

No. CARE/NRO/GEN/2024-25/1031

Mr. Sachin Agarwal

Managing Director

PTC Industries Limited

SARAI SAHJADI, NH-25A, BANI, BANTHRA, LUCKNOW

Uttar Pradesh, 227101

Aug 12, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2024 - in relation to the Preferential Issue of Fully Paid-Up Equity Shares of PTC Industries Limited ("the Company")

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs. 141.25 crore of the Company and refer to our duties cast under Section 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended June 30, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated February 12, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



Puneet Kansal

Director

Puneet.kansal@careedge.in

CARE Ratings Limited

Plot no. C-001 A/2 Sector 16B, Berger Tower, Noida, Gautam
Budh Nagar (UP) - 201301 Phone: +91-120-4452 000

CIN-L67190MH1993PLC071691

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off
Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456
Email: care@careedge.in • www.careedge.in

Report of the Monitoring Agency

Name of the issuer: PTC Industries Limited

For quarter ended: June 30, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(b) Range of Deviation: Not Applicable

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Puneet Kansal
Signature:

Name of the Authorized Signatory: Puneet Kansal

Designation of Authorized Person/Signing Authority : Director

1) Issuer Details:

Name of the issuer	: PTC Industries Limited
Name of the promoter	: Sachin Agarwal
Industry/sector to which it belongs	: Industrial Products such as Stainless Steel, Duplex, Super Duplex, Nickel, Cobalt alloys

2) Issue Details

Issue Period	: February 03, 2024 and closed on February 15, 2024
Type of issue (public/rights)	: Preferential Issue
Type of specified securities	: Equity Shares
IPO Grading, if any	: Not applicable
Issue size (in Rs.crore)	: Rs. 141.25 crore

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3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Chartered Accountant certificate*, Bank Statement and Management Certificate**	The issue proceeds of preferential issue have been utilized in accordance with the objects given as per offer document. The company received the entire proceeds of Rs. 141.25 crore in HDFC Preferential Allotment a/c – 50200075112882 between 13 Feb 2024 to 15 Feb 2024. Post that the entire proceeds were transferred to HDFC CC A/C – 12670330000070 on 15 February 2024 instead of opening a separate Issue Monitoring Account.	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No material deviation	Not applicable	Not applicable	
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	Nil	
Whether all Government/statutory	Not applicable	Not applicable	Not applicable	

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
approvals related to the object(s) have been obtained?				
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	
Are there any favourable/unfavourable events affecting the viability of these object(s)?	No	Not applicable	Not applicable	
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not applicable	

*Chartered Accountant certificate from A. Sachdev & Co. dated 01 Aug 2024

**Management Certificate dated 01 Aug 2024

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Acquisition, Expansion of Manufacturing Facilities, and Investment in Subsidiaries.	Chartered Accountant certificate*, Offer Document and Management Certificate**	80.94	NA	NA	-	-	-
2	Reduction of Debt	Chartered Accountant certificate, Offer	25.00	NA	NA	-	-	-

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
		Document and Management Certificate						
3.	General Corporate Purpose	Chartered Accountant certificate, Offer Document and Management Certificate	35.31	NA	NA	-	-	-
Total			141.25	-	-			

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**Management Certificate dated 01 Aug 2024

