



Bhagiradha Chemicals & Industries Limited.

Plot No.3,
Sagar Society,
Road No.2, Banjara Hills,
Hyderabad - 500 034, Telangana, INDIA.
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Ref: BCIL/SE/2024/10

February 07, 2024

To,
The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, G Block, Bandra-Kurla,
Complex, Bandra (East), Mumbai - 400 051

Scrip Code: 531719

Symbol: BHAGCHEM

Sub: Monitoring Agency Report for the quarter ended December 31, 2023, in relation to issue of convertible warrants on preferential basis

Dear Sir / Madam,

With reference to the above subject and pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 162A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we hereby submit the Monitoring Agency Report, for the quarter ended December 31, 2023, issued by India Ratings and Research (Ind-Ra), Monitoring Agency, appointed for monitoring the use of proceeds of the preferential issue of Convertible Warrants.

Kindly take the same on record and display the same on the website of your exchange.

Thanks & Regards,

For Bhagiradha Chemicals and Industries Limited,

Sharanya. R
Company Secretary & Compliance Officer
M. No: ACS-63438

Date: 7th February 2024

To,

Bhagiradha Chemicals and Industries Limited.

Plot No. 3, Sagar Society, Road No. 2,

Banjara Hills, Hyderabad,

Telangana – 500034.

Subject: Monitoring Agency Report for the quarter ended 31st December 2023 in relation to preferential allotment of share warrants.

Dear Sir,

Pursuant to Regulation 162A(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI ICDR Regulations”) and Monitoring Agency Agreement dated 17th October 2023, please find enclosed herewith the Monitoring Agency Report, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of preferential allotment of share warrants, for the quarter ended December 31, 2023.

Request you to kindly take the same on records.

Thanking You,

For and on behalf of India Ratings & Research Private Limited


Name: Shrikant Dev
Designation: Company Secretary



Report of the Monitoring Agency (MA)

Name of the issuer: **Bhagiradha Chemicals and Industries Limited**

For quarter ended: **31st December 2023**

Name of the Monitoring Agency: **India Ratings & Research Private Limited**

(a) Deviation from the objects: No deviation from the objects.

Based on the Management undertaking and as per the Statutory Auditor Certificate dated 25th January 2024 issued by R Kankaria & Uttam Singhi, Chartered Accountants (FRN: 000442S) having UDIN 24022051BKFRNI4723* and other documents provided to us, no deviation from the objects has been observed.

*The reference to the Statutory Auditor Certificate anywhere in the MA report refers to the said Certificate.

(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: Shrikant Dev (Company Secretary)

Date: 7th February 2024

1) Issuer Details:

Name of the issuer:	Bhagiradha Chemicals and Industries Limited
Names of the promoters	<ul style="list-style-type: none"> Singavarapu Chandrasekhar Eadara Jayalaxmi Singavarapu Lalitha Sree
Industry/sector to which it belongs:	Manufacturing and sale of Agrochemicals

2) Issue Details:

Issue/offer Period:	8 th November 2023 to 22 nd November 2023
Type of issue (public/rights):	Preferential issue on private placement basis.
Type of specified securities:	25,61,425 share warrants @ Rs.1332/share warrant, each convertible into one equity share of face value Rs. 10 each.
IPO Grading, if any:	Not Applicable
Issue size:	INR 341.18 Crores*

* It is the total issue size. However, as on 31st December 2023, company has received 25% of the issue size i.e. INR 85.30 Crores (Rs. 333/share warrant for 25,61,425 share warrants), as upfront consideration/subscription amount. Balance 75% (Rs. 999/share warrant) will be received as and when the conversion option is exercised by the share warrant holders to convert warrants into equity shares during the tenure of 18 months of the warrant.

