

Monitoring Agency Report



No. CARE/HO/RL/2023-24/2085

Mr. Bimal K. Nanda
Company Secretary
Keystone Realtors Limited
702, Natraj, M V Road Junction,
Western Express Highway,
Andheri (East), Maharashtra,
Mumbai ,400069

August 07, 2023

Dear Sir,

Monitoring Agency Report for the quarter ended June 30, 2023 - in relation to the Initial Public Offering of Equity Shares of Keystone Realtors Limited ("the Company")

We write in our capacity of Monitoring Agency for the Fresh Issue of 1,03,51,201 equity shares aggregating to Rs. 5600.00 million 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 June 30, 2023, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated April 19, 2022.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

Ruchi

Ruchi Shroff
Assistant Director
Ruchi.Shroff@careedge.in

Report of the Monitoring Agency (MA)

Name of the issuer: Keystone Realtors Limited

For quarter ended: June 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.

Signature: *Ruchi*

Name of the Authorized Signatory: Ruchi Shroff

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer	: Keystone Realtors Limited
Name of the promoter	: Boman Rustom Irani, Percy Sorabji Chowdhry and Chandresh Dinesh Mehta
Industry/sector to which it belongs	: Real Estate

2) Issue Details

Issue Period	: November 14, 2022, to November 16, 2022
Type of issue (public/rights)	: Public - Fresh issue
Type of specified securities	: Equity shares
IPO Grading, if any	: Not Applicable
Issue size (in ` crore)	: Rs. 560.00 crore (Note 1)

Note 1:

Particulars	Values
Total shares issued and subscribed Nos @ (Rs. 541/share)	10351201
Total Proceeds received from IPO (in Rs. Crore)	560.00
Issue expenses (in Rs. Crore)	35.54
Net Proceeds available (in Rs. Crore)	524.46

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	Yes	Yes
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	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	Not Applicable
Is there any major deviation observed over the earlier monitoring agency reports?	No	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	Not Applicable
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not Applicable	Not Applicable	Not Applicable
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not Applicable	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not Applicable	No	No

*Chartered Accountant certificate from M/s Amrita Kothari & Co. vide CA certificate dated July 25, 2023

#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 documents

a 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/ prepayment, in full or part, of certain borrowings availed by our Company and/or certain of our Subsidiaries	Prospectus*	341.60	-	Nil	NA	NA	NA
2	Funding acquisition of future real estate projects and general corporate purposes (GCP)	Prospectus*	182.86	-	Nil	NA	NA	NA
Total			524.46					

*The above details are verified by M/s Amrita Kothari & Co. vide its CA certificate dated July 25, 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 (A)	Amount utilised in Rs. Crore			Total Unutilised amount in Rs. Crore as on 30 th June 2023 (C=A-B)	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 (B)			Reasons for idle funds	Proposed course of action
1	Repayment/ prepayment, in full or part, of certain borrowings availed by our Company and/or certain of our Subsidiaries	CA Certificate and bank statements	341.60	341.60	Nil	341.60	Nil	Nil	Nil	
2	Funding acquisition of future real estate projects and general corporate purposes	CA Certificate and bank statements	182.86	38.68	26.36*	65.04	117.82	Nil	Nil	
Total			524.46	380.28	26.36	406.64	117.82			

The above details are verified by M/s Amrita Kothari & Co. vide its CA certificate dated July 25, 2023

*Rs. 12.67 crores was utilized for GCP and the remaining Rs. 13.69 crores were utilized for funding acquisition of future real estate projects as per the object clause.

iii) Deployment of unutilised IPO proceeds:

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 Maturity of the FD (Rs. Crore)
1.	Fixed Deposit	50.00	15-07-2023	0.52	6.25	50.52
2.	Fixed Deposit	50.00	15-07-2023	0.52	6.25	50.52
3.	Fixed Deposit	5.00	15-07-2023	0.05	6.25	5.05
4.	Fixed Deposit	5.00	15-07-2023	0.05	6.25	5.05
5.	Fixed Deposit	5.00	15-07-2023	0.05	6.25	5.05
6.	Fixed Deposit	5.00	11-07-2023	0.05	6.25	5.05
TOTAL		120.00*		1.25		121.25

* The unutilized amount was Rs. 117.82 crore & interest earned on principal invested was Rs. 2.18 crores, totalling to Rs. 120 crores
The above details are verified by M/s Amrita Kothari & Co. vide its CA certificate dated July 25, 2023

(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
NA	NA	NA	NA	NA	NA

The above details are verified by M/s Amrita Kothari & Co. vide its CA certificate dated July 25, 2023

4) 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	Pay order issued to West Coast CHSL	0.75	CA Certificate and Supporting Documents	Nil	Nil
2	Payment towards Plinth CC of Bandstand Project	5.93	CA Certificate and Supporting Documents	Nil	Nil
3	Payment to Slum Rehabilitation Authority - Bandstand Project	1.55	CA Certificate and Supporting Documents	Nil	Nil
4	EMD - Phalshruti CHSL, Pushkaraj CHSL and Bandra Rosewood CHSL	0.45	CA Certificate and Supporting Documents	Nil	Nil
5	Online Payment to MHADA	0.99	CA Certificate and Supporting Documents	Nil	Nil
6	EMD for Golden Chariot CHSL	2.00	CA Certificate and Supporting Documents	Nil	Nil
7	Transit Camp Rent - Jariwala	0.99	CA Certificate and Supporting Documents	Nil	Nil
Total		12.67			

The above details are verified by M/s Amrita Kothari & Co. vide its CA certificate dated July 25, 2023

^The extract of General Corporate Purpose mentioned in prospectus: As per point no 2 of the section "Details of the Objects of the Offer" on page no. 126 in the prospectus, it is mentioned that The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, but not limited to: (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate exigencies and contingencies; (v) capital expenditure; (vi) meeting working capital requirements; (vii) expenses of our Company; and (viii) any other purpose, as may be approved by the 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 available under this head and our business requirements, from time to time. Our management, in accordance with the policies of our Board, shall have flexibility in utilising surplus amounts, if any.