

CS/RMA-Q4(2024-25)

May 26, 2025

To,  
The Listing Department  
**BSE Limited**  
Department of Corporate Affairs  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

To,  
The Listing Department  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Plot No. C/1, G Block  
Bandra-Kurla Complex,  
Bandra (E)  
Mumbai - 400 051

Dear Sir/Madam,

**Subject : Report of the Monitoring Agency with respect to utilization of proceeds raised through QIP by Azad Engineering Limited.**

**Reference: ISIN - INE02IJ01035; Scrip Id-544061; Scrip Code- AZAD**

Pursuant to Regulation 173A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the monitoring agency report issued by Care Ratings Limited, Monitoring Agency, in respect of utilization of proceeds raised through qualified institutions placement by the Company for the 4<sup>th</sup> quarter and year ended March 31, 2025. The Audit Committee has reviewed and took note of the monitoring agency report through Audit Committee Meeting dated May 23, 2025.

The above said disclosure will also be hosted on the website of the Company at [www.azad.in](http://www.azad.in)

You are requested to kindly take the same in your records.

Thanking you,

Yours truly,

**For Azad Engineering Limited**

**Ful Kumar Gautam**

(Company Secretary & Compliance Officer)

Membership No.: A49550



**No. CARE/HRO/GEN/2025-26/1012**

**Board of Directors**  
**Azad Engineering Limited**  
90/C, 90/D, Phase -1  
I.D.A Jeedimetla,  
Hyderabad  
Telangana 500055

**May 26, 2025**

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the QIP issue of Azad Engineering Limited**

We write in our capacity of Monitoring Agency for the QIP Issue for the amount aggregating to ₹700.00 crore of the Company and refer to our duties cast under 82 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 March 31, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated February 25, 2025.

Request you to kindly take the same on record.

Thanking you,  
Yours faithfully,



**Niraj Thorat**  
Assistant Director  
niraj.thorat@careedge.in

**CARE Ratings Limited**

401, Ashoka Scintilla, 3-6-520, Himayat Nagar, Hyderabad - 500 029  
Phone: +91-40-4010 2030

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: Azad Engineering Ltd

For quarter ended: March 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: No

(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 with 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 experts as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have a 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 after the MA submits 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: Niraj Thorat

Designation of Authorized person/Signing Authority: Assistant Director

### CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

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

CIN-L67190MH1993PLC071691

### 1) Issuer Details:

Name of the issuer : Azad Engineering Limited  
Name of the promoter : Rakesh Chopdar  
Industry/sector to which it belongs : Industrial Manufacturing – Industrial Products

### 2) Issue Details

Issue Period : February 25, 2025, to March 03, 2025  
Type of issue (public/rights) : Qualified Institutions Placement (QIP)  
Type of specified securities : Equity Shares  
IPO Grading, if any : Not Applicable  
Total Issue size (in ₹ crore) : ₹700.00 crore (Note 1)  
Offer For Sale size (in ₹ crore) : Not Applicable  
Fresh Issue Size (in ₹ crore) : ₹700.00 crore  
Total Issue Expenses (in ₹ crore) : ₹18.79 crore^

^The issue expenses are as mentioned in the placement document dated March 03, 2025.

### Summary of Escrow Account as on March 31, 2025

Particulars	Amount in Rs Cr
Total Proceeds	700.00
Transferred to Monitoring Account	690.00
<b>Balance March 31, 2025</b>	<b>10.00</b>

\*The balance as on March 31, 2025, of ₹10.00 crore is towards QIP expenses for payment to vendors

### 3) Details of the arrangement made to ensure the monitoring of the 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 as per the disclosures in the Offer Document?	Yes	CA certificate*, Bank statements, and offer document	Rs 45.08 crores have been utilized towards the objects of the placement and the remaining is maintained in Fixed Deposits, MA account and Escrow Account.	
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer	NA	NA	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
Document?				
Whether the means of finance for the disclosed objects of the issue have changed?	NA	NA	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	No	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Disclosure to BSE by the company. Two lean manufacturing facilities inaugurated.	Management has confirmed that approvals are in place.	
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	No	
Is there any other relevant information that may materially affect the decision-making of the investors?	No	Not applicable	No	

\* Chartered Accountant certificate from M/s Dagliya & Co Chartered Accountants dated May 09, 2025.

