

# Monitoring Agency Report



**No. CARE/HO/GEN/2024-25/1020**

## **The Board of Directors**

### **Vakrangee Limited**

Plot No.93, Road No.16, Vakrangee House,  
Marol Co.op Industrial Estate, Kandivali,  
Off. M.V. Road, Marol, Andheri (East)  
Mumbai- 400093

05/13/2024

Dear Sir/Ma'am,

### **Monitoring Agency Report for the quarter ended 03/31/2024 - in relation to the Preferential Issue of Vakrangee Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs. 162.00 crore of the Company and refer to our duties cast under 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 03/31/2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 02/07/2024.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,

A handwritten signature in black ink, appearing to read "Darshan Shah".

**Darshan Shah**

Assistant Director

[Darshan.Shah@careedge.in](mailto:Darshan.Shah@careedge.in)

**Report of the Monitoring Agency**

Name of the issuer: Vakrangee Limited

For quarter ended: 03/31/2024

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.



Signature:

Name and designation of the Authorized Signatory: Darshan Shah

Designation of Authorized person/Signing Authority: Assistant Director

### 1) Issuer Details:

|                                     |   |
|-------------------------------------|---|
| Name of the issuer                  | : Vakrangee Limited   |
| Name of the promoter                | : Mr. Ramesh Joshi<br>Mr. Dinesh Nandwana<br>Dr. Nishikant Hayatnagarkar<br>Mr. Avinash Chandra Vyas<br>Mr. Sunil Agarwal<br>Mr. Babu Lal Meena<br>Mr. Hari Chand Mittal<br>Mrs. Sujata Chattopadhyay |
| Industry/sector to which it belongs | : IT Enabled Services   |

### 2) Issue Details

|                                 |  |
|---------------------------------|--|
| Issue Period for share warrants | : 18 months from date of allotment                                   |
| Type of issue (public/rights)   | : Share warrants issued to Promoter Group and Non- Promoter Category |
| Type of specified securities    | : Warrants convertible into equity shares                            |
| IPO Grading, if any             | : Not applicable   |
| Issue size (in ` crore)         | : Rs. 162.00 crore (Note 1)  |

#### Note 1:

The company had offered 6,00,00,000 fully convertible warrants each convertible into 1 (One) Equity Share of face value of Rs. 1/- (Rupees One Only) each to the Promoter Group and Non-Promoter group, on preferential basis, in one or more tranches, at an issue price of Rs 27/- (Rupees Twenty-Seven Only) each, for an aggregate amount of up to Rs. 162.00 crore.

| Particulars  | Remarks     |
|--|-------------|
| Total shares issued and subscribed as part of Preferential Issue (whichever is applicable)     | 6,00,00,000 |
| Total Preferential Issue (all tranches) (in Rs. Crore)   | 162.00      |
| Total subscriptions towards Preferential Issue (First tranche) (in Rs. Crore)                  | 41.75       |
| Details of expenses incurred related to the issue (in Rs. Crore)                               | *           |
| Net Proceeds of Preferential Issue from 1 <sup>st</sup> Tranche (Rs. Crore)                    | 41.75       |
| Balance warrants (Pending tranches) yet to be converted from Preferential Issue (in Rs. Crore) | 120.25      |

\* The postal ballot document does not mention the issue expenses. However, as articulated by the management, the company has incurred expenses prior to the issue of warrants from its own sources.



### 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* and Bank statements  | --                                | No comments                        |
| Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document? | NA    | Not applicable   | Not applicable                    |                                    |
| Whether the means of finance for the disclosed objects of the issue have changed?   | No    | Not applicable   | No change                         |                                    |
| Is there any major deviation observed over the earlier monitoring agency reports?   | No    | Not applicable   | Not applicable                    |                                    |
| Whether all Government/statutory approvals related to the object(s) have been obtained?   | Yes   | In Principal Approvals of NSE and BSE the stock exchanges  | ---                               |                                    |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation?                                       | NA    | Not applicable   | Not applicable                    |                                    |
| Are there any favorable/unfavorable events affecting the viability of these object(s)?  | NA    | Not applicable   | Not applicable                    |                                    |
| Is there any other relevant information that may materially affect the decision making of the investors?                          | No    | Not applicable   | ^                                 |                                    |

\*Chartered Accountant certificate from S K Patodia & Associates LLP dated April 18, 2024.

#Where material deviation may be defined to mean:

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

^As per Notice of Postal Ballot, under the head "interim use of issue proceeds, the pending complete utilization of the Issue Proceeds for the Objects described in the notice of Postal Ballot, the Company intends to, inter alia, invest the Issue Proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks, securities issued by government of India or any other investments as permitted under applicable laws.

However, the company has parked the Unutilized amount of Rs.11,35,738.71 in CC A/c. And, the company has shared the board resolution dated April 30, 2024, where-in the board has approved to keep unutilized amount in CC account as interim use of issue proceeds.



#### 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 the 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            | Expansion of Business                              | As per Notice of Postal Ballot and Chartered Accountant Certificate                              | 10.00  | No                        | NA                                | No comments                        |                           |  |
| 2            | Repayment of Secured / Unsecured Loans / Creditors | As per Notice of Postal Ballot and Chartered Accountant Certificate                              | 72.00  | No                        | NA                                |                                    |                           |  |
| 3            | Strategic Investment                               | As per Notice of Postal Ballot and Chartered Accountant Certificate                              | 35.00  | No                        | NA                                |                                    |                           |  |
| 4            | Investment in Subsidiaries                         | As per Notice of Postal Ballot and Chartered Accountant Certificate                              | 5.00   | No                        | NA                                |                                    |                           |  |
| 5            | Working Capital for existing business              | As per Notice of Postal Ballot and Chartered Accountant Certificate                              | 25.00  | No                        | NA                                |                                    |                           |  |
| 6            | General Corporate Purposes                         | As per Notice of Postal Ballot and Chartered Accountant Certificate                              | 15.00  | No                        | NA                                |                                    |                           |  |
| <b>Total</b> |  |  | <b>162.00</b>  |                           |                                   |                                    |                           |  |

NA: Not applicable

\*Chartered Accountant certificate from S K Patodia & Associates LLP dated April 18, 2024.



