loan agreements in the supply chain for which new disclosures apply and, therefore, such alterations do not have significant impact on the Company's individual and consolidated Financial Statements.

Other regulations:

There are no forecasts that the following new regulations impact significantly individual and consolidated financial statements:

- Lease liability on a sale and leaseback (alterations to CPC 06/IFRS 16); and
- Absence of convertibility (alterations to CPC 02/IAS 21).

Notes to Translated Version of Financial Statements

8 Cash, cash equivalents and financial investments

	BRL			INR		
	2023	2022	2021	2023	2022	2021
Cash	13,992	7,008	21,680	2,40,350	1,09,747	2,86,191
Bank deposits	66,37,562	11,94,652	2,46,209	11,40,18,049	1,87,08,609	32,50,131
Immediately liquid financial investments	50,48,266	1,17,02,602	43,37,581	8,67,17,599	18,32,66,258	5,72,59,106
Total cash and cash equivalents	1,16,99,820	1,29,04,262	-	20,09,75,998	20,20,84,614	6,07,95,428
Investment Fund	-	-	-	-	-	-
Total financial investments	-	-	-	-	-	-

Cash and cash equivalents include cash, Bank Deposits and Immediately liquid financial investments, subject to insignificant risk of fair value alteration, and are used by the Group in the management of short-term obligations. Financial investments are represented by Certificates of Deposit (CDs), with rates ranging from 96% to 100% on December 31, 2023 (96% to 100% on December 31, 2023) of the Interbanking Certificate of Deposit (CDI)

The Investment Fund held by Dorf Ketal Brasil Ltda Colombia Branch, whose objective is to obtain returns and the amounts are not used in daily cash management. The amount in Colombian Pesos (COP) on December 31, 2023, is \$ 3,084,158,283(₹52,97,87,45,737) [₹ 925,454,240(₹14,49,28,91,034) on December 31, 2022].

9 Accounts receivable from clients

The accounts receivable from clients on the dates they originated.

Most clients do not have a credit rating from rating agencies; therefore, the Companies itself rates credit.

	In BRL			In INR		
	2023	2022	2021	2023	2022	2021
Accounts receivable from third parties – national market	8,64,68,360	6,30,06,938	4,65,00,402	1,48,53,27,548	98,67,07,551	61,38,37,857
Accounts receivable from third parties – international market	18,89,558	67,21,196	45,74,819	8,72,92,846	5,05,11,609	4,47,20,183
Accounts receivable from related parties – national market	49,849	-	-	8,56,291	10,52,55,946	6,03,90,813
Accounts receivable from related parties – international market	95,471	12,608	2,05,042	16,39,972	1,97,445	27,06,698
Total	8,85,03,238	6,97,40,742	5,12,80,263	1,52,02,82,071	1,09,21,60,942	67,69,35,368

On December 31, 2023, and 2022, the balance of accounts receivable from clients per due date is the following:

Parent Company	In BRL			In INR		
	2023	2022	2021	2023	2022	2021
To be due	8,34,21,484	6,65,15,286	4,78,92,550	1,43,29,89,226	1,04,16,49,333	63,22,15,185
Due:						
From 1 to 30 days	50,81,754	32,25,456	33,87,713	8,72,92,846	5,05,11,609	4,47,20,183
From 31 to 60 days	45,76,616	2,23,978	7,92,860	7,86,15,737	35,07,563	1,04,66,307
From 61 to 90 days	4,99,466	10,51,863	7,89,952	85,79,677	1,64,72,490	1,04,27,919
From 91 to 180 days	770	9,40,922	31,613	13,227	1,47,35,121	4,17,314
Over 181 days	4,902	7,48,959	6,84,003	84,205	1,17,28,923	90,29,318
Over 181 days	-	2,59,734	10,89,285	-	40,67,512	1,43,79,324
Total	8,85,03,238	6,97,40,742	5,12,80,263	1,52,02,82,071	1,09,21,60,942	67,69,35,368

Regarding receivables due, the Company considers that the credit risk has not increased significantly. The characteristics of trade with clients contain amounts that, among other situations, refer to contractual labor charges withholdings, deductions which are being analyzed between the parties and other situations still under analysis, and for this reason the financial settlement has not yet happened. The balance of pending accounts receivable is net from losses expected in the situations previously mentioned. The Company also performs historical analysis of actual losses of the accounts receivable from clients, and recurrently reassesses their credit analysis to identify risks of loss that may negatively impact cash flow.

10 Inventory

	In BRL			In INR		
	2023	2022	2021	2023	2022	2021
Raw materials	2,95,90,093	3,83,81,885	3,14,40,206	50,82,89,741	60,10,71,834	41,50,32,727
Finished products	1,75,29,453	1,66,54,036	85,62,723	30,11,15,685	26,08,07,200	11,30,33,958
Products in production	47,71,325	58,91,395	41,38,451	8,19,60,389	9,22,61,013	5,46,30,450
Products in transportation	53,09,511	-	-	9,12,05,187	-	-
Packages	8,13,465	8,01,830	4,76,071	1,39,73,458	1,25,56,898	62,84,470
Spare Parts and Materials	1,55,777	89,260	62,021	26,75,891	13,97,838	8,18,721
Others	73,708	92,899	4,274	12,66,134	14,54,826	56,420
Total	5,82,43,332	6,19,11,395	4,46,83,746	1,00,04,86,484	96,95,49,610	58,98,56,726

In the amount under finished products, both under Parent Company, on December 31, 2023, RS 2,057,975 (RS 943,590 in 2022) (on December 31, 2023 INR 3,53,51,277 and INR 1,47,76,902 in 2022 refer to products held by third parties.

In the amount under raw materials, both under Parent Company, on December 31, 2023, RS 1,440,666 (zero in 2022) (on December 31, 2023 INR 2,47,47,328) refer to products held by third parties.

In the amount under products in production, both under Parent Company, on December 31, 2023, RS 340,755 (zero in 2022) (on December 31, 2023 INR 58,53,387) refer to products held by third parties.

11 Recoverable taxes

	In BRL			In INR		
	2023	2022	2021	2023	2022	2021
ICMS	14,56,067	24,21,526	25,06,320	2,39,22,016	3,51,39,853	3,41,84,074
IPI	45,734	1,79,441	-	7,51,373	26,03,949	0
PIS withholding	-	5,53,688	2,81,898	-	80,34,816	38,44,849
COFINS withholding	-	25,32,268	12,82,867	-	3,67,46,880	1,74,97,215
Income Tax withholding and CSLL withholding	3,60,273	27,014	2,02,439	59,18,997	3,92,012	27,61,096
Value Added Tax (IVA)	-	-	-	-	-	0
Income and complementary tax advanced (DKCO)	-	-	-	-	-	0
Tax withholding at source (DKCO)	-	-	-	-	-	0
Others	1,71,241	2,81,440	5,74,695	28,13,353	40,84,102	78,38,351
Short-Term Total	20,33,315	59,95,377	48,48,219	3,34,05,739	8,70,01,614	6,61,25,586
ICMS	9,80,566	9,96,839	12,63,208	1,61,09,915	1,44,65,579	1,83,30,980
Long-Term Total	9,80,566	9,96,839	12,63,208	1,61,09,915	1,44,65,579	1,83,30,980

Tax on Merchandise and Services (ICMS)

The balance is composed of credit (net of debts) of trade operations (purchase and sale of products), credit generated in imports with payment postponement benefit, and credit related to the purchase of permanent asset via monthly CIAP loan, all generated in the units of the Parent Company.