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as per the Offer document in Rs. Crore	Amount raised till date i.e. March 31, 2024 [^]	Amount utilised in Rs. Crore				Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore	Unutilised amount in Rs. crore		Reasons for idle funds	Proposed course of action
1	Acquisition, Expansion of Manufacturing Facilities, and Investment in Subsidiaries.	Chartered Accountant certificate*, Bank Statement and Management Certificate**	80.94	80.94	29.91	28.53	58.44	22.50	The company transferred the unutilized FDR proceeds to PNB and Yes Bank. The funds were transferred through multiple transactions from PNB and Yes Bank to HDFC Bank CC a/c. The amount of Rs. 28.53 crore was transferred to subsidiary Aerolloy Technologies Limited (ATL) through multiple entries from HDFC CC a/c.		
2	Reduction of Debt	Chartered Accountant certificate, Bank Statement and Management Certificate	25.00	25.00	17.91	7.08	25.00	0.00	The company transferred the unutilized FDR proceeds of PNB to HDFC CC a/c. The amount of Rs. 7.48 crore was transferred to SBI CC to pay the o/s balance. Rs. 7.08 crore was considered in reduction of debt and remaining Rs. 0.40 crore was for general corporate purpose.		
3.	General Corporate Purpose	Chartered Accountant certificate and Management Certificate	35.31	35.31	0.00	0.40	0.40	34.91	The company transferred the unutilized FDR proceeds of PNB to HDFC CC a/c. The amount of Rs. 7.48 crore was transferred to SBI CC to pay the o/s balance. Rs. 7.08 crore was considered in reduction of debt and remaining Rs. 0.40 crore was for general corporate purpose.		
Total			141.25	141.25	47.82	36.01	83.84	57.41			

* Chartered Accountant certificate from A. Sachdev & Co. dated 01 Aug 2024

**Management Certificate dated 01 Aug 2024

[^]Note: The company had transferred the entire proceeds of Rs. 141.25 crore to its HDFC CC a/c from HDFC Preferential Allotment for utilisation. From the HDFC CC account the funds were transferred to PNB and then to Yes Bank for creation of FDRs. Since, there were numerous other debits and credits in these accounts, we were not directly able to ascertain the utilization of issue proceeds. The Company had

submitted to us that the funds had been used in line with the offer document and submitted documents including CA certificate, bank account statement and Management Certificate highlighting the specific transactions for the same.

(iii) Deployment of unutilized public issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter**
1	FD with PNB Bank	10.00	09-07-2024	0.09	7.25	10.09
2	FD with PNB Bank	10.00	09-07-2024	0.09	7.25	10.09
3	FD with PNB Bank	10.00	09-07-2024	0.09	7.25	10.09
4	FD with PNB Bank	10.00	09-07-2024	0.09	7.25	10.09
5	FD with Yes Bank	5.00	23-09-2024	0.10	7.35	5.10
6	FD with Yes Bank	5.00	23-09-2024	0.10	7.35	5.10
7	FD with Yes Bank	5.00	23-09-2024	0.10	7.40	5.10
8	FD with Yes Bank	5.00	23-09-2024	0.10	7.40	5.10
Total		60.00		0.76		60.76

Note: As per offer document, issue proceeds, if any, pending utilization for the purposes described above, the company intends to deposit the Gross Proceeds, only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or deploy funds for such businesses opportunities as may be allowed by the Board from time to time.

*The company has transferred the funds from HDFC CC a/c to PNB CC a/c for creation of FDRs. The funds were again

transferred from PNB CC a/c to Yes Bank CC a/c for creation of FDRs. The unutilized proceeds were Rs. 57.41 crore and the company invested Rs. 60 crore in FDR inclusive of its own funds of Rs. 2.59 crore.

**Note – These are the maturity values of FDRs.

(iv) Delay in implementation of the object(s) –

Objects	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Acquisition, Expansion of Manufacturing Facilities, and Investment in Subsidiaries.#	Till March 2025	Ongoing	-	-	-
Reduction of Debt	Till March 2025	Ongoing	-	-	-
General Corporate Purpose	Till March 2025	Ongoing	-	-	-

#While the outer timeline for implementation of the CAPEX related object of Rs. 80.94 crore is March 2025, the quarterly implementation timeline schedule is not available, hence, we are unable to ascertain any delay.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount Rs. in crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
1.	General Corporate Purpose	0.40	CA Certificate and Management Certificate	The company transferred the unutilized FDR proceeds of PNB to HDFC CC a/c. The amount of Rs. 7.48 crore was transferred to SBI CC to pay the o/s balance. Rs. 7.08 crore was considered in reduction of debt and remaining Rs. 0.40 crore was for general corporate purpose.	-

Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as "**Monitoring Agency/MA**"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

CARE Ratings Limited

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