

**Monitoring Agency Report for
Innova Captab Limited
for the quarter ended
June 30, 2024**

CRL/MAR/INVCTL/2024-25/1125

July 23, 2024

To

Innova Captab Limited

601, Proxima, Plot No. 19, Sector
30 A, Vashi, Navi Mumbai,
Maharashtra 400705, India

Dear Sir,

**Monitoring Agency Report for the quarter ended June 30, 2024 - in relation to the Initial Public Offer ("IPO")
of Innova Captab Limited ("the Company")**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**") and Monitoring Agency Agreement dated December 06, 2023, enclosed herewith the Monitoring Agency Report, issued by CRISIL Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended June 30, 2024.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Sushant Sarode
Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: Innova Captab Limited

For quarter ended: June 30, 2024

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable


(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 we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

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: Sushant Sarode

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

1) Issuer Details:

Name of the issuer:	Innova Captab Limited
Names of the promoter:	a. Manoj Kumar Lohariwala b. Vinay Kumar Lohariwala
Industry/sector to which it belongs:	Pharmaceuticals

2) Issue Details

Issue Period:	Thursday, December 21, 2023, to Tuesday, December 26, 2023
Type of issue (public/rights):	Initial Public Offer (IPO)
Type of specified securities:	Equity Shares
IPO Grading, if any:	NA
Issue size:	Rs 5,700.00 million Issue size comprises of fresh issuance/gross proceeds of Rs 3,200.00 million (Net proceeds of Rs 2,931.09 million*) and an offer for sale of Rs 2,500.00 million

*CRISIL Ratings shall be monitoring the net proceeds.

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	Management undertaking, Independent chartered accountant certificate [^] , Final Offer Document, Bank Statements	No Comments	No Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	NA		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	NA		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	No		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments

NA represents Not Applicable

[^]Certificate dated July 10, 2024, issued by M/s N B T & Co., Chartered Accountants (Firm Registration Number: 140489W), Peer-reviewed Independent Chartered Accountant.

4) Details of object(s) to be monitored:

i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in million)	Revised Cost (Rs in million)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment and / or prepayment, in part or in full, of certain outstanding loans of the Company	Management undertaking, Independent chartered accountant certificate ^, Final offer document	1,444.00	NA	No revision	No Comments	No Comments	No Comments
2	Investment in the Subsidiary, UML, for repayment and / or prepayment in part or full of outstanding loans availed by UML		236.00	NA	No revision	No Comments	No Comments	No Comments
3	Funding working capital requirements of the Company		720.00	NA	No revision	No Comments	No Comments	No Comments
4	General Corporate Purposes#		531.09	NA	No revision	No Comments	No Comments	No Comments
	Total	-	2,931.09	-	-	-	-	-

^ Certificate dated July 10, 2024, issued by M/s N B T & Co., Chartered Accountants (Firm Registration Number: 140489W), Peer-reviewed Independent Chartered Accountant.

#The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 800.00 million) from the Fresh Issue.

ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in million)	Amount utilized (Rs in million)			Total unutilized amount (Rs in million)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Repayment and / or prepayment, in part or in full, of certain outstanding loans of the Company	Management undertaking, Independent chartered accountant certificate ^, Final Offer Document, Bank Statements	1,444.00	1,444.00	Nil	1,444.00	Nil	Proceeds fully utilized towards the stated object	No Comments	No Comments
2	Investment in the Subsidiary, UML, for repayment and / or prepayment in part or full of outstanding loans availed by UML		236.00	236.00	Nil	236.00	Nil	Proceeds fully utilized towards the stated object	No Comments	No Comments
3	Funding working capital requirements of the Company		720.00	100.00	Nil	100.00	620.00	No utilization during the reported quarter	No Comments	No Comments
4	General Corporate Purposes		531.09	531.09	Nil	531.09	Nil	Proceeds fully utilized towards the stated object	No Comments	No Comments
	Total		2,931.09	2,311.09	Nil	2,311.09	620.00	-	-	-

^Certificate dated July 10, 2024, issued by M/s N B T & Co., Chartered Accountants (Firm Registration Number: 140489W), Peer-reviewed Independent Chartered Accountant.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Repayment and / or prepayment, in part or in full, of certain outstanding loans of the Company	The Company has entered into various financing arrangements, including borrowings in the form of long-term loans, cash credit facilities and working capital demand loans, among others. The Company proposes to utilize an aggregate amount of ₹1,444.00 million from the Net Proceeds towards repayment and / or prepayment, in part or in full, of certain outstanding loans of the Company.
Investment in the Subsidiary, UML, for repayment and / or prepayment in part or full of outstanding loans availed by UML	UML availed (i) a loan of ₹300.00 million from HDFC Bank Limited, pursuant to the master facility agreement dated April 9, 2019, and (ii) a loan of ₹1,450 million from HDFC Bank Limited, pursuant to the facility agreement dated June 14, 2023 (the "UML Loans"). The Company proposes to invest ₹236.00 million from the Net Proceeds in UML, and UML will utilise this amount to repay / prepay, in part or full, the UML Loans.
Funding working capital requirements of the Company	The Company funds most of its working capital requirements in the ordinary course of business from banks and internal accruals. As on October 31, 2023, the total outstanding borrowings in respect of their working capital facilities was ₹1,585.53 million, on a consolidated basis. The Company intends to utilise ₹720.00 million from the Net Proceeds to fund working capital requirements.
General Corporate Purposes	<p>General corporate purposes may include, but are not restricted to,</p> <ul style="list-style-type: none"> (i) Funding growth opportunities, including strategic initiatives; (ii) Meeting any expenses incurred in the ordinary course of business by the Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (iii) Servicing of borrowings including payment of interest; (iv) Brand building and other marketing expenses; (v) Meeting of exigencies which the Company may face in the course of any business; and (vi) Any other purpose as permitted by applicable laws and as approved by the Board or a duly appointed committee thereof, subject to compliance with applicable law, including provisions of the Companies Act

iii. Deployment of unutilised proceeds[^]:

S. No.	Type of instrument where amount is invested	Amount invested (in million)	Maturity date	Earnings as at quarter ended June 30, 2024 (in million)	Return on Investment (%)	Market value as at the end of quarter (in million)
1	FD 003240300003360 – Company's Yes Bank Account	200.00	4-Jul-24	7.61	7.82%	207.61
2	FD 003240600001292 – Company's Yes Bank Account	200.00	3-Aug-24	7.67	7.82%	207.67
3	FD 003240600001302 – Company's Yes Bank Account	220.00	3-Sep-24	8.44	7.82%	228.44
	Total	620.00	-	23.72	-	643.72

[^]On the basis of management undertaking and certificate dated July 10, 2024, issued by M/s N B T & Co., Chartered Accountants (Firm Registration Number: 140489W), Peer-reviewed Independent Chartered Accountant.

Note:

An amount of Rs. 0.14 million was transferred to the Company's Monitoring Account maintained with HDFC Bank from Company's public issue account on December 29th, 2023. This amount is part of the IPO issue expenses and shall be utilized towards the same.

iv. Delay in implementation of the object(s)[^]:

Object(s)	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
Not applicable					

[^]On the basis of management undertaking

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

Not applicable on the basis of management undertaking

Disclaimers:

- a) *This Report is prepared by CRISIL Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). 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.*
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