

**No. CARE/HO/RL/2023-24/3040**

**Mr. Vinay Joshi**  
**Chief Financial Officer**  
**Dharmaj Crop Guard Limited**

Office No. 901 to 903 & 911, B-square 2,  
Iscon Ambli Road,  
Ahmedabad -380058'  
Gujarat (India)

November 02, 2023

Dear Sir,

**Monitoring Agency Report for the quarter ended September 30, 2023- in relation to the Initial Public Offering of Equity Shares of Dharmaj Crop Guard Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Fresh Issue of 91,13,924 equity shares aggregating to Rs. 2159.45 million 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, 2023 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated April 19, 2022.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,

*Arunava Paul*

**Arunava Paul**

Associate Director

arunava.paul@careedge.in

**Report of the Monitoring Agency (MA)**

Name of the issuer: Dharmaj Crop Guard Limited

For quarter ended: September 30, 2023

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 of the Authorized Signatory: Arunava Paul

Designation of Authorized person/Signing Authority: Associate Director

### 1) Issuer Details:

Name of the issuer : Dharmaj Crop Guard Limited  
 Name of the promoter : Rameshbhai Ravajibhai Talavia, Jamankumar Hansarajbhai Talavia, Jagdishbhai Ravajibhai Savaliya, Vishal Domadia  
 Industry/sector to which it belongs : Fertilizers & Agrochemicals industry.

### 2) Issue Details

Issue Period : November 28, 2022, to November 30, 2022  
 Type of issue (public/rights) : Public-Fresh issue  
 Type of specified securities : Equity shares  
 IPO Grading, if any : Not applicable  
 Issue size (in ` crore) : Rs. 251.092 crore  
 Offer For Sale : Rs. 35.147 crore  
 Net Proceeds : Rs. 201.439 crore

#### Note 1:

| Particulars   | Remarks         |
|---|-----------------|
| Total shares issued and subscribed as part of rights issue          | 0.00            |
| Total proceeds received from public issue (in Rs. Crore)            | 215.945         |
| Details of expenses incurred related to public issue (in Rs. Crore) | 14.506*         |
| Net proceeds available for utilization (in Rs. Crore)               | <b>201.439#</b> |

\*As per the letter of offer, the estimated issue related expenses were Rs. 14.5064 crores. However, the issue expenses incurred till September 30, 2023 is Rs. 14.879 crores. The company provided a Management Representation Letter stating that increase in issue expenses were due to oversubscription of IPO as most of the expenses are calculated on the basis of number of applications received. The deviation is not material as it is less than 10%.

# Sourced from Page No. 97 and 98 of Prospectus. The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

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| 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*, Bank statements  | Yes   | -                                  |
| Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document? | No    | Not applicable  | Not applicable  | NA                                 |
| Whether the means of finance for the disclosed objects of the issue have changed?  | No    | Not applicable  | Not applicable  | NA                                 |
| Is there any major deviation observed over the earlier monitoring agency reports?  | No    | Not applicable  | Not applicable  | NA                                 |
| Whether all Government/statutory approvals related to the object(s) have been obtained?  | Yes   | Letter from Government of India; Ministry of Environment, Forest and Climate Change (Impact assessment Division)- EC Clearance Certificate **, Letter from Gujarat Pollution Control Board- Application for CTE after EC***, Letter from Ministry of Commerce & Industry; Petroleum and Explosives Safety Organisation****, | The mentioned approvals are required till date as per the company and a declaration for the same is received from them. | -                                  |

|  |    |  |                |    |
|--|----|--|----------------|----|
|  |    | License to Manufacture Insecticides***** |                |    |
| Whether all arrangements pertaining to technical assistance/collaboration are in operation?              | No | Not applicable                           | Not applicable | NA |
| Are there any favourable/unfavourable events affecting the viability of these object(s)?                 | No | Not Applicable                           | Not applicable | No |
| Is there any other relevant information that may materially affect the decision making of the investors? | No | Not applicable                           | Not applicable | No |

Material Deviation would mean

a) deviation in the objects or purposes for which the funds have been raised

b) deviation in the amount of funds actually utilised by more than 10% of the amount projected in the offer documents

\*The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

\*\* Letter from Government of India; Ministry of Environment, Forest and Climate Change (Impact assessment Division) vide their letter no. IA-J-11011/419/2019-IA-II(I) Dated January 25, 2021

\*\*\* Letter from Gujarat Pollution Control Board-Application for CTE after EC vide their letter with File no. GPCB/(PCB ID-81127) dated March 03, 2021

\*\*\*\* Letter from Ministry of Commerce & Industry; Petroleum and Explosives Safety Organisation vide their letter no.

