

Bagaria & Co LLP

Chartered Accountants
701 Stanford, S V Road,
Andheri West, Mumbai – 400 058
Maharashtra, India.

Mishra Rajiv Kamal & Associates

Chartered Accountants
221 B, City Centre 570,
MG Road, Indore- 452001,
Madhya Pradesh, India.

INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED SUMMARY STATEMENTS

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
Balaji Phosphates Limited
(Formerly known as Balaji Phosphates Private Limited)
305 Utsav Avenue, 12/5, Usha Ganj Jaora Compound,
Indore G.P.O, Indore – 452 001
Madhya Pradesh, India

Dear Sirs,

1. We Bagaria & Co. LLP ("BNC") and Mishra Rajesh Kamal & Associates ("MRK") , (BNC and MRK are collectively referred to as "Joint Auditors" and the references to the Joint Auditors as "we", "us" or "our", in this report, shall be construed accordingly) have examined the attached Restated Consolidated Summary Statements of **Balaji Phosphates Limited** (Formerly known as **Balaji Phosphates Private Limited**) (the "Company" or the "Issuer") and its subsidiary (the Company and its subsidiary together referred to as the "Group") comprising the Restated Consolidated Summary Statement of Assets and Liabilities as at August 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Consolidated Summary Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Summary Statement of Changes in Equity, the Restated Consolidated Summary Cash Flow Statements for the period ended August 31, 2024 and year ended March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Summary Statements"), annexed to this report for the purpose of inclusion in the Red Herring Prospectus ("RHP") and the Prospectus (Prospectus and together with RHP, the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 10 each ("IPO") on the EMERGE Platform of NSE Limited. The Restated Consolidated Summary Statements, has been approved by the Board of Directors of the Company (the "Board of Directors") at their meeting held on February 20, 2025.
2. These Restated Consolidated Summary Statements have been prepared in accordance with the requirements of:
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (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");



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3. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Summary Statements for the purpose of inclusion in the Offer Documents to be filed with Securities Exchange Board of India, relevant stock exchanges and Registrar of Companies (ROC), Gwalior in connection with the proposed SME IPO. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure V to the Restated Consolidated Summary Statements. The respective Board of Directors of the Companies included in the Group responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The respective Board of Directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Consolidated Summary Statements taking into consideration:
- a. (i) the terms of reference and terms of engagement agreed with you by BNC vide engagement letter dated January 6, 2025; and
 - (ii) the terms of reference and terms of engagement agreed with you by MRK vide engagement letter dated January 6, 2025,
- requesting us to carry out the assignment, in connection with the proposed IPO of the Company.
- b. the Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Summary Statements; and
 - d. 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.

5. These Restated Consolidated Summary Statements have been compiled by the management from:
- a. Audited Special Purpose Interim Financial Statements of the Company as at and for the five month period ended August 31, 2024 prepared by the Company in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") 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 as per the requirements of Ind AS 34 which have been approved by the Board of Directors at their meeting held on February 20, 2025.
 - b. Audited Consolidated financial statements of the Company as at and for the year ended March 31, 2024, prepared by the Company in accordance with the Indian Accounting Standards ("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 5, 2024.



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- c. Audited Special Purpose Consolidated financial statements of the Company as at and for the years ended March 31, 2023 and March 31, 2022, prepared by the Company in accordance with the Indian Accounting Standards ("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 meetings held on September 5, 2024.
6. For the purpose of our examination, we have relied on:
- a. Auditors' report jointly issued by us dated February 20, 2025, on the Audited Special Purpose Interim Consolidated Financial Statements of the Group as at and for the five month period ended August 31, 2024 as referred to in Para 5(a) above, which included an "Emphasis of Matter" and "Other Matter" paragraph as mentioned below:

"Emphasis of matter – Basis of preparation and restriction of use"

We draw attention to Note 1.1 to the Special Purpose Interim Consolidated financial statements, which describes the basis of preparation of these Special Purpose Interim Consolidated financial statements which states that these Special Purpose Interim Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS). Accordingly, the Special Purpose Interim Consolidated Financial Statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. This report may be submitted to any regulatory authority, and may be relied upon by other parties, in connection with the IPO. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter."

