

7/Govt/SE/2024-25/0083

10th February, 2025

**National Stock Exchange of India
Limited Exchange Plaza, 5th Floor,
Plot No. C/1, G Block, Bandra-Kurla
Complex, Bandra (East),
Mumbai 400 051
Trading Symbol: PAKKA**

**BSE Limited
Department of Corporate Service
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai - 400 001
Scrip Code: 516030**

Sub: Monitoring Agency Report for the quarter ended December 31, 2024 - in relation to the Preferential issue of Equity shares and Fully Convertible warrants of Pakka Limited (“the Company”)

Dear Sir/Madam,

Pursuant to Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 162A(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report for the quarter ended December 31, 2024, issued by Care Ratings Limited, the Monitoring Agency, as per Monitoring Agency Agreement dated October 9, 2024, appointed to monitor the utilization of proceeds raised through issuance of 54,00,000 Equity Shares and 36,00,000 fully convertible warrants by way of preferential issue.

Kindly take the above information on record. The information in the above notice is also available on the website of the Company <https://www.pakka.com>.

Kindly bring it to the notice of all concerned.

Thanking you,

Yours faithfully,
for Pakka Limited

Sachin Kumar Srivastava
Company Secretary & Legal Head

Encl.: as above

No. CARE/NRO/GEN/2024-25/1124

**The Board of Directors
Pakka Limited**

312, Plaza Kalpana Society,
24/147, B-49, Birhana Road,
Kanpur – 208001, Uttar Pradesh, India

February 10, 2025

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended December 31, 2024 - in relation to the
Preferential issue of Equity shares and Fully Convertible warrants of Pakka Limited ("the
Company")**

We write in our capacity of Monitoring Agency for the Preferential Issue for the amount aggregating to Rs. 244.80 crore (Preferential issue of equity share: Rs. 146.88 crore & Preferential issue of fully convertible share warrants: Rs.97.92 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 December 31, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated October 09, 2024.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Sachin Mathur

Sachin Mathur

Associate Director

Sachin.Mathur@careedge.in

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CIN-L67190MH1993PLC071691

Report of the Monitoring Agency

Name of the issuer: Pakka Limited

For quarter ended: December 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.

Sachin Mathur

Signature:

Name and designation of the Authorized Signatory: Sachin Mathur

Designation of Authorized person/Signing Authority: Associate Director

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1) Issuer Details:

Name of the issuer : Pakka Limited
Name of the promoter : Mr. Ved Krishna
Industry/sector to which it belongs : Paper, Forest & Jute Products - Paper & Paper Products

2) Issue Details

Issue Period (Equity shares) : October 04, 2024, to October 11, 2024 (Date of allotment: October 14, 2024)
Issue Period (Share warrants) : October 04, 2024, to October 11, 2024 (Date of allotment: October 14, 2024)
Type of issue (public/rights) : Preferential Issue
Type of specified securities : Equity shares and fully convertible warrants
IPO Grading, if any : Not Applicable
Issue size of equity shares (in crore) : Rs. 146.88 crore
Issue size of share warrants (in crore) : Rs. 97.92 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	Management Certificate, Chartered Accountant certificate*, Bank statements	All the proceeds from the preferential issue have been utilized as per the objectives mentioned in the shareholder resolution.	No comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No material deviation	Chartered Accountant certificate*, Bank statement	Not applicable	No comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	No comments
Is there any major deviation observed over the earlier monitoring agency reports?	No	Chartered Accountant certificate*, Bank statement	Not Applicable. Q3FY25 being the first Monitoring Agency report.	No comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Techno Economic Viability (TEV) Report on the project	As per TEV report, being an existing unit, the Company has obtained necessary statutory approvals. All amended approvals for the proposed expansion are under process.	No comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	No	Shareholder Resolution	Shareholder Resolution	No comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not Applicable	Not Applicable	No comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not Applicable	No comments

*Chartered Accountant certificate from CNK & Associates LLP (Statutory Auditor) dated January 31, 2025

#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/ shareholder resolution.

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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 ₁) in Rs. Crore	Revised Cost (as per the board meeting report ₂) 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.	Investment in Plant & Machinery (Jagriti Project)	Shareholder Resolution ¹ , Board Resolution copy ²	190.00	Not Applicable	Not Applicable	Not applicable	Not applicable	Not applicable
2.	Investment in Subsidiary	Shareholder Resolution ¹ , Board Resolution copy ²	30.00	Not Applicable	Not Applicable	Not applicable	Not applicable	Not applicable
3.	General corporate purposes	Shareholder Resolution ¹ , Board Resolution copy ²	24.80	Not Applicable	Not Applicable	Not applicable	Not applicable	Not applicable
Total			244.80					

¹ Shareholder Resolution implies the special resolution passed in reference to the EGM Notice dated August 29, 2024, of the Company.

² Board Resolution copy implies the resolution passed by the Board of directors of the Company in their meeting dated October 07, 2024 and November 09, 2024.