A/P/WB/GJ/15/4304 (P547395) dt November 14, 2022

\*\*\*\*\*License to manufacture insecticides from Government of Gujarat, Directorate of Agriculture Krushi Bhavan, Gandhinagar, License No. GJ-BHA-01264 dt August 11, 2023

#### 4) Details of objects to be monitored:

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(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            | Funding capital expenditure towards setting up of a manufacturing facility at Saykha Bharuch, Gujarat. | Prospectus and CA Certificate*   | 104.969  | NA                        | Nil                               | NA                                 | NA                        | NA                                    |
| 2            | Funding incremental working capital requirements of our Company  | Prospectus and CA Certificate*   | 45.00  | NA                        | Nil                               | NA                                 | NA                        | NA                                    |
| 3            | General corporate purposes (GCP)   | Prospectus and CA Certificate*   | 41.470   | NA                        | Nil                               | NA                                 | NA                        | NA                                    |
| 4            | Repayment and/or pre-payment, in full and/or part, of certain borrowings of our Company                | Prospectus and CA Certificate*   | 10.00  | NA                        | Nil                               | NA                                 | NA                        | NA                                    |
| <b>TOTAL</b> |  |  | <b>201.439</b>   |                           |                                   |                                    |                           |                                       |

\*Sourced from Page No. 97 and 98 of Prospectus. The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

(ii) Progress in the objects –

| Sr. No       | Item Head                 | Source of information / certification considered by Monitoring Agency for preparation of report | Amount as proposed in the Offer Document in Rs. Crore (A) | Amount utilised in Rs. Crore                |                                     |  | Total Unutilised amount in Rs. Crore as on (C=A-B) | 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 (B) | At the end of the quarter in Rs. Crore |  |  | Reasons for idle funds             | Proposed course of action  |
| 1            | Capital expenditure       | CA Certificate  | 104.969   | 54.969                                      | 50.00                               | 104.969                                | -  | Payments for Rs. 11.87 cr. for this quarter has been made through Cash Credit Account* | NA                                 | Certain amount of IPO fund routed through Cash Credit due to operational challenge |
| 2            | Working Capital           | CA Certificate  | 45.00   | 45.00                                       | -                                   | 45.00                                  | -  | Nil  | NA                                 | NA   |
| 3            | General Corporate Purpose | CA Certificate  | 41.47   | 41.47                                       | -                                   | 41.47                                  | -  | Nil  | NA                                 | NA   |
| 4            | Repayment of borrowing    | CA Certificate  | 10.00   | 10.00                                       | -                                   | 10.00                                  | -  | Nil  | NA                                 | NA   |
| <b>TOTAL</b> |                           |   | <b>201.439</b>  | <b>151.439</b>                              | <b>50.00</b>                        | <b>201.439</b>                         |  |  |                                    |  |

The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

\*Such expenditure has been made from Cash Credit Account which is a deviation of the objects of the offer.

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(iii) Deployment of unutilised IPO proceeds:

| Sr. No. | Type of instrument and name of the entity invested in | Amount invested | Maturity date | Earning | Return on Investment (%) | Market Value as at the end of quarter* |
|---------|---|-----------------|---------------|---------|--------------------------|--|
| -       | -   | -               | -             | -       | -                        | -                                      |

\*Where market value is not feasible, provide NAV/NRV/Book Value of the same.

The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

(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 |
| -       | -                         | -       | -                           | -                                  | -                         |

The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

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      | General Corporate Purpose | -                   | Chartered Accountant certificate*  | Nil                           | -                                  |

The above details are verified by M/s Karma & Co. LLP Chartered Accountants vide its CA certificate dated October 17, 2023.

**^The extract of General Corporate Purpose mentioned in prospectus:** General Corporate Purposes

The Net Proceeds will first be utilised for the objects as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to, the following:

- funding growth opportunities;
- servicing our repayment obligations (principal and interest) under our existing & future financing arrangements;
- capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
- working capital;
- meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies; and/or
- strategic initiatives.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

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