

Date: August 04, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

National Stock Exchange of India Ltd
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Scrip Code: 543528

ISIN No: INEOJA001018

Symbol: VENUSPIPES

Subject: Report of the Monitoring Agency with respect to utilization of proceeds of the Initial Public Offering of Venus Pipes & Tubes Limited

Dear Sir/Madam,

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Monitoring Agency Report in respect of utilization of proceeds of IPO for the quarter ended June 30, 2023 issued by CARE Ratings Limited, Monitoring Agency

This is for your information and records.

Thanking you,
For Venus Pipes & Tubes Limited

CS Pavan Kumar Jain
Company Secretary and Compliance Officer
Membership No. A66752

Monitoring Agency Report



No. CARE/HO/RL/2023-24/2011

**Mr. Arun Axaykumar Kothari
MD and Chief Financial Officer
Venus Pipes & Tubes Limited**

Survey No 233/2 & 234/1 Dhaneti,
Bhuj, Kutch,
Gujarat 370020

July 25, 2023

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2023 - in relation to the Initial Public Offering of Equity Shares of Venus Pipes & Tubes Limited ("the Company")

We write in our capacity of Monitoring Agency for the Fresh Issue of 50,74,100 equity shares aggregating to Rs. 1654.16 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 June 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,

A handwritten signature in black ink, appearing to read "M.A. Annappanavar", written diagonally over a horizontal line.

Manohar Annappanavar

Associate Director

Manohar.annappanavar@careedge.in

Report of the Monitoring Agency (MA)

Name of the issuer: Venus Pipes & Tubes Limited

For quarter ended: June 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: Manohar Annappanavar

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Venus Pipes & Tubes Limited
Name of the promoter : Megharam Sagramji Choudhary, Jayantiram Motiram Choudhary, Dhruv Mahendrakumar Patel and Arun Axaykumar Kothari
Industry/sector to which it belongs : Stainless-steel products industry

2) Issue Details

Issue Period : May 10, 2022, to May 13, 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. 165.416 crore (Note 1)

Note 1:

Particulars	Values
Total shares issued and subscribed Nos @ (Rs.326/share)	50,74,100
Total Proceeds received from IPO (in Rs. Crore)	165.41
Issue expenses (in Rs. Crore)	17.52
Net Proceeds available (in Rs. Crore)	147.89

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*, Bank statement	Yes	Yes
Whether shareholder approval has been obtained in case of material deviations [§] from expenditures disclosed in the Offer Document?	No	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	Not applicable
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	Not applicable	Not applicable
Whether all Government/statutory approvals related to the object(s) have been obtained?	**	Chartered Accountant certificate*	**	**
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Not applicable
Are there any favourable/unfavourable events affecting the viability of these object(s)?	No	Chartered Accountant certificate*	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	None	Not applicable	No	No

* Chartered Accountant certificate from M/s Maheshwari & Co. Chartered Accountants dated July 18, 2023

^Auditor's Comment: Rs. 139.28 Crores has been utilised as on June 30, 2023, and balance amount parked in the bank account.

**As per Auditor; The company is required to obtain approvals at different stages of proposed expansion and the company will adhere to the required compliances for obtaining such approvals.

§ 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

a 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 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	To meet the long-term working capital requirements	Prospectus*	25.00	-	Nil	NA	NA	NA
2	General corporate purposes (GCP)	Prospectus*	14.95	-	Nil	NA	NA	NA
3	Financing the project cost towards capacity expansion and backward integration for manufacturing of Hollow Pipes	Prospectus*	107.95	-	Nil	NA	NA	NA
Total			147.89					

NA: Not applicable

The above details are verified by M/s Maheshwari & Co. Chartered Accountants vide its CA certificate dated July 18, 2023.

(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 Rs. Crore (A)	Amount utilised in Rs. Crore			Total Unutilised amount in Rs. Crore as on 30 th June 2023 (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	At the end of the quarter in Rs. Crore (B)			Reasons for idle funds	Proposed course of action
1	Financing the project cost towards capacity expansion and backward integration for manufacturing of Hollow Pipes.	CA Certificate, Bank Statements	107.95	88.33	11.00	99.33	8.62	Nil	Nil	Nil
2	Working Capital	CA Certificate, Bank Statements	25.00	25.00	-	25.00	--	Nil	Nil	Nil
3	General Corporate Purpose	CA Certificate, Bank Statements	14.95	14.95	-	14.95	--	Nil	Nil	Nil
Total			147.89	128.28	11.00	139.28	8.62			

The above details are verified by M/s Maheshwari & Co. Chartered Accountants vide its CA certificate dated July 18, 2023.

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
1.	Balance at Current Account (with SBI Bank)	10.21***	-	-	-	10.21
	TOTAL	10.21				10.21

*Includes amount of Rs.1.59 Cr interest on FDR matured.

The above details are verified by M/s Maheshwari & Co. Chartered Accountants vide its CA certificate dated July 18, 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
Commercial Commencement of LSAW Plant	March 2023	July 2023 (Proposed date)	4 months	Due to heavy rainfall during June 2022 to August 2022 and also effect of cyclone / rainfall in June 2023, the civil work was affected.	Commencement of commercial production of LSAW Pipes has become operational on 21 ST July 2023.

The above details are verified by M/s Maheshwari & Co. Chartered Accountants vide its CA certificate dated July 18, 2023.

*Reason for delay as per auditor: Due to heavy rainfall during June 2022 to August 2022 and also effect of cyclone/rainfall in June 2023, the civil work was affected. Now the company has proposed to start the respective project by July 2023.

4) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Nil for the quarter Q1FY24.

The above details are verified by M/s Maheshwari & Co. Chartered Accountants vide its CA certificate dated July 18, 2023