

**ZAGGLE/24-25/113**

November 15, 2024

To <b>Listing Department</b> NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex, Bandra (East), Mumbai -400 051, Maharashtra  <b>Company Symbol: ZAGGLE</b>	To <b>The Corporate Relations Department</b> BSE LIMITED Phiroz Jeejeebhoy Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai -400 001, Maharashtra  <b>Company Scrip Code: 543985</b>
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Dear Sir / Madam,

**Sub: Monitoring Agency Report for the quarter ended September 30, 2024.**

Pursuant to Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Regulation 41(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed Monitoring Agency Report for the quarter ended September 30, 2024, issued by Care Ratings Limited, duly reviewed and taken on record by the Audit Committee and Board of Directors of the Company respectively.

Further, we hereby confirm that there has been no deviation in the utilization of issue proceeds from the objects as stated in the Offer Document for Public Issue of the Company.

You are requested to take the information on record.

Thanking you

Yours faithfully,

**For Zaggle Prepaid Ocean Services Limited**

**Hari Priya**  
**Company Secretary and Compliance Officer**

Encl: As above

**Zaggle Prepaid Ocean Services Limited**

(formerly known as Zaggle Prepaid Ocean Services Private Limited)

**Regd. Office :** 15<sup>th</sup> Floor – Western Block, Vamasiram – Suvarna Durga Tech Park, Nanakramguda Village, Serilingampally Mandal, GHMC Serilingampally Circle, Ranga Reddy District, 500032, Telangana, India  
CIN: L65999TG2011PLC074795 | PAN : AAACZ4965E | accounts.hyd@zaggle.in | www.zaggle.in

# Monitoring Agency Report



No.CARE/HO/GEN/2024-25/1105

**The Board of Directors**

**Zaggle Prepaid Ocean Services Limited**

301, III Floor, CSR Estate Plot No. 8, Sector 1,  
HUDA, Techno Enclave, Madhapur Main Road,  
Hyderabad, Rangareddi – 500 081,  
Telangana, India

November 14, 2024

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended September 30, 2024 - in relation to the IPO of Zaggle Prepaid Ocean Services Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Initial Public Offer for the amount aggregating to Rs. 392 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 September 30, 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 29, 2023.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

A handwritten signature in black ink, appearing to read "Darshan Shah".

**Darshan Shah**

Assistant Director

[Darshan.shah@careedge.in](mailto:Darshan.shah@careedge.in)

**Report of the Monitoring Agency**

Name of the issuer: Zaggie Prepaid Ocean Services 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.



Signature:

Name of the Authorized Signatory: Darshan Shah

Designation of Authorized person/Signing Authority: Assistant Director

**1) Issuer Details:**

Name of the issuer : Zaggle Prepaid Ocean Services Limited  
 Name of the promoter : Raj P. Narayanam; Avinash Godkhindi  
 Industry/sector to which it belongs : IT Enabled Services, Information Technology

**2) Issue Details**

Issue Period : September 14, 2023 to September 18, 2023  
 Type of issue (public/rights) : Initial Public Offer (IPO)  
 Type of specified securities : Equity Shares  
 IPO Grading, if any : Not Applicable  
 Issue size (in crore) : Rs. 392 crores

**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, Red Herring Prospectus, Bank Statement, Board Resolution, Invoices	Utilization of net proceeds is in line with the objects of the IPO	Nil
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not Applicable	Not Applicable	-	-
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not Applicable	-	-
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not Applicable	Not Applicable	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not Applicable	Not Applicable	-	-
Whether all arrangements pertaining to technical assistance/collaboration	Not Applicable	Not Applicable	-	-

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
are in operation?				
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not Applicable	Not Applicable	-	-
Is there any other relevant information that may materially affect the decision making of the investors?	Not Applicable	Not Applicable	Delay in implementation of the object - Covered below under table – (iv) Delay in implementation of the object(s).	Nil

#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 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	Expenditure towards customer acquisition and retention	Red Herring Prospectus* and CA Certificate**	300.00	-	Not Applicable	Nil	Nil	Nil
2.	Expenditure towards development of technology and products	Red Herring Prospectus* and CA Certificate**	40.00	-	Not Applicable	Nil	Nil	Nil
3.	Repayment or pre-payment of certain borrowings, in full or in part, availed by the Company	Red Herring Prospectus* and CA Certificate**	17.083	-	Not Applicable	Nil	Nil	Nil
4	General corporate purposes (GCP)	Red Herring Prospectus* Board Resolution^, and CA Certificate**	5.099	5.077	Board Resolution has been passed for revision in cost of objects due to change in issue expenses	Nil	Nil	Nil
<b>Total</b>			<b>362.182^</b>	<b>362.16</b>				

\*Sourced from Page No. 100 of the Red Herring Prospectus.

\*\* The above details are verified by PRSV & Co. Chartered Accountants vide its CA certificate dated November 06, 2024.

^ As per the Board Resolution passed on February 06, 2024 , attached in Annexure C, the net proceeds available are Rs. 362.160 crores, due to an increase in the offer-related expenses, the same would be adjusted against GCP.

