



Registered Office: Sy.No.251/A/1., Singannaguda Village Mulugu Mandal, Medak, Siddipet - 502279, Telangana, India

CIN: L01119TG2007PLC053901

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8th November, 2024

To

BSE Limited,

Listing Department, P J Towers,
Dalal Street,
Mumbai – 400 001

Scrip Code: 544100

National Stock Exchange of India Limited,

Listing Department, Exchange Plaza,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Trading Symbol: NOVAAGRI

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

Ref: Regulation 32(6) of the SEBI (LODR) Regulations, 2015 read with Regulation 41(4) of SEBI (ICDR) Regulations, 2018.

Dear Sir/Madam,

With reference to the aforesaid cited, attached herewith is the Monitoring Agency Report w.r.t. utilization of proceeds of Initial Public Offer (IPO) of **Nova Agritech Limited** for the quarter ended 30th September, 2024 issued by CARE Ratings Limited, Monitoring Agency appointed by the Company in this regard.

The Monitoring Agency Report is also available on the website of the Company i.e. <https://novaagri.in/investor-relations/notices-and-disclosures/>.

Please take the same on record and suitably disseminate it to all concerned.

Thanking you!

For Nova Agritech Limited

Neha Soni

Company Secretary & Compliance Officer

Encls: Monitoring Agency Report for the quarter ended 30th September, 2024

No. CARE/HRO/GEN/2024-25/1033

**The Board of Directors
Nova Agritech Limited**

Sy. No. 251/A/1,
Singannanguda Village, Mulugu Mandal,
Siddipet, Medak,
Telangana- 502279

08/11/2024

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended 09/30/2024 - in relation to the IPO of Nova Agritech Limited ("the Company")

We write in our capacity of Monitoring Agency for the Initial Public Offering for the amount aggregating to Rs. 143.81 crore of the Company and refer to our duties cast under Regulation 41 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 09/30/2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 12/28/2023.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,

md Jawed Anson

Assistant Director

mohammed.a@careedge.in

Report of the Monitoring Agency

Name of the issuer: Nova Agritech Limited

For quarter ended: 09/30/2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

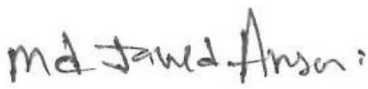
(b) Range of Deviation: Not Applicable

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.



Name and designation of the Authorized Signatory: Mohammed Javed Ansari

Designation of Authorized person/Signing Authority: Assistant Director

1) Issuer Details:

Name of the issuer : Nova Agritech Limited
 Name of the promoter : Suraksha Agri Retails (India) Private Limited
 Yeluri Family Trust
 Malathi S
 Kiran Kumar Atukuri
 Industry/sector to which it belongs : Agriculture (Agri Input Industry)

2) Issue Details

Issue Period : 01/23/2024 to 01/25/2024
 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. 112.00 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	CA certificate*, Bank statements	The net proceeds of the issue are Rs.100.95 crore out of which Rs.60.37 crore was spent as on September 30, 2024.	-
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	No	-
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not Applicable	All the proceeds from Fresh Issue have been utilized appropriately for	-

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
			the objectives mentioned in the offer document.	
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 favorable/unfavorable events affecting the viability of these object(s)?	No	Not Applicable	No	-
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not Applicable	No	-

*Chartered Accountant certificate from NSVR & Associates LLP dated October 26, 2024

#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	Investment in subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	Chartered Accountant certificate*, Final Prospectus	14.20	Not Applicable	No comments	-	-	-

2	Funding Capital Expenditure by Company, towards expansion of existing formulation plant	Chartered Accountant certificate*, Final Prospectus	10.49	Not Applicable	No comments	-	-	-
3	Funding of working capital requirement of the company	Chartered Accountant certificate*, Final Prospectus	26.65	Not Applicable	No comments	-	-	-
4	Investment in the subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	Chartered Accountant certificate*, Final Prospectus	43.36	Not Applicable	No comments	-	-	-
5	General corporate purpose	Chartered Accountant certificate*, Final Prospectus	6.24	Not Applicable	As per the offer document, the original cost for GCP is mentioned as Rs 3.13 crore. However, the company has clarified that the amount was erroneously mentioned as Rs.3.13 crore instead of Rs 6.24. The same was rectified subsequently and GCP amount has been revised to Rs 6.24. The same was informed to SEBI and a corrigendum has been issued by the company on direction of SEBI on January 29, 2024.	-	-	-
Total			100.95					

*Chartered Accountant certificate from NSVR & Associates LLP dated October 26, 2024