Tax on Industrialization (IPI)

The balance is composed of credit (net of debts) of trade operations (purchase and sale of products) generated in the units of the Parent Company.

Social Integration Program (PIS)

The balance is composed of credit (net of debts) of trade operations (purchase and sale of products) and credit generated in client withholding on services provided.

Social Security Financing Contribution (COFINS)

The balance is composed of credit (net of debts) of trade operations (purchase and sale of products) and credit generated in client withholding on services provided.

Corporate Income Tax (IRPJ)

The balance is composed of credit (net of debts) of trade operations (purchase and sale of products) and credit generated in client withholding on services provided.

Social Contribution on Let Profit (CSLL)

The balance is composed of credit (net of debts) of trade operations (purchase and sale of products) and credit generated in client withholding on services provided.

Notes to Translated Version of Financial Statements

12 Advance payments

The Company has pending balance regarding advance payments to employees and national and international suppliers of raw materials, purchase of permanent assets and/or use and providing of services, as stated below:

	In BRL			In INR		
	2023	2022	2021	2023	2022	2021
National suppliers	30,54,910	6,77,778	18,23,418	5,24,76,328	1,06,14,207	2,40,70,394
International suppliers	46,00,522	28,71,003	43,50,858	7,90,26,387	4,49,60,768	5,74,34,371
Employees	19,68,441	25,76,945	20,63,175	3,38,13,289	4,03,55,732	2,72,35,354
Total	96,23,873	61,25,726	82,37,451	16,53,16,003	9,59,30,707	10,87,40,119

13 Investments and equity method of accounting

In BRL									
Share	%	Net Assets	Fiscal Year Result	Starting balance on January 1	Equity method of accounting	Other encompassing results	Total Investments on December 31, 2023		
Dorf Ketal Brasil Ltda Argentina Branch	100	1,21,968	-1,29,576	3,98,257	-2,76,349	-	1,21,968		
Dorf Ketal Brasil Ltda Colombia Branch	100	1,04,05,314	40,35,252	61,82,252	40,61,441	-1,87,810	1,00,55,883		
DRK Logística Ltda	99	43,18,767	24,27,913	18,71,945	24,03,634	-	42,75,579		
				84,52,454	61,88,726	-1,87,810	1,44,53,370		

In INR									
Share	%	Net Assets	Fiscal Year Result	Starting balance on January 1	Equity method of accounting	Other encompassing results	Translation Exchange Difference	Total Investments on December 31, 2023	
Dorf Ketal Brasil Ltda Argentina Branch	100	20,94,099	-21,28,830	62,44,949	-45,40,193	-	3,89,344	20,94,099	
Dorf Ketal Brasil Ltda Colombia Branch	100	17,87,39,362	6,62,95,962	9,69,42,039	6,67,26,226	-	30,85,568	1,21,54,244	17,27,36,941
DRK Logística Ltda	99	7,41,86,484	3,98,88,668	2,93,53,408	3,94,89,784	-	46,01,422	7,34,44,613	
				13,25,40,395	10,16,75,817	-30,85,568	1,71,45,009	24,82,75,654	

	In BRL				In INR			
	Asset	Liability	Capital Stock	Net Income	Asset	Liability	Capital Stock	Net Income
Dorf Ketal Brasil Ltda Argentina Branch	1,26,890	4,982	7,790	89,348	21,79,678	85,579	1,33,814	14,67,916
Dorf Ketal Brasil Ltda Colombia Branch	1,38,86,418	34,81,104	2,58,720	1,56,79,318	23,85,36,722	5,97,97,360	44,44,215	25,75,98,651
DRK Logística Ltda	56,56,724	13,37,857	18,71,945	1,78,76,224	9,71,69,508	2,29,83,024	3,21,55,710	29,36,92,059

Share	%	Net Assets	Fiscal Year Result	Starting balance on January 1	Equity method of accounting	Other encompassing results	Total Investments on December 31, 2022
Dorf Ketal Brasil Ltda Argentina Branch	100	3,98,257	-1,37,019	4,99,788	-1,01,531	-	3,98,257
Dorf Ketal Brasil Ltda Colombia Branch	100	52,43,905	18,42,713	42,55,761	9,88,143	9,38,348	61,82,252
DRK Logística Ltda	99	18,71,945	13,27,526	5,57,694	13,14,251	-	18,71,945
				53,13,243	22,00,863	9,38,348	84,52,454

In INR									
Share	%	Net Assets	Fiscal Year Result	Starting balance on January 1	Equity method of accounting	Other encompassing results	Translation Exchange Difference	Total Investments on December 31, 2022	
Dorf Ketal Brasil Ltda Argentina Branch	100	62,36,824	-19,88,344	66,78,467	-14,73,362	-	10,31,719	62,36,824	
Dorf Ketal Brasil Ltda Colombia Branch	100	8,21,21,125	2,67,40,438	5,68,68,032	1,43,39,388	1,36,16,790	1,19,91,711	9,68,15,921	
DRK Logística Ltda	99	2,93,15,220	1,92,64,327	74,52,242	1,90,71,688	-	27,91,291	2,93,15,220	
				7,09,98,741	3,19,37,713	1,36,16,790	1,58,14,721	13,32,67,965	

	In BRL				In INR			
	Asset	Liability	Capital Stock	Net Income	Asset	Liability	Capital Stock	Net Income
Dorf Ketal Brasil Ltda Argentina Branch	4,01,286	3,029	38,415	6,15,601	62,84,259	47,435	6,01,590	89,33,263
Dorf Ketal Brasil Ltda Colombia Branch	81,99,223	29,55,318	2,58,720	1,29,41,779	12,84,02,292	4,62,81,166	40,51,633	18,78,03,979
DRK Logística Ltda	33,32,266	14,60,321	9,900	1,26,53,037	5,21,84,285	2,28,69,065	1,55,037	18,36,13,914

Share	%	Net Assets	Fiscal Year Result	Starting balance on January 1	Capital investment in Branch	Equity method of accounting	Other encompassing results	Total Investments on December 31, 2023
Dorf Ketal Brasil Ltda Argentina Branch	100	4,99,788	2,83,466	1,63,139	-	3,36,649	-	4,99,788
Dorf Ketal Brasil Ltda Colombia Branch	100	45,91,897	14,50,833	28,71,267	-	16,36,851	2,52,357	42,55,761
Dorf Ketal Transportes Ltda	99	5,63,328	5,53,328	-	9,900	5,47,794	-	5,57,694
				30,34,406	9,900	25,21,294	-2,52,357	53,13,243