(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		
				Revised Cost in Rs Crore	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	Expenditure towards customer acquisition and retention	Red Prospectus*, Herring Bank Statement, Invoices, and CA Certificate**	300.000	300.000	126.109	56.350	182.459	117.541	Utilized towards cashbacks, commissions, advertisements and marketing expenditure, etc.	Nil	Nil
2	Expenditure towards development of technology and products	Red Prospectus*, Herring Bank Statement, Invoices, and CA Certificate**	40.000	40.000	1.929	11.900	13.829	26.171	Utilized towards salary of tech team, purchase of equipment i.e. modems, laptops, sponsorship fees for tech fest, etc.	Nil	Nil
3	Repayment or pre-payment of certain borrowings, in	Red Prospectus*, Herring Bank Statement, Invoices, and CA Certificate**	17.083	17.083	16.800	0.000	16.800%	0.283#	Nil utilisation during the quarter	Nil	Nil

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		
				Revised Cost in Rs Crore	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
	full or in part, availed by the Company										
4	General corporate purposes (GCP)	Red Prospectus*, Herring Board Resolution^, and CA Certificate**	5.099	5.077	0.162	0.000	0.162	4.915	Nil utilisation during the quarter	Nil	Nil
<b>Total</b>			<b>362.182^</b>	<b>362.160</b>	<b>145.000</b>	<b>68.25</b>	<b>213.25</b>	<b>148.91</b>			

\*Sourced from Page No. 100 of the Red Herring Prospectus.

\*\* The above details are verified by PRSV & Co. Chartered Accountants vide its CA certificate dated November 06, 2024.

^ As per the Board Resolution passed on February 06, 2024, attached in Annexure C, the net proceeds available are Rs. 362.160 crores, due to an increase in the offer-related expenses, the same would be adjusted against GCP.



(iii) Deployment of unutilized 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.	Fixed Deposit with AU Small Finance	50.000	January 24, 2025	4.27	8.27%	
2.	Fixed Deposit with AU Small Finance	60.000	November 13, 2024	1.12	7.55%	
3.	Fixed Deposit with ICICI Bank	25.000	November 13, 2024	0.44	7.10%	
4.	Fixed Deposit with ICICI Bank	25.000	November 13, 2024	0.40	6.85%	
	<b>Total Fixed Deposits</b>	<b>160.000</b>				
	<b>Bank Balance (Monitoring Agency)</b>	<b>0.236</b>				
	<b>Bank Balance of (Current account)</b>	<b>0.210</b>				
	<b>Total</b>	<b>160.446</b>				

The above details are verified by PRSV & Co. Chartered Accountants vide its CA certificate dated November 06, 2024.

During the current quarter, the company has earned Rs. 3.27 crores as interest income on FDs, it earned Rs.2.49 crore as interest income in Q4-FY24, Rs. 2.85 crores as interest income in Q3-FY24 and interest income Rs.2.90 crore in Q2-FY24. Total accrued interest till September 30, 2024, included above is Rs.11.51 crores.

During Q1FY24 the company's monitoring account was credited to an excess amount of Rs. 0.89 crores due to the error of merchant banker, for which company had passed board resolution. BR approved downward revision in GCP cost by Rs. 0.02 crore (which is already considered during earlier period) and payment of Rs. 0.87 crore to the company as a part of reimbursement towards issue related expenses (which has happened during the earlier period).

(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
Expenditure towards customer acquisition and retention	March 31, 2024	June 06, 2024	67 days	Nil	Nil
	March 31, 2025	On-going	NA	Nil	Nil
	March 31, 2026	On-going	NA	Nil	Nil
Expenditure towards development of technology and products	March 31, 2024	August 13, 2024	136 days	Nil	Nil
	March 31, 2025	On-going	NA	Nil	Nil
	March 31, 2026	On-going	NA	Nil	Nil
Repayment or pre-payment of certain borrowings, in full or in part, availed by the Company	March 31, 2024	September 30, 2023 <sup>^</sup>	No delay	Nil	Nil
General corporate purposes (GCP)	March 31, 2024	Still pending <sup>&amp;</sup>	NA	Nil	Nil

\*Sourced from Page No. 100 and 101 of the Red Herring Prospectus.

<sup>&</sup>The company had utilized towards General corporate purposes (GCP) Rs.0.162 crore as on September 30, 2024, as against scheduled deployment of Rs.5.077 crore by March 31, 2024.

<sup>^</sup>The company had utilized Rs.16.80 crores towards the stated object, The balance amount of Rs.0.283 crores in the object 3 above is due to the payment of one EMI which was made by the company as they had anticipated to receive the funds by August instead of which they received in the month of September. As confirmed by the management the unutilised proceeds will be utilised towards any of the above-mentioned objects.

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

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
No utilization towards GCP during the quarter under reporting.					

The above details are verified by PRSV & Co. Chartered Accountants vide its CA certificate dated November 06, 2024.

**Section from the offer document related to GCP:**

*“We will have flexibility in utilizing the balance Net Proceeds, aggregating to ₹ 93.17 million towards general corporate purposes, subject to such utilization not exceeding 25% of the aggregate of the gross proceeds from the Issue, in accordance with Regulation 7(2) of the SEBI ICDR Regulations, including but not restricted towards part or full prepayment / repayment of our borrowings, strategic initiatives, acquisitions, investments in future subsidiaries of our Company, opening or setting up offices, business development initiatives, R&D, acquiring fixed assets, meeting any expense (including capital expenditure requirements) of our Company, including salaries and wages, rent, administration, insurance, repairs and maintenance, payment of taxes and duties, meeting expenses incurred in the ordinary course of business and towards any exigencies. The quantum of utilization of funds toward the aforementioned purposes will be determined by our Board based on the amount actually available under the head “General Corporate Purposes” and the corporate requirements of our Company. In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above. In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular Object i.e., the utilization of Net Proceeds.”*

**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.