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	Management undertaking, Statutory Auditor Certificate, Notice to Shareholders for EGM along with corrigendum, Relevant Bank Statements, Copy of Invoices/Purchase order.	No Comments	No Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking, Statutory Auditor Certificate.	NA	No Comments

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 the means of finance for the disclosed objects of the issue has changed?	No	Management undertaking, Statutory Auditor Certificate.	No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	NA	NA	NA	No Comments
Whether all Government/Statutory approvals related to the object(s) have been obtained?	Partly obtained	Management undertaking, Statutory Auditor certificate.	As per management undertaking, all requisite approvals needed for the current stage of the project have been secured.	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes	Management undertaking, Statutory Auditor certificate.	As per management undertaking, the technical services are available and monitored in-house.	No Comments
Are there any favorable events improving the viability of these object(s)?	No	Management undertaking, Statutory Auditor certificate.	No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No	Management undertaking, Statutory Auditor certificate.	No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Management undertaking, Statutory Auditor certificate.	No Comments	No Comments



4) Details of object(s) to be monitored:
i. Cost of object(s)-

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) (INR Crores)	Revised Cost (INR Crores)	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Part Funding the capital expenditure for setting up of new manufacturing unit under the wholly owned subsidiary of the company, Bheema Fine Chemicals Private Limited in Kadechur Industrial area, Yadgir district Karnataka, which involves construction of three production blocks, acquisition and erection of required plant and machinery and capex for creation of other utilities/assets.	Management undertaking, Statutory Auditor Certificate, Notice to Shareholders for EGM along with corrigendum, Relevant Bank Statements.	320.00	NA	NA	NA	NA	NA
2	Part Funding the working capital requirements of the Proposed Project of the said subsidiary post commencement of commercial production and for meeting the preliminary and preoperative expenditure of the project inclusive the issue expenses.		21.18	NA	NA	NA	NA	NA
	TOTAL		341.18					



ii. Progress in the object(s) –

Sr. No.	Item Head	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (INR Crores)	Amount raised till 31 st Dec' 2023 (INR Crores)	Amount Utilized (INR Crores)			Total unutilized amount out of funds raised (INR Crore)	Comments of the Monitoring Agency	Comments of the Board of Directors	
					As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Part Funding the capital expenditure for setting up of new manufacturing unit under the wholly owned subsidiary of the company, Bheema Fine Chemicals Private Limited in Kadechur Industrial area, Yadgir district Karnataka, which involves construction of three production blocks, acquisition and erection of required plant and machinery and capex for creation of other utilities/assets.*	Management undertaking, Statutory Auditor Certificate, Notice to Shareholders for EGM along with corrigendum, Relevant Bank Statements, Copy of Invoices/ Purchase orders.	320.00	85.30	-	10.00	10.00	74.99	Refer Below *	No Comments	No Comments
2	Part Funding the working capital requirements of the Proposed Project of the said subsidiary post commencement of commercial production and for meeting the preliminary and preoperative expenditure of the project inclusive the issue expenses.^		21.18		-	0.31	0.31		Refer Below ^	No Comments	No Comments
TOTAL			341.18	85.30	-	10.31	10.31	74.99			

*As per the notice to shareholders for EGM, "The project envisages construction of three production blocks in the facility and the civil construction work of the 1st production block is in progress. The 1st tranche of the proceeds of the proposed warrants amounting to about Rs. 85.30 Cr shall be utilized for part funding the capex cost and to meet the preliminary and preoperative expenses besides meeting the



working capital needs after the commencement of the commercial production of the 1st block. The balance proceeds of about Rs.255.88 Cr, which shall be received before completion of 18 months, shall be utilized for part funding the implementation of the other two blocks.”

During the quarter, the company has utilized INR 7.04 Crores towards the civil work of 1st production block and INR 2.96 Crores as advance towards plant and machinery.

^The company has utilized INR 0.31 Crores towards preoperative expenditure of the project.

Note: During the quarter, the company has transferred INR 12.05 Crores for the above stated objects to the wholly owned subsidiary, Bheema Fine Chemicals Private Limited, in the form of unsecured loan out of which the said subsidiary has utilized INR 10.31 Crores and balance INR 1.74 Crores is lying in the bank account of the subsidiary.

