

8<sup>th</sup> November, 2023

VCL/SE/106/2023-24

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001  
*Scrip Code: 516072*  
*Through: BSE Listing Centre*

To  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), Mumbai 400 051  
*Symbol: VISHNU*  
*Through: NEAPS*

**Sub: Monitoring Agency Report for the quarter ended 30<sup>th</sup> September, 2023**

Dear Sir,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with 173A(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 we are enclosing herewith Monitoring Agency Report issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended 30<sup>th</sup> September, 2023 in respect of utilization of proceeds of the QIP of the Company.

A copy of this disclosure is being uploaded on the website of the Company [www.vishnuchemicals.com](http://www.vishnuchemicals.com).

Kindly take the same on record and disseminate on your website.

Thanking You.

Yours faithfully,

**For Vishnu Chemicals Limited**

**Vibha Shinde**  
**Company Secretary & Compliance Officer**

**No. CARE/HRO/GEN/2023-24/1010**

**The Board of Directors  
Vishnu Chemicals Limited**  
PLOT NO C-23, ROAD NO 8,  
FILM NAGAR,  
Hyderabad  
Telangana 500033

November 08, 2023

Dear Sir,

**Monitoring Agency Report for the quarter ended September 30, 2023 - in relation to the  
Qualified Institutional Placement of Equity Shares of Vishnu Chemicals Limited ("the  
Company")**

We write in our capacity of Monitoring Agency for the Qualified Institutional Placement of Equity Shares for the amount aggregating to Rs. 200 crore 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 July 31, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,

*Tejeshwar Reddy*

**Y Tejeshwar Reddy**

Assistant Director

[tejeshwar.reddy@careedge.in](mailto:tejeshwar.reddy@careedge.in)

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: [care@careedge.in](mailto:care@careedge.in) • [www.careedge.in](http://www.careedge.in)

CIN-L67190MH1993PLC071691

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

Name of the issuer: Vishnu Chemicals 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.

*Tejeshwar Reddy*

Signature:

Name of the Authorized Signatory: Y Tejeshwar Reddy

Designation of Authorized person/Signing Authority: Assistant Director

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

### 1) Issuer Details:

Name of the issuer	: Vishnu Chemicals Limited
Name of the promoter	: CH Krishna Murthy, CH Manjula, CH Siddartha
Industry/sector to which it belongs	: Manufacturing (Specialty Chemicals and their derivatives)

### 2) Issue Details

Issue Period	: July 28, 2023 to July 31, 2023
Type of issue (public/rights)	: Private placement
Type of specified securities	: Equity Shares
IPO Grading, if any	: Not applicable
Issue size (in ` crore)	: Rs. 200 crore (Note 1)*

#### \*Note 1:

Issue of 57,97,095 Equity Shares, aggregating to Rs. 200 crore. A minimum of 10.00% of the Issue Size, i.e., 5,79,709 Equity Shares were made available for allocation to Mutual Funds only and the balance 52,17,386 Equity Shares were made available for allocation to all eligible QIBs, including Mutual Funds.

Particulars	Remarks
Maximum equity shares issued for Qualified Institutional Placement	57,97,095
Total proceeds received (in Rs. Crore)	200.00
Details of expenses incurred related to issue (in Rs. Crore)*	3.27
Net proceeds available for utilization (in Rs. Crore)	196.73

\*As per placement document, the expenses related to the issue were estimated at Rs. 3.27 crore which includes TDS. However, the actual expenses incurred as on September 30, 2023, are Rs. 2.93 crore which is net of TDS. VCL had incurred the TDS expenses amounting to Rs. 0.34 crore which will be reimbursed from balance available in funds earmarked towards General Corporate Purpose. As on September 30, 2023, the said amount is yet to be reimbursed.

### 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 and offer document	As per the placement document the proceeds from the Qualified Institutional Placement of Equity shares after meeting placement expenses were Rs. 197.08 crore (includes Rs.0.34 crore available due to lower issue expenses incurred from gross proceeds), which has been utilized as per the objects given in the offer document. During Q2FY24, Rs.75 crore is paid to VBPL which in turn are utilized to partially prepay the term loans and reduction in utilization of working capital. VBPL had incurred entire Rs.75 crore as of September 30, 2023. Out of Rs.75 crore available to VCL, it has utilized Rs.74.43 crore towards reduction in	-

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

CIN-L67190MH1993PLC071691

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

TR

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
			utilization of working capital limits and repayment of unsecured loans to promoters for amount Rs. 3.57 crores. Balance amount of Rs.0.57 crore is parked as fixed deposit with State Bank of India. Out of net proceeds, funds available towards General Corporate Purpose is Rs.47.07 crore, company had incurred Rs.23.11 crore towards repayment of unsecured loans to promoters and Rs.0.90 crore towards repayment of term loan in VBPL. Balance amount of Rs.23.07 crore is parked as Fixed Deposits with State Bank of India.	
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?	Not applicable	Not applicable	Not applicable	-
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable	Not applicable	Not applicable	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not Applicable	Not applicable	Not applicable	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not Applicable	Not Applicable	No	-
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	No	-

\* Chartered Accountant certificate from Sai Chaithanya & Co Chartered Accountants dated November 03, 2023

#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.

