



INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH THE PROPOSED INITIAL PUBLIC OFFER OF J.G. CHEMICALS LIMITED (FORMERLY KNOWN AS J.G. CHEMICALS PRIVATE LIMITED)

To
The Board of Directors,
J.G. Chemicals Limited,
Adventz Infinity @ 5,
15th Floor, Unit – 1511,
Saltlake
Kolkata-700091.
West Bengal

Dear Sirs,

- 1) We have examined, the attached Restated Consolidated Financial Information, expressed in INR Millions of J.G. Chemicals Limited (formerly J.G. Chemicals Private Limited) (the "Company" or the "Holding Company" or the "Issuer") and its subsidiaries, as applicable (the Company and its subsidiaries together referred to as the "Group") comprising the Restated Consolidated Statement of Assets & Liabilities as at December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash Flows for the nine months period ended December 31, 2023 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, the Summary Statement of Significant Accounting Policies, and other explanatory information (Collectively referred to as, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on February 14, 2024 for the purpose of inclusion in the Red Herring Prospectus ("RHP") and Prospectus (collectively referred to as "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") in terms of the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended and any rules issued thereunder (the "Act");
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Consolidated Financial Information

- 2) The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India ("SEBI"), the stock exchanges where the equity shares of the Company are proposed to be listed ("Stock Exchanges") and the Registrar of Companies, West Bengal, at Kolkata ("RoC"), in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the "Basis of Preparation" stated in note 2 of Annexure V to the Restated Consolidated Financial Information. The respective Board of Directors of the Companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.



Auditor's Responsibilities

- 3) We have examined the Restated Consolidated Financial Information taking into consideration:
- The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 17, 2022 in connection with the proposed IPO of equity shares of the Company;
 - The Guidance Note that requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - The requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

- 4) The Restated Consolidated Financial Information have been compiled by the Company's management from:
- 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 February 14, 2023.
 - Audited Consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 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 July 3, 2023.
 - 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.
 - 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 auditor M/s B. Chhawchharia & Co., Chartered Accountants having firm registration number 305123E who has 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.



- 5) For the purpose of our examination, we have relied on:
- Auditors' reports issued by us dated February 14, 2024 on the Special Purpose Interim Consolidated Financial Statements as at and for the nine months period ended December 31, 2023 as referred in Paragraph 4 (a) above;
 - Auditors' reports issued by us dated June 3, 2023 on the audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023 as referred in Paragraph 4 (b) above;
 - Auditors' reports issued by the erstwhile statutory auditor M/s B. Chhawchharia & Co., dated August 18, 2022 on the audited consolidated Ind AS financial statements as at and for the year ended March 31, 2022 as referred in Paragraph 4 (c) above;
 - Auditors' reports issued by us dated September 16, 2022 on the audited special purpose consolidated Ind AS financial statements as at and for the year ended March 31, 2021 as referred in Paragraph 4 (d) above;
 - Auditor's report issued by the erstwhile statutory auditors M/s B. Chhawchharia & Co., dated October 25, 2021 on the consolidated financial statements of the company issued under IGAAP for the year ended March 31, 2021, as referred in Paragraph 4 (d) above.
- 6) The audit report issued by the previous auditors referred to in para 5 above included the following paragraph.

Other Matter paragraph

We did not audit the financial statements of one of the subsidiaries - BDJ Speciality Chemicals Private Limited for the years ended March 31, 2022 and 2021, whose share of total assets, total revenues and net cash flows /(outflows) included in the Consolidated Financial Statements, for the relevant years are tabulated below, which have been audited by M/s Jain & Co. Chartered Accountants (FRN: 302023E) ("Other Auditor") and our opinion on the Consolidated Financial Statement, in so far as it relates to the amount and disclosures included in respect of the subsidiary is based on the report of such other auditor:

(Rs. In Millions)

Particulars	As at/ for the year ended March 31, 2022	As at/ for the year ended March 31, 2021
Total Assets	19.08	18.01
Total Revenue	1.33	0.82
Net Cash Inflows/ (Outflows)	(2.78)	(0.11)

Our report is not modified with respect to this matter.

- 7) As indicated in our audit report on the consolidated Ind AS financial statements for the year ended March 31, 2023:

We did not audit financial statements of one subsidiary - BDJ Speciality Chemicals Private Limited, whose share of total assets, total revenues and net cash flows /(outflows) included in the Consolidated Financial Statements, for the relevant year are tabulated below, which have been audited by M/s Jain & Co. Chartered Accountants (FRN: 302023E) ("Other Auditor") and our opinion on the Consolidated Financial Statement, in so far as it relates to the amount and disclosures included in respect of the subsidiary is based on the report of such other auditor:



Particulars	(Rs. In Millions)
	As at/ for the year ended March 31, 2023
Total Assets	20.19
Total Revenue	1.63
Net Cash Inflows/ (Outflows)	0.02

Our opinion is not modified with respect to this matter.

- 8) In respect of the entity mentioned in Paragraph 6 and 7 above, the Other Auditor has examined the restated financial information of the said entity included in these Restated Consolidated Financial Information for the respective years and has confirmed that the restated financial statement of the entity:
- has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassification retrospectively in the financial years ended March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classification followed as at and for the year ended March 31, 2023;
 - there are no qualifications in the auditor's report on the audited financial statements of the said entity as at March 31, 2023, March 31, 2022 and 2021 which require any adjustments to the Restated Consolidated Financial Information, and
 - have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

Opinion

- 9) Based on our examination and according to the information and explanations given to us, and also as per the reliance placed on the examination report submitted by the Other Auditor, we report that the Restated Consolidated Financial Information:
- have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassification retrospectively in the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended December 31, 2023.
 - do not contain any qualifications requiring adjustments for the nine months period ended December 31, 2023 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.
 - have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.
- 10) The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 5 above.
- 11) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the consolidated financial statements referred to herein.
- 12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.



Restrictions on use

- 13) Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with SEBI, Stock exchanges and ROC in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **S. Jaykishan**

Chartered Accountants

Firm's Registration No. 309005E



CA Vishal Agarwal

Partner

Membership No. 315490

Dated: The 14th day of February, 2024.

Place: Kolkata

UDIN: 24315490BKCBUL8397