In INR									
Share	%	Net Assets	Fiscal Year Result	Starting balance on January 1	Capital investment in Branch	Equity method of accounting	Other encompassing results	Translation Exchange Difference	Total Investments on December 31, 2023
Dorf Ketal Brasil Ltda Argentina Branch	100	65,97,551	38,66,235	22,96,606	-	45,91,606	-	20,05,945	65,97,551
Dorf Ketal Brasil Ltda Colombia Branch	100	6,06,16,255	1,97,88,129	4,04,20,548	-	2,23,25,256	34,41,935	3,72,95,703	5,61,79,024
Dorf Ketal Transportes Ltda	99	74,36,324	75,46,924	-	1,35,028	74,71,445	-	2,44,521	73,61,951
				4,27,17,154	1,35,028	3,43,88,307	-34,41,935	3,96,57,127	7,01,38,527

	In BRL					In INR				
	Asset	Liability	Capital Stock	Net Income	Result for the period	Asset	Liability	Capital Stock	Net Income	Result for the period
Dorf Ketal Brasil Ltda Argentina Branch	6,59,981	1,60,193	70,681	4,07,412	2,83,466	87,12,211	21,14,660	9,33,039	55,56,753	38,66,235
Dorf Ketal Brasil Ltda Colombia Branch	80,65,913	34,74,016	2,58,720	1,10,07,848	14,50,833	10,64,75,698	4,58,59,443	34,15,285	15,01,37,690	1,97,88,129
Dorf Ketal Transportes Ltda	11,73,147	6,15,453	9,900	30,91,503	5,53,328	1,54,86,362	81,24,410	1,30,687	4,21,65,473	75,46,924

Notes to Translated Version of Financial Statements

14 Fixed assets

Cost	BRL						Total Cost	INR						Total
	Land	Buildings and Facilities	Machinery and equipment	Movables and utensils	Vehicles and trucks	Computers, peripherals and ongoing projects		Land	Buildings and Facilities	Machinery and equipment	Movables and utensils	Vehicles and trucks	Computers, peripherals and ongoing projects	
On January 1, 2021	29,22,248	93,01,760	3,26,45,700	14,88,820	86,17,259	19,60,788	5,69,36,672	4,11,39,646	13,09,46,457	45,05,73,106	2,09,59,012	12,13,10,325	7,76,03,189	80,15,31,726
Additions	-	9,11,556	1,07,21,324	1,91,265	31,26,978	30,29,509	1,79,80,632	-	1,24,32,849	14,62,29,746	26,08,692	4,26,49,322	4,13,19,928	24,52,40,537
Write offs	-	-	-19,25,932	-1,84,033	-8,20,036	-33,21,700	-62,51,701	-	-	-2,62,68,075	-25,10,054	-1,11,84,594	-4,53,05,165	-8,52,67,888
Translation exchange difference	-	-	-	-	-	-	-	-	-25,62,607	-85,56,385	-3,24,83,354	-13,08,717	-85,67,953	-15,91,304
On December 31 2021	29,22,248	1,02,13,316	4,14,41,092	14,96,052	1,09,24,201	16,68,597	6,86,65,606	3,85,77,039	13,48,22,921	54,70,51,423	1,97,48,934	14,42,87,100	2,20,26,648	90,64,34,065
Additions	-	8,68,625	93,15,461	1,15,213	17,49,680	1,99,20,899	3,19,69,878	-	1,26,05,008	13,51,80,847	16,71,908	2,53,90,394	28,90,81,130	46,39,29,286
Write offs	-	-	-8,06,382	-15,421	-13,31,732	-1,64,67,310	-1,86,20,845	-	-	-1,17,01,772	-2,23,781	-1,93,25,362	-23,89,64,546	-27,02,15,461
Translation exchange difference	-	-	-	-	-	-	-	-	71,87,807	2,61,18,592	11,17,04,165	37,94,336	2,73,49,324	80,71,737
On December 31 2022	29,22,248	1,10,81,941	4,99,50,171	15,95,844	1,13,42,149	51,23,186	8,20,14,639	4,67,64,846	17,25,46,521	78,22,34,663	2,49,91,396	17,76,21,456	8,02,14,969	1,28,43,73,851
Additions	4,22,798	12,39,653	80,25,113	2,53,623	15,85,291	82,65,806	1,97,92,284	69,46,233	2,03,66,507	13,18,46,186	41,66,823	2,60,45,063	13,58,00,580	32,51,71,392
Write offs	-	-	-20,31,150	-43,368	-46,51,228	-50,88,148	-1,18,13,894	-	-	-3,33,70,170	-7,12,502	-7,64,15,955	-8,35,94,201	-19,40,92,827
Translation exchange difference	-	-	-	-	-	-	-	47,50,835	1,77,43,618	8,02,80,871	25,78,910	1,49,15,723	1,01,50,882	13,04,20,838
On December 31, 2023	33,45,146	1,23,21,594	5,89,44,134	18,06,099	82,76,212	82,99,844	8,99,93,070	5,74,61,914	21,16,56,645	96,09,91,851	3,10,24,627	14,21,66,287	14,25,72,330	1,54,58,73,254
Accumulated depreciation														
On January 1, 2021	-	-24,35,577	-1,89,66,957	-6,88,617	-49,12,783	-5,50,038	-2,75,53,972	-	-3,42,87,079	-26,70,09,234	-96,94,075	-6,91,60,194	-27,43,215	-38,78,93,796
Additions	-	-3,84,308	-39,21,772	-1,46,834	-18,90,105	-1,39,957	-64,82,978	-	-52,41,634	-5,34,86,637	-20,02,691	-2,57,79,426	-19,08,895	-8,84,23,282
Write offs	-	-	11,66,077	1,20,645	8,10,758	3,13,624	24,11,104	-	-	1,59,04,299	16,45,495	1,10,58,050	42,77,565	3,28,88,409
Translation exchange difference	-	-	-	-	-	-	-	-	23,04,257	1,78,40,359	6,15,331	47,81,259	4,06,184	2,59,47,390
On December 31 2021	-	-28,19,885	-2,17,22,652	-7,14,806	-59,92,130	-3,76,371	-3,16,25,844	-	3,72,24,456	-28,67,54,212	-94,35,940	-7,91,00,310	-49,68,361	-61,74,83,279
Additions	-	-4,18,848	-58,44,172	-1,47,387	-20,85,291	-2,12,310	-87,08,008	-	-60,78,092	-7,97,09,539	-20,10,233	-2,84,41,597	-28,95,728	-11,91,35,188
Write offs	-	2,388	7,85,888	4,110	11,48,554	28,273	19,69,213	-	34,653	7,85,888	4,110	11,48,554	28,273	20,01,478
Translation exchange difference	-	-	-	-	-	-	-	-	-74,14,239	-5,37,19,629	-19,95,774	-21,14,783	-9,40,342	-6,61,84,767
On December 31 2022	-	-32,36,345	-2,67,80,926	-8,58,083	-69,28,807	-5,60,408	-3,83,64,639	-	-5,06,82,124	-41,93,97,492	-1,34,27,857	-10,85,08,126	-37,76,157	-60,08,01,756
Additions	-	-4,94,907	-60,12,593	-1,80,319	-15,15,864	-2,52,202	-84,55,885	-	-81,30,926	-9,87,82,093	-29,62,497	-2,49,04,433	-41,43,477	-13,89,23,426
Write offs	-	-	8,56,711	18,255	35,08,963	73,150	44,57,075	-	-	1,40,75,076	2,99,915	5,76,49,455	12,01,796	7,32,26,242
Translation exchange difference	-	-	-	-	-	-	-	-	-52,81,267,7925	-4,44,96,569,9634	-14,23,360,0482	-90,22,028,1843	-9,84,383,5212	-6,12,07,609,5096
On December 31 2023	-	-37,31,252	-3,19,36,818	-10,20,147	-49,35,768	-7,39,460	-4,23,63,445	-	-6,40,94,327	-54,86,01,070	-1,75,23,779	-3,47,85,142	-1,27,02,222	-72,77,06,549
Net accounting value														
On December 31 2021	29,22,248	73,93,431	1,97,18,440	7,81,246	49,32,071	12,92,226	3,70,39,762	3,85,77,039	9,75,98,465	26,02,97,211	1,03,12,994	6,51,06,790	1,70,58,288	88,89,50,786
On December 31 2022	29,22,248	78,45,596	2,31,69,235	7,37,761	44,13,282	45,61,778	4,36,50,000	4,57,64,846	12,28,64,387	36,28,37,171	1,15,53,559	6,91,13,320	7,14,38,812	68,35,77,095
On December 31 2023	33,45,146	85,90,342	2,40,07,316	7,85,952	33,40,444	75,60,384	4,76,29,584	5,74,61,914	14,75,62,318	41,23,90,472	1,35,00,848	5,73,81,145	12,98,70,008	81,81,66,705

