

ZAGGLE/2024-25/19

May 10, 2024

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

Sub: Monitoring Agency Report for the quarter ended March 31, 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 March 31, 2024, issued by Care Ratings Limited, duly reviewed and taken on record by the Audit Committee and Board of Directors of the Company in their meeting held on May 08, 2024.

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

Monitoring Agency Report



No. CARE/HO/GEN/2024-25/1017

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.

May 09, 2024

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2024 - in relation to the IPO of Zaggle Prepaid Ocean Services Limited ("the Company")

We write in our capacity of Monitoring Agency for the fresh issue for the amount aggregating to Rs. 392.00 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 March 31, 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

Monitoring Agency Report



Report of the Monitoring Agency

Name of the issuer: Zaggle Prepaid Ocean Services Limited

For quarter ended: March 31, 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.

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

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 : Opened on September 14, 2023, and closed on 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 crore (Note 1)

Note 1:

The company had offered 2.39 crore Equity Shares under the fresh issue and 1.04 crore Equity Shares under offer for sale, at Rs. 164 per share (including share premium of Rs. 163 per share) aggregating to ₹ 563.38 crore. The issue was oversubscribed by 12.86 times and the company has allotted 23,902,439 Equity Shares to the applicants.

Particulars	Remarks
Total shares issued and subscribed as part of IPO	23,902,439
Total subscriptions towards IPO (in Rs. crore)	392.00
Details of expenses incurred related to issue (in Rs. crore)	29.84*
Net Proceeds of IPO (Rs. crore)	362.16^

^ As per the Board Resolution passed in the previous quarter, the net proceeds available are Rs. 362.160 crores, due to an increase in the offer related expenses, the same is adjusted against GCP.

**The issue expense has been revised after receiving the Board Resolution, passed in the previous quarter, from Rs. 29.82 crore to Rs. 29.84 crore, the same has been adjusted against the GCP.*

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	-	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not Applicable	-	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not Applicable	Not Applicable	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not Applicable	Not Applicable	-	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not Applicable	Not Applicable	-	Nil
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not Applicable	Not Applicable	-	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	Not Applicable	Not Applicable	-	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*, Bank Statement, Invoices and CA Certificate**	300.00	-	Not Applicable	Nil	Nil	Nil
2	Expenditure towards development of technology and products	Red Herring Prospectus*, Bank Statement, Invoices 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*, Bank Statement, Invoices and CA Certificate**	17.083	-	Not Applicable	Nil	Nil	Nil
4	General corporate purposes (GCP)	Red Herring Prospectus*, Bank Statement, Invoices, Board Resolution^, and CA Certificate**	5.099	5.077	Board Resolution for revision in cost of objects due to change in issue expenses has been passed	Nil	Nil	Nil
Total			362.182^	362.16				

* Sourced from Page 100 of the Red Herring Prospectus

** The above details are verified by PRSV & Co. Chartered Accountants vide its CA certificate dated May 02, 2024

^ As per the Board Resolution passed in the previous quarter, the net proceeds available are Rs. 362.160 crores, due to an increase in the offer-related expenses, the same is 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	Revised Cost in Rs. Crore	Amount utilised in Rs. Crore			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	Expenditure towards customer acquisition and retention	Red Herring Prospectus*, Bank Statement, Invoices, and CA Certificate**	300	300	45.112	40.155	85.267	214.733	Utilized in line with the objects mentioned in the prospectus	Nil	Nil
2	Expenditure towards development of technology and products	Red Herring Prospectus*, Bank Statement, Invoices, and CA Certificate**	40	40	0.199	0.414	0.613	39.387	Utilized in line with the objects mentioned in the prospectus	Nil	Nil
3	Repayment or pre-payment of certain borrowings, in full or in part, availed by the Company	Red Herring Prospectus*, Bank Statement, Invoices, and CA Certificate**	17.083	17.083	16.80	-	16.80	0.283#	Utilized in line with the objects mentioned in the prospectus	Nil	Nil
4	General corporate purposes (GCP)	Red Herring Prospectus*, Bank Statement, Invoices, Board Resolution^, and CA Certificate**	5.099	5.077	-	0.162	0.162	4.915	Utilized towards payment of advisory services	Nil	Nil
Total			362.182^	362.160	62.111	40.731	102.84	259.318			

* Sourced from Page 100 of the Red Herring Prospectus.

