

S U R A J

February 13, 2024

To  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (East)  
Mumbai – 400 051

To  
BSE Limited  
Phiroze Jeejeebhoy Towers  
21<sup>st</sup> Floor, Dalal Street  
Mumbai – 400 001

**NSE Symbol: SURAJEST**

**BSE Scrip Code: 544054**

Dear Sir/Madam,

**Sub.: Monitoring Agency Report for the quarter ended 31<sup>st</sup> December, 2023**

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith Monitoring Agency Report issued by CARE Ratings Limited, Monitoring Agency, for the quarter ended 31<sup>st</sup> December, 2023 in respect of utilization of proceeds of the IPO of the Company.

Kindly take the aforesaid information on record and oblige.

Thanking you,

Yours sincerely,

**For Suraj Estate Developers Limited**



**Shivil Kapoor**

**Company Secretary & Compliance officer**

**ICSI Membership No.: F11865**

**SURAJ ESTATE DEVELOPERS LIMITED**

Aman Chambers, 3rd Floor, Century Bazaar, Prabhadevi, Mumbai, Maharashtra 400025

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CIN no. U99999MH1986PLC040873

www.surajestate.com

# Monitoring Agency Report



**No. CARE/HO/RL/2023-24/4157**

**Mr. Rajan Meenathakonil Thomas  
Managing Director**

**Suraj Estate Developers Limited**

Aman Chambers, 3<sup>rd</sup> Floor, Century Bazaar,  
Prabhadevi,  
Mumbai – 400025  
Maharashtra, India

February 01, 2024

Dear Sir,

**Monitoring Agency Report for the quarter ended December 31, 2023 - in relation to the Initial Public Offering (IPOs) of Equity Shares of Suraj Estate Developers Limited ("the Company")**

We write in our capacity of Monitoring Agency for the Fresh Issue of 11,111,111 equity shares aggregating to Rs. 400.00 Crores of the Company and refer to our duties cast under 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 December 31, 2023, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated December 06, 2023.

Request you to kindly take the same on records.

Thanking you,  
Yours faithfully,

**Manohar Annappanavar**

Associate Director

[Manohar.annappanavar@careedge.in](mailto:Manohar.annappanavar@careedge.in)

## **Report of the Monitoring Agency (MA)**

Name of the issuer: Suraj Estate Developers Limited

For quarter ended: December 31, 2023

Name of the Monitoring Agency: CARE Ratings Limited

**(a) Deviation from the objects:** As per ICDR guidelines the net issue proceeds pending utilization (for the stated objects) shall be deposited only in the scheduled commercial banks. However, the company has parked the part of unutilised interim proceeds in mutual funds (DSP Ultra short fund) amounting to Rs.5 crores and Mahindra Manulife Ultra short duration fund amounting to Rs. 5 crores.

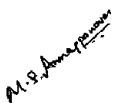
**(b) Range of Deviation:** As per ICDR guidelines the net issue proceeds pending utilization (for the stated objects) shall be deposited only in the scheduled commercial banks. However, the company has parked the part of unutilised interim proceeds in mutual funds (DSP Ultra short fund) amounting to Rs.5 crores and Mahindra Manulife Ultra short duration fund amounting to Rs. 5 crores.

### **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 of the Authorized Signatory: Manohar Annappa

Designation of Authorized person/Signing Authority: Associate Director

### 1) Issuer Details:

Name of the issuer : Suraj Estate Developers Limited  
Name of the promoter : Rajan Meenathakonil Thomas  
Industry/sector to which it belongs : Real Estate.

### 2) Issue Details

Issue Period : Opened on December 18, 2023, and closed on December 20, 2023  
Type of issue (public/rights) : Initial Public Offering (IPO)  
Type of specified securities : Equity shares  
IPO Grading, if any : Not applicable  
Issue size (in ` crore) : Rs. 400.00 crore (Note 1)

### Note 1:

Particulars	Values
Total shares issued and subscribed Nos @ (Rs. 140/share)	11,111,111
Total Proceeds received from IPO (in Rs. Crore)	400.00
Issue expenses (in Rs. Crore)	35.26**
Net Proceeds available (in Rs. Crore)	364.73

\*\* As on December 31, 2023, the company had utilised Rs. 10.071 crores towards issue expense and the rest would be incurred in the subsequent quarters, the unutilised amount is parked in public issue account.

### 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	Chartered Accountant certificate*, RHP, Bank statement, Copy of invoices	Not applicable	Nil
Whether shareholder approval has been obtained in case of material deviations <sup>§</sup> from expenditures disclosed in the Offer Document?	Not applicable	RHP, Chartered Accountant certificate**	Not applicable	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	No	RHP, Chartered Accountant certificate*	Not applicable	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable, this is the first time monitoring agency report	Chartered Accountant certificate*	Not applicable	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Chartered Accountant certificate*	Not applicable	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	RHP, Chartered Accountant certificate*	Not applicable	Nil
Are there any favourable/unfavourable events affecting the viability of these object(s)?	No	Chartered Accountant certificate*	Not applicable	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	Yes	RHP, Chartered Accountant certificate*	Comments below <sup>^</sup>	Comment Below*

\* The above details are verified by SKLR & CO LLP, Chartered Accountants vide its CA certificate dated January 27, 2024.