The balance of ongoing projects on December 31, 2023, is RS 6,781,732,(₹ 9,54,70,510) and RS 3,779,886 (₹ 5,32,11,723) on December 31, 2022. The main projects that will be ongoing on December 31, 2023, are related to the industrial area of Nova Santa Rita/RS, including purchase and installation of tanks and reactor, besides expanding the refitting the factory at Nova Santa Rita/RS.

The Group has not identified the existence of fixed assets that could be registered above their recoverable amount.

15 Suppliers

	BRL			INR		
	2023	2022	2021	2023	2022	2021
National suppliers - third parties	1,55,25,077	1,44,04,207.00	90,23,685.00	26,66,85,115	22,55,74,202.88	11,91,18,958.58
National suppliers - related parties	5,36,598	12,60,933	1,70,442.00	92,17,519	1,97,46,589.06	22,49,953.71
International suppliers - third parties	28,09,452	63,66,645	34,65,473.00	4,82,59,924	9,97,03,570.69	4,57,46,669.43
International suppliers - related parties	57,57,631	41,71,296	14,25,304.00	9,89,02,858	6,53,25,312.78	1,88,15,010.51
Total	2,46,28,758	2,62,03,181	1,40,84,904	42,30,65,416	41,03,49,675	18,59,30,592

16 Loans and financing

Loans and financing are paid exclusively with Dorf Ketal do Brasil Ltda. cash generation, with the approval of the very shareholders, and, in the case of FINAMES, using as collateral the very assets purchased.

	Currency	Index	Final term Interest of the contract	BRL			INR		
				2023	2022	2021	2023	2022	2021
Working Capital / 4131	Reais	CDI	8.5% to 12% p.a.	-	-	80,00,000	-	-	10,56,05,600
Working Capital / CDC	Reais	Pre-fixed	9.0% to 11.3% p.a.	-	-	13,616	-	-	1,79,741
BRDE / Inovacred	Reais	Selic	7.6% to 8.5% p.a.	-	-	4,45,767	-	-	58,84,436
Working Capital / NCE	Reais	Pre-fixed	7.7% to 9.5% p.a.	-	-	11,81,285	-	-	1,55,93,789
Working Capital / CCB	Reais	CDI	9.25% to 13.75% p.a.	Aug-24	-	2,60,00,000	3,15,87,569	40,71,67,800	41,69,78,022
Finame	Reais	Selic/TLP	9.25% to 13.75% p.a.	Apr-27	91,34,104	1,46,91,859	1,31,60,179	15,69,02,898	23,00,78,919
Total loans					91,34,104	4,06,91,859	5,43,88,416	15,69,02,898	63,72,46,719
Current					37,30,611	55,57,731	2,08,16,528	6,40,83,317	8,70,35,735
Non-current					54,03,493	3,51,34,128	3,35,71,888	9,28,19,582	55,02,10,985

Loans and financing have the following payment schedule:

Year	Amount(BRL)	Amount(INR)
2024	37,30,611	6,40,83,317
2025	28,36,010	4,87,16,129
2026	22,07,333	3,79,16,904
2027	<u>3,60,150</u>	61,86,549
Total	91,34,104	15,69,02,898

The details of Company loans are as follows:

Parent Company	BRL			INR		
	FINAME	Working Capital (CCB)	Total	FINAME	Working Capital (CCB)	Total
Balance on 31/12/2022	1,46,91,859	2,60,00,000	4,06,91,859	23,00,78,919	40,71,67,800	63,72,46,719
Fundraising	-	-	-	-	-	-
Installment payments	-55,57,755	-2,60,00,000	-3,15,57,755	-9,13,09,468	-42,71,59,200	-51,84,68,668
Translation exchange difference				1,81,33,447	1,99,91,400	3,81,24,847
Balance on 31/12/2023	91,34,104	-	91,34,104	15,69,02,898	-	15,69,02,898

Notes to Translated Version of Financial Statements

17 Leasing

On December 31, 2023, the Company assessed its rent contract portfolio and identified leasing operations in three contracts.

The Company registered the right of use for the amount corresponding to the leasing liabilities. This latter was written based on the present value of the remaining payments under the contract, with the deduction of the nominal rate corresponding to the market quotes that range from 8% to 8.5%.

Asset	Parent Company and Consolidated	
	BRL	INR
Total right of use of assets on 31/12/2022	<u>-</u>	<u>-</u>
Additions	2,94,67,433	48,41,26,350
Depreciation	-93,95,777	-15,43,65,099
Foreign currency transaltion difference		1,50,23,635
Total right of use of assets on 31/12/2023	<u>2,00,71,656</u>	<u>34,47,84,885</u>
Liability		
Parent Company and Consolidated		
Leasing liability on 31/12/2022	<u>-</u>	<u>-</u>
Additions	2,72,48,319	44,76,68,083
Payment	-70,26,191	-11,54,34,697
Interest w/o leasing	12,97,273	2,13,13,158
Foreign currency transaltion difference		1,61,07,272
Leasing liability on 31/12/2023	<u>2,15,19,401</u>	<u>36,96,53,815</u>
Current	1,10,96,678	19,06,15,406
Non-current	1,04,22,723	17,90,38,409

18 Net assets

Capital stock

On December 31, 2023, the capital stock is composed of 23,718,232 shares (23,718,232 on December 31, 2022). The shares have par value of R\$ 1,00 (one real).

Retained Earnings

The fiscal year's result is directed to a retained earnings account and is available from the shareholders to decide on its use.

Other Comprehensive Income

Refers to the effects of currency variations of controlled entities abroad.

