

**Monitoring Agency Report
for Patel Chem Specialities Limited
for the quarter ended September 30,
2025**

Monitoring Agency Report

November 14, 2025

To

Patel Chem Specialities Limited

Plot No. 272/4-5, Phase II, G.I.D.C. Industrial Estate,

Vatva Road, Ahmedabad - 382445, Gujarat, India

Dear Sir,

Monitoring Agency Report for the quarter ended September 30, 2025 - in relation to the Initial Public issue of Patel Chem Specialities Limited (“The Company”)

We write in our capacity of Monitoring Agency for the initial public issue of equity shares for the amount aggregating to Rs. 58.80 crore of the Company and refer to our duties cast under 162A of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations).

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended September 30, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 12 May 2025.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of Infomerics Valuation and Rating Limited

Gaurav Jain

(Director - Ratings)

gaurav.jain@infomerics.com



Report of the Monitoring Agency

Name of the Issuer: Patel Chem Specialities Limited

For quarter ended: September 30, 2025

Name of the Monitoring Agency: Infomerics Valuation and Rating 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 declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.

We further declare that this report provides true and fair view of the utilization of issue proceeds.



Signature:

Name of the Authorized Person / Signing Authority: Gaurav Jain

Designation of Authorized person / Signing Authority: Director - Ratings

Seal of the Monitoring Agency:

Date: November 14, 2025



1) Issuer Details:

Name of the issuer: Patel Chem Specialities Limited

Names of the promoters of the issuer: Bhupesh Patel
Anshu Patel
Vini Patel

Industry/sector to which it belongs: Company operates in the field of specialty chemicals, particularly focusing on the production of cellulose-based excipients. It manufactures a diverse range of products that are critical to various industries, including pharmaceuticals, food & beverages, cosmetics, and numerous industrial applications.

2) Issue Details:

Issue Period: July 25, 2025, to July 29, 2025

Type of issue (public/rights): Public Issue

Type of specified securities: Equity shares

Grading: Not Applicable

Issue size (Rs in Crores): Rs. 58.80 crores (Note No. 1 & Note No. 2)

Note 1

70,00,000 (Seventy Lakhs) Equity Shares having face value of Rs. 10/- each at a price of Rs. 84/- per Equity Share (including a share premium of

Rs. 74/- per Equity share) aggregating Rs. 58.80 crore.

Note 2

Particulars	Amount as per the Prospectus (Rs. in crore)
Total Proceeds Received from IPO	58.80
Less: Issue Related to Expenses	7.25*
Net Proceeds Available for Utilization towards Objects of the issue	51.55

*Issue related expenses estimated as per prospectus were Rs. 7.25 crore. However, out of the estimated Rs. 7.25 crore, the company utilized only Rs. 6.90 crore towards the issue related expenses during Q2FY26 (i.e. 01 July 2025 to 30 September 2025). Balance Rs. 0.35 crore is available as balance on 30 September 2025 in Public Issue Account maintained with Axis Bank (A/c Number 925020021632145).

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 Monitoring Agency	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes (Refer Note 1)	Bank Statements, CA Certificate, Invoices, Purchase Orders / Contracts with Vendors	Utilization towards Object No. 1 i.e. Funding Capital Expenditure Requirement, were made in form of Advance payments to turnkey contractor. Company has entered into	No Comments

			a turnkey agreement for the same. (Refer Note 1)	
Whether Shareholder approval is obtained in case of material deviations from expenditures disclosed in Offer Document?	Not Applicable	Not Applicable	Not Applicable	No Comments
Whether means of finance for disclosed objects of the Issue has changed?	There is no change in means of finance	NA	No Comments	No Comments
Any major deviation observed over the earlier monitoring agency reports?	Not Applicable	Not Applicable	Not Applicable	No Comments
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes	Principle approval from BSE	No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Not Applicable	Not Applicable	Not Applicable	No Comments
Any favourable events improving object(s) viability	There are no events affecting the	Not Applicable	Nil	No Comments

	viability of the objects of the issue			
Any unfavourable events affecting object(s) viability	There are no events affecting the viability of the objects of the issue	Not Applicable	Nil	No Comments
Any other relevant information that may materially affect the decision making of the investors	There is no other relevant information that may affect the decision making of the investor	Not Applicable	Nil	No Comments