TR

#### CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

#### 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) 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	Repayment or re-payment, in part, of certain outstanding borrowings availed by the Company	Chartered Accountant certificate*, Bank statements, Placement Document	75.00	NA	NA	-	-	-
2	Investment into one of the Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain borrowings availed by VBPL	Chartered Accountant certificate*, Bank statements, Placement Document	75.00	NA	NA	-	-	-
3	General corporate purposes	Chartered Accountant certificate*, Bank statements, Placement Document	46.73	NA	Rs.0.34 crore is on account of additional funds available as company had incurred lower issue expenses than envisaged as per offer document. Considering the additional funds available which forms part of GCP, total GCP expenses still be below the threshold of 25% of gross proceeds as per the offer document.	-	-	-
<b>Total</b>			<b>196.73</b>					

\* Chartered Accountant certificate from Sai Chaithanya & Co Chartered Accountants dated November 03, 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	Amount utilised in Rs. Crore			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	Repayment or re-payment, in part, of certain outstanding borrowings	Chartered Accountant certificate*, Bank statements,	75.00	-	74.43	-	0.57	The amount was utilised for reduction in the utilisation of working capital	-	-

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

CIN-L67190MH1993PLC071691

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

TR

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	Amount utilised in Rs. Crore			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
	availed by the Company	Placement Document						limits and unsecured loan to promoters. Unutilised amount is deposited in FD.		
2	Investment into one of the Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain borrowings availed by VBPL	Chartered Accountant certificate*, Bank statements, Placement Document	75.00	-	75.00	-	0.00	The amount was fully utilised for partial prepayment of term loans in VBPL and reduction in the utilisation of working capital limits.	-	-
3	General corporate purposes	Chartered Accountant certificate*, Bank statements, Placement Document	46.73	-	24.01	-	23.07#	Utilised towards repayment of Term loan amounting to Rs.0.90 crore in VBPL and repayment of unsecured loans received by VCL from promoters. Unutilised funds deposited in FD.	-	-
<b>Total</b>			<b>196.73</b>	<b>-</b>	<b>173.44</b>	<b>-</b>	<b>23.64</b>			

\* Chartered Accountant certificate from Sai Chaithanya & Co Chartered Accountants dated November 03, 2023  
#includes Rs.0.34 crore of additional amount available due to lower issue expenses incurred by the company.

(iii) Deployment of unutilised public issue proceeds:

Sr. No.	Name of the Bank	Type of account	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report
1	State Bank of India	Fixed Deposit	25.00	Chartered Accountant certificate*, Fixed Deposit Receipts (FDR), Monitoring Account Statement

Note: Rs.25 crore includes company's own funds of Rs.1.36 crore and the balance amount i.e., Rs.23.64 crore pertains to issue proceeds.

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

TR

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (Rs. Crore)	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed Deposit, State Bank of India	25.00	29-12-2023	0.34	5.50%	25.34

(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 Placement document	Actual*		Reason of delay	Proposed course of action
Repayment or re-payment, in part, of certain outstanding borrowings availed by the Company	March 31, 2024	March 31, 2024	NA	-	-
Investment into one of the Subsidiaries, VBPL, for repayment or pre-payment, in full or in part, of certain borrowings availed by VBPL	March 31, 2024	August 22, 2023	NA	-	-
General corporate purposes	March 31, 2024	From time to time	NA	-	-

\*In case of continuing object(s), please specify latest/revised estimate of the completion date.

**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 purposes	46.73	Chartered Accountant certificate*, Bank statement, Ledger Details of Client, Email confirmation and Placement Document	General corporate purposes may include, but are not restricted to, (i) funding growth opportunities including organic and inorganic acquisitions; (ii) meeting ongoing general corporate purposes or contingencies; and/or (iii) strategic initiatives; (iv) brand building and other marketing expenses; and (v) any other purpose as permitted by applicable laws. Accordingly, company has expensed unsecured loans received from promoters and partial repayment of term loan of VBPL towards general corporate expenses.	-
<b>Total</b>		<b>46.73</b>			

\* Chartered Accountant certificate from Sai Chaithanya & Co Chartered Accountants dated November 03, 2023

TR

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691



^Section from the offer document related to GCP:

**C. 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 ₹467.31 million from the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with the circular bearing reference no.NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213-47 dated December 13, 2022, issued by BSE. Such general corporate purposes may include, but are not restricted to, (i) funding growth opportunities including organic and inorganic acquisitions; (ii) meeting ongoing general corporate purposes or contingencies; and/or (iii) strategic initiatives; (iv) brand building and other marketing expenses; and (v) any other purpose as permitted by applicable laws.

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

**Interim use of Net Proceeds**

In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals. Pending utilization of the Net Proceeds, our Company shall invest such proceeds in money market instruments including money market mutual funds, deposits in scheduled commercial banks or any other investment as permitted under the investment policy of our Company. Provided that in accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

**Monitoring Utilization of Funds from the Issue**

The Company has appointed CARE Ratings Limited as the Monitoring Agency in relation to the Issue. Our Board and Monitoring Agency shall monitor the utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under Regulation 173A of the SEBI ICDR Regulations. The Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate instances, if any, of unutilized Net Proceeds in the balance sheet of the Company for the relevant Financial Years.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to

the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Net Proceeds were raised have been achieved. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

**Other confirmations**

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Except to the extent of repayment of unsecured loans to the Promoters, forming part of the Objects, neither our Promoters nor our Directors shall receive any proceeds from the Issue. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or Senior Management Personnel are not eligible to subscribe in the Issue.

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,  
Hyderabad - 500 029  
Phone: +91-40-4010 2030

4th Floor, Godrej Coliseum, Somaiya Hospital Road,  
Off Eastern Express Highway, Sion (East), Mumbai -  
400 022  
Phone: +91-22-6754 3456  
Email: care@careedge.in • www.careedge.in

CIN-L67190MH1993PLC071691

TR