

Date: 14/11/2024

Corporate Relationship Department, BSE Limited. 25 th Floor, P.J. Towers, Dalal Street, Mumbai-400 001	The Manager, Listing department, National Stock Exchange of India Ltd. 'Exchange Plaza', C- 1 Block G, Bandra Kurla complex, Bandra (East) Mumbai – 400051	Corporate Relationship Department, Metropolitan Stock Exchange of India Ltd. Building A, Unit 205A, 2nd Floor, Piramal Agastya Corporate Park, L.B.S Road, Kurla West, Mumbai – 400070
BSE Scrip Code: 534600	NSE Scrip Code: JTLIND	MSEI Symbol: JTLIND

SUB: MONITORING AGENCY REPORT FOR THE QUARTER ENDED 30TH SEPTEMBER, 2024 FOR FUNDS RAISED THROUGH PREFERENTIAL ISSUE DATED 03.03.2023

Dear Sir/Ma'am,

Pursuant to Regulation 162A (4) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Regulation 32 (6) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith Monitoring Agency Report issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended 30.09.2024 in respect of utilization of funds raised pursuant to the conversion of warrants into equity shares.

Kindly take note of the same and oblige.

For JTL Industries Limited

Amrender Kumar Yadav
Company Secretary & Compliance Officer
(M. No. A41946)

No. CARE/NRO/GEN/2024-25/1083

Shri Dhruv Singla

Whole Time Director

JTL Industries Limited

S.C.O. 18-19, Sector 28-C, Chandigarh

Punjab-160002

November 14, 2024

Dear Sir,

**Monitoring Agency Report for the quarter ended September 30, 2024 - in relation to the
Preferential Issue of Fully Convertible Warrants of JTL Industries Limited ("the
Company")**

We write in our capacity of Monitoring Agency for the Public Issue for the amount aggregating to Rs. 400.50 crore of the Company and refer to our duties cast under section 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 September 30, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated February 07, 2023.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Akhil Kumar

Akhil Kumar

Associate Director

Akhil.kumar@careedge.in

CARE Ratings Limited

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Phone: +91-22-6754 3456

CIN-L67190MH1993PLC07169

Email: care@careedge.in • www.careedge.in

Report of the Monitoring Agency (MA)

Name of the issuer: JTL Industries Limited

For quarter ended: September 30, 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.

Akhil Kumar

Signature:

Name of the Authorized Signatory: Akhil Kumar

Designation of Authorized person/Signing Authority: Associate Director

CARE Ratings Limited

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1) Issuer Details:

Name of the issuer: JTL Industries Limited

Name of the promoter: Mr. Madan Mohan Singla

Industry/sector to which it belongs: Tubes, Pipes and Fittings.

2) Issue Details

Issue Period: 18 Months from the date of Allotment March 03, 2023

Type of issue (public/rights): Preferential Issue

Type of specified securities: Convertible warrants

IPO Grading, if any: Not applicable

Issue size (in Rs. crore): Rs. 400.50 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?	Yes	Chartered Accountant certificate*, Offer Document, Bank Statement, Management certificate	The issue proceeds of preferential share warrants have been utilized in accordance with the objects given as per offer documents	-
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	-
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	-
Is there any major deviation observed over the earlier monitoring agency reports?	Nil	Not applicable	No any deviation observed from last monitoring agency report	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Intimation to Bombay Stock Exchange (BSE) dated January 25, 2023	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
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	Not applicable	-
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not applicable	-

* Chartered Accountant certificate from N. KUMAR CHHABRA AND CO. dated October 22, 2024.

#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 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	Modernization, acquisitions and Expansion of Manufacturing Units	Chartered Accountant certificate*, Offer Document	100.00	NA	NA	-	-	-
2	Repayment of existing Debt	Chartered Accountant certificate, Offer Document	20.00	NA	NA	-	-	-
3	Working Capital Requirements	Chartered Accountant certificate, Offer Document	181.25	NA	NA	-	-	-

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per 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
4	General Corporate Purposes	Chartered Accountant certificate, Offer Document	99.00	NA	NA	-	-	-
5	Issue Related Expenses	Chartered Accountant certificate, Offer Document	0.25	NA	NA	-	-	-
Total			400.50**	-	-			