* The above details are verified by statutory auditors, Parikh Shah & Associates (Membership Number: 039254) vide its CA certificate dated 13 November 2025. Auditor’s remark: No deviation / variation in use of funds raised

Note 1: The company in its prospectus had estimated a total cost of Rs. 43.15 crore towards Object No. 1 i.e. Funding the Capital Expenditure. This estimated cost was based on quotation obtained by the company from different vendors for Civil and structural works, Electricals and fittings, and Plant and Machinery. However, as on 22nd September 2025, the company has entered into a turnkey agreement with J & H Pharma Consultants for the entire planned capital expenditure. The agreed value for the capex is Rs. 45.00 crore (excluding taxes). As per prospectus, the actual cost of procurement and actual supplier / dealer may vary, and the company have considered the quotations from the vendors for the budgetary estimate purpose and had not placed any orders for them.

^ 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 document

4) Details of object(s) to be monitored:

(i) Cost of object(s)-

Sl. 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 Monitoring Agency	Comments of Board of Directors		
						Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding capital expenditure requirement of our company; To Set up plant at Indrad, Mahesana for manufacturing	Final Prospectus*, CA Certificate**	43.15	Not Applicable	No comment	No Comments	No Comments	No Comments

	Croscarmellose Sodium (“CCS”), Sodium Starch Glycolate (“SSG”) – Corn Starch Base & Potato Starch Base and Calcium Carboxymethylcellulose (CMC).							
2	General corporate purposes	Final Prospectus*, CA Certificate**	8.40	Not Applicable	No comment	No Comments	No Comments	No Comments
	Total		51.55					

*Sourced from final prospectus dated 29 July 2025, Page No. 82

**The above details are verified by statutory auditor, Parikh Shah & Associates (Membership Number: 039254) vide its CA certificate dated 13 November 2025

(ii) Progress in the object(s)-

Sl. 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 raised till September 30, 2025 (Rs. crore)	Amount utilized			Unutilised amount in Rs. crore	Comments of Monitoring Agency	Comments of Board of Directors	
					As at Beginning of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1	Funding capital expenditure requirement of our company; To Set up plant at Indrad, Mahesana for manufacturing Croscarmellose Sodium (“CCS”), Sodium Starch Glycolate (“SSG”) – Corn Starch Base & Potato Starch Base and	Final Prospectus, CA Certificate*, Agreement^, Performa Invoice, Bank Statement	43.15	43.15	-	4.50	4.50	38.65	(Refer Note 1)	No Comments	No Comments

	Calcium Carboxymethylcellulose (CMC).										
2	General Corporate Purposes	Final Prospectus, CA Certificate*, Bank Statements	8.40	8.40	-	4.86	4.86	3.55	No Comments	No Comments	No Comments
Total			51.55	51.55	-	9.36	9.36	42.19			

*Certificate issued by company's statutory auditors, i.e. Parikh Shah & Associates dated November 13, 2025

**Sourced from prospectus issued by the company dated July 29, 2025

Note 1: The company has entered into turnkey agreement with J & H Pharma Consultants dated 22 September 2025, for project design, civil construction, supply of process and utility equipment, installation of process and utility services to establish greenfield speciality chemical project on turnkey basis at Indrad, Mahesana. The company in its prospectus had estimated a total cost of Rs. 43.15 crore towards Object No. 1 i.e. Funding the Capital Expenditure. This estimated cost was based on quotation obtained by the company from different vendors for Civil and structural works, Electricals and fittings, and Plant and Machinery. However, as on 22nd September 2025, the company has entered into a turnkey agreement with J & H Pharma Consultants for the entire planned capital expenditure. The agreed value for the capex is Rs. 45.00 crore (excluding taxes). As per prospectus, the actual cost of procurement and actual supplier / dealer may vary, and the company have considered the quotations from the vendors for the budgetary estimate purpose and had not placed any orders for them.

