

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.

REPORT IN CONNECTION WITH OPERATIONAL KEY PERFORMANCE INDICATORS (KPIS)

To,

**The Board of Directors,
Balaji Phosphates Limited**

Address: 305 UTSAV AVENUE, 12/5 USHA GANJ JAORA COMPOUND,
G.P.O., Indore, Madhya Pradesh, India, 452001

(The “Company”)

AND

Arihant Capital Markets Limited
1011 Building No. 10, Solitaire Corporate Park,
Guru Hargovindji Road, Chakala,
Andheri (East), Mumbai – 400093,
Maharashtra, India

(Arihant Capital Markets Limited with any other book running lead managers that may be appointed in connection with the Issue, the “BRLM”.)

Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Issue”) of ‘Balaji Phosphates Limited’ (the “Company”)

We, Bagaria & Co. LLP, (“BNC”) and Mishra Rajesh Kamal & Associates (“MRK”), (BNC and MRK are collectively referred to “Joint Auditors” and the references to the Joint Auditors as “we”, “us” or “our”, in this certificate, shall be construed accordingly), have performed the procedures enumerated below with respect to the operational key performance indicators including business metrics and financial performance of the Company (“KPIs”) as on respective dates and for the respective period mentioned against each annexure (the “Periods”).

To evaluate the accuracy, validity and completeness of KPIs:

- (i) We have read the items identified by you on the attached copy of the red herring prospectus (“RHP”) and have compared the amounts to the corresponding amounts set out in the **Annexures** and found them to be in agreement.
- (ii) Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on the accounting and other records of the Company and found them to be in agreement. We verified the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amount identified in such schedule with the corresponding amount appearing in the relevant accounting records of the Company and found them to be in agreement.
- (iii) Compared the amounts/ metrics with, or recalculated the percentages based on, corresponding amounts/ metrics appearing in a schedule prepared by officials of the Company based on management accounts, relevant management information system reports, the enterprise resource planning (ERP) systems or other financial information, corporate, secretarial, regulatory filings with authorities or other records of the Company and found them to be in agreement. We verified the mathematical accuracy of such schedule prepared by the officials of the Company. We also compared the amounts/ metrics identified in such schedule with the corresponding amounts/ metrics appearing in the relevant corporate, secretarial and other records of the Company and found them to be in agreement.

Verified the arithmetic accuracy or computation of the percentages or amounts.



A. K. Ambharia

On the basis of the procedures set forth above we confirm that KPIs are accurate, valid and complete.

We hereby consent to, and have no objection to, the inclusion of this report or any extract thereof in the RHP of the Company, to be filed with the stock exchanges where the Equity Shares are proposed to be listed (the "Stock Exchanges") and the prospectus ("Prospectus") to be filed with the Registrar of Companies, Gwalior ("RoC"), SEBI and the Stock Exchanges or any other document to be issued or filed in relation to the Issue, including in any corporate or investor presentation made by or on behalf of the Company.

This certificate is issued for the sole purpose of the Issue and this certificate or any extracts or annexures thereof, can be used, in full or part, for inclusion in the draft red herring prospectus, red herring prospectus, prospectus and any other material used in connection with the Issue, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the BRLM in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the BRLM may wish to advance in any claim or proceeding in connection with the contents of the Issue documents.

We confirm that the information above is true, fair, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

This certificate may be relied on by the BRLM and legal counsel in relation to the Issue.

We undertake to update you in writing of any changes in the abovementioned position, until the date the Equity Shares issued pursuant to the Issue commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Yours faithfully,

For Bagaria & Co LLP
Chartered Accountants

FRN: 113447W / W-1800039



Vinay Somani
Partner

Membership No.: 143503
UDIN: 25143503BMIBLF3679
Place: Mumbai
Date: February 20, 2025



For Mishra Rajiv Kamal & Associates
Chartered Accountants

FRN.: 006752C


Akshaya Kumar Sambharia
Partner

Membership No.: 071628
UDIN: 25071628BMMKIU8650
Place: Indore
Date: February 20, 2025



Encl: As above

CC:

Legal Counsel to the Issue

Name: Candour Legal
Address: Elanza Crest, C 105, Sindhubhavan Rd, nr. Sigma Corporates, opp. Courtyard Marriot, Bodakdev,
Ahmedabad, Gujarat 380054

