

Date: November 03, 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 September 30, 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 concerned.

For **Syrma SGS Technology Limited**

Rahul Sinnarkar

Company Secretary & Compliance Officer

M. No.: A39709

Place: Mumbai

**Monitoring Agency Report
for Syrma SGS Technology Limited
for the quarter ended September 30,
2023**

CRL/MAR/SYMTPL/2023-24/1042

November 02, 2023

To

Syrma SGS Technology Limited

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

Dear Sir,

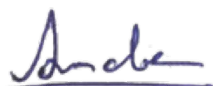
**Monitoring Agency Report for the quarter ended September 30, 2023 - in relation to the Initial Public Offer
("IPO") of Syrma SGS Technology Limited ("the Company")**

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 September 30, 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: September 30, 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	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 [^]	No Comments	NA
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	NA
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

[^]Statutory Auditor Certificate dated October 31, 2023 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 (GCP)#		1,911.42	NA	No Comments	NA	None	None
	Total	-	7,257.22	-	-	-	-	-

^Statutory Auditor Certificate dated October 31, 2023 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 [^] , Final Offer Document, Bank Statements	4,030.00	733.01	476.17	1,209.18	2,820.82	No comments	Certain Land acquisition, allotment from authorities is 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	741.92	396.51	1,138.43	177.37	No comments	Some working capital requirements have expedited based on business requirement	
3	General Corporate Purposes (GCP)		1,911.42	Nil	1,900.00	1,900.00	11.42	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	1,474.93	2,772.68	4,247.61	3,009.61	-	-	-

[^]Statutory Auditor Certificate dated October 31, 2023 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.

#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: <ul style="list-style-type: none"> - 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 proceeds[^]:

S. No.	Type of instruments where amount invested	Amount invested (Rs in million) (Refer Note 1)	Maturity date	Earning as on Sept 30, 2023 (Rs in million) (Refer Note 2)	Return on Investment (ROI%) (Refer Note 3)	Market Value as at the end of quarter (Rs in million)
1	HDFC Monitoring Agency Account	0.67	NA	NA	NA	0.67
2	HDFC Fixed Deposit- 50300707141872	89.63	05-02-2024	0.74	7.32	90.37
3	ICICI Bank Fixed Deposit- 005713097620	1,001.00	28-03-2024	60.45	7.30	1,061.45
4	RBL Bank Fixed Deposit- 709016553994	1,000.00	24-11-2024	53.42	7.80	1,053.42
5	Axis Bank Fixed Deposit- 922040088197930	1,000.00	24-11-2023	60.78	7.70	1,060.78
	Total	3,091.30	-	175.39	-	3,266.69

Notes:

1. This includes interest received (net of TDS) aggregating to Rs 81.69 million on closure of Fixed deposits which has been reinvested.
2. Earning as on September 30, 2023 is arrived by the management considering the tenure, return on Investment of the Fixed Deposit representing accrued interest, and auditor have not performed any procedure on the same.
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.

[^] On the basis of management undertaking and Statutory Auditor Certificate dated October 31, 2023 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

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 and Statutory Auditor Certificate dated October 31, 2023 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

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^:

S. No.	Item heads	Amount (Rs in million)	Remarks
1	Funding Growth Opportunities, including strategic Initiative	1,900.00	Syrma SGS Technology Limited acquired 51% shares of Johari Digital Healthcare Limited (17,73,378 shares) and paid Rs 2,295.00 million. The Company utilized Rs 1,900.00 million from IPO fund and Rs. 395.00 million from internal accruals. The Board of Directors of the Company vide resolution dated 01 August, 2023 has approved the execution of share purchase agreement between the Company and Johari Digital Healthcare Limited.

^On the basis of management undertaking and Statutory Auditor Certificate dated October 31, 2023 issued by M/s Deloitte Haskins & Sells LLP Chartered Accountants (Firm Registration Number: 117366W/W-100018).

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.*
- 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.*
- f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*
- g) *Access or use of this report does not create a client relationship between CRL and the user.*
- h) *CRL is not aware that any user intends to rely on the report or of the manner in which a user intends to use the report. In preparing this report, MA has not taken into consideration the objectives or particular needs of any particular user.*
- i) *It is made abundantly clear that the report is not intended to and does not constitute an investment advice. The report is not an offer to sell or an offer to purchase or subscribe for any investment in any securities, instruments, facilities or solicitation of any kind to enter into any deal or transaction with the entity to which the report pertains. The report should not be a basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in the US).*
- j) *The report comprises professional opinion of CRL as of the date they are expressed, based on the information received from the issuer and other sources considered reliable by CRL. Any opinions expressed here are in good faith, are subject to change without notice, and are only current as of the stated date of their issue. The report does not constitute statements of fact or recommendations to purchase, hold or sell any securities/instruments or to make any investment decisions.*
- k) *Neither CRL nor its affiliates, third-party providers, as well as their directors, officers, shareholders, employees or agents guarantee the accuracy, completeness or adequacy of the report, and shall not have any liability for any errors, omissions or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the report. CRL and each aforesaid party disclaims any and all express or implied warranties, including but not limited to any warranties of merchantability, suitability or fitness for a particular purpose or use or use. In no event shall CRL or any aforesaid party be liable to any user for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees or losses (including, without limitation, lost*

Ratings

income or lost profits and opportunity costs) in connection with any use of any part of the report even if advised of the possibility of such damages.

- l) CRL has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with the preparation of this report. CRL has in place a code of conduct and policies for managing conflict of interest.*
- m) Unless required under any applicable law, this report should not be reproduced or redistributed to any other person or in any form without prior written consent from CRL.*
- n) By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.*