

CIL/SE/2024-25/43

August 14, 2024

BSE Limited

P.J. Towers
Dalal Street
Mumbai- 400 001

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip code: 540710

Symbol: CAPACITE

Sub: Monitoring Agency Report

Ref: Regulation 32 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 173A of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018

Dear Sir / Madam,

We are enclosing herewith Monitoring Agency Report for the first quarter ended on June 30, 2024 issued by Care Ratings Limited, Monitoring Agency, with respect to utilisation of proceeds of Qualified Institutional Placement (QIP) of the Company.

Please take same on record.

This disclosure will also be hosted on Company's website viz. <http://www.capacite.in>

For any correspondence/ queries/ clarifications, please write to cs@capacite.in

Thanking you,

**Yours faithfully,
For Capacit'e Infraprojects Limited**

**Rahul Kapur
Company Secretary & Compliance Officer**

Encl: a/a

Mumbai (Head office):

605-607, Shrikant Chambers, Phase - 1, 6th Floor, Adjacent to R.K. Studios, Sion - Trombay Road, Chembur, Mumbai - 400 071. Maharashtra, India. Tel.: 022 7173 3717 • Fax : 022 7173 3733 • E-mail : info@capacite.in

No. CARE/HRO/GEN/2024-25/1024

The Board of Directors

Capacit'e Infraprojects Limited

605-607, Shrikant Chambers, Phase-I,
6th Floor, Adjacent to R. K. Studios,
Sion-Trombay Road,
Mumbai, Maharashtra-400071

14/08/2024

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended June 30, 2024 - in relation to the QIP of
Capacit'e Infraprojects Limited ("the Company")**

We write in our capacity of Monitoring Agency for the QIP Issue for the amount aggregating to Rs.200 crore of the Company and refer to our duties cast under 173A 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, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated January 08, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Tej Kiran

Tej Kiran Ghattamaneni

Assistant Director

tej.kiran@careedge.in

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

Report of the Monitoring Agency

Name of the issuer: Capacit'e InfraProjects Ltd

For quarter ended: June 30, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: NA

(b) Range of Deviation: NA

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 and designation of the Authorized Signatory: Tej Kiran Ghattamaneni

Designation of Authorized person/Signing Authority: Assistant Director

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1) Issuer Details:

Name of the issuer : Capacit'e Infraprojects Ltd
 Name of the promoter : Mr. Rahul R Katyal
 Industry/sector to which it belongs : Construction

2) Issue Details

Issue Period : January 08, 2024 to January 11, 2024
 Type of issue (public/rights) : Qualified Institutions Placement
 Type of specified securities : Equity
 IPO Grading, if any : Not applicable
 Issue size (in crore) : Rs.200 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*, Utilization certificate as received from the management ¹	The net proceeds of QIP issue is Rs.192.15 crore. The company estimated issue expenses of Rs.9.95 crore in the offer document. However, the actual issue related expenses stood at Rs.7.85 crore. The balance amount (Rs.2.10 crore) would be utilized towards funding working capital requirements.	-
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable as there are no deviations	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 as there is no deviation from last MA report	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	-

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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
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not applicable	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 M/s Vinod Kumar Jain & Co. dated July 25, 2024.

¹ A detailed document dated July 26, 2024 presenting the utilization of funds during Q1FY25 undersigned by Chief Financial Officer, Mr. Rajesh Das.

#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.

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	Funding Working Capital Requirements	Chartered Accountant certificate*, Utilization certificate as received from the management ¹	150.00	152.10	The company incurred issue expenses of Rs.7.85 crore against Rs.9.85 crore mentioned in the placement document. The difference amount of Rs.2.10 crore would be used towards funding working capital requirements. As per offer document, the company's management shall have flexibility in utilising surplus amounts, if any. [^]	-	-	-

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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
2	General Corporate Purposes	Chartered Accountant certificate*, Utilization certificate as received from the management ¹	40.05	40.05	Not applicable	-	-	-
Total			190.05	192.15				

^ Section from letter of offer:

"Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds."

*Chartered Accountant certificate from M/s Vinod Kumar Jain & Co. dated July 25, 2024.