#### 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 ₹ Crore	Revised Cost in ₹ 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	Funding and part-funding the capital expenditure of our Company	Chartered Accountant certificate*, Placement Document	525.00	NA	NA			
2	General Corporate purposes	Chartered Accountant certificate*, Placement Document	156.21	NA	NA			
3.	Issue Expenses	Chartered Accountant certificate*, Placement Document	18.79	NA	NA			
<b>Total</b>			<b>700.00</b>					

\*Chartered Accountant certificate from M/s Dagliya & Co Chartered Accountants dated May 09, 2025, for the utilisation up to the quarter ended March 31, 2025.



## (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 ₹ Crore	Amount utilised in ₹ Crore			Unutilised amount in ₹ crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As of the beginning of the quarter in ₹ Crore	During the quarter in ₹ Crore	At the end of the quarter in ₹ Crore			Reasons for idle funds	Proposed course of action
1.	Funding and part-funding the capital expenditure of our Company	CA certificate*, Bank statements, Placement Document	525.00	0.00	8.67	8.67	516.33	The company utilized Rs.8.67 crores during the quarter towards capital expenditure as stated in placement document and the payments have been made through monitoring account.		
2.	General Corporate purposes	CA certificate*, Bank statements, Placement Document	156.21	0.00	35.00	35.00	121.21	The company utilized Rs.35 crores during the quarter towards general corporate purposes (GCP) and the payments have been done by routing funds from monitoring account to current account. The GCP defined in placement document includes mention of salary expense, however other expenses forming part of GCP has to be approved by Board, such approval was not shared. Also, in view of commingling of funds and large number of transactions in the current account, CARE Ratings has relied on CA Certificate, invoices and utilisation certificate shared by the company.		
3.	Issue Expenses	CA certificate*, Bank statements, Placement Document	18.79	0.00	1.41	1.41	17.38	The company utilized Rs.1.41 crores during the quarter towards issue expenses and the payments have been made through monitoring account.		
<b>Total</b>			<b>700.00</b>	<b>0.00</b>	<b>45.08</b>	<b>45.08</b>	<b>654.92</b>			

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(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 of the end of the quarter
1	Balance in Monitoring Agency Account (ICICI)-8875	1.92	-	-	-	-
2.	Fixed Deposit, HDFC Bank-7332^	150.00	06 April, 2025	0.73	5.75	150.00
3.	Fixed Deposit, ICICI Bank-4364^	350.00	07 April, 2025	1.93	6.50	350.00
4.	Fixed Deposit, Union Bank of India-0134^	43.00*	11 April, 2025	0.14	7.25	43.00
5.	Fixed Deposit, Yes Bank-2811^	31.00	07 April, 2025	2.05	7.55	31.00
6.	Fixed Deposit, Yes Bank-2821^	31.00	07 April, 2025	2.05	7.55	31.00
7.	Fixed Deposit, Yes Bank-2831^	38.00	07 April, 2025	2.52	7.55	38.00
9.	Balance in Escrow Account	10.00	-	-	-	-
		<b>654.92</b>				

\*Rs 50 crore FD was placed in UBI for which Rs 43 crore was debited from MA account and Rs 7 crore from internal accruals. UBI account statement has been attached for the same.

^FDs are placed after moving funds to current account of the respective bank.

(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
Funding capital expenditure	Over a period of two Fiscals by the end of FY2026	March 31, 2026	NA	-	-
General Corporate Purposes (GCP)	Over a period of three Fiscals by the end of FY2027	March 31, 2027	NA	-	-
Issue Expenses	Not specified	Not specified	NA	-	-



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

Sr. No	Item Head <sup>^</sup>	Amount in ₹ Crore	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Salaries	6.72	Issuer Report	Others include expenses towards human resources, logistics, closure charges, etc., which largely comprise expenses made during the ordinary course of business	
2	Vendor	22.50			
3	Others	5.78			
	<b>Total</b>	<b>35.00</b>			

*\*Chartered Accountant certificate from M/s Dagliya & Co Chartered Accountants dated May 09, 2025, for the utilisation up to the quarter ended March 31, 2025.*

<sup>^</sup> Section from the offer document related to GCP:

"Our Company proposes to deploy the balance Net Proceeds aggregating to ₹1,562.10 million towards general corporate purposes and business requirements of our Company, subject to such amount not exceeding 25% of the gross proceeds of the Issue, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) investments in accordance with the investment policy of our Company, d (ii) meeting exigencies, salaries and meeting expenses incurred by our Company in the ordinary course of business as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013, incurred by our Company in the ordinary course of business, as may be applicable. Further, this portion of Net Proceeds may also be utilised to meet the shortfall in the Net Proceeds for the Objects set out above.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and other applicable laws. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount available under this head and the business requirements of our Company, from time to time."



## 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 with 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 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 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 transmission errors and specifically states that it, or its directors, and 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 experts 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 the 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 obligors.

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