Annexure

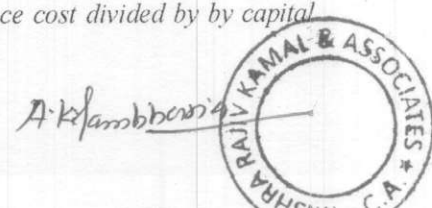
A list of our KPIs for the nine months ended August 31, 2024 and Financial Years ended March 31, 2024, 2023 and 2022 is set out below:

(₹ in Lakhs)

KPI	Period Ended August 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations (1)	5,337.06	15,154.63	14,454.24	12,365.34
Growth in Revenue from Operations (%)	-	4.8%	16.9%	23.6%
Gross Profit (2)	1,861.85	4,296.71	4,336.63	3,205.67
Gross Profit Margin (%) (3)	34.0%	28.4%	30.1%	25.9%
EBITDA (4)	572.55	1,209.70	1,167.20	792.35
EBITDA Margin (%) (5)	10.73%	8.0%	8.1%	6.4%
PAT	414.65	604.05	608.76	319.08
Growth in Profit After Tax (%)	-	-0.8%	90.8%	43.0%
PAT Margin (%) (6)	7.8%	4.0%	4.2%	2.6%
Trade Receivables Turnover Ratio (In times) (7)	1.40	4.96	4.75	4.21
Return on Net Worth (%) (8)	10.59%	17.26%	21.02%	13.96%
Trade Payables Turnover Ratio (In times) (9)	2.95	6.66	6.29	4.30
Trade Receivables days (10)	260	74	77	87
Inventory days (11)	205	89	83	67
Trade Payable days (12)	124	55	58	85
Net worth (13)	3,914.98	3,500.32	2,896.51	2,286.35
Return on equity (%) (14)	11.18%	18.89%	23.49%	15.00%
Return on capital employed (%) (15)	9.15%	16.69%	19.77%	17.33%
Debt-Equity Ratio (times) (16)	0.91	0.95	0.91	0.87
Debt Service Coverage Ratio (17)	2.17	1.59	1.90	0.98
Working Capital Cycle (days) (18)	341	107	102	69
Current Ratio (times) (19)	1.68	1.65	1.43	1.38

Notes:

- (1) Revenue from operation means revenue from sale of the products
- (2) Gross Profit is calculated as Total Revenue - Cost of Material Consumed - Purchases of stock-in-trade - Changes in inventories of finished goods, work in process and stock in trade
- (3) Gross Profit Margin is calculated as Gross profit divided by the Revenue from Operations
- (4) EBITDA is calculated as Profit before tax + Depreciation + Finance Costs
- (5) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
- (6) PAT Means Profit for the year as appearing in the Restated Consolidated Financial Statement.
- (7) PAT Margin is calculated as PAT for the period/year divided by revenue from operations
- (8) Trade receivable turnover is calculated Revenue from operation divided by average trade receivables
- (9) Inventory turnover ratio is calculated Cost of goods sold or sales divided by average inventory
- (10) Trade Payable turnover ratio is calculated Net credit Purchase divided by average trade payable
- (11) Trade receivable days is calculated as 365 divided by trade receivables turnover by for fiscal years
- (12) Inventory days is calculated as 365 divided by Inventory turnover by for fiscal years
- (13) Trade payable days is calculated as 365 divided by Trade Payable turnover by for fiscal years
- (14) Net Worth is given by the formula Share Capital + Other Equity
- (15) Return on Equity is calculated by Profit for the year less Preference dividend (if any) divided by average total equity
- (16) Return on Capital Employed is calculated as follows: Profit before tax plus finance cost divided by by capital employed (Total Equity + Total Debt)
- (17) Debt to Equity ratio is calculated as Total Debt divided by total equity



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**Mishra Rajiv Kamal &
Associates**
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- (18) Interest Coverage Ratio is given by the formula $\text{Earnings before Tax} + \text{Interest}$ divided by Interest cost
(19) Working Capital Cycle is defined as trade receivable days plus inventory days less trade payable days
Current Ratio is calculated by dividing Current assets to Current Liabilities



A-Kambhavi