(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	Investment in subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	CA certificate*, Bank statements	14.20	-	6.02	6.02	8.18	Company has transferred Rs 6.02 crores from MA account to CC account of NAL. It was subsequently transferred to NASPL OCD account and then to NASPL CC account. The funds were utilised towards stated capex, however, the same cannot be ascertained due to large number of transactions towards its vendors.	-	-
2	Funding Capital Expenditure by Company, towards expansion of existing formulation plant	CA certificate*, Bank statements	10.49	-	-	-	10.49	The company was supposed to spend Rs. 2.50 crore towards the said object in Q4FY24 which was not utilised. However, the offer document states that if the proceeds are not utilised in the respective periods, it can be utilised in the subsequent periods.	-	-
3	Funding of working capital requirement of the company	CA certificate*, Bank statements	26.65	17.03	-	17.03	9.62	As per the offer document, the company was supposed to use Rs 17.03 crore by FY25 for working capital requirement. Since, the company has already utilised this amount, there will not be any further funding for working capital requirement in FY25. The remaining Rs 9.62	-	-

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
								crore is scheduled to be utilised in FY26.		
4	Investment in the subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	CA certificate*, Bank statements	43.36	16.80	14.29	31.09	12.27	<p>On August 14, 2024, the company transferred Rs 5.15 crore from the MA account to NAL CC account, from where it was subsequently transferred to NASPL OCD account. The amount was finally transferred from OCD account to NASPL CC account on August 16, 2024.</p> <p>On August 27, 2024, the company transferred Rs 9.14 crore from MA account to NAL CC account from which it was transferred to NASPL OCD account. The amount was finally transferred from OCD account to NASPL CC account on August 29, 2024.</p> <p>Overall, in Q2FY25, the company utilized Rs 14.29 for working capital requirement of its subsidiary. As of the end of the quarter, the total amount utilized stood at Rs. 31.09 crore, and the remaining amount is to be used in FY26, as per the offer document.</p>	-	-

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
5	General corporate purpose	CA certificate*	6.23	6.23	-	6.23	0.00	On February 23, 2024, the company debited Rs 1.65 crore followed by an additional debit of Rs. 4.58 crore on March 5, 2024, bringing the total amount debited for GCP to Rs. 6.23 crore.	-	-
Total			100.95	40.06	20.31	60.37	40.58			

*Chartered Accountant certificate from NSVR & Associates LLP dated October 26, 2024

MA: Monitoring agency CC: Cash Credit OCD: Optionally Convertible Debentures

(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 Deposit- Union Bank of India	10.00	28th Mar,2025	-	7.62%	-
2	Fixed Deposit- ICICI Bank	11.89	29th Mar,2025	-	7.65%	-
3	Fixed Deposit-ICICI Bank	5.10	12th Dec,2024	-	6.50%	-
4	Fixed Deposit-Union Bank of India	10.00	10th Dec,2024	-	7.20%	-
5	Balance in IPO monitoring account	3.73		-		
6	Balance in Public Issue account	2.42		-		
Total		43.15				

Unutilized net proceeds	40.58
Issue related expenses to be spent towards IPO	2.22
Issue related expenses towards OFS	0.14
Funds to be transferred to selling shareholder	0.08
Interest from FDs	0.12
Total unutilized amount	43.15

(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
Investment in subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	FY24: Rs 3.00 crore FY25: Rs 11.20 crore	Rs 6.02	Ongoing	-	-
Funding Capital Expenditure by Company, towards expansion of existing formulation plant	FY24: Rs 2.50 crore FY25: Rs 7.99 crore	Nil	Ongoing*	-	-
Funding of working capital requirement of the company	FY24: Rs 4.77 crore FY25: Rs 12.26 crore	FY24: Rs 4.77 crore FY25: Rs 12.26 crore	Not Applicable	-	-
Investment in the subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	FY24: Rs 9.06 crore FY25: Rs 22.03 crore	FY24: Rs 9.06 crore FY25: Rs 22.03	Not Applicable	-	-
General corporate purpose	Rs 6.23 Crore	Rs 6.23	Not Applicable	-	-

* As per the offer document, the company was supposed to invest Rs 2.50 crore towards Nova Agritech Limited for the expansion of existing plant in FY24, but it did not spend the specified amounts by March 2024. However, the offer document states that if funds are not utilized in the given time period, they can be used in the subsequent period.

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	General Corporate Purpose	6.23	CA certificate*, Bank Statement	GCP proceeds were utilized towards working capital requirements of Nova Agritech Limited.	-
	Total	6.23			

*Chartered Accountant certificate from NSVR & Associates LLP dated October 26, 2024

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

General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ 312.73 lakhs, towards general corporate purposes, subject to such amount, not exceeding 25% of the Gross Proceeds from the Fresh Offer, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include strategic initiatives, Branding expenses, meeting expenses towards Research and Development, meeting exigencies and expenses incurred by our Company in the ordinary course of business, as may be applicable. The quantum 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. Such utilization shall be

approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising any surplus amounts.

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.