



16.

Key Performance Indicators

To,

The Board of Directors
J.G. Chemicals Limited
Adventz Infinity@ 5
15th Floor, Unit No. 1511
Sector V, Salt Lake,
Kolkata – 700091, India

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (Equity Shares) by J.G. Chemicals Limited (Company) comprising fresh issue of Equity Shares and an offer for sale of the Equity Shares by Selling Shareholders (Offer).

We, S. Jaykishan, Chartered Accountants (FRN: 309005E), the statutory auditors of the Company have been requested by the Company to verify and certify certain key performance indicators pertaining to (i) the Company and its subsidiaries, as applicable (collectively, **Group**); and (ii) the material subsidiary, of the Company viz. BDJ Oxides Private Limited ("**BDJ Oxides**"), on a standalone basis.

In this relation, we have examined the key performance indicators of the Group as set out at **Annexure A** and certify that data set out in **Annexure A** has been (i) correctly calculated based on standalone financial statements of the Group for the nine months period ended 31st December 2023, and financial years ended 31st March 2023, 31st March 2022 and 31st March 2021 and the acceptable practices which have been appropriately disclosed therein, where relevant, (ii) derived and extracted from the said standalone financial statements of the Group. We have also reviewed the minutes of the meeting of the audit committees of the Company dated 14th February, 2024 wherein the key performance indicators set out at **Annexures A** have been approved by the audit committee of the Company.

In this relation, we have also examined the key performance indicators of the BDJ Oxides as set out at **Annexure B** and certify that data set out in **Annexure B** has been (i) correctly calculated based on the standalone financial statements of BDJ Oxides as at and for the nine months period ended 31st December 2023, and financial years ended 31st March 2023, 31st March 2022 and 31st March 2021 and the acceptable practices which have been appropriately disclosed therein, where relevant, (ii) derived and extracted from the standalone financial statements of BDJ Oxides as at and for the nine months period ended 31st December 2023, and financial years ended 31st March 2023, 31st March 2022 and 31st March 2021. We have also reviewed the minutes of the meeting of the audit committees of BDJ Oxides dated 14th February, 2024 wherein the key performance indicators set out at **Annexures B** have been approved by the audit committee of BDJ Oxides.

The Restated Consolidated Financial Information of the Company have been compiled from:

- a) Audited special purpose interim consolidated Ind AS financial statements of the Group as at and for the nine months ended December 31, 2023 which have been prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of Directors at their meeting held on 14th February, 2024.



- b) Audited Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 prepared in accordance with Indian Accounting Standard (Ind AS) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 3, 2023.
- c) Audited consolidated Ind AS financial statements of the Group as at and for year ended March 31, 2022, prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 18, 2022.
- d) Audited special purpose consolidated Ind AS financial statements of the Group as at and for year ended March 31, 2021 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on September 16, 2022. The financial information for the year ended March 31, 2021 included in the special purpose consolidated Ind AS financial statements are based on the previously issued statutory consolidated financial statements prepared for the years ended March 31, 2021 in accordance with the Companies (Accounting Standard) Rules, 2006 & audited and reported by erstwhile statutory auditors M/s B. Chhawchharia & Co., Chartered Accountants having firm registration number 305123E who have issued an unmodified audit opinion vide audit report dated October 25, 2021 and which has been translated into figures as per Ind AS after incorporating Ind AS adjustments to align accounting policies, exemptions and disclosures as adopted by the Company.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (**Guidance Note**) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have also complied with the relevant applicable requirements of the Standard on Quality Control (**SQC**) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We hereby consent to the extracts of this certificate being used in the Red Herring Prospectus (**RHP**) and the Prospectus to be filed with the Registrar of Companies, West Bengal at Kolkata (**RoC**) and submitted to the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE**) and together with the BSE, the **Stock Exchanges**) with respect to the Offer, any other regulatory or governmental authorities, and in any other material used in connection with the Offer and on the website of the Company and the Book Running Lead Managers in connection with the Offer.

