AZAD

November 6, 2026

To,
The Listing Department
BSE Limited
Department of Corporate Affairs
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai – 400 001
Scrip ID - 544061

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

Dear Sir/Madam,

Subject: Report of the Monitoring Agency with respect to utilization of proceeds raised through Qualified Institutional Placement (QIP) by Azad Engineering Limited.

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, we are enclosing herewith the monitoring agency report issued by Care Ratings Limited, Monitoring Agency, in respect of utilization of proceeds raised through QIP by the Company for the quarter ended September 30, 2026.

The above-mentioned disclosure will also be hosted on the website of the Company at www.azad.in

Kindly take the same in your records.

Thanking you.

Yours truly,

For Azad Engineering Limited

PRANEETH ABHISHEK GUNDA

Digitally signed by PRANEETH ABHISHEK GUNDA
Date: 2026.11.06 17:43:43 +05'30'

G. Praneeth Abhishek
Company Secretary, Compliance Officer and Head Legal
Membership No.: A35583

Encl.: As above

No. CARE/HRO/GEN/2026-27/1027

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

November 06, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended September 30, 2026 - in relation to the QIP issue of Azad Engineering Limited ("the Company")

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 September 30, 2026, 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

Report of the Monitoring Agency
Name of the issuer: Azad Engineering Ltd
For quarter ended: September 30, 2026
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 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 an expert 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 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: Niraj Thorat
Designation of Authorized person/Signing Authority: Assistant Director

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) : QIP
Type of specified securities : Equity Shares
IPO Grading, if any : Not Applicable
Issue size (in crore) : ₹700.00 crore

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?	No	CA certificate*, Bank statements, and offer document	As per the letter of offer, the timeline for utilization of funds towards capital expenditure was up to March 31, 2026. The board of directors, vide resolution dated February 13, 2026, approved an extension of implementation timeline for this object from March 31, 2026, to March 31, 2027. Accordingly, issue proceeds amounting to ₹75.54 crore remained unutilized as on September 30, 2026.	The timing of utilisation remains aligned with business requirements and the stated objects of the QIP. The deferment in utilisation of the funds will not have any adverse impact on its operations or continuing growth of the Company.
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	NA	NA	NA	No comments received
Whether the means of finance for the disclosed objects of the issue have changed?	No	NA	NA	No comments received
Is there any major deviation observed over the earlier monitoring agency reports?	No	NA	NA	No comments received

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 Government/statutory approvals related to the object(s) have been obtained?	Yes	Management declaration	NA	No comments received
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	Yes	Management declaration	NA	No comments received
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	NA	No	No comments received
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	Bank Statements, Management declaration, Board resolution dated February 13, 2026	As per the letter of offer, the timeline for utilization of funds towards capital expenditure was up to March 31, 2026. The board of directors, vide resolution dated February 13, 2026, approved an extension of implementation timeline for this object from March 31, 2026, to March 31, 2027. Accordingly, issue proceeds amounting to ₹75.54 crore remained unutilized as on September 30, 2026 (₹107.88 crore as on June 30, 2026).	The timing of utilisation remains aligned with business requirements and the stated objects of the QIP. The deferment in utilisation of the funds will not have any adverse impact on its operations or continuing growth of the Company.

**Chartered Accountant certificate from M/s Dagliya & Co Chartered Accountants dated October 23, 2026,.*

#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.

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*, Final Prospectus, Placement Document	525.00	NA	NA	No comments received	No comments received	No comments received
2	General Corporate purposes	Chartered Accountant certificate*, Final Prospectus, Placement Document	156.21	NA	NA	No comments received	No comments received	No comments received
3	Issue Expenses	Chartered Accountant certificate*, Final Prospectus, Placement Document	18.79	NA	NA	No comments received	No comments received	No comments received
Total			**700.00**					

**Chartered Accountant certificate from M/s Dagliya & Co Chartered Accountants dated October 23, 2026.*

(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			Total unutilised amount in ₹ crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at 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	417.12	32.34	449.46	75.54	The company utilized ₹32.34 crore towards capex during the quarter, with payments made through the monitoring account.	No comments received	No comments received

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			Total unutilised amount in ₹ crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at 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
2	General Corporate purposes	CA certificate*, Bank statements, Placement Document	156.21	156.21	-	156.21	-	NA	No comments received	No comments received
3	Issue Expenses	CA certificate*, Bank statements, Placement Document	18.79	16.09	-	16.09	2.70	NA	No comments received	No comments received
Total			**700.00**	**589.42**	**32.34**	**621.76**	**78.24**			

**Chartered Accountant certificate from M/s Dagliya & Co Chartered Accountants dated October 23, 2026.*

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value at the end of quarter
1.	Balance in Monitoring Agency Account	3.67	-	-	-	3.67
2.	Fixed Deposit, HDFC Bank Limited	13.00	October 15, 2026	0.17	6.25	13.17
3.	Fixed Deposit, HDFC Bank Limited	30.00	October 15, 2026	0.42	6.60	30.42
4.	Fixed Deposit, Yes Bank Limited	33.00	October 15, 2026	0.49	7.00	33.49
	Total unutilized proceeds (including interest income)	**79.67**		**1.08**		**80.75**
	Less: Interest earned on unutilized proceeds	**1.43**				
	Total unutilized proceeds (excl: interest income)	**78.24**				

(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	Ongoing	As per the letter of offer, the timeline for utilization of funds towards capital expenditure was up to March 31, 2026. The board of directors, vide resolution dated February 13, 2026, approved an extension of implementation timeline for this object from March 31, 2026, to March 31, 2027. Accordingly, issue proceeds amounting to ₹75.54 crore remained unutilized as on September 30, 2026 (₹107.88 crore as on June 30, 2026).	The timing of utilisation remains aligned with business requirements and the stated objects of the QIP. The deferment in utilisation of the funds will not have any adverse impact on its operations or continuing growth of the Company.	The timing of utilisation remains aligned with business requirements and the stated objects of the QIP. The deferment in utilisation of the funds will not have any adverse impact on its operations or continuing growth of the Company.
General Corporate Purposes (GCP)	Over a period of three Fiscals by the end of FY2027	H2FY26	NA	No comments received	No comments received
Issue Expenses	Not specified	Ongoing	NA	No comments received	No comments received

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

Sr. No	Item Head^	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
NA	NA	NA	NA	Proceeds already utilized in quarter ended September 30, 2025.	No comments received

^ *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, and (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 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 auditor/peer reviewed audit firm 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 statutory 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.