Dividends and return on equity

The Company shares profit according to shareholder decisions. In the fiscal year of 2023, R\$ 22,500,00 (₹ 3,16,74,600) were shared as dividends and R\$ 8,334,762 (₹ 11,73,33,446) as gross return on equity [7,084,548 (₹ 9,97,33,433) net of tax withholding]. In the fiscal year of 2022 R\$ 7,500,000 (₹ 10,55,82,000) were shared as dividends and R\$ 4,293,337 (₹ 6,04,39,881) as gross return on equity [R\$ 3,649,336 (₹ 5,13,73,892) net of tax withholding].

Notes to Translated Version of Financial Statements

19 Financial instruments

The Group's operations are subject to the following risk factors:

Risk of credit

Arises from the possibility of the Group having losses from the default of third parties or financial institutions that hold resources or financial investments. To mitigate these risks, the Group adopts the practice of analyzing the financial and asset situation of third parties, as well as defining credit limits and permanent follow-up on pending settlements. Regarding financial institutions, the Group only operates with low-risk ones, avoiding resource concentration.

The accounting value of the financial assets represents maximum credit exposure. The maximum credit exposure on the date of the financial statements was:

	(BRL)			(INR)		
	2023	2022	2021	2023	2022	2021
Cash and cash equivalents	1,16,99,820	1,29,04,262	46,05,470	20,09,75,998	20,20,84,614	6,07,95,428
Financial investments	-	-	-	-	-	-
Accounts receivable from clients	8,85,03,238	6,97,40,742	5,10,75,222	1,52,02,82,071	1,09,21,60,942	67,42,28,683
Advance payments to national suppliers	-	-	18,23,418	-	-	2,40,70,394
Advance payments to international suppliers	-	-	43,50,858	-	-	5,74,34,371
Advance payments to employees	-	-	20,63,175	-	-	2,72,35,354
Other assets	12,000	69,860	-	2,06,132	10,94,029	-

Liquidity risk

Liquidity risk the Group's risk of finding difficulties in fulfilling its financial liability obligations that are settled with cash payments or another financial asset.

Below are the financial liability contractual due periods, including interest payment up to the term of the obligations;

	In BRL				Cash flow	Accounting value	In INR				
	Up to 12 months	2 to 3 years	4 to 5 years				Up to 12 months	2 to 3 years	4 to 5 years	Cash flow	Accounting value
December 31, 2023											
Loans and financing	46,71,043	59,89,402	4,18,950		1,10,79,395	91,34,104	8,02,37,775	10,28,84,151	71,96,597	19,03,18,523	15,69,02,898
Suppliers	2,46,28,758	-	-		2,46,28,758	2,46,28,758	42,30,65,416	-	-	42,30,65,416	42,30,65,416
Return on equity to pay	1,27,47,126	-	-		1,27,47,126	1,27,47,126	21,89,66,306	-	-	21,89,66,306	21,89,66,306
Dividends to pay	15,00,000	-	-		15,00,000	15,00,000	2,57,66,550	-	-	2,57,66,550	2,57,66,550
Other liabilities	10,03,428	-	-		10,03,428	10,03,428	1,72,36,585	-	-	1,72,36,585	1,72,36,585
Total	4,45,50,355	59,89,402	4,18,950		5,09,58,707	4,90,13,416	76,52,72,633	10,28,84,151	71,96,597	87,53,53,381	84,19,37,756
December 31, 2022											
Loans and financing	95,50,469	3,62,95,831	29,09,064		4,87,55,364	4,06,91,859	14,95,63,210	56,84,03,602	4,55,56,815	76,35,23,627	63,72,46,719
Suppliers	2,62,03,181	-	-		2,62,03,181	2,62,03,181	41,03,49,675	-	-	41,03,49,675	41,03,49,675
Return on equity to pay	56,62,578	-	-		56,62,578	56,62,578	8,86,77,670	-	-	8,86,77,670	8,86,77,670
Dividends to pay	6,30,884	-	-		6,30,884	6,30,884	98,79,833	-	-	98,79,833	98,79,833
Other liabilities	3,14,968	-	-		3,14,968	3,14,968	49,32,493	-	-	49,32,493	49,32,493
Total	4,23,62,080	3,62,95,831	29,09,064		8,15,66,975	7,35,03,470	66,34,02,881	56,84,03,602	4,55,56,815	1,27,73,63,299	1,15,10,86,391
December 31, 2021											
Loans and financing	2,08,16,528	3,11,68,913	24,02,975		5,43,88,416	5,43,88,416	27,47,92,741	41,14,51,470	3,17,20,952	71,79,65,163	71,79,65,163
Suppliers	1,40,84,904	-	-		1,40,84,904	1,40,84,904	18,59,30,592	-	-	18,59,30,592	18,59,30,592
Return on equity to pay	20,13,242	-	-		20,13,242	20,13,242	2,65,76,204	-	-	2,65,76,204	2,65,76,204
Dividends to pay	47,82,000	-	-		47,82,000	47,82,000	6,31,25,747	-	-	6,31,25,747	6,31,25,747
Total	4,16,96,674	3,11,68,913	24,02,975		7,52,68,562	7,52,68,562	55,04,25,284	41,14,51,470	3,17,20,952	99,35,97,706	99,35,97,706

Exchange rate risk

Arises from the possibility of exchange rate fluctuations of foreign currency used by the Group for the purchase of inputs and use of financial instruments.

Foreign currency exposure - financial instruments

Actual exposure to risk of currency other than that from where the Company operates is presented below, in nominal values, expressed in foreign currency (thousands):

	2023	2022	2021
Suppliers abroad	-8,10,710	-20,19,672	-8,76,405
Clients abroad	4,10,070	12,90,718	8,56,621
Prepayments to International Suppliers	-	-	7,60,618

The following exchange rates applied during the year:

	2023	2022	2021
Dollar	4,8407	5,2171	5,5799

Sensitivity analysis - financial instruments

The bases used for the projection of the effects of exchange depreciation take into consideration only those instruments actually exposed to the currency of the instrument and the real. A depreciation of 50% of the real against the American dollar would result in an approximate impact of R\$ 1,330,331 in the fiscal result of 2023, before the effects of income tax and social contribution.

Fair value

The table below presents the fair values of the financial assets and liabilities, together with the accounting values presented in the balance sheet. It does not include information on the fair value of financial assets and liabilities not measured against the fair value, if the accounting value is a reasonable approximation of the fair value.

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments by the valuation technique:

Level 1: prices quoted (without adjustments) in the active markets for identical assets or liabilities;

Level 2: other techniques for which all data that have significant impact over the fair value registered are directly or indirectly observable;

Level 3: techniques using data which significantly impact the fair value registered that are not based on observable market data.

For the measurement of the fair value of its financial instruments, the Company adopts the valuation technique of observable prices (Level 2).

