

Independent Auditor's Report on Restated Financial Statements

To,
The Board of Directors,
Shree Bala ji Pigments Limited
(Formerly known as Shree Bala ji Pigments Private Limited)
36-B, Industrial Ext. Area,
Near Halti Marg, Kathua, Jammu,
Jammu & Kashmir, India, 184102

We, **M/s. S S R V and Associates**, Chartered Accountants, ("we" or "us") have examined the attached Restated summary statement of assets and liabilities of **Shree Bala ji Pigments Limited**, as at March 31, 2024, March 31, 2023 and March 31, 2022, the Restated summary statement of profit and loss, the Restated summary statement of cash flows Statement for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") annexed to this report and initialled by us for identification purposes. These Restated financial statements have been prepared by the management of the Company and approved by the Board of Directors of the Company at their meeting held on 18/07/2024 for the purpose of inclusion in the Draft Prospectus/ Prospectus in connection with its proposed Initial Public Offer of equity shares at SME Platform ("**SME IPO**").

1. These Restated summary statements have been prepared in accordance with the requirements of:
 - (i) sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of the Companies Act, 2013 ("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("**ICDR Regulations**") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("**SEBI**")
 - (iii) The Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the Draft Prospectus/ Prospectus ("Offer Document") to be filed with Securities and Exchange Board of India ("SEBI"), Stock Exchange and Registrar of Companies (Jammu) in connection with the proposed **SME IPO**. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in **Annexure IV** to the Restated Financial Statements. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining



adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Statements taking into consideration:
 - (i) The terms of reference to our engagement letter dated 03/07/2023 with the company requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on SME Platform (“IPO” or “SME IPO”); and
 - (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements;
 - (iv) 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 IPO

4. The Restated financial statements of the Company have been compiled by the management from the audited financial statements of the Company for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 which has been approved by the Board of Directors.
 - a) The audited financial statement of the Company, prepared by the company in accordance with Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO.
 - b) The audits for the financial year ended 31st March, 2024 were conducted by the Company’s Statutory auditors M/s. A. Gupta & Associates, Chartered Accountant (FRN No: 014914N) which has been approved by the Board of Directors at their meeting held on 28/06/2024 and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss, statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and examined by them for the said year.
 - c) The audits for the financial years ended March 31, 2023 and March 31, 2022 were conducted by the Company’s previous auditors M/s. Aman Mahajan and Associates, Chartered Accountant (FRN No: 029629N) which has been approved by the Board of Directors at their meeting held on 13/06/2023 and 30/08/2022 respectively and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss, statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and examined by them for the said years.



- e) We have Re-audited the financial statements of the company for the financial year ended on March 31, 2024 for the limited purpose of complying with the requirement of getting its financial statements audited by an audit firm holding a valid peer review certificate issued by the "Peer Review Board" of the ICAI as required by ICDR Regulations in relation to the proposed IPO.
5. For the purpose of our examination, we have also relied on auditor reports as mentioned in point 4 above.
6. Based on our examination, we are of the opinion that:
- a) The Restated Summary Statement have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Note.
 - b) The Restated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any.
 - c) The Restated Summary Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years to which they relate, if any and there are no qualifications which require adjustments.
 - d) The extra-ordinary items that need to be disclosed separately in the accounts have been disclosed wherever required.
 - e) There are no audit qualifications in the audit reports issued by the statutory auditors for the financial year ended on March 31, 2024 March 31, 2023, and March 31, 2022 which would require adjustments in the Restated financial statements of the Company.
 - f) Profits and Losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report.
 - g) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Summary Statements.
 - h) There was no change in accounting policies, which needs to be adjusted in the Restated Summary Statements.
 - i) There were revaluation reserves, which has been disclosed separately in the Restated Financial Statements as and where required and excluded from the calculation of Net Worth.
 - j) The company has not proposed any dividend in past effective for the said period.
7. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:



- (i) The “**Restated statement of asset and liabilities**” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (ii) The “**Restated statement of profit and loss**” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “**Restated statement of cash flows**” of the Company as at March 31, 2024, March 31, 2023, and March 31, 2022 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
8. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year ended as at March 31, 2024, March 31, 2023, and March 31, 2022 proposed to be included in the Prospectus (“**Offer Document**”).

Annexure No.	Particulars
I	Restated Statement of Assets & Liabilities
I.1	Restated Statement of Share Capital
I.2	Restated Statement of Reserves & Surpluses
I.3	Restated Statement of Long-Term Borrowings
I.4	Restated Statement of Deferred Tax Liabilities/Assets
I.5	Restated Statement of Other Long Term Liabilities
I.6	Restated Statement of Long Term Provisions
I.7	Restated Statement of Short-Term Borrowings
I.8	Restated Statement of Current Maturity of Long Term Borrowings
I.9	Restated Statement of Trade Payable
I.10	Restated Statement of Other Current Liabilities
I.11	Restated Statement of Short-Term Provisions
I.12	Restated Statement of Fixed Assets & Depreciations
I.13	Restated Statement of Non-Current Investment
I.14	Restated Statement of Long-Term Loans and Advances
I.15	Restated Statement of Other Non-Current Assets
I.16	Restated Statement of Current Investment
I.17	Restated Statement of Inventories



I.18	Restated Statement of Trade Receivable
I.19	Restated Statement of Cash & Cash Equivalent
I.20	Restated Statement of Short-Term Loans and Advances
I.21	Restated Statement of Other Current Assets
II	Restated Statement of Profit & Loos
II.1	Restated Statement of Revenue from operations
II.2	Restated Statement of Other Income
II.3	Restated Statement of Cost of Material Consumed
II.4	Restated Statement of Changes in Inventories
II.5	Restated Statement of Employees Benefit Expenses
II.6	Restated Statement of Other Expenses
II.7	Restated Statement of Financial Charges
II.8	Restated Statement of Provision for Taxation
Other Annexures:	
III	Cash Flow Statement, as Restated
IV	Statement of Significant Accounting Policies and Notes to Accounts as Restated
V	Statement of Accounting & Other Ratios, As Restated
VI	Statement of Capitalization, As Restated
VII	Statement of Tax Shelter, As Restated
VIII	Statement of Related Parties & Transactions, as Restated
IX	Statement of Dividends
X	Statement of Contingent Liabilities & Commitment, as Restated

9. We, **M/s. S S R V and Associates**, have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI which is valid till 31/12/2025.
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose interim financial statements and audited financial statements mentioned in paragraph 4 above.
11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. In our opinion, the above financial information contained in Annexure I to III of this report read with the respective significant accounting policies and notes to restated summary statements as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.



14. Our report is intended solely for use of the management and for inclusion in the offer document to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Jammu in connection with the proposed IPO. Our report should not be used, referred to, distributed or adjusted 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 M/s S S R V & Associates

Chartered Accountants

FRN.: 135901W



Vishnu Kant Kabra

Partner

Membership Number: 403437

Place: Mumbai

Date: 18 July 2024

UDIN: 24403437BKAJWK9243

