

Date: May 15, 2023

To,

**Listing Department
National Stock Exchange of India Limited**
Exchange Plaza, C-1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Symbol: SYRMA

**Department of Corporate Service
BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code: 543573

Subject: Report of the Monitoring Agency under Regulation 41 (4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Dear Sir/ Madam,

Pursuant to the aforesaid SEBI ICDR Regulations and SEBI Listing Regulations, please find enclosed herewith the monitoring agency report in respect of utilization of proceeds of the initial public offer of the Company for the quarter ended March 31, 2023, issued by CRISIL Ratings Limited, Monitoring Agency. The said Monitoring Agency Report shall also be available on the Company's website at www.syrmasgs.com.

You are requested to take the same on record and disseminate to all concerned.

For **Syrma SGS Technology Limited**

Rahul Sinnarkar
Company Secretary & Compliance Officer
Membership No: A39709
Place: Gurgaon, HR

Monitoring Agency Report for Syrma SGS Technology Limited for the quarter ended March 31, 2023

CRL/MAR/SYMTPL/2022-23/1021

May 15, 2023

To

Syrma SGS Technology Limited

Unit no. 601, 6th floor, Floral Deck PL MIDC,
Andheri (East) Mumbai, Maharashtra - 400093

Dear Sir,

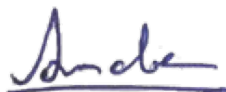
**Monitoring Agency Report for the quarter ended March 31, 2023 - in relation to the Initial Public Offer
("IPO") of Syrma SGS Technology Limited ("the Company")**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 02, 2022, 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 March 31, 2023.

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: Syrma SGS Technology Limited

For quarter ended: March 31, 2023

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:	Syrma SGS Technology Limited
Names of the promoter:	a. Sandeep Tandon b. Jasbir Singh Gujral c. Veena Kumari Tandon d. Tancom Electronics Private Limited
Industry/sector to which it belongs:	Industrial Products

2) Issue Details

Issue Period:	Friday, August 12, 2022 to Thursday, August 18, 2022
Type of issue (public/rights):	Initial Public Offer (IPO)
Type of specified securities:	Equity Shares
IPO Grading, if any:	NA
Issue size:	Rs 8,401.26 million Issue size comprises of fresh issuance/gross proceeds of Rs 7,660.00 million (net proceeds of Rs 7,257.22 million*) and an offer for sale of Rs 741.26 million

**CRISIL Ratings shall be monitoring the net proceeds amount*

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

NA represents Not Applicable

[^]Certificate dated May 12, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Statutory Auditors of the Company.

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 MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding capital expenditure requirements for development of a R&D facility and expansion / setting up of manufacturing facilities	Management undertaking, Statutory Auditor Certificate^, Final offer document	4,030.00	NA	No Comments	NA	None	None
2	Funding working capital requirements of the Company;		1,315.80	NA	No Comments	NA	None	None
3	General Corporate Purposes (GCP)#		1,911.42	NA	No Comments	NA	None	None
Total		-	7,257.22	-	-	-	-	-

^Certificate dated May 12, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Statutory Auditors of the Company.

#The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds 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	Funding capital expenditure requirements for development of a R&D facility and expansion / setting up of manufacturing facilities	Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements	4,030.00	166.12	173.42	339.54	3,690.46	No comments	Certain Land acquisition, allotment from authorities are taking higher time than expected. Additionally based on management view and expected business requirements capex spend has happened conservatively to make optimum utilisation	
2	Funding working capital requirements of the Company		1,315.80	217.94	454.60	672.54	643.26	No comments	Some working capital requirements have expedited based on business requirement	
3	General Corporate Purposes (GCP)		1,911.42	-	-	-	1,911.42	No comments	This will be event based expenditure which will be in general corporate nature. There are few expenses planned which is taking some time to execute	
Total			7,257.22	384.06	628.02	1,012.08	6,245.14			

[^]Certificate dated May 12, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Statutory Auditors of the Company.

*Part of spend has been made by company by transferring net proceeds from monitoring agency account to current accounts of the company which is in variation to the standard industry practice of utilising funds from Monitoring Agency account.