We undertake to update you of any change in the above-mentioned disclosures, in writing until the Equity Shares commence trading on the Stock Exchanges, once we are made aware of any update by the Company or that may come to our knowledge. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

This certificate is for information and for inclusion, in part or in full, in the Offer Documents or any other Offer related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Offer. We hereby consent to the submission and disclosure of this certificate as may be necessary to SEBI, ROC, Stock Exchanges and any other regulatory or governmental authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law and for disclosure on the website of the Company in connection with the Offer.



All capitalized terms not defined herein bear the meaning ascribed to them in the Offer Documents.

Yours Sincerely,

For S. Jaykishan
Chartered Accountants
Firm Registration No: 309005E



CA Vishal Agarwal
Partner
Membership No.: 315490
Dated: The 26th Day of February ,2024
Place: Kolkata
UDIN: 24315490BKCBVE5928

Cc:

BRLMs

Centrum Capital Limited
Level 9, Centrum House, CST Road
Vidyanagari Marg, Kalina
Santacruz (East),
Mumbai - 400 098,
Maharashtra, India.

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg, Dadar (West)
Mumbai - 400 028
Maharashtra, India.

Keynote Financial Services Limited
The Ruby, 9th Floor
Senapati Bapat Marg, Dadar (West)
Mumbai – 400 028
Maharashtra, India.

(Centrum Capital Limited, Emkay Global Financial Services Limited and Keynote Financial Services Limited are hereinafter individually referred to as the **Book Running Lead Manager** and collectively as the **Book Running Lead Managers**)

BRLM Counsel
Bharucha & Partners
13th Floor, Free Press House,
Free Press Journal Marg,

Nariman Point,
Mumbai – 400 021
Maharashtra, India.

Company Counsel
Dentons Link Legal
Aiwan-e-Ghalib Complex,
Mata Sundri Lane,
New Delhi – 110 002



Annexure A

Key Performance Indicators of the Group

(in ₹ million except percentages and ratios)

Particulars	Nine months period ended Dec'23	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations ⁽¹⁾	4863.22	7845.76	6,128.30	4,352.98
Total income ⁽²⁾	4910.99	7941.88	6,230.47	4,404.05
EBITDA ⁽³⁾	329.42	851.17	663.78	486.07
EBITDA Margin (%) ⁽⁴⁾	6.77%	10.85%	10.83%	11.17%
PAT	185.10	567.93	431.26	287.99
PAT Margin (%) ⁽⁵⁾	3.81%	7.24%	7.04%	6.62%
Operating cash flows	671.13	311.66	67.52	(73.46)
Net worth ⁽⁶⁾	2,178.56	1998.86	1,476.58	1,084.77
Net debt ⁽⁷⁾	(709.07)	(421.51)	(39.59)	(136.22)
Debt-equity ratio ⁽⁸⁾	0.11	0.34	0.62	0.69
ROCE (%) ⁽⁹⁾	11.86%	29.38%	25.83%	25.27%
ROE (%) ⁽¹⁰⁾	8.20%	30.50%	30.64%	24.23%

Notes:

- (1) Revenue from operation means revenue from sales, service and other operating revenues.
(2) Total Income represents the total turnover of the business i.e., Revenue from Operations and Other Income, if any.
(3) EBITDA means Restated Profit before finance cost, exceptional item, tax, depreciation and amortization.



- (4) 'EBITDA Margin' is calculated as a percentage of EBITDA during a given year divided by revenue from operations.
- (5) 'PAT Margin' is calculated as a percentage of Restated Profit after Tax for the year divided by revenue from operations.
- (6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
- (7) Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.
- (8) Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.
- (9) Return on Capital Employed is ratio of Earnings before Interest, Exceptional Item and Tax and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short Term Borrowing.
- (10) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.