** The above details are verified by PRSV & Co. Chartered Accountants vide its CA certificate dated May 02, 2024.

^As per the Board Resolution passed in the previous quarter, the net proceeds available are Rs. 362.160 crores, due to an increase in the offer-related expenses, the same is adjusted against GCP.

The unutilized amount of Rs. 0.283 crore is attributed to the payment of one EMI by the Company, anticipating receipt of funds in August, but ultimately realizing them in September.

(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	90.00	24-01-2025	7.67	8.27%	N.A.
2	Fixed Deposit with ICICI Bank	25.00	06-04-2024	-	4.75%	N.A.
3	Fixed Deposit with ICICI Bank	50.00	13-05-2024	-	7.10%	N.A.
4	Fixed Deposit with ICICI Bank	100.00	12-05-2024	1.84	7.40%	N.A.
	Total Fixed Deposits**	265.00				
	Bank Balances [§]	0.97				
	Total	265.97				

The above details are verified by PRSV & Co. LLP Chartered Accountants vide its CA certificate dated May 02, 2024.

During the current quarter, the Company has earned Rs. 2.85 crores interest income in Q4 and interest income Rs.2.90 crore in Q3 also Includes 0.87 crore erroneously transferred by the merchant banker which will be transferred to company's account in the Q1-FY25.

**Verified through Fixed Deposits receipt

§Bank Balance as per statement.

(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	Still pending*		Nil	Nil
Expenditure towards development of technology and products	March 31, 2024	Still pending^		Nil	Nil
General corporate purposes (GCP)	March 31, 2024	Still pending ^{&}		Nil	Nil

*The company has utilized towards Expenditure towards customer acquisition and retention Rs.85.267 crore as on March 31, 2024 as against scheduled deployment of Rs.120 crore

^The company has utilized towards Expenditure towards development of technology and products Rs.0.613 crore as on March 31, 2024 as against scheduled deployment of Rs.12.5 crore

&The company has utilized towards General corporate purposes (GCP) Rs.0.162 crore as on March 31, 2024 as against scheduled deployment of Rs.5.077 crore

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	Advisory Services	0.162	CA Certificate and Invoice	-	Nil
	Total	0.162			

The above details are verified by PRSV & Co. LLP Chartered Accountants vide its CA certificate dated May 02, 2024.

^Section from the offer document related to GCP: "The Net Proceeds will first be utilised for expenditure towards Customer acquisition and retention, expenditure towards development of technology and products and repayment or prepayment of certain borrowings, in full or part, availed by our Company, in the manner as set out in this section. Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹50.99 million, towards general corporate purposes and the business requirements of our Company, provided however, that the Net Proceeds proposed to be deployed towards general corporate purposes does not exceed 25% of the gross proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations. The Pre-IPO Proceeds will be fully utilised toward general corporate purposes, and the Net Proceeds proposed to be deployed towards general corporate purposes has been adjusted accordingly. The general corporate purposes for which our Company proposes to utilise Net Proceeds and Pre-IPO Proceeds include, but are not restricted to, funding any shortfall in any of the abovementioned Objects, purchase or building up of fixed assets, repairs and maintenance and meeting other capital expenditure requirements, acquisitions or strategic initiatives, strengthening marketing capabilities, investment to expand our presence outside India, interest payments and other debt servicing costs and working capital requirements incurred in the ordinary course of business including salaries and wages, general and administrative expenses and ongoing general corporate contingencies. In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as may be approved periodically by our Board or a duly appointed committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act. Our Company's management shall have flexibility in utilizing surplus amounts, if any, as may be approved by the Board or a duly appointed committee from time to time. In case of variation in the actual utilisation 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."

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.