



November 13, 2024

To,

The Manager- Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1 Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai- 400051

SYMBOL: SURANI

SUB: MONITORING AGENCY REPORT FOR THE QUARTER ENDED SEPTEMBER 30, 2024

Dear Sir/ Ma'am,

Pursuant to Regulation 164A (6) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith Monitoring Agency Report issued by Care Ratings Limited, Monitoring Agency, for the quarter ended September 30, 2024 in respect of utilization of funds raised pursuant to the conversion of Warrants into Equity Shares.

Kindly take the above on record.

Thanking You,
Yours Sincerely,

For **Surani Steel Tubes Limited**

Mohinder Singh
Company Secretary

SURANI STEEL TUBES LTD.

CIN: L27109GJ2012PLC071373

Address: S. No.110,115, Bayad Road, Taluka Dahegam, Sampa, Gandhinagar-382315, Gujrat, India

M: +91 7717302284 | **E:** info@suranisteel.com | **W:** www.suranisteel.com

No. CARE/NRO/GEN/2024-25/1078

Shri Vijay Singla

Managing Director

Surani Steel Tubes Limited

110, 115 Opp Vinayak TMT Bar Bayad Road

Sampa, Gandhinagar

Gujarat-382315

November 12, 2024

Dear Sir,

**Monitoring Agency Report for the quarter ended September 30, 2024 - in relation to
the Preferential Issue of Fully Convertible Warrants of Surani Steel Tubes Limited
("the Company")**

We write in our capacity of Monitoring Agency for the Public Issue for the amount aggregating to Rs. 108.70 crore of the Company and refer to our duties cast under section 162A 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, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated May 16, 2023.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Akhil Kumar

Akhil Kumar

Associate Director

Akhil.kumar@careedge.in

CARE Ratings Limited

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Report of the Monitoring Agency (MA)

Name of the issuer: Surani Steel Tubes Limited

For quarter ended: September 30, 2024

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.

Akhil Kumar

Signature:

Name of the Authorized Signatory: Akhil Kumar

Designation of Authorized person/Signing Authority: Associate Director

CARE Ratings Limited

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Plot no. C-001 A/2 Sector 16B, Berger Tower, Noida, Gautam
Budh Nagar (UP) - 201301 Phone: +91-120-4452 000

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off
Eastern Express Highway, Sion (East), Mumbai - 400 022
Phone: +91-22-6754 3456

CIN-L67190MH1993PLC07169

Email: care@careedge.in • www.careedge.in

1) Issuer Details:

Name of the issuer: Surani Steel Tubes Limited

Name of the promoter: Mr. Vijay Singla

Industry/sector to which it belongs: Tubes, Pipes and Fittings.

2) Issue Details

Issue Period: 18 Months from the date of Allotment of July 04, 2023

Type of issue (public/rights): Preferential Issue

Type of specified securities: Convertible warrants

IPO Grading, if any: Not applicable

Issue size (in Rs. crore): Rs. 108.70 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*, Bank Statement, Management Certificate	The issue proceeds of preferential share warrants have been utilized in accordance with the objects given as per offer document	
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?	No	Not applicable	Not applicable	
Is there any major deviation observed over the earlier monitoring agency reports?	Nil	Not applicable	No deviation observed from last monitoring agency report	
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 favourable/unfavourable events affecting the viability of these object(s)?	No	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 Anu and Associates dated October 16, 2024.

#Where material deviation may be defined to 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 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 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	Working Capital Requirements	Chartered Accountant certificate*, Offer Document	108.46	NA	NA			
2	Issue Related Expenses	Chartered Accountant certificate, Offer Document	0.26	NA	NA			
Total			108.70	-	-			

* Chartered Accountant certificate from Anu and Associates dated October 16, 2024.

CARE Ratings Limited

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(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as per the Offer document in Rs. Crore	Amount raised till date i.e. September 30, 2024	Amount utilised 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	Total Unutilised amount in Rs. crore		Reasons for idle funds	Proposed course of action
1	Working Capital Requirements	Chartered Accountant certificate*, Bank Statement	108.46	77.11	67.25	9.77	77.02^	Nil	The company has already transferred Rs. 67.25 crores from application account to HDFC Bank monitoring account till the quarter ended on June 30, 2024, which is entirely spent towards working capital requirements of the company i.e. raw material procurement (HR Coils). Reflecting in the opening balances. Further, Company received Rs. 1.35 crore during the Q2FY25 with the conversion of warrants and already there was Rs. 8.42 crore available as unutilised in the Monitoring Account and Application Account in total as on 30 th June 2024. Further, company spent Rs. 9.77 crores (Rs. 1.35 crores + Rs. 8.42 crores) towards working capital requirements of the company i.e. raw material procurement (HR Coils) during the quarter ending September 2024.		
2	Issue Related Expenses	Chartered Accountant certificate	0.26		0.09	-	0.09		There are no issue related expenses made during Q2FY25.		
Total			108.70	77.11	67.34	9.77	77.11	Nil			

* Chartered Accountant certificate from Anu and Associates dated October 16, 2024.

^ Against the partial utilisation of working capital requirements i.e. raw material purchases had been made from JTL Industries Limited (Related to the promoter), till the previous quarter ended i.e. Q1FY25.

Note: As per discussion with the management of company, it is established that there was a typo error in the offer document as the original issue size was Rs. 108.70 crores whereas the sum total of all the objects mentioned in offer document comes at Rs. 108.72 crores (working capital purposes- Rs. 108.46 crores and Issue related expenses- Rs. 0.26 crores). Therefore, correct amount pertaining to issue related expenses is Rs. 0.24 crores which was erroneously mentioned as Rs. 0.26 crore in offer document.

iii) Deployment of un-utilized public issue 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.	HDFC Bank Application Account No. 50200081360845	Nil			NA	
2.	HDFC Bank Monitoring Account No. 50200082191290					

Note: As per offer document, issue proceeds, if any, pending utilization for the purposes described above, the company intends to deposit the Gross Proceeds, only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or deploy funds for such businesses opportunities as may be allowed by the Board from time to time.

(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
Working Capital Requirements	Latest by January 2025	NA	NA		
Issue Related Expenses					

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No	Item Head	Amount Rs. in crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
NA*					

* Chartered Accountant certificate from Anu and Associates dated October 16, 2024.

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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.
- 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.