\*\* Auditor's remark: No deviations from expenditure disclosed in the Offer document.

<sup>§</sup> Material Deviation would mean

a) deviation in the objects or purposes for which the funds have been raised

b) deviation in the amount of funds actually utilised by more than 10% of the amount projected in the offer documents

<sup>^</sup> **CARE'S comment:** As per ICDR guidelines the net issue proceeds pending utilization (for the stated objects) shall be deposited only in the scheduled commercial banks. However, the company has parked the part of unutilised interim proceeds in mutual funds (DSP Ultra short fund) amounting to Rs.5 crores and Mahindra Manulife Ultra short duration fund amounting to Rs. 5 crores.

**Board's comment:** The matter was discussed in the board. Given the nature of the mandate available for investment, it was represented by the management that they believed a liquid ultra short fund with all the inherent features meets the requirements envisaged for a bank deposit. However, on the receipt of draft monitoring agency report the position was regularised immediately by liquidating the mutual fund investment and utilising the proceeds for the stated purpose in the offer document. While noting the status and the corrections done, the board advised the management to be careful and ensure to do necessary compliance in the future.

**a 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 Placement 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	Repayment/Prepayment of the aggregate outstanding borrowings of our Company and our Subsidiaries, Accord Estates Private Limited, Iconic Property Developers Private Limited and Skyline Realty Private Limited	RHP* and CA Certificate**	285.00	-	Not applicable	Nil	Nil	Nil
2	Acquisition of land or land development rights	RHP* and CA Certificate**	35.00	-	Not applicable	Nil	Nil	Nil
3	General corporate purposes (GCP)	RHP* and CA Certificate**	44.73	-	Not applicable	Nil	Nil	Nil
<b>Total</b>			<b>364.73</b>					

\*Sourced from Page No. 141 of RHP.

\*\* The above details are verified by SKLR & CO LLP, Chartered Accountants vide its CA certificate dated January 27, 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 (A)	Amount utilised in Rs. Crore			Total Unutilised amount in Rs. Crore as on December 31, 2023 (C=A-B)	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 (B)			Reasons for idle funds	Proposed course of action
1	Repayment/Prepayment of the aggregate outstanding borrowings of our Company and our Subsidiaries, Accord Estates Private Limited, Iconic Property Developers Private Limited and Skyline Realty Private Limited	CA Certificate, Bank Statements, Prospectus	285.00	-	285.00	285.00	-	Not applicable	Nil	Nil
2	Acquisition of land or land development rights	CA Certificate, Bank Statements, Prospectus	35.00	-	-	-	35.00	Not applicable	Nil	Nil
3	General corporate purposes (GCP)**	CA Certificate, Bank Statements, Prospectus	44.73	-	26.35	26.35	18.38	Not applicable	Nil	Nil
<b>Total</b>			<b>364.73</b>	<b>-</b>	<b>311.35</b>	<b>311.35</b>	<b>53.38</b>			

The above details are verified by SKLR & CO LLP, Chartered Accountants vide its CA certificate dated January 27, 2024.

\*\* Further as stated in the CA certificate, out of the proposed loans repayments as mentioned in the Offer Document the Company has repaid Rs. 288.50 crores up to 31st December 2023. Amount repaid, in excess of proposed repayments aggregating to Rs.3.50 crore is from the proceeds of General Corporate purpose.



iii) Deployment of unutilised IPO 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 Deposits	35.00	27-02-2024		7.30% p.a	35.00
2	Investment in Mutual Funds	10.00	NA	NA	NA	NA
3	Bank account (Escrow)-Axis Bank	31.43	NA	NA	NA	NA
4	Bank account – Axis Bank Limited	2.15	NA	NA	NA	NA
	<b>TOTAL</b>	<b>78.58**</b>				

The above details are verified by SKLR & CO LLP, Chartered Accountants vide its CA certificate dated January 27, 2024.

\*\*The difference in the amount of unutilised IPO proceeds mentioned in TABLE 2 & TABLE 3 is primarily on account of Unutilised Issue expenses.

(iv) Delay in implementation of the object(s): Nil

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
-	-	-	-	-	-

The above details are verified by SKLR & CO LLP, Chartered Accountants vide its CA certificate dated January 27, 2024.

4) 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	Repayment of unsecured loans and payment of Overdraft facility from Axis Bank	20.00	CA Certificate, Bank Statements, and No Due Certificate*	Not applicable	Nil
2	Payment to customer on cancellation of booking	2.50	CA Certificate, Bank Statements	Not applicable	Nil
3	Repayment of secured borrowings- additional repayment	3.85	CA Certificate, Bank Statements, and invoices	Not applicable	Nil
	<b>TOTAL</b>	<b>26.35**</b>			

The above details are verified by SKLR & CO LLP, Chartered Accountants vide its CA certificate dated January 27, 2024.

\*\*Further as stated in the CA certificate, out of the proposed loans repayments as mentioned in the Offer Document the Company has repaid Rs. 288.50 crores up to 31st December 2023. Amount repaid, in excess of proposed repayments aggregating to Rs.3.50 crore is from the proceeds of General Corporate purpose.