

February 21, 2025

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051.

Dear Sir,

Sub: Balaji Phosphates Limited - Initial Public Offering (IPO) of 71,58,000 Equity Shares of Rs. 10/- each at a premium of Rs. [●] per Equity Share aggregating Rs. [●] lakhs - comprising of Offer for Sale and Fresh Issue of Equity Shares.

DUE DILIGENCE CERTIFICATE

We, the lead merchant banker to the above mentioned forthcoming issue, state and confirm as follows:

1. We have examined various documents including those relating to litigation, including commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalising the offer document of the subject issue
2. On the basis of such examination and the discussions with the Issuer, its Directors and other officers, other agencies, and independent verification of the statements concerning the objects of the issue, price justification and the contents of the documents and other papers furnished by the issuer, we confirm that:
 - A. the Draft Red Herring Prospectus filed with the Board is in conformity with the documents, materials and papers relevant to the issue;
 - B. all the legal requirements relating to the issue as also the Regulations Guidelines, Instructions, etc. framed/issued by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and
 - C. the disclosures made in the Draft Red Herring Prospectus are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, applicable provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable legal requirements.



ARIHANT CAPITAL MARKETS LTD.
MERCHANT BANKING DIVISION

Corporate Office : 1011, Building No. 10, Solitaire Corporate Park, Guru Hargovindji Road, Chakala, Andheri (East), Mumbai - 400 093

Tel.: 4225 4800 • Fax : 4225 4880 • E-mail : mbd@arihantcapital.com • Website : www.arihantcapital.com

Registered Office : 6, Lad Colony, Y. N. Road, Indore - 452 003 CIN : L67120MP1992PLC007182

ISO 9001:2015 CERTIFIED COMPANY

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3. We confirm that besides ourselves, all the intermediaries named in the Draft Red Herring Prospectus are registered with the Board and that till date such registration is valid.
4. We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments - *Noted for compliance*.
5. We certify that written consent from promoter(s) has been obtained for inclusion of their specified securities as part of promoters' contribution subject to lock-in and the specified securities proposed to form part of promoter's contribution subject to lock-in shall not be disposed/sold/ transferred by the promoter during the period starting from the date of filing the Draft Red Herring Prospectus with the Board till the date of commencement of lock-in period as stated in the Draft Red Herring Prospectus.
6. All applicable provisions of the SEBI ICDR Regulations which relate to specified securities ineligible for computation of promoters' contribution, have been and shall be duly complied with and appropriate disclosures as to compliance with the SEBI ICDR Regulations have been made in the Draft Red Herring Prospectus.
7. All applicable provisions of the SEBI ICDR Regulations which relate to receipt of promoters' contribution prior to opening of the issue , shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least one day before the opening of the issue and that the auditors' certificate to this effect shall be duly submitted to the Exchange. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the issuer along with the proceeds of the issue. - **Not Applicable**
8. Necessary arrangements shall be made to ensure that the monies received pursuant to the issue are credited or transferred to in a separate bank account as per the provisions of sub-Section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the stock exchanges, and that the agreement entered into between the bankers to the issue and the issuer specifically contains this condition - **noted for compliance**



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9. The existing business as well as any new business of the issuer for which the funds are being raised fall within the 'main objects' in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association
10. We certify that the following disclosures have been made in the Draft Red Herring Prospectus:
 - A. an undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer and
 - B. an undertaking from the issuer that it shall comply with such disclosure and accounting norms specified by the board from time to time.
11. We undertake to comply with the regulations pertaining to advertisement in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 while making the issue. - **noted for compliance**
12. We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business, background or the issuer, situation at which the proposed business stands, the risk factors, promoters experience, etc.
13. We enclose a checklist confirming regulation-wise compliance with the applicable provisions of these regulations, containing details such as the regulation number, its text, the status of compliance, page number of the draft offer document/ draft letter of offer where the regulation has been complied with and our comments, if any.

ADDITIONAL CONFIRMATION / CERTIFICATION

1. We confirm that none of the intermediaries named in the Offer Document have been debarred from functioning by any regulatory authority.
2. We confirm that all the material disclosures in respect of the issuer have been made in the Offer Document and certify that any material development in the issuer or relating to the issue up to the commencement of listing and trading of the specified securities offered through this issue shall be informed through public notices/ advertisements in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

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3. We confirm that the abridged prospectus contains all the disclosures as specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. - **noted for compliance**
4. We confirm that agreements have been entered into with the depositories for dematerialisation of the specified securities of the issuer.
5. We confirm that underwriting and market making arrangements as per requirements of Regulation 106P and 106V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 have been made
6. The issuer has redressed at least ninety-five per cent. of the complaints received from the investors till the end of the quarter immediately preceding the month of the filing of the offer document with the Registrar of Companies or letter of offer with the SME Exchange - **Noted for compliance**

Thanking you,

Yours faithfully,
For Arihant Capital Markets Limited


Amol Kshirsagar
Vice President - Merchant Banking