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
<p>Funding capital expenditure requirements for development of a R&D facility and expansion / setting up of manufacturing facilities</p>	<ol style="list-style-type: none"> 1. Development of a R&D facility and setting up of and expansion of manufacturing and other facilities in Chennai 2. Setting up of manufacturing facility in Hyderabad- to set up two surface mount technology (SMT) lines at a new manufacturing facility in Hyderabad 3. Setting up of a new manufacturing facility and expansion of existing manufacturing facility, in Manesar, Haryana - to set up 14 surface mount technology (SMT) lines at a new manufacturing facility in Manesar 4. Expansion of manufacturing facility in Bawal, Haryana <ul style="list-style-type: none"> - to set up four surface mount technology (SMT) lines, of which: - two SMT lines are proposed to be set up at existing manufacturing facility in Bawal, and - two SMT lines are proposed to be set up at a new manufacturing facility in Bawal 5. Setting up of manufacturing facility in Hosur, Tamil Nadu - to set up three surface mount technology (SMT) lines at a new manufacturing facility in Hosur
<p>Funding working capital requirements of the Company</p>	<p>The Company funds majority of its working capital requirements in the ordinary course of business from banks and internal accruals and intends to utilise the Net Proceeds to fund its working capital requirements.</p>
<p>General Corporate Purposes (GCP)</p>	<p>To deploy the balance Net Proceeds towards general corporate purposes, to drive business growth, including, amongst other things,</p> <ol style="list-style-type: none"> a) funding growth opportunities, including strategic initiatives b) 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 c) servicing of borrowings including payment of interest d) brand building and other marketing expenses e) meeting of exigencies which the Company may face in the course of any business; and f) any other purpose as permitted by applicable laws and as approved by the Board of directors of the Company or a duly appointed committee thereof. <p>The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of the Company, from time to time.</p>

iii. Deployment of unutilised IPO proceeds[^]:

S. No.	Type of instrument where amount invested	Amount invested*	Maturity date	Earnings as on March 31, 2023**	Return on Investment (%)#	Market value as at the end of quarter [@]
1	HDFC Fixed Deposit - 50300670443837	265.88	26-Aug-24	1.54	6.20	267.42
2	HDFC Fixed Deposit - 50300707141872	3,028.50	05-Feb-24	23.69	7.32	3,052.19
3	RBL Fixed Deposit - 709016553994	1000.00	22-Nov-24	25.96	7.80	1,025.96
4	Axis Bank Fixed Deposit - 922040088197930	1000.00	24-Nov-23	25.10	7.70	1,025.10
5	ICICI Bank Fixed Deposit - 005713097620	1001.00	28-Mar-24	22.74	7.30	1,023.74
6	HDFC Monitoring Account - 57500000951058	3.76	NA	NA	NA	3.76
		6,299.14	-	99.03	-	6,398.17

*This includes interest received (net of TDS) on closure of Fixed deposits amounting to Rs. 54.00 million. (Total interest received on fixed deposits made from Net proceeds as of March 31, 2023 amounts to Rs 131.29 million of which Rs. 77.29 million has been credited to HDFC CC account no 57500000745102).

**Earnings as on March 31, 2023 is arrived by the management considering the tenure and Return on Investment of the Fixed Deposits and we have not performed any further procedures on the same.

#ROI % is based on the assumption that the fixed deposits will be redeemed only at the end of maturity date.

@Since all the investments are in fixed deposits which does not have market value, book value has been considered for the above disclosure

[^]On the basis of management undertaking and Certificate dated May 12, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Statutory Auditors of the Company.

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
Funding capital expenditure requirements for development of a R&D facility and expansion / setting up of manufacturing facilities	FY 2023 Rs 2,615.47 million	339.54 million	Refer Note	Certain Land acquisition, allotment from authorities are taking higher time than expected. Additionally based on management view and expected business requirements capex spend has happened conservatively to make optimum utilisation	The balance amount shall be utilized as per proposed schedule duly considering the current progress
General corporate purposes	FY 2023 Rs 1,911.42 million	0.00	Refer Note	This will be event based expenditure which will be in general corporate nature. There are few expenses planned which is taking some time to execute	

Note: In the offer document of the Company, it is mentioned that “to the extent the Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, per the estimated scheduled of deployment specified above, the Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects”.

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

No proceeds are utilized towards GCP during the quarter ended March 31, 2023.

^Note: On the basis of management undertaking and Certificate dated May 12, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Statutory Auditors of the Company.

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.*
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