



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

**CIN:** L01119TG2007PLC053901

+91 84 5425 3446 • cs@novaagri.in

**12<sup>th</sup> August, 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 30<sup>TH</sup> JUNE, 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 30<sup>th</sup> June, 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 30<sup>th</sup> June, 2024*

No. CARE/HRO/GEN/2024-25/1019

**The Board of Directors**

**Nova Agritech Limited**

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

10/08/2024

Dear Sir/Ma'am,

**Monitoring Agency Report for the quarter ended 30/06/2024 - 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 06/30/2024 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,

*Niraj Thorat*

**Niraj Thorat**

Assistant Director

[niraj.thorat@careedge.in](mailto:niraj.thorat@careedge.in)

**Report of the Monitoring Agency**

Name of the issuer: Nova Agritech Limited

For quarter ended: 06/30/2024

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 and designation of the Authorized Signatory: Niraj Thorat

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.40.06 crore was spent as on June 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?	Not Applicable	Not Applicable	All the proceeds from Fresh Issue have been utilized appropriately for the objectives mentioned in the offer document.	-

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 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 August 08, 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 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	NA	-	-	-
2	Funding Capital Expenditure by Company, towards expansion of existing formulation plant	Chartered Accountant certificate*, Final Prospectus	10.49	Not Applicable	NA	-	-	-
3	Funding of working capital requirement of the company	Chartered Accountant certificate*, Final Prospectus	26.65	Not Applicable	NA	-	-	-

4	Investment in the subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	Chartered Accountant certificate*, Final Prospectus	43.36	Not Applicable	NA	-	-	-
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 as issue related expenses pertaining to offer for sale (Rs.3.12 crore) was considered along with issue related expenses of IPO. However, the same was rectified subsequently and GCP amount has increased to that extent. The same was informed to SEBI And a corrigendum^ has been issued by the company on direction of SEBI on January 29, 2024	-	-	-
<b>Total</b>			<b>100.95</b>					

\*Chartered Accountant certificate from NSVR & Associates LLP dated August 08, 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	-	-	-	14.20	Rs. 3.00 crore was supposed to be spent for the object in Q4FY24 which the company has 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.	-	-
2	Funding Capital Expenditure by Company, towards expansion of existing formulation plant	CA certificate*, Bank statements	10.49	-	-	-	10.49	Rs. 2.50 crore was supposed to be spent for the object in Q4FY24 which the company has 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	4.77	12.26	17.03	9.62	On April 06, 2024, Rs 10.00 crore have been transferred from MA account to CC account of Nova Agritech Limited for the working capital requirement of the company. On April 19, 2024, Rs 10.00 crore was again transferred	-	-

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
								from MA account to CC account of Nova Agritech Limited out of which Rs 2.26 crore was used for working capital requirement of the company		
4	Investment in the subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	CA certificate*, Bank statements	43.36	9.06	7.74	16.80	26.56	In Q1FY25, Rs 16.80 crore was transferred to OCD account of the subsidiary company NASPL from the CC account of NAL instead of direct transfer from MA account. Out of received amount Rs. 15.60 crore was transferred to CC account of NASPL for their working capital requirement.	-	-
5	General corporate purpose	CA certificate*	6.23	6.23	-	6.23	0.00	On February 23, 2024, the company has debited Rs 1.65 crore and on March 05, 2024, the company has debited Rs 4.58 crore totalling Rs. 6.23 crore for GCP.	-	-
<b>Total</b>			<b>100.95</b>	<b>20.06</b>	<b>20.00</b>	<b>40.06</b>	<b>60.89</b>			

\*Chartered Accountant certificate from NSVR & Associates LLP dated August 08, 2024.



(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	28-03-2025	-	7.62	-
2	Fixed Deposit- ICICI Bank	11.89	29-03-2025	-	7.65	-
3	Fixed Deposit-Union Bank of India	10.00	09-10-2024	-	6.50	-
4	Fixed Deposit-Union Bank of India	10.00	10-12-2024	-	7.20	-
5	Fixed Deposit- ICICI Bank	5.10	11-07-2024	-	5.50	-
6	Fixed Deposit- ICICI Bank	5.10	11-08-2024	-	6.00	-
7	Fixed Deposit- ICICI Bank	5.10	11-09-2024	-	6.50	-
8	Balance in IPO monitoring account	3.72				
9	Balance in Public Issue account	2.42				
<b>Total</b>		<b>63.33</b>				

Note:

Unutilized net proceeds	Rs 60.89
Issue related expenses to be spent towards IPO	Rs 2.22
Issue related expenses towards OFS	Rs 0.14
Funds to be transferred to selling shareholder	Rs 0.08
<b>Total unutilized amount</b>	<b>Rs 63.33</b>

(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	Nil	Ongoing	-	-
Funding Capital Expenditure by Company, towards expansion of existing formulation	FY24: Rs 2.50 crore	Nil	Ongoing	-	-

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
plant	FY25: Rs 7.99 crore				
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	Rs 16.80 Crore	Not Applicable	-	-
General corporate purpose	Rs 6.23 Crore	Rs 6.23	Not Applicable	-	-

\*The company has not made any investment in subsidiary, NASPL for setting up a new formulation plant and funding capital expenditure by NAL for expansion of its existing facility till Q1FY25. However, the company has indicated that the investments for capex has started from July, 2024 onwards.

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

Sr. No	Item Head <sup>^</sup>	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.	-
	<b>Total</b>	<b>6.23</b>			

\*Chartered Accountant certificate from NSVR & Associates LLP dated August 08, 2024.

<sup>^</sup> 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.