Explanations for KPI metrics of the Group

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of the Group and size of the business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of the business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Operating Cash Flows	Operating cash flows provide how efficiently the Group generates cash through its core business activities.
Net worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net debt	Net debt helps the management to determine whether the Group is overleveraged or has too much debt, given its liquid assets.
Debt-equity ratio (times)	The debt-to-equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.



RoE (%)	RoE provides how efficiently the Group generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently the Group generates earnings from the capital employed in the business.

Set forth below are the details of comparison of key performance of indicators with the Group's listed industry peers:

There are no listed companies in India that engage in a business similar to that of the Group. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with the Group.

For and on behalf of the Board of Directors of J.G. Chemicals Limited

Anuj Jhunjunwala

Whole time Director & CFO

DIN No. 00234926

Date: 26th February, 2024.



Annexure B

Key Performance Indicators of BDJ Oxides.

(in ₹ million except percentages and ratios)

Particulars	Nine months period ended Dec'23	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations ⁽¹⁾	3150.89	4,624.06	3,643.57	2,595.27
Total income ⁽²⁾	3166.54	4,655.19	3,667.81	2,620.11
EBITDA ⁽³⁾	230.32	506.03	433.58	355.18
EBITDA Margin (%) ⁽⁴⁾	7.31%	10.94%	11.90%	13.69%
PAT	125.89	314.76	264.07	214.88
PAT Margin (%) ⁽⁵⁾	4.00%	6.81%	7.25%	8.28%
Operating cash flows	443.26	84.16	115.03	-110.61
Net worth ⁽⁶⁾	1,081.32	955.43	640.19	427.18
Net debt ⁽⁷⁾	(231.35)	125.19	144.87	118.40
Debt-equity ratio ⁽⁸⁾	0.40	0.77	1.09	1.39
ROCE (%) ⁽⁹⁾	13.45%	28.25%	30.91%	33.03%
ROE (%) ⁽¹⁰⁾	12.35%	39.42%	49.45%	67.23%

Notes:

- (1) Revenue from operation means revenue from sales, service and other operating revenues.
(2) Total Income represents the total turnover of the business i.e., Revenue from Operations and Other Income, if any.
(3) EBITDA means Profit before finance cost, exceptional item, tax, depreciation and amortization.
(4) 'EBITDA Margin' is calculated as a percentage of EBITDA during a given year divided by revenue from operations.



- (5) 'PAT Margin' is calculated as a percentage of Profit after Tax for the year divided by revenue from operations.
- (6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the balance sheet, but does not include reserves created out of revaluation of assets, capital reserve on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
- (7) Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.
- (8) Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.
- (9) Return on Capital Employed is ratio of Earnings before Interest, Exceptional Item and Tax and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short Term Borrowing.
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Explanations for KPI metrics of BDJ Oxides

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by the management to track the revenue profile of the business and in turn helps assess the overall financial performance of BDJ Oxides and size of the business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of the business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of the business.
Operating Cash Flows	Operating cash flows provide how efficiently BDJ Oxides generates cash through its core business activities.
Net worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net debt	Net debt helps the management to determine whether BDJ Oxides is overleveraged or has too much debt, given its liquid assets.
Debt-equity ratio (times)	The debt-to-equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.
RoE (%)	RoE provides how efficiently BDJ Oxides generates profits from shareholders' funds.



RoCE (%)	ROCE provides how efficiently BDJ Oxides generates earnings from the capital employed in the business.
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Set forth below are the details of comparison of key performance of indicators with the BDJ Oxides's listed industry peers:

There are no listed companies in India that engage in a business similar to that of the BDJ Oxides. Accordingly, it is not possible to provide a comparison of key performance indicators of industry with BDJ Oxides.

For and on behalf of the Board of Directors of J.G. Chemicals Limited

Anuj Jhunjunwala
Whole time Director & CFO
DIN No. 00234926
Date: 26th February, 2024.