## (ii) Progress in the objects –

| Sr. No       | Item Head  | Source of information / certifications considered by Monitoring Agency for preparation of report        | Amount as proposed in the Offer Document in Rs. Crore | Amount utilised in Rs. Crore |   |                                 | Unutilised amount in Rs. crore | Amount yet to be raised (Rs. in cr) | Comments of the Monitoring Agency | Comments of the Board of Directors   |                        |
|--------------|--|---|---|------------------------------|---|---------------------------------|--------------------------------|-------------------------------------|-----------------------------------|--|------------------------|
|              |  |   |   | Amount Raised (Rs. in cr)    | As at beginning of the quarter in Rs. Crore | During the quarter in Rs. Crore |                                |                                     |                                   | At the end of the quarter in Rs. Crore   | Reasons for idle funds |
| 1            | Expansion of Business                              | As per Notice of Postal Ballot, CA Certificate*   | 10.00   | 41.75                        | -   | -                               | -                              | 0.12                                | 120.25                            | The funds received from issue proceeds were utilized towards repayments of Secured loan- Cash credit as per the objects of the issue and the balance amount lying in the CC account and MA's bank account. | No comments            |
| 2            | Repayment of Secured / Unsecured Loans / Creditors | CA Certificate*, Banker email and Bank statement (MA Account bank statements and CC A/c bank statement) | 72.00   |                              | -   | 41.63 <sup>^</sup>              | 41.63                          |                                     |                                   |  |                        |
| 3            | Strategic Investment                               | As per Notice of Postal Ballot, CA Certificate*   | 35.00   |                              | -   | -                               | -                              |                                     |                                   |  |                        |
| 4            | Investment in Subsidiaries                         | As per Notice of Postal Ballot, CA Certificate*   | 5.00  |                              | -   | -                               | -                              |                                     |                                   |  |                        |
| 5            | Working Capital for existing business              | As per Notice of Postal Ballot, CA Certificate*   | 25.00   |                              | -   | -                               | -                              |                                     |                                   |  |                        |
| 6            | General Corporate Purposes                         | As per Notice of Postal Ballot, CA Certificate*   | 15.00   |                              | -   | -                               | -                              |                                     |                                   |  |                        |
| <b>Total</b> |  |   | <b>162.00</b>   | <b>41.75</b>                 | <b>-</b>                                    | <b>41.63</b>                    | <b>41.63</b>                   | <b>0.12**</b>                       | <b>120.25</b>                     |  |                        |

\*\*Chartered Accountant certificate from S K Patodia & Associates LLP dated April 18, 2024.

<sup>^</sup>The company has received Rs. 13.50 crore from NJD Capital Pvt Ltd and Rs. 28.25 crore from VandV Trading Pvt Ltd, aggregating amount of Rs. 41.75 crore has been received by company as a first tranche of funds. Out of which Rs. 41.74 crore has been transferred to Cash credit account towards the repayment of cash credit facilities and funds has been utilised to an extent of Rs. 41.63 crore and rest of Rs. 0.11 crore is lying as surplus in CC account.

\*\*Unutilised amount of Rs. 12,35,442.82 includes, the balance lying in CC account of Rs. 11,35,738.71 and balance lying in the MA's Account of Rs. 99,704.11.

(iii) Deployment of unutilized Preferential Issue proceeds as on 31st March 2024:

| Sr. No. | Type of instrument and name of the entity invested in | Amount (Rs. crore) | Maturity date | Earning | Return on Investment (%) | Market Value as at the end of quarter |
|---------|---|--------------------|---------------|---------|--------------------------|---------------------------------------|
| 1.      | Balance lying in MA A/c                               | 0.0099             | --            | --      | --                       | --                                    |
| 2.      | Balance lying in CC A/c                               | 0.11               | --            | --      | --                       | --                                    |
|         | <b>Total</b>  | <b>0.12**</b>      |               |         |                          |                                       |

\*Verified from Bank Statements and Chartered Accountant certificate from S K Patodia & Associates LLP dated April 18, 2024

\*\*Unutilised amount of Rs.12,35,442.82 includes, the balance lying in CC account of Rs.11,35,738.71 and balance lying in the MA Account of Rs.99,704.11.

(iv) Delay in implementation of the object(s) – Not applicable\*

| 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 |
| --      | --                        | --     | --                          | --                                 | --                        |

\*Verified from Chartered Accountant certificate from S K Patodia & Associates LLP dated April 18, 2024

**5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:** Nil for the quarter ended March 31, 2024\*.

| Sr. No | Item Head^   | Amount in Rs. Crore | Source of information / certifications considered by Monitoring Agency for preparation of report | Comments of Monitoring Agency | Comments of the Board of Directors |
|--------|--------------|---------------------|--|-------------------------------|------------------------------------|
| --     | --           | --                  | --   | --                            | --                                 |
|        | <b>Total</b> |                     |  |                               |                                    |

\*Verified from Chartered Accountant certificate from S K Patodia & Associates LLP dated April 18, 2024.



### **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.