	In BRL			Fair value			In INR			Fair value		
	2023	Accounting value	2022	2021	2023	2022	2021	2023	Accounting value	2022	2021	
Assets												
Fair value by means of result												
Cash and cash equivalents	1,16,99,820	1,29,04,262	46,05,470	1,16,99,820	1,29,04,262	46,05,470	20,09,75,998	20,20,84,614	6,07,95,428	20,09,75,998	20,20,84,614	6,07,95,428
Amortized costs												
Clients	8,85,03,238	6,97,40,742	5,12,80,263	-	-	-	1,52,02,82,071	1,09,21,60,942	67,69,35,368	-	-	-
Prepayments to national suppliers	-	-	18,23,418	-	-	-	-	-	2,40,70,394	-	-	-
Prepayments to international suppliers	-	-	43,50,858	-	-	-	-	-	5,74,34,371	-	-	-
Advance payments to employees	-	-	20,63,175	-	-	-	-	-	2,72,35,354	-	-	-
Other assets	12,000	69,860	-	-	-	-	2,06,132	10,94,029	-	-	-	-
Liabilities												
Liabilities by amortized cost												
Suppliers	2,46,28,758	2,62,03,181	1,40,84,904	-	-	-	42,30,65,416	41,03,49,675	18,59,30,592	-	-	-
Loans and financing	91,34,104	4,06,91,860	2,08,16,528	-	-	-	15,69,02,898	63,72,46,735	27,47,92,741	-	-	-
Interest on equity payable	-	-	20,13,242	-	-	-	-	-	2,65,76,204	-	-	-
Return on equity	1,27,47,126	56,62,578	-	-	-	-	21,89,66,306	8,86,77,670	-	-	-	-
Dividends to pay	15,00,000	6,30,884	47,82,000	-	-	-	2,57,66,550	98,79,833	6,31,25,747	-	-	-
Other liabilities	10,03,428	3,14,968	-	-	-	-	1,72,36,585	49,32,493	-	-	-	-

Notes to Translated Version of Financial Statements

20 Income and social contribution tax

a. Effective tax rate reconciliation

	(BRL)			(INR)		
	2023	2022	2021	2023	2022	2021
Accounting profit before taxes	10,29,65,393	9,03,36,000	5,42,73,441	1,69,16,39,035	1,31,09,06,347	74,02,43,603
At combined tax rate of 34%	-3,50,08,234	-3,07,14,240	-1,84,52,970	-57,51,57,272	-44,57,08,158	-25,16,82,825
Permanent differences:	-66,76,365	-52,59,037	-16,83,130	10,96,87,336	7,63,16,252	2,29,56,463
Tax benefits	-14,67,602	-8,35,701	-9,67,902	2,41,11,527	1,21,27,233	1,32,01,361
Interest on Equity - Accounted for as dividends	-	-	-8,05,296	-	-	1,09,83,553
Return on equity	-28,33,819	-14,59,735	-8,57,240	4,65,57,379	2,11,82,871	1,16,92,025
Asset equivalence	-21,04,167	-7,48,293	-	3,45,69,780	1,08,58,816	-
Provision reversal	-	-18,68,526	-	-	2,71,15,022	-
Non-deductible expenses – Provision	-	-	10,78,846	-	-	1,47,14,542
Non-deductible expenses – Fines	8,668	9,948	3,146	1,42,408	1,44,360	42,909
Non-deductible expenses – Donations	1,360	-	668	22,344	-	9,111
Non-deductible expenses - Loss on intra-group operation	-	-	1,11,690	-	-	15,23,357
Worker meals program (PAT)	-5,11,446	-3,56,730	-2,23,042	84,02,649	51,76,670	30,42,103
Effect of tax rates of entity abroad	-	-	-	-	-	-
Others	2,30,641	-	24,000.00	37,89,247	-	3,27,340
Current income and social contribution tax	-2,84,46,486	-2,84,14,931	-1,67,69,840	46,73,53,008	41,23,41,850	22,87,26,363
Deferred income and social contribution tax	1,14,617	29,59,728	-	18,83,066	4,29,49,945	-
Effective rate	28%	28%	31%	28%	28%	31%

b. Deferred taxes

	In BRL			In INR			Translation Exchange difference	2023
	2022	Effects on result	2023	2022	Effects on result	2023		
Profit sharing provision	29,59,728	1,14,616	30,74,344	4,63,50,228	18,83,049	45,76,881	5,28,10,159	
Active deferred fiscal taxes	29,59,728	1,14,616	30,74,344	4,63,50,228	18,83,049	45,76,881	5,28,10,159	

21 Net operating income

We present below the reconciliation between the gross income and the income presented in result of the fiscal year:

	(BRL)			(INR)		
	2023	2022	2021	2023	2022	2021
Gross revenue	60,54,71,364	49,43,64,430	35,94,74,754	9,94,74,10,133	7,17,39,44,708	4,90,29,30,091
Deducted from:						
Taxes on sales	-12,24,78,132	-9,90,47,045	-7,74,91,285	-2,01,22,17,726	-1,43,73,16,241	-1,05,69,15,260
Returns and rebates	-1,69,81,179	-1,59,45,677	-52,06,237	-27,89,87,186	-23,13,94,895	-7,10,08,647
Net operating income	46,60,12,053	37,93,71,708	27,67,77,232	7,65,62,05,221	5,50,52,33,572	3,77,50,06,184

Revenue from external markets totaled R\$ 12,287,839 (₹ 17,29,83,282) in 2023 and R\$ 13,731,161 (₹ 19,33,01,792) in 2022.

We present below the revenue breakdown per product type:

	<u>(BRL)</u>		<u>(INR)</u>	
	2023	2022	2023	2022
Oilfield	29,49,11,489	23,07,54,242	4,84,51,59,835	3,34,85,78,645
Refining	6,88,91,714	5,68,13,554	1,13,18,35,748	82,44,47,048
Petrochemical	2,71,46,560	2,44,31,662	44,59,96,264	35,45,38,842
Fuel Additives	4,71,78,428	4,08,55,382	77,51,03,829	59,28,70,833
Pulp and Paper	71,99,839	33,75,311	11,82,87,595	4,89,80,657
Catalyst	66,54,997	98,59,837	10,93,36,277	14,30,80,532
Others	1,40,29,026	1,32,81,720	23,04,85,674	19,27,37,016
Total net operating income	<u>46,60,12,053</u>	<u>37,93,71,708</u>	<u>7,65,62,05,221</u>	<u>5,50,52,33,572</u>

Performance obligations and revenue bookkeeping policies

Income is measured based on the payment specified in the client's contract. The Group enters income when it transfers the control of the product or service over to the client.