iii. Deployment of unutilized issue proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (INR Crores)	Maturity date	Earnings (INR Crores)	Return on Investment (%)**	Market Value as at 31 st Dec' 23
1	Fixed Deposit with Axis Bank	1.50	29-Jan-24	-	4.25%	1.50
2	Commercial Paper - 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited)*	24.52	27-Mar-24	-	8.00%	24.52
3	Mutual Fund – HDFC overnight Fund - Regular Plan - Growth	22.50	NA	0.08	NA	22.58
4	Mutual Fund – SBI Overnight Fund - Regular - Growth	25.00	NA	0.08	NA	25.08
5	Closing Balance lying in Axis Bank a/c.	0.04	NA	-	NA	0.04
6	Closing Balance lying in Axis Bank a/c of subsidiary, Bheema Fine Chemicals Private Ltd.	1.71	NA	-	NA	1.71
7	Closing Balance lying in ICICI Bank a/c of subsidiary, Bheema Fine Chemicals Private Ltd.	0.03	NA	-	NA	0.03
	TOTAL	75.29^		0.16		75.45

*INR 24.52 Crores is invested on 28th Dec' 23 in 90 days Commercial Paper of 360 ONE WAM LIMITED (Formerly known as IIFL Wealth Management Limited). The company has received total of INR 12.50 Crores on 13th Nov' 23, as issue proceeds from 360 One Special Opportunities Fund Series 9 and Series 10 (Formerly known as IIFL Special Opportunities Fund) against the allotment of share warrants by the company.

**Annualized return (%)

^The difference of INR 0.30 Crores between unutilized amount of INR 74.99 Crs (as per point no. ii above) and deployment of unutilized amount of INR 75.29 Crores (as per point no. iii above) reflects the realization of earnings on redemption of investments which are reinvested during the quarter.



iv. Delay in implementation of the object(s)

Object(s)	Completion Date		Delay (no. of days/m onths)	Comments of the Board of Directors	
	As per the Offer Document	Actual*		Reason of Delay	Proposed Course of action
Part Funding the capital expenditure for setting up of new manufacturing unit under the wholly owned subsidiary of the company, Bheema Fine Chemicals Private Limited in Kadechur Industrial area, Yadgir district Karnataka, which involves construction of three production blocks, acquisition and erection of required plant and machinery and capex for creation of other utilities/assets. The 1st tranche of this issue of warrants amounting to about Rs. 85.30 Cr, being 25% of the issue size, shall be utilized for part funding the Capex needed for implementation of the 1st production block which is in progress. The balance issue amount which will be received before completion of 18 months shall be utilized for part funding the implementation of the 2nd and 3 rd production blocks.	24 months from the date of receipt of funds	Refer Below*	NA	NA	NA
Part Funding the working capital requirements of the Proposed Project of the said subsidiary post commencement of commercial production and for meeting the preliminary and preoperative expenditure of the project inclusive the issue expenses.	15 months from the date of receipt of funds	Refer Below*	NA	NA	NA

*Latest expected completion date is same as mentioned in the notice to shareholders for EGM.

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

Sr. No.	Item Head	Amount (INR Crores)	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Not Applicable					



Disclaimers:

The MA Report is prepared by India Ratings. India Ratings 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.

India Ratings declare that the MA Report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018. This declaration forms part of and applies to each MA Report that is issued by India Ratings. The MA Report does not constitute an offer of services. Access or use of any MA Report does not create a client relationship between India Ratings and the Applicant or between India Ratings and User of the report.

This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments.

Please note that the information presented in the MA Report is based solely on the review of the requisite information, documents, papers, statements received from the Company with regard to the use of the Issue Proceeds including the status of implementation of the activities proposed to be funded out of the Issue proceeds as stated in the Prospectus. India Ratings has not verified any source of information such as invoices, ledgers or payment receipts and other documents either in normal course or in case of deviations from the objects, as the same is the duty of the management and the statutory auditors. India Ratings has relied in good faith and without any liability, upon the contents thereof. The user of the MA Report should understand that India Ratings does not perform an audit and undertakes no independent verification of any information/certifications/statements it receives from auditors, lawyers, chartered engineers or other experts, and relies on in its reports. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings. In issuing the MA Report, India Ratings may rely on the representations and certifications from the issuer and experts, including statutory auditors with respect to financial statements, attorneys with respect to legal and tax matters and other entities considered reliable by India Ratings. The Company shall be solely responsible and liable for any omission, commission, errors and misrepresentations in the contents of the Information provided to India Ratings. India Ratings disclaims any liability arising out of the contents of the information provided by the Company and in no event shall be held liable to anyone for any damages or claims arising out of such information.

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