Infomerics Ratings
SEBI REGISTERED / RBI ACCREDITED / NSIC EMPANELLED CREDIT RATING AGENCY

Monitoring Agency Report for Patel Chem Specialities Limited for the quarter ended June 30, 2026

Infomerics Ratings
SEBI REGISTERED / RBI ACCREDITED / NSIC EMPANELLED CREDIT RATING AGENCY

Monitoring Agency Report

August 14, 2026

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 June 30, 2026 - 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 June 30, 2026, 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

MITHUN VYAS Digitally signed by MITHUN VYAS
Date: 2026.08.14 14:40:21 +05'30'

Mithun Vyas

(Associate Director - Ratings)

mithun.vyas@infomerics.com

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Report of the Monitoring Agency

Name of the Issuer: Patel Chem Specialities Limited

For quarter ended: June 30, 2026

Name of the Monitoring Agency: Infomerics Valuation and Rating Limited

(a) Deviation from the objects: Yes

(b) Range of Deviation: 0.025% of gross proceeds

There was utilization of Rs 1.45 crore towards capex in Q1FY27, and balance unutilized amount stood at Rs 34.79 crore. However, unutilized amount parked in Axis Bank FDs and monitoring account is only Rs. 34.78 crore which is short by Rs 0.015 crore due to interest penalty being levied by the bank upon premature closure of the fixed deposit (FD) during Q1FY27. While management has confirmed that it will bring Rs 0.015 crore during Q2FY27 from company's funds to monitoring account and the same will be expended for the defined objectives as stated in RHP, MA report stands qualified to the extent of amount shortfall i.e. Rs. 0.015 crore.

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.

MITHUN VYAS Digitally signed by MITHUN VYAS
Date: 2026.08.14 14:41:00 +05'30'

Signature:

Name of the Authorized Person / Signing Authority: Mithun Vyas

Designation of Authorized person / Signing Authority: Associate Director - Ratings

Seal of the Monitoring Agency:

Date: August 14, 2026

1) Issuer Details:

Name of the issuer: Patel Chem Specialties 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 crore (Refer Note 1 and Note 2 below)

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

Note: The company had utilized total of Rs. 16.26 crore towards the objects of the issue and issue related expense in Q2FY26, total of Rs. 6.30 towards objects of issue in Q3FY26 and there was no utilization in Q4FY26. In Q1FY27 company utilized total of Rs 1.45 crore towards the objects of the issue. The remaining unutilized balance of Rs. 34.78 crore at the end of Q1FY27 is kept in various FDs with Axis bank and in Monitoring Agency Account. Rs 0.01 crore of interest was adjusted by the bank due to the premature closure of the fixed deposit (FD) during the year. Management will bring Rs 0.01 crore from company's funds during Q2FY27.

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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 below)	Bank Statements, CA Certificate, Management Declaration, Ledger, Invoice	Utilization towards Object No. 1 i.e. Funding Capital Expenditure Requirement (Refer Note 1 below)	No Comments
Whether Shareholder approval is obtained in case of material deviations from expenditures disclosed in Offer Document?	Not Applicable	Not Applicable	No Comments	No Comments
Whether means of finance for disclosed objects of the Issue has changed?	There is no change in means of finance	Not Applicable	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 favorable events improving object(s) viability	There are no events affecting the viability of the objects of the issue	Not Applicable	Nil	No Comments
Any unfavorable 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 Auditor, M/s Parikh Shah & Associates (Membership Number: 039254) vide its CA certificate dated August 11, 2026. 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.

^ 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 utilized 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 Croscarmellose Sodium ("CCS"), Sodium Starch Glycolate ("SSG") – Corn Starch Base & Potato Starch Base and Calcium Carboxymethylcellulose (CMC).	Final Prospectus*, CA Certificate**	43.15	Not Applicable	No comment	No Comments	No Comments	No Comments
2	General corporate purposes	Final Prospectus*, CA Certificate**	8.40	Not Applicable	No comment	No Comments	No Comments	No Comments
3	Issue related Expense	Final Prospectus*, CA Certificate**	7.25	Not Applicable	No comment	No Comments	No Comments	No Comments