22 Expenses per type

	<u>(BRL)</u>			<u>(INR)</u>		
	2023	2022	2021	2023	2022	2021
Raw material and inputs	21,03,96,925	17,68,68,214	15,07,26,085	3,45,66,53,160	2,56,66,14,244	2,05,57,75,682
Staff	4,69,90,227	4,10,56,914	3,28,57,656	77,20,11,837	59,57,95,355	44,81,50,499
Research and development	39,60,125	28,87,114	29,49,591	6,50,61,686	4,18,96,210	4,02,29,914
Depreciation and amortization	85,13,835	85,47,649	63,10,328	13,98,75,498	12,40,38,781	8,60,67,510
Other taxes, fees and contributions	10,43,228	11,04,297	7,20,282	1,71,39,401	1,60,24,951	98,24,034
Third-party services	69,08,334	55,05,409	55,61,848	11,34,98,401	7,98,91,467	7,58,58,879
Expenses with vehicles and trucks	19,44,874	21,68,036	53,34,567	3,19,52,724	3,14,61,346	7,27,58,959
Expenses with third-party freights	2,56,04,918	1,70,37,502	77,11,257	42,06,68,319	24,72,38,858	10,51,74,991
Expenses with maintenance	31,72,611	27,46,691	24,21,009	5,21,23,461	3,98,58,469	3,30,20,505
Property rents and condominium fees	67,688	4,50,420	4,98,296	11,12,060	65,36,247	67,96,334
Rent of movables	89,29,631	1,32,33,553	1,00,95,306	14,67,06,694	19,20,38,043	13,76,91,393
Right of use amortization	71,76,663	-	-	11,79,06,832	-	-
Expenses with insurance claims (NE 1)	63,46,362	36,47,365	-	10,42,65,651	5,29,28,555	-
Fixed assets and consumption	28,63,621	14,55,815	-	4,70,47,002	2,11,25,987	-
Expenses with trips	25,40,232	16,00,025	-	4,17,33,980	2,32,18,683	-
Expenses with export clearance	5,62,235	10,14,428	-	92,37,071	1,47,20,821	-
Others	<u>43,43,341</u>	<u>36,22,660</u>	<u>44,02,836</u>	<u>7,13,57,618</u>	<u>5,25,70,049</u>	<u>6,00,50,941</u>
Total	<u>34,13,64,850</u>	<u>28,29,46,092</u>	<u>22,95,89,061</u>	<u>5,60,83,51,394</u>	<u>4,10,59,58,067</u>	<u>3,13,13,99,641</u>

	<u>(BRL)</u>			<u>(INR)</u>		
	2023	2022	2021	2023	2022	2021
Cost of products sold and services provided	24,46,84,085	20,08,89,385	16,77,19,056	4,01,99,63,769	2,91,51,96,266	2,28,75,45,363
Expenses with sales and operations	5,60,40,151	5,13,14,496	4,09,55,575	92,06,94,849	74,46,47,743	55,85,99,231
Administrative expenses	<u>4,06,40,614</u>	<u>3,07,42,211</u>	<u>2,09,14,429</u>	<u>66,76,92,776</u>	<u>44,61,14,058</u>	<u>28,52,55,034</u>
Total	<u>34,13,64,850</u>	<u>28,29,46,092</u>	<u>22,95,89,061</u>	<u>5,60,83,51,394</u>	<u>4,10,59,58,067</u>	<u>3,13,13,99,629</u>

23 Other operating income

	<u>(BRL)</u>			<u>(INR)</u>		
	2023	2022	2021	2023	2022	2021
Insurance compensation (a)	30,00,000	-	-	4,92,87,600	-	-
Sale of fixed assets	21,73,654	8,23,085	-	3,57,11,396	1,19,44,157	-
Equipment rental (b)	-	-	9,90,839	-	-	1,35,14,202
Daily extra containers (b)	-	-	25,88,873	-	-	3,53,10,027
Bonus contract (b)	-	-	28,86,680	-	-	3,93,71,862
Disposals of fixed assets	-	-	5,59,300	-	-	76,28,377
Action to exclude ICMS from the calculation base of Pis and Cofins (a)	-	-	37,78,409	-	-	5,15,34,287
Others	5,807	40,658	1,04,447	95,404	5,90,007	14,24,568
Deducted from:						
Taxes on other income	-19,702	-5,213	-6,33,811	-3,23,688	-75,648	-86,44,643
Other operating income	<u>51,59,759</u>	<u>8,58,530</u>	<u>1,02,74,737</u>	<u>8,47,70,713</u>	<u>1,24,58,515</u>	<u>14,01,38,679</u>

(a) On July 11, 2023, the Group received the partial amount of R\$ 3,000,000 (three million reais) (₹ 5,08,24,800) from the insurance company regarding civil liability insurances for damages to the environment and general civil liability; the expenses were updated and the final report for later complement of the reimbursement was approved on 26/02/2024.

Notes to Translated Version of Financial Statements

24 Other operating expenses

	BRL		INR	
	2023	2022	2023	2022
Loss ratio (b)	2,39,05,044	-	39,27,40,749	-
Fiscal fines	9,677	5,139	1,58,985	74,574
Contractual deductions	33,38,996	3,33,784	5,48,57,033	48,43,690
Donations	24,000	-	3,94,301	-
Others	-	31,866	-	4,62,422
Other operating income	2,72,77,717	3,70,789	44,81,51,068	53,80,686

(a) On November 20, 2022, there was a fire in the plant of Nova Santa Rita – RS, the accounting files regarding the writing off of raw material and finished product inventory, as well as the assets, were prepared in 2023, over the months of January and February, representing the total amount of RS 23,905,044,(R 41,06,33,674) being RS 18,137,562(R 31,15,61,598) in inventory, RS 4,694,038(R 8,06,32,776) in taxes to collect, and RS 1,073,444(R 1,84,39,298) in fixed assets. These amounts were registered as result counterpart of other expenses

25 Financial income and expenses

	Parent Company BRL			Parent Company INR		
	2023	2022	2021	2023	2022	2021
Financial income:						
Active interest	53,398	29,213	3,29,567	8,77,286	4,23,923	44,95,014
Currency fluctuation	11,34,693	24,90,665	14,15,480	1,86,42,098	3,61,43,161	1,93,05,944
Financial investment returns	48,160	37,787	8,789	7,91,230	5,48,344	1,19,874
Discounts obtained	3,22,158	61,707	2,29,036	52,92,798	8,95,458	31,23,856
Other financial income	85,259	-	-	14,00,737	-	-
	16,43,668	26,19,372	19,82,871	2,70,04,150	3,80,10,886	2,70,44,675
Financial expenses:						
Passive interest	-47,45,550	-72,75,976	-40,80,221	-7,79,65,590	-10,55,84,962	-5,56,50,746
Leasing interest	-12,97,273	-	-	-2,13,13,158	-	-
Currency fluctuation	-12,54,203	-40,72,149	-17,35,671	-2,06,05,552	-5,90,92,787	-2,36,73,077
Banking costs	-61,672	-46,655	-50,354	-10,13,222	-6,77,032	-6,86,786
Discounts granted	-37,546	-2,812	-10,20,001	-6,16,851	-40,806	-1,39,11,947
Hyperinflation effect	-	-	-	-	-	-
	-73,96,244	-1,13,97,592	-68,86,247	-12,15,14,372	-16,53,95,586	-9,39,22,556
Financial result	-57,52,576	-87,78,220	-49,03,376	-9,45,10,222	-12,73,84,701	-6,68,77,881

26 Related parties

The main balances of assets and liabilities on December 31, 2023, and December 31, 2022, as well as the transactions that influenced fiscal year results, related to operations with related third parties, arise from transaction of the Company with its related parties, which did not take place under usual market conditions for the respective types of operation and specific conditions considering the volumes of the operations and terms of payment.