"Other Matter"

We did not audit the financial statements of a subsidiary included in the Special Purpose Interim Consolidated Financial Statements of the Group as at and for the five month period ended August 31, 2024 referred to in paragraph 6(a) above, whose financial statements reflect total assets of Rs. 985.93 lakhs as August 31, 2024, total revenues of Rs. 871.67 Lakhs and net cash outflows of Rs. 6.34 Lakhs for the five month period ended August 31, 2024. These Financial Statements have been audited by M/s MPV & Company, Chartered Accountants, whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such audited financial statements as provided by the other auditor.

- b. Auditors' report jointly issued by BNC and M/s MPV & Company, (M/s MPV & Company were the Erstwhile Joint Statutory Auditor of the Issuer for the year ended March 31, 2024) dated September 5, 2024, on the Audited Consolidated Financial Statements of the Group as at and for the year ended March 31, 2024 as referred to in Para 5(b) above which included the Other Matter paragraph as below:

"Other Matter"

We did not audit the financial statements of its subsidiary included in the consolidated



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financial statements of the Group whose financial statements reflect total assets of Rs. 795.48 Lakhs as at March 31, 2024; total revenue for the year ended March 31, 2024 of Rs. 3341.05 Lakhs, Net profit and other comprehensive income for the year ended March 31, 2024 of Rs. 83.97 Lakhs and net cash outflow of Rs. 2.22 Lakhs for the year ended March 31, 2024 as considered in the consolidated financial statements. These financial statements have been audited by M/s MPV & Company, whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

- ii. Opening balances has been taken on the basis of the financial statements for the year ended 31st March, 2023 audited by the predecessor auditor M/s MPV & Company, Chartered Accountants, who have issued an unmodified report dated September 02, 2023.
- c. Auditors' report issued by M/s MPV & Company, dated September 5, 2024 on the special purpose audited consolidated financial statements of the Company for the financial years ended March 31, 2023 and March 31, 2022 as referred to in Para 5 (c) above which included an Emphasis of Matter and Other Matter paragraph as mentioned below which did not require any correction (included in Annexure VIC in the attached Restated Consolidated Summary Statements):

AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

"Emphasis of matter – Basis of preparation and restriction of use"

- i. We draw attention to Note 1.1 to the Special Purpose Consolidated financial statements, which describes the basis of preparation of these Special Purpose Consolidated financial statements which states that these Special Purpose Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS). Accordingly, the Special Purpose Ind AS financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter."
- ii. The Special purpose Ind AS financial statements for the year ended March 31, 2023 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP or Previous GAAP (Indian GAAP or Previous GAAP means accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014) values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2021) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. This report may be submitted to any regulatory authority, and may be relied upon by other parties, in connection with the IPO. Our opinion is not modified in respect of this matter.



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"Other Matter"

The Company has prepared a separate set of Statutory Financial Statements for the year ended March 31, 2023 ("Ind AS Consolidated Financial Statements") in accordance with the Ind AS prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India which were audited by us vide our unmodified auditor's report dated September 18, 2023. Our opinion is not modified in respect of the above matter.

AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

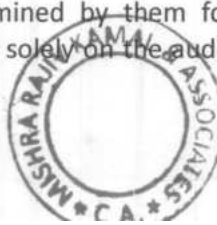
"Emphasis of matter – Basis of preparation and restriction of use"

- i. We draw attention to Note 1.1 to the Special Purpose Consolidated financial statements, which describes the basis of preparation of these Special Purpose Consolidated financial statements which states that these Special Purpose Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS). Accordingly, the Special Purpose Ind AS financial statements may not be suitable for any other purpose and this report should not be used, referred to or distributed for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report. Our opinion is not modified in respect of this matter."
- ii. The Special purpose Ind AS financial statements for the year ended March 31, 2022 have been prepared after making suitable adjustments to the accounting heads from their Indian GAAP or Previous GAAP (Indian GAAP or Previous GAAP means accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014) values following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) consistent with that used at the date of transition to Ind AS (April 1, 2021) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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. This report may be submitted to any regulatory authority, and may be relied upon by other parties, in connection with the IPO. Our opinion is not modified in respect of this matter.