	Total		**58.80**					

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

**The above details are verified by M/s Parikh Shah & Associates (Membership Number: 039254) vide its CA certificate dated August 11, 2026

(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	Final Prospectus, CA Certificate*, Agreement^, Performa Invoice, Bank Statement	43.15	43.15	7.25	1.45**	8.70	34.45^	(Refer Note 1 below)	No Comments	No Comments

	plant at Indrad, Mahesana for manufacturing 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*, Bank Statements	8.40	8.40	8.40	0.00	8.40	0.00	The funds were fully utilized for the GCP purpose during Q3FY26	No Comments	No Comments
3	Issue Related Expenses		7.25	7.25	6.90	0.00	6.90	0.34	The balance funds transferred to monitoring account for utilization	No Comments	No Comments

									towards capex on January 30, 2026.		
Total			**58.80**	**58.80**	**22.55**	**1.45**	**24.00**	**34.79**			

**CA Certificate dated, August 11, 2026, issued by the statutory auditors of the company, M/s Parikh Shah & Associates.*

*** There was utilization of Rs 1.45 crore towards capex in Q1FY27, and balance unutilized amount stood at Rs 34.79 crore. However, unutilized amount parked in Axis Bank FDs and monitoring account is only Rs. 34.78 crore which is short by Rs 0.015 crore due to interest penalty being levied by the bank upon premature closure of the fixed deposit (FD) during Q1FY27. While management has confirmed that it will bring Rs 0.015 crore during Q2FY27 from company's funds to monitoring account and the same will be expended for the defined objectives as stated in RHP, MA report stands qualified to the extent of amount shortfall i.e. Rs. 0.015 crore.*

^ Company intends to utilize balance Rs. 0.35 crore in issue related expenses category towards capex and this left over amount was transferred back to Monitoring Agency Account (Number 925020032025576) on January 30, 2026, from Public Issue Account (Account Number 925020021632145). While a board resolution passed at the meeting of the board held on May 22, 2026 and a copy of the same shared with MA dated 11th August 2026 and digitally signed on 12th August 2026 approving the balance amount in public issue account towards capex, MA is unable to verify the veracity of the board resolution independently as the same was not uploaded on stock exchanges. Further, there was no disclaimer in prospectus for using the proceeds of the issue interchangeably for the various objects. Hence, total balance amount of Rs. 34.79 crore is to be utilized for the capex objective

The company had utilized Rs 1.45 crore in Q1FY27 towards the objects of the issue and remaining unutilized balance at the end of Q1FY27 of 34.78 crore (towards the Capex) is placed in various FDs with Axis bank and Monitoring agency account.

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 simila r 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-

S. No.	Type of instrument where amount is 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 Monitoring Agency Account with Axis Bank (Account Number 925020032025576)	0.09	-	-	-	0.09
2	Fixed deposits with Axis Bank*	34.69	04-Mar-2027*	-	6.60%	34.69
	Total	**34.78**	-	-	-	**34.78**

*Multiple FDs with all maturity date in range of 21st February 2027 to 04th March 2027. Details of FD are given in Annexure 1.

Note 1: Total utilization towards GCP object was Rs. 4.86 crore in Q2FY26 and Rs. 3.54 crore in Q3FY26. Thus, out of the total amount transferred to CC account (i.e. Rs. 8.40 crore) in Q2FY26, the company have utilized full amount.

Note 2: The available balance is Rs 34.78 crore whereas it should be Rs 34.79 crore, which is due to interest adjustment of Rs 0.01 crore by the bank due to the premature closure of the fixed deposit (FD) during the year. However, management will bring Rs 0.01 crore during Q2FY27 from company's funds.

(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 Calcium Carboxymethylcellulos	Till FY 2026-27	Ongoing	No Delay	No Comments	No Comments

e (CMC).					
General Corporate Purposes	Till FY 2026	Completed	No Delay	No Comments	No Comments

v) Details of utilisation of Proceeds stated as General Corporate Purpose (GCP) amount in the offer document: As company had utilized full amount during previous quarters, hence no utilization towards GCP.

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	-	-	-	-	
TOTAL		-			

DISCLAIMERS:

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