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**The issue was undersubscribed, however, there is no proportionate reduction in cost of the object proposed by the company. As per Extra-Ordinary General Meeting dated January 25, 2023, It is mentioned that, "In case the Warrant holder do not apply for the conversion of the outstanding Convertible Warrants into equity shares of the Company within 18 (eighteen) months from the date of allotment of the Convertible Warrants, then the consideration paid upon each of the said outstanding Convertible Warrants shall be forfeited and all the rights attached to the Convertible Warrants shall lapse automatically. However, in terms of BSE Notice No. 20221213-47 December 13, 2022, the amount specified for the above-mentioned object of issue size may deviate +/- 10% depending upon the future circumstances.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as per the Offer document in Rs. Crore	Amount raised till date i.e. September 30, 2024	Amount utilised 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	Unutilised amount in Rs. crore		Reasons for idle funds	Proposed course of action
1	Modernization, acquisitions and Expansion of Manufacturing Units	Chartered Accountant certificate*, Offer Document, Bank Statement	100.00	249.49	20.72	22.00#	42.72	0.00	During Q2FY25, net incremental utilization towards Modernization, acquisitions and Expansion of Manufacturing Units stood at Rs. 22 crores. (JTL Industries acquired a 67% controlling stake in Nabha Steels & Metals, located in Mandi Gobindgarh, Punjab, with a total production capacity of 2,00,000 MTPA for coils & long products. The total transaction value for the captioned acquisition is Rs. 70 crores)	-	-
2	Repayment of existing Debt	Chartered Accountant certificate	20.00		-	-	-		No amount was spent towards repayment of existing debt	-	-
3	Working Capital Requirements	Chartered Accountant certificate, Offer Document, Bank Statement	181.25		166.08	11.58	177.66		During Q2FY25, total Rs.11.58 crores were utilised directly towards working capital purposes (i.e. for purchase of HR Coils, Zinc ingots etc.) during Q2FY25 from MA account directly.	-	-
4	General Corporate Purposes	Chartered Accountant certificate, Offer Document, Bank Statement	99.00		5.00	23.93	28.93		During Q2FY25, total Rs.23.93 crores were utilised directly towards General corporate purposes (Rs. 15 crores were paid as Advance tax dated September 13, 2024)	-	-

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as per the Offer document in Rs. Crore	Amount raised till date i.e. September 30, 2024	Amount utilised 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	Unutilised amount in Rs. crore		Reasons for idle funds	Proposed course of action
									& Rs. 8.93 crores paid as import duty) during Q2FY25 from MA account directly.		
5	Issue Related Expenses	Chartered Accountant certificate, Offer Document, Bank Statement	0.25		0.18	-	0.18		No incremental amount spent during Q2FY25	-	-
Total			400.50	249.49	191.98	57.51	249.49	0.00			

* Chartered Accountant certificate from N. KUMAR CHHABRA AND CO. dated October 22, 2024.

During the quarter ending March 31, 2024, the company deposited a refundable Earnest Money Deposit (EMD) of ₹5.00 crores with SEL Textiles Limited on February 2, 2024, to participate in acquiring the company through a resolution process as per the object of different Preferential Issue of Convertible warrants having issue size of Rs. 675.00 crores (**Issue 2**). However, due to an unsuccessful resolution application (RA), the EMD had to be refunded as per the terms of the Request for Resolution Plans (RFRP). The company received the refunded EMD of ₹5.00 crores inadvertently in the monitoring agency (MA) account, in Axis Bank Account No: 923020003209024 maintained for the Preferential Issue of Convertible warrants having issue size of Rs. 400.50 crores (Issue 1), on August 9, 2024, instead of the designated MA account for the case, i.e., HDFC Account No: 50200091844578 maintained for **Issue (2)**. Consequently, the amount was utilized for the purpose of "Modernization, **Acquisitions**, and Expansion of Manufacturing Units" as per the issue (1), which aligns with one of the objectives of the designated issue (2), "Investment in Mega Projects, **other Strategic Investments**, Capital Expenditure towards Development, Refurbishment and Renovation of Assets, and Investment in Subsidiaries, Joint Ventures, and Affiliates", therefore, same may be considered as utilization as per the intended objectives of Rs. 375 crores within overall issue size of Rs. 675.00 crores of captioned MA (**Issue 2**).

The company has acquired a 67% controlling stake in Nabha Steels & Metals (total transaction value is Rs. 70 crores) & made partly payment of Rs. 27 crores from monitoring account (Rs. 15 crores on September 07, 2024 & Rs. 12 crores on September 12, 2024) which also includes Rs. 5.00 crores intended to be used as discussed above, hence, the net incremental utilization during the quarter ending September 30, 2024, stood at Rs. 22 crores for designated MA (**Issue 1**).

iii) Deployment of un-utilized 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 at the end of quarter
1.	Axis Bank Application Account No. 922020045846444	0.00#				Not applicable as funds are not deployed anywhere else, lying in application & monitoring account only*
2.	Axis Bank Monitoring Account No. 923020003209024					

* Chartered Accountant certificate from N. KUMAR CHHABRA AND CO. dated October 22, 2024.

#There is a balance of Rs. 680 lying in Axis Bank Monitoring Account No. 923020003209024

Note: As per offer document, issue proceeds, if any, pending utilization for the purposes described above, the company intends to deposit the Gross Proceeds, only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or deploy funds for such businesses opportunities as may be allowed by the Board from time to time.

(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
Modernization, acquisitions and Expansion of Manufacturing Units#	Latest by December 2024	NA	No delays*	-	-
Repayment of existing Debt				-	-
Working Capital Requirements				-	-
General Corporate Purposes				-	-
Issue Related Expenses				-	-

* Chartered Accountant certificate from N. KUMAR CHHABRA AND CO. dated October 22, 2024.

#While the outer timeline for implementation of the above object is December 2024, the quarterly implementation timeline schedule is not available, hence, unable to ascertain any delay.

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

Sr. No	Item Head	Amount Rs. in crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
1.	Advance Corporate Tax	15.00	Advance tax was paid via challan no. 05704 dated September 13, 2024.	The company is authorised to allocate and incur expenses towards general corporate purposes as per objects of the preferential issue.	-
2.	Import Duty	8.93	Import duty was paid dated September 06, 2024, bearing bill of entry No. 5452032.		

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Comment: The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds.

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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.
- 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.
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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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