

**Date:** February 07, 2024

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 Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 December 31, 2023, issued by CRISIL Ratings Limited, Monitoring Agency.

The said Monitoring Agency Report shall also be available on the Company's website at <https://www.syrmasgs.com/investor-relations/disclosure/>.

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

For **Syrma SGS Technology Limited**

**Komal Malik**  
**Company Secretary & Compliance Officer**  
**Membership No: F6430**  
**Place: Gurgaon**

ENCL: as above.



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

CRL/MAR/SYMTPL/2023-24/1077

February 07, 2024

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 December 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 December 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:** December 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)

# Ratings

## 1) Issuer Details:

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

## 2) Issue Details

<b>Issue Period:</b>	Friday, August 12, 2022, to Thursday, August 18, 2022
<b>Type of issue (public/rights):</b>	Initial Public Offer (IPO)
<b>Type of specified securities:</b>	Equity Shares
<b>IPO Grading, if any:</b>	NA
<b>Issue size:</b>	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 <sup>^</sup> , 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, Statutory Auditor Certificate <sup>^</sup>	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		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?	Yes		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

<sup>^</sup>Statutory Auditor Certificate dated February 06, 2024 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

## Ratings

### 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#		1,911.42	NA	No Comments	NA	None	None
	<b>Total</b>	-	<b>7,257.22</b>	-	-	-	-	-

^Statutory Auditor Certificate dated February 06, 2024 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

#The amount utilised for general corporate purposes does not exceed 25% (amounting to Rs 1,915.00 million) 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 <sup>^</sup> , Final Offer Document, Bank Statements	4,030.00	1,209.18	806.18 (Refer Note 1 & 2)	2,015.36	2,014.64	No comments	The Balance amount shall be utilized as per proposed schedule duly considering the current progress	
2	Funding working capital requirements of the Company		1,315.80	1,138.43	176.70	1,315.13	0.67	No comments		
3	General Corporate Purposes		1,911.42	1,900.00	Nil	1,900.00	11.42	No comments		
<b>Total</b>			<b>7,257.22</b>	<b>4,247.61</b>	<b>982.88</b>	<b>5,230.49</b>	<b>2,026.73</b>	-	-	-

<sup>^</sup>Statutory Auditor Certificate dated February 06, 2024 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

\*Part of spend has been made by the Company by transferring net proceeds from Company's monitoring agency account maintained with HDFC Bank to current accounts of the Company for the business operational purpose and controlling the unit's payments. This is in variation to the standard industry practice of directly utilising funds from Monitoring Agency account of the company. Further, the transferred amount stands fully utilized as at the end of this quarter.

**Note 1:** During the reported quarter, the Company has acquired Land at, "Manesar Plot no. 23 Sector 5, IMT Manesar, Gurgaon" vide board resolution dated 08 December, 2023 for expansion of its existing plant at Manesar.

The newly acquired land is adjacent to the land already owned by the Company located at Plot No. 22, Sector 5, Industrial Model Township, Manesar, Gurgaon – 122 050, Haryana, as mentioned in the prospectus filed by the Company.

In the prospectus, Company has specified that - "We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management."



Hence, the acquisition of land at “Manesar Plot no. 23 Sector 5, IMT Manesar, Gurgaon” is in line with the disclosures provided in the prospectus.

**Note 2:** During the reported quarter, the Company received a refund of Rs 15.00 million in their monitoring agency account, paid as an advance for the purchase of land on 26 July 2023. Since the seller was unable to obtain the mandatory permission from State Industries Promotion Corporation of Tamil Nadu Limited (SIPCOT) within stipulated timeline for the sale and transfer of the rights to Syrma, as per the Memorandum of Understanding (MOU). Hence, this amount is reduced from total utilisation towards Capex during the reported quarter.

## #Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Funding capital expenditure requirements for development of a R&D facility and expansion / setting up of manufacturing facilities	<ol style="list-style-type: none"> <li>1. Development of a R&amp;D facility and setting up of and expansion of manufacturing and other facilities in Chennai</li> <li>2. Setting up of manufacturing facility in Hyderabad- to set up two surface mount technology (SMT) lines at a new manufacturing facility in Hyderabad</li> <li>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</li> <li>4. Expansion of manufacturing facility in Bawal, Haryana                             <ul style="list-style-type: none"> <li>- to set up four surface mount technology (SMT) lines, of which:</li> <li>- two SMT lines are proposed to be set up at existing manufacturing facility in Bawal, and</li> <li>- two SMT lines are proposed to be set up at a new manufacturing facility in Bawal</li> </ul> </li> <li>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</li> </ol>
Funding working capital requirements of the Company	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.
General Corporate Purposes	<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"> <li>a) funding growth opportunities, including strategic initiatives</li> <li>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</li> <li>c) servicing of borrowings including payment of interest</li> <li>d) brand building and other marketing expenses</li> <li>e) meeting of exigencies which the Company may face in the course of any business; and</li> <li>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.</li> </ol> <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 proceeds<sup>^</sup>:

(Rs in million)

S. No.	Type of instruments where amount invested	Amount invested (Refer Note 1)	Maturity date	Earning as on December 31, 2023 (Refer Note 2)	Return on Investment (ROI%) (Refer Note 3)	Market Value as at the end of quarter
1	HDFC Monitoring Agency Account	24.05	NA	NA	NA	24.05
2	RBL Bank Fixed Deposit- 709016553994	1,000.00	24-11-2024	72.06	7.80%	1,072.06
3	Axis Bank Fixed Deposit- 923040102764208	999.90	25-11-2024	7.08	7.50%	1,006.98
4	ICICI Bank Fixed Deposit - 005713097620	130.60	28-03-2024	2.97	7.30%	133.57
	<b>Total</b>	<b>2,154.55</b>		<b>82.11</b>		<b>2,236.66</b>

**Notes:**

1. This includes interest received (net of TDS) aggregating to Rs 127.82 accrued during the year on closure of fixed deposits which has been reinvested.
2. Earning as on December 31, 2023 is arrived by the management considering the tenure, return on Investment of the Fixed Deposit representing accrued interest.
3. ROI% is based on the assumption that the fixed deposits will be redeemed only at the end of maturity date.
4. Since all the investments are in Fixed Deposit, which does not have market value, book value has been considered for the above disclosure.
5. The deployment of interest income earned on unutilised proceeds is neither monitored nor included in this report.

<sup>^</sup>On the basis of Management undertaking and Statutory Auditor Certificate dated February 06, 2024 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

#### iv. Delay in implementation of the object(s):

On the basis of Management undertaking and Statutory Auditor Certificate dated February 06, 2024 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018):

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					

*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, 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 ^:

On the basis of Management undertaking and Statutory Auditor Certificate dated February 06, 2024 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018), no amount was utilized towards GCP.

## 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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## Ratings

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