	BRL		INR	
	Asset Accounts receivable From sales	Liability Accounts payable from purchases	Asset Accounts receivable From sales	Liability Accounts payable from purchases
DRK Logística Ltda				
Balance on December 31, 2023	49,849	5,36,598	8,56,291	92,17,519
Balance on December 31, 2022	-	12,60,933	-	1,97,46,589
Dorf Ketal Brasil Colombia Branch				
Balance on December 31, 2023	95,471	-	16,39,972	-
Balance on December 31, 2022	-	-	-	-
Balance on December 31, 2021	-	2,05,042	-	27,06,698
Dorf Ketal Chemicals India PVT LTD				
Balance on December 31, 2023	-	57,57,631	-	9,89,02,858
Balance on December 31, 2022	12,608	34,25,599	1,97,445	5,36,45,908
Balance on December 31, 2021	10,86,010	13,485	1,43,36,092	1,78,011
Dorf Ketal Speciality Catalysts LLC				
Balance on December 31, 2023	-	-	-	-
Balance on December 31, 2022	-	3,87,028	-	60,60,975
Balance on December 31, 2021	3,39,294	-	44,78,918	-
Dorf Ketal Brasil				
Balance on December 31, 2021	2,18,527	14,25,304	28,84,709	1,88,15,011
Dorf Ketal Chemicals FZE				
Balance on December 31, 2023	-	-	-	-
Balance on December 31, 2022	-	3,58,769	-	56,18,430
Balance on December 31, 2021	-	-	-	-

	Transactions (BRL)				Average term (in days)		Transactions (INR)			
	Sale of products and services	Purchase of products and services	Other income	Other Expenses	Receipts	Payments	Sale of products and services	Purchase of products and services	Other income	Other Expenses
DRK Logística LTDA					60<	60<				
Balance on December 31, 2023	21,74,642	2,27,20,966	-	-	-	-	3,57,27,628	37,32,87,295	-	-
Balance on December 31, 2022	15,33,989	1,26,41,664	-	-	-	-	2,22,60,405	18,34,48,875	-	-
Dorf Ketal Brasil Colombia Branch					180<	-				
Balance on December 31, 2023	4,95,020	-	-	-	-	-	81,32,783	-	-	-
Balance on December 31, 2022	-	-	-	-	-	-	-	-	-	-
Balance on December 31, 2021	2,49,907	14,25,304	-	3,28,500	-	-	34,08,519	1,94,39,935	-	44,80,461
Dorf Ketal Chemicals India PVT LTD					90<	90<				
Balance on December 31, 2023	-	2,10,71,643	-	-	-	-	-	34,61,90,237	-	-
Balance on December 31, 2022	12,608	32,45,599	-	-	-	-	1,82,960	4,70,98,348	-	-
Balance on December 31, 2021	10,86,010	-	-	-	-	-	1,48,12,253	-	-	-
Dorf Ketal Chemicals LLC					30<	-				
Balance on December 31, 2023	-	26,15,152	-	-	-	-	-	4,29,64,855	-	-
Balance on December 31, 2022	-	3,87,028	-	-	-	-	-	56,16,337	-	-
Dorf Ketal Chemicals FZE					60<	-				
Balance on December 31, 2023	-	15,32,217	-	-	-	-	-	2,51,73,100	-	-
Balance on December 31, 2022	-	3,58,769	-	-	-	-	-	52,06,258	-	-
Balance on December 31, 2021	-	-	-	-	-	-	-	-	-	-
Dorf Ketal B.V.					-	60<				
Balance on December 31, 2023	-	1,56,659	-	-	-	-	-	25,73,782	-	-
Balance on December 31, 2022	-	-	-	-	-	-	-	-	-	-
Dorf Ketal Brasil					360<	60<				
Balance on December 31, 2021	2,49,907	14,25,304	-	3,28,500	-	-	34,08,519	1,94,39,935	-	44,80,461
Dorf Ketal Brasil Argentina Branch					360<	360<				
Balance on December 31, 2021	-	-	3,28,500	-	-	-	-	-	44,80,461	-
Dorf Ketal Speciality Catalysts LLC					180<	-				
Balance on December 31, 2021	3,39,294	-	-	-	-	-	46,27,682	-	-	-

Sales transactions with related parties refer to sales of goods to supply the markets where they are headquartered, and sales of inputs used in production. Purchase operations with related parties refer to the supply of inputs used in the Group's production process.

The pending balances at the end of the fiscal year do not have collateral and are not subject to interest due to payment term flexibilization. There was no collateral provided or received regarding any accounts receivable or payable involving related parties.

Key administration personnel compensation

The Company defined the board of directors as key administration personnel. The amounts regarding key administration personnel compensation are represented below:

	(BRL)			(INR)		
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
Short-term benefits (wages, salaries, profit sharing, medical care, pension funds and life insurance).	60,17,609	56,92,926	49,24,287	9,88,64,502	8,26,12,611	6,71,63,089

The Company did not pay key administration personnel in other categories of i) long-term benefits, ii) work contract termination benefits, and iii) stock-based compensation.

Notes to Translated Version of Financial Statements

27 Insurance coverage

On December 31, 2023, insurance coverage was composed of: General Civil Liability: R\$ 5,500,000(₹9,44,77,350), Civil Liability for Damages to the Environment: R\$ 5,500,000(₹9,44,77,350).

28 Contingency provision

Provisions are composed of all contingencies regarding lawsuits under which probable resource disbursement is required to settle the contingency or obligation, using reasonable estimates. The Company has its lawsuits assessed by legal counsel as probable, possible or remote risk, for which no provision has been formed, since the accounting practices adopted in Brazil do not require their bookkeeping. The total amount of passive lawsuits with probable, possible or remote risk are presented below:

	Parent Company(BRL)						Parent Company(INR)					
	2023			2022			2023			2022		
	Probable	Possible	Remote	Probable	Possible	Remote	Probable	Possible	Remote	Probable	Possible	Remote
Tax	-	34,00,269	-	-	29,47,325	-	-	5,84,08,801	-	-	4,61,55,994	-
Civil	-	1,35,000	-	-	1,35,000	-	-	23,18,990	-	-	21,14,141	-
Labor	-	5,06,986	-	41,798	8,82,716	32,124	-	87,08,853	-	7,17,994	1,38,23,597	5,03,071
Total	-	40,42,255	-	41,798	39,65,041	32,124	-	6,94,36,644	-	7,17,994	6,20,93,732	5,03,071

29 Subsequent events

On February 20, 2024, the Company was successful in its claim for complementary reimbursement regarding the civil liability insurance for damages against the environment and the general civil liability insurance, receiving, on March 07, 2024, the complement of such reimbursement, amounting to R\$ 2,500,000(₹4,29,44,250).

On January 09, 2024, was distributed and paid proportionally to the shareholders the amount of R\$ 12,500,000 (twelve million five hundred thousand reais) (₹21,47,21,250) as dividends, based on the retained earnings on December 31, 2023.

For Manian & Rao
Chartered Accountants
Firm Registration No - 001983S

Paresh Daga
Partner
Membership No. 211468

Date : November 14, 2024

For and on behalf of the Board of Directors


Sergio Mangoni Moretti
Director

Date : November 14, 2024