¹ A detailed document dated July 26, 2024 presenting the utilization of funds during Q1FY25 undersigned by Chief Financial Officer, Mr. Rajesh Das.

(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			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	Funding Working Capital Requirements [^]	Chartered Accountant certificate*, Utilization certificate as received from the management ¹	150.00	78.05	11.22	89.27	60.73	During Q1FY25, the company has spent amount of Rs.11.22 crore towards payments to labour and vendors, salaries to employees and LC repayment (working capital requirements), as per the objects of the issue.	-	-

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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			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
2	General Corporate Purposes	Chartered Accountant certificate*, Utilization certificate as received from the management ¹	40.05	13.95	14.43	28.38	11.67	During Q1FY25, the company spent Rs.14.43 crore towards repayment of term loans and payment of statutory dues, as per the objects of the issue. During Q1FY25, the company received interest income of Rs.0.40 crore on its FD investment which was used towards GCP purposes but not accounted for under QIP utilization.	-	-
Total			190.05	92.00	25.65	117.65	72.40@			

*Chartered Accountant certificate from M/s Vinod Kumar Jain & Co. dated July 25, 2024.

¹A detailed document dated July 26, 2024 presenting the utilization of funds during Q1FY25 undersigned by Chief Financial Officer, Mr. Rajesh Das.

@including the unutilized issue proceeds of Rs.2.10 crore, the total unutilized funds as on June 30, 2024 would be Rs.74.50 crore.

^ Section from the offer document related to Funding working capital requirements:

We propose to utilise ₹15,000.00 lakhs from the Net Proceeds to fund the working capital requirement for business operations of our Company in Fiscals 2024 and 2025. We have significant working capital requirements in the ordinary course of business, which we typically fund through internal accruals and availing financing facilities from various banks and financial institutions.

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(iii) Deployment of unutilized 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.	Fixed deposits with SBI	Rs.50.00 crore	September 22, 2024	Rs.2.00 crore	6.75	Rs.50.23 crore
2.	Fixed deposits with SBI	Rs.20.00 crore	August 23, 2024	Rs.0.64 crore	6.50	Rs.20.65 crore
3.	Fixed deposits with SBI	Rs.0.50 crore	December 26, 2024	Rs.0.02 crore	6.25	Rs.0.50 crore
4.	Fixed deposits with Yes Bank	Rs.4.00 crore	July 13, 2024	-	5.10	Rs.4.00 crore
	Total	Rs.74.50 crore	-	-	-	Rs.75.38 crore

(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
Funding Working Capital Requirements		FY24	FY25	Rs.78.05 crore spent during FY24 and Rs.11.22 crore was spent during Q1FY25	Ongoing^	-
		Rs. crore	108.16			
General Corporate Purposes	By FY24			Rs.13.95 crore was spent towards GCP during FY24 and Rs.14.43 crore was spent during Q1FY25	Ongoing^	-

^ 91 days for the amount to be spent in FY24. As per the terms of placement document, in the event that estimated utilization out of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by the Company, in accordance with applicable laws.

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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	Statutory Dues Payment	27.08	Chartered Accountant certificate* and utilization certificate as received from the management ¹	Amount of Rs.28.38 crore utilised under various item heads are as per the provisions of letter of offer. Section from the letter of offer related to GCP is presented below.	-
2	Repayment of various term loan	1.30	Chartered Accountant certificate* and utilization certificate as received from the management ¹		-
	Total	28.38			

* Chartered Accountant certificate from M/s Vinod Kumar Jain & Co. dated July 25, 2024.

¹ A detailed document dated July 26, 2024 presenting the utilization of funds during Q1FY25 undersigned by Chief Financial Officer, Mr. Rajesh Das.

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

"Our Company proposes to deploy the balance Net Proceeds aggregating to ₹4,005.00 lakhs towards 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 applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities (organic and inorganic), business development initiatives, meeting expenses incurred in the ordinary course of business, investment in subsidiaries, repayment and /or prepayment of outstanding loans of our Company, strategic initiatives, partnership and joint ventures, acquiring fixed assets, working capital requirement of our Company, financial investments like mutual funds, bonds, etc. and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act, 2013. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds."

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.

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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.

d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.

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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