Deloitte Haskins & Sells LLP

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Ref: VAF/2021-22/40
Issued Under (UDIN: 21103999AAAAJS3683)

To,
The Board of Directors,
Bodal Chemicals Limited
Plot No. 123-124,
Phase-1, GIDC Estate,
Vatva,
Ahmedabad 382445.

Independent Auditor's Certificate, read with Notes included in Annexure 1, certifying the accounting treatment contained in Clause 13 of the proposed Scheme of Amalgamation of SPS Processors Private Limited with Bodal Chemicals Limited under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (Revised)

We, the statutory auditors of Bodal Chemicals Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 13 of the Draft Scheme of Amalgamation between SPS Processors Private Limited and Bodal Chemicals Limited ('Draft Scheme') in terms of the provisions of sections 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of the Bodal Chemicals Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). This Certificate should not be used for any other purpose without our prior written consent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
(UDIN: 21103999AAAAJS3683)

Panaji, Goa, November 22, 2021

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Annexure 1 - Notes

1. This certificate is issued in accordance with the terms of our engagement letter reference no. VAF/2021-22/31A dated October 25, 2021. This revised certificate is issued only to address the observations received from the Bombay Stock Exchange vide email dated November 8, 2021 by the Company. **Accordingly, this revised certificate supersedes our earlier certificate reference No. VAF/2021-22/37 dated November 1, 2021 having UDIN No. 21103999AAAAJK3663 and we have not performed any additional procedures subsequent to the date of our aforesaid certificate dated November 1, 2021**.

2. Clause 13 related to the proposed accounting treatment of the Draft Scheme has been reproduced by the management of the Company in **Annexure 2**, which we have initialed for identification purpose only.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's responsibility

4. The Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).

5. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Varsha A. Fadte
Partner
(Membership No. 103999)
(UDIN: 21103999AAAAJS3683)

Panaji, Goa, November 22, 2021

Annexure 2

Relevant extract of Clause 13 of the Proposed Scheme of Amalgamation of SPS Processors Private Limited (hereinafter referred to as "Transferor Company") with Bodal Chemicals Limited (hereinafter referred to as "Transferee Company") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

13. ACCOUNTING TREATMENT

13.1 The amalgamation of the Transferor Company with the Transferee Company shall be accounted for in the books of account of the Transferee Company in accordance with 'Pooling of Interest Method' of accounting prescribed under Appendix C as per Indian Accounting Standard (In AS) 103- "Business Combinations" prescribed under Section 133 of the Act read with the relevant rules issued thereunder, relevant clarifications issued by the IND AS Transition Facilitation Group (ITFG) of the Institute of Chartered Accountants of India and other generally accepted accounting principles.

13.2 With effect from Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under:

(i) The Transferee Company shall record all the assets including intangible assets recorded in the books of the Transferor Company and liabilities of the Transferor Company, including reserves shall stand transferred to the Transferee Company, and shall be recorded in the books of account of the Transferee Company at their carrying amounts as appearing in the consolidated financial statements of the Transferee Company as required by Appendix C of Ind AS 103 and relevant guidance available.

(ii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements.

(iii) As stated in Clause 12.1 of the proposed scheme, the issued, subscribed and paid up Equity share capital of Transferor Company held by Transferee Company, and the investments in the shares of the Transferor Company appearing, *inter alia*, in the books of account of the Transferee Company shall stand automatically cancelled.

(iv) The balance of the retained earnings in the books of account of the Transferor Company shall be aggregated with the corresponding balance of retained earnings of the Transferee Company.

(v) The identity of the reserves standing in the books of account of the Transferor Company shall be preserved and they shall appear in the financial statements of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company. As a result of preserving the identity, reserves which are available for distribution as dividend before the amalgamation would also be available for distribution as dividend after the amalgamation.

(vi) The surplus/ deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Company acquired and recorded by the Transferee Company in terms of Clause 13.2 (i) over the sum of (a) the face value of the new shares issued and allotted pursuant to Clause 12.2; and (b) the value of investments cancelled if any pursuant to Clause 13.2 (iii) shall be adjusted in "Capital Reserve

BODAL CHEMICALS LTD.

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

Account" in the financial statements of the Transferee Company and shall be presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

(vii) The inter-company deposits, loans & advances and other balances, if any, in the books of the account of the Transferee Company and the Transferor Company shall stand discharged and come to an end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

13.3 In case there is any difference in the accounting policies adopted by the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Opening Other Equity of previous period to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

For Bodal Chemicals Limited

BODAL CHEMICALS LTD. AHMEDABAD

CHARTERED ACCOUNTANTS Deloitte Haskins & Sells LLP

Bhavin Suresh Patel
Director

Date:20-11-2021
Place: Ahmedabad