#Brief description of Object(s):

S.no	Name of the object(s)	Brief description of the object(s)
1	Funding capital expenditure requirement of our company; To Set up plant at Indrad, Mahesana for manufacturing Croscarmellose Sodium (“CCS”), Sodium Starch Glycolate (“SSG”) – Corn Starch Base & Potato Starch Base and Calcium Carboxymethylcellulose (CMC).	Company is developing another facility at Indrad, Mahesana, which is expected to be commercialized by March 2026. Company foresees an increase in demand for CCS, SSG, and Calcium CMC, within the market where it operates. To capture this growing demand, they are planning to enhance the production capacity of CCS, SSG, and Calcium CMC by establishing a new facility at Indrad, Mahesana. The Company will utilize the Net Proceeds of the Issue for setting up this new plant. Total installed capacity from the existing Vatva facility and Talod facility combine is 3,720 MTPA and with ongoing capex, it intends to add 6,012 MTPA which makes the total capacity of the Company as 9,732 MTPA. It also enables the company to deliver products that are specifically tailored to customer needs and help in entering untapped regions.
2	General Corporate Purposes	Company proposes to deploy the balance proceeds, aggregating to Rs. 8.40 crore, towards general corporate purposes as approved by the management from time to time, subject to such utilisation not exceeding 15% of the gross proceeds or Rs. 10.00 crore whichever is lower, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which the Company proposes to utilise net proceeds include business development initiatives, meeting any expenses including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds for each of the above purposes will be determined by board, based on the amount available under this head and the business requirements of Company, from time to time, subject to compliance with applicable law.

(iii) Deployment of unutilized Issue proceeds-

Sl. no.	Type of instrument where amount invested	Amount invested (in Crores)	Maturity date	Earnings (in Crores)	Return on Investment (ROI %)	Market Value as at the end of quarter
1	Balance in Public Issue Account with Axis Bank (Account Number 925020021632145) *	0.35*	-	-	-	0.35
2	Fixed deposits with Axis Bank**	38.64	04-Mar-2027**	-	6.60%	38.64
3	Unutilized limit in Cash Credit Account (Refer Note 1)	3.55	-	-	-	3.55
	Total	42.54	-	-	-	42.54

* Multiple FDs placed with maturity date in range of 21st February 2027 to 04th March 2027.

**Out of estimated expenses of Rs. 7.25 crore, only Rs. 6.90 crore were incurred during Q2FY2026 towards issue related expenses from Public Issue Account. Remaining Rs. 0.35 crore is available as balance in Public Issue Account.

Note 1: The company transferred a total of Rs. 8.40 crore in its Bank of India Cash Credit Account No. 202630110000128 (“CC Account”) on August 06, 2025. Simultaneously, the available limit in CC Account was utilized towards various purposes including the GCP object of the issue. Total utilization towards GCP object was Rs. 4.86 crore. Thus, out of the total amount transferred to CC account (i.e. Rs. 8.40 crore), the company utilized Rs. 4.86 crore from the CC Account. As on 30 September 2025, the limit available in CC Account was Rs. 3.55 crore being the difference between Rs. 8.40 crore transferred to CC account and utilization of Rs. 4.86 crore from the same.

(iv) Delay in implementation of the object(s)-

Object(s) Name	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document	Actual *		Reason of delay	Proposed Course of Action
Funding capital expenditure requirement of our company; To Set up plant at Indrad, Mahesana for manufacturing Croscarmellose Sodium (“CCS”), Sodium Starch Glycolate (“SSG”) – Corn Starch Base & Potato Starch Base and	Till FY 2026-27	Ongoing	No Delay	No Comments	No Comments

Calcium Carboxymethylcellulose (CMC).						
General Purposes	Corporate	Till FY 2026	Ongoing	No Delay	No Comments	No Comments

v) Details of utilisation of Proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

S.No	Item Head	Amount in Rs. Crore	Source of Information/Certifications Considered by the Monitoring agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Salary	0.66	Bank statements, email along with salary sheet sent to bank, CA Certificate	No comments	No Comments
2	TDS, PF, ESIC, Stamp Duty	0.69	TDS challans, PF Challan, ESIC Challan Bank Statements, Certificate of Stamp Duty, e-Challan from Revenue Department, e-Stamp Certificate	No comments	No Comments
3	GST Component of issue related expenses	0.38	Invoices, Ledgers, Bank Statements	No comments	No Comments
4	Others	3.13	Invoices, Performa Invoices / Purchase Orders, Bank Statements, Ledgers	No comments	No Comments
	Total	4.86*			

*The above details are verified by statutory auditor, Parikh Shah & Associates (Membership Number: 039254) vide its CA certificate dated 13 November 2025.

DISCLAIMERS:

- This Report is prepared by Infomerics Valuation and Rating Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "IVRL"). 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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