"Other Matter"

The Company has prepared a separate set of Statutory Financial Statements for the year ended March 31, 2022 ("Indian GAAP Financial Statements") in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India which were audited by us vide our Auditor's report dated September 20, 2022. Our opinion is not modified in respect of the above matter.

Accordingly, reliance has been placed on the statement of assets and liabilities and statements of profit and loss, the Significant Accounting Policies, and other explanatory information and collectively, the Audited Financial Statement") examined by them for the said year. The examination report included for the said year is based solely on the audit report submitted by



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MPV. They have also confirmed that the Restated Consolidated Summary Statements for the year ended March 31, 2023 and March 31, 2022:

- i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the five month period ended August 31, 2024; and
- ii. do not require any adjustment for modification as there is no modification in the underlying audit reports; and
- iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

As informed to BNC, by the management, M/s M P V & Company, Chartered Accountants, do not hold a peer review certificate as issued by the 'Peer Review Board' of the Institute of Chartered Accountants of India. Accordingly, in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**") and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("**Guidance Note**"), and pursuant to general directions received by the Book Running Lead Managers to the IPO, from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 2021 through Association of Investment Bankers of India (AIBI) ("**SEBI Letter**"), BNC were engaged by the Company as the Joint Statutory Auditors to jointly audit the Consolidated Financial Statements as at and for the year ended March 31, 2024 as referred to in Para 5(b) above respectively and issue our audit report thereon. On September XX, 2024, on completion of the term of the erstwhile Joint Statutory Auditor M/s MPV & Company, the Company had appointed M/s Mishra Rajiv Kamal & Associates to jointly audit the Special Purpose Interim Consolidated Financial Statements as at and for the five month period ended August 31, 2024 as referred to in Para 5(a) above respectively and issue our audit report thereon.

7. M/s MPV & Company, have examined the Restated Consolidated Summary Statements in respect of the Subsidiary Company. The Other Auditors have also confirmed that the August 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 Restated Consolidated Summary Statements of the subsidiary:

- a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the five month period ended August 31, 2024; and
- b. do not require any adjustment for modification as there is no modification in the underlying audit reports; and
- c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by (a) the Erstwhile Joint Statutory Auditors as at and for the years ended March 31, 2023 and March 31, 2022 ; and (b) M/s MPV & Company, as at and for the period ended August 31, 2024 and years ended March 31, 2024, March 31, 2023 and March 31, 2022 in respect of the Company's subsidiary, we report that Restated Consolidated Summary Statements of the Group



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- a. have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022 to reflect the same accounting treatment as per the accounting policies and groupings/classifications followed as at and for the period ended August 31, 2024;
 - b. does not contain any quantifiable qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VIC of the Restated Consolidated Summary Statements; and
 - c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
9. We have 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.
 10. We have not audited any financial statements of the Company as of any date or for any period subsequent to August 31, 2024. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to August 31, 2024.
 11. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to therein.
 12. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 5(a) above.
 13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
 14. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

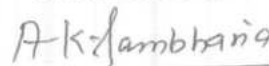
For Bagaria & Co LLP
Chartered Accountants
FRN: 113447W / W.113447


Vinay Somani
Partner

Membership No.: 143503
UDIN: 25143503BMIBKI7984
Place: Mumbai
Date: February 20, 2025



For Mishra Rajiv Kamal & Associates
Chartered Accountants
FRN.: 006752C



Akshaya Kumar Sambharia
Partner
Membership No.: 071628
UDIN: 25071628BMMKHX2360
Place: Indore
Date: February 20, 2025