

PART C
[See regulation ¹²¹[101(5)]]

**FORMAT OF THE DUE DILIGENCE CERTIFICATE TO BE FILED BY THE LEAD
MANAGER FOR IDR ISSUES**

To,
Securities and Exchange Board of India

Dear Sirs,

Sub.: Issue of (hereinafter referred to as ‘IDR’) by(hereinafter referred to as the ‘issuing company’)

We, the undernoted, have been appointed as the Merchant Banker (hereinafter referred to as the ‘Lead Merchant Banker’) to the proposed issue of IDR by the Issuing Company and we state as follows:

- (1) The Draft Red Herring Prospectus (hereinafter referred to as the ‘DRHP’) is being filed with the Securities and Exchange Board of India (hereinafter referred to as the “Board”) in compliance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (hereinafter referred to as the Regulations) or any statutory modification or re-enactment thereof read with the Companies (Issue of Indian Depository Receipts) Rules, 2004 (hereinafter referred to as “the IDR Rules”), on a public basis, for approval.
- (2) We have examined the disclosures made by the Issuing Company in jurisdictions where its underlying equity shares are listed so as to ensure uniformity and parity of information shared with investors across different regulatory jurisdictions (hereinafter referred to as “publicly available information”) and participated in discussions with the senior management of the Issuing Company for the purpose of preparing disclosures on the Issuing Company in the DRHP.
- (3) We have examined various documents, more particularly referred to in the Annexure hereto, in connection with the finalization of the DRHP pertaining to the said issue.
- (4) On the basis of such examination and the discussions with the Issuing Company, its directors and other officers and other independent agencies/ experts/ reports, WE CONFIRM that:
 - (a) the DRHP forwarded to the Board is in conformity with the publicly available information and information based on representations made by the senior management of the Issuing Company;
 - (b) the requirements under the IDR Rules and the Regulations DIP Guidelines and other relevant laws framed by the Board, the Government and any other competent authority in this behalf have been duly complied with; and
 - (c) based on the publicly available information and representations made by the senior management of the Issuing Company, the disclosures made in the DRHP are certified to be true and are adequate to enable the investors to make a well informed decision as to the investment in the proposed issue.

¹²¹ Substituted for “101 (6)” by the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2010, w.e.f. 12.11.2010.

- (5) We confirm that besides ourselves, all the other intermediaries named in the DRHP, except [], are registered with the Board and that till date such registration is valid.
- (6) We have satisfied ourselves about the worth of the underwriters to fulfil their underwriting commitments.
- (7) We certify that the proposed activities of the Issuing Company for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the Issuing Company and that the activities which have been carried out until now are valid in terms of the object clause of its Memorandum of Association.
- (8) We confirm that necessary arrangements have been made to ensure that the moneys received pursuant to the issue are kept in a separate bank account and that such moneys shall be released by the said bank only, after permission, for listing of IDR, is obtained from all the stock exchanges mentioned in the prospectus. We further confirm that the agreement entered into between the bankers to the issue and the Issuing Company specifically contains this condition.
- (9) We certify that no payment in the nature of discount, commission, allowance or otherwise shall be made by the Issuing Company or the promoters, directly or indirectly, to any person who receives securities by way of firm allotment in the issue.
- (10) We certify that disclosure has been made in the prospectus that the investors shall be given an option to get the IDR in demat or physical mode.
- (11) We certify that the following disclosures have been made in the draft prospectus:
 - (a) An undertaking from the Issuing Company that at any given time there shall be only one denomination for the IDR of the Issuing Company and
 - (b) An undertaking from the Issuing Company that it shall comply with such disclosure and accounting norms specified by the Board from time to time.
- (12) We confirm that none of the intermediaries named in the red herring prospectus / prospectus have been debarred from functioning by any regulatory authority.
- (13) We confirm that all the material disclosures in respect of the Issuing Company have been made in the red herring prospectus / prospectus and certify that any material development in the Issuing Company or relating to the issue, up to the commencement of listing and trading of the IDR 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.
- (14) We confirm that the abridged prospectus contain all the disclosures as specified in the Regulations.
- (15) We confirm that agreements have been entered into with both the depositories for dematerialisation of the IDR of the Issuing Company

Place:

Lead Merchant Banker(s) to the Issue

Date:

with Official Seal(s)

ANNEXURE TO THE DUE DILIGENCE CERTIFICATE FOR THE ISSUE OF
..... BY

- (1) Memorandum and Articles of Association of the Issuing Company.
- (2) Necessary clearance from governmental, statutory, municipal authorities etc., for implementation of the project, wherever applicable.
- (3) Documents in support of the track record and experience of the promoters and their professional competence.
- (4) Listing Agreement of the Issuing Company for existing securities on the Stock Exchanges.
- (5) Consent letters from Issuing Company's auditors, Bankers to issue, Bankers to the Issuing Company, Lead Merchant Bankers, Brokers and where applicable, proposed Trustees.
- (6) Applications made by the Issuing Company to the financial institutions/banks for financial assistance as per object of the issue and copies of relative sanction letters.
- (7) Underwriting letters from the proposed underwriters to the issue.
- (8) Audited Balance Sheets of the Issuing Company/Promoter companies for relevant periods.
- (9) Auditors certificate regarding tax-benefits available to the Issuing Company, shareholders and debenture holders.
- (10) Certificate from architects or any other competent authority on project implementation schedule furnished by the Issuing Company, if applicable.
- (11) Reports from Government agencies / expert agencies / consultants / Issuing Company regarding market demand and supply for the product, industry scenario, standing of the foreign collaborators, etc.
- (12) Documents in support of the infrastructural facilities, raw material availability, etc.
- (13) Auditors' Report for the period for which the accounts are disclosed in the offer document, indicating summary of audited accounts of the issuing company and also the summary of the audited accounts of the subsidiaries of the issuing company.
- (14) Stock Exchange quotations of the last 3 years duly certified by designated stock exchange.
- (15) Minutes of the general body meetings and board meetings of the Issuing Company for matters which are in the prospectus
- (16) Revaluation certificate of Issuing Company's assets given by the Government Valuer or any other approved valuer.
- (17) Certificate from solicitors of the Issuing Company in regard to compliance of legal provisions of the prospectus.
- (18) Certificate from Issuing Company's legal counsel, operating at the place of its registered office, confirming that the legal counsel has done the mandatory vetting of the prospectus.
- (19) A detailed checklist indicating compliance with each applicable regulation of the Regulations.

Place:
Date:

Lead Merchant Banker(s) to the Issue
with Official Seal(s)