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(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 offer document (Rs. Crore)	Amount raised till date i.e. December 31, 2024	Amount utilised in Rs. Crore			Total unutilised amount 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			Reasons for idle funds	Proposed course of action	
1	Investment in Plant & Machinery (Jagrati Project)	Bank statements, CA Certificate, Management Certificate	190.00	171.36	-	29.54	29.54	87.14	During Q3FY25, the investment in plant & machinery of Rs. 29.54 crore has been towards the procurement of machinery and spare parts/accessories. The payment has been made to various vendors directly from the monitoring account.	No comments	No Comments	
2	Investment in Subsidiary	Bank statements, CA Certificate, Management Certificate	30.00		-	-	-	30.00				-
3	General corporate purposes	Bank statements, CA Certificate, Management Certificate	24.80		-	20.00	20.00	4.80				The funds have been utilized by the company towards repayment of Cash Credit facility. Rs. 20 crore were transferred to Cash Credit account for its repayment.
Total			244.80₁	171.36₂	-	49.54	49.54	121.94₃				

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¹ Company had come out with preferential issue of 54 lakh equity shares aggregating to Rs. 146.88 crore @ Rs. 272/- per share including securities premium of Rs.262 per share to the non-promoters. Company had also come out with preferential share warrants issue of up to 36 lakh fully convertible warrants (convertible into equal number of equity shares) aggregating to Rs. 97.92 crore, at an issue price of Rs. 272 per warrant ((including share premium of Rs. 262 per warrant) including warrant subscription price of Rs. 68.00 and the warrant exercise price of Rs. 204.00 each on preferential basis to the persons/entities belonging to non-promoter category ("Allotees"). Total amount to be raised from the preferential issue is Rs. 244.80 crore.

² Till December 31, 2024, the warrants have been fully subscribed from the proposed allottees (i.e. non-promoter category) with 25% of the issue price received as upfront payment aggregating to Rs. 24.48 crore at the rate of Rs. 68 per warrant and balance 75% of the warrants exercise price to be received within 12 months from the date of allotment. The same remains fully unutilized till Q3FY25. The preferential issue of equity shares has been fully subscribed, raising the entire amount of Rs. 146.88 crore.

³ As per bank statement and FDRs, the total unutilized amount outstanding is at Rs.121.94 crore, which includes interest earned on FDRs of Rs. 0.12 crore, which is held in company's monitoring account with HDFC Bank Limited (Account no 99907800008272 – Rs. 34,885) and Axis Bank Limited (Account no 924020056194006 – Rs. 12,17,004) which were specifically opened for raising and utilization of funds.

(iii) Deployment of unutilized proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested in Rs. crore	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1.	Investment in FDRs at HDFC Bank Ltd	24.48	Details as per below table	1.86	7.40%	24.48
2.	Investment in FDRs at Axis Bank Ltd	95.00	Details as per below table	4.46	Details as per below table	95.87
3.	Closing balance of Monitoring Account at HDFC Bank Ltd	0.00	-	-	-	-
4.	Closing balance of Monitoring Account at Axis Bank Ltd	2.46	-	-	-	-
	Total	121.94				

Break up of FDRs:

Sr. No.	Type of instrument and name of the entity invested as on Dec 31, 2024	Amount invested in Rs. crore	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed deposit, Axis Bank - 7297	25.00	12-11-2025	1.92	7.40%	25.25
2	Fixed deposit, Axis Bank - 5550	25.00	12-11-2025	1.92	7.40%	25.25
3	Fixed deposit, Axis Bank - 8132	3.00	08-02-2025	0.05	6.50%	3.03
4	Fixed deposit, Axis Bank - 9342	4.00	08-02-2025	0.07	6.50%	4.03
5	Fixed deposit, Axis Bank - 5638	4.50	08-02-2025	0.07	6.50%	4.54
6	Fixed deposit, Axis Bank - 6660	4.50	08-02-2025	0.07	6.50%	4.54
7	Fixed deposit, Axis Bank - 7485	4.50	08-02-2025	0.07	6.50%	4.54

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Sr. No.	Type of instrument and name of the entity invested as on Dec 31, 2024	Amount invested in Rs. crore	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
8	Fixed deposit, Axis Bank - 7029	4.50	08-02-2025	0.07	6.50%	4.54
9	Fixed deposit, Axis Bank - 1221	4.00	08-01-2025	0.04	6.00%	4.03
10	Fixed deposit, Axis Bank - 1528	4.00	08-01-2025	0.04	6.00%	4.03
11	Fixed deposit, Axis Bank - 6721	4.00	08-01-2025	0.04	6.00%	4.03
12	Fixed deposit, Axis Bank - 7963	4.00	08-01-2025	0.04	6.00%	4.03
13	Fixed deposit, Axis Bank - 6368	4.00	08-01-2025	0.04	6.00%	4.03
14	Fixed deposit, HDFC Bank - 0464	5.00	08-11-2025	0.38	7.40%	5.00
15	Fixed deposit, HDFC Bank - 1187	5.00	08-11-2025	0.38	7.40%	5.00
16	Fixed deposit, HDFC Bank - 5341	5.00	08-11-2025	0.38	7.40%	5.00
17	Fixed deposit, HDFC Bank - 6890	5.00	08-11-2025	0.38	7.40%	5.00
18	Fixed deposit, HDFC Bank - 3682	4.48	03-12-2025	0.34	7.40%	4.48
	Total	119.48	-	6.30	-	120.35

(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
Investment in Plant & Machinery (Jagriti Project)	Within 12 months from receipt of funds for the warrants	Ongoing	Not Applicable	No comments	Not applicable
Investment in Subsidiary		Ongoing	Not Applicable	No comments	Not applicable
General corporate purposes		Ongoing	Not Applicable	No comments	Not applicable

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

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
1.	Repayment of Cash Credit facility or long-term debt	20.00	Bank Statement, CA Certificate, Management Certificate	GCP utilized towards repayment of outstanding amount in Cash Credit facility as verified from bank statement	No Comments
	Total	20.00			

**Chartered Accountant certificate from CNK & Associates LLP (Statutory Auditor) dated January 31, 2025*

[^]Section from the offer document related to GCP:

"Rs. 24.80 crore to be utilized for general corporate purposes, which include, but is not limited to, repayment of Cash Credit facility or Long-term debt or such other permitted modes as per applicable laws and other instruments as may be approved by the Managing Director of the company from time to time."

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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.
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- 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.

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