



Telephone: +91 22 6661 7272 | Email: info.india@blackbox.com

BBOX/SD/SE/2025/13

February 12, 2025

To,

Corporate Relationship Department Bombay Stock Exchange Limited P.J. Tower, Dalal Street, Fort, Mumbai 400001	Corporate Relationship Department The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai 400051
--	--

Sub: Monitoring Agency Report for the quarter ended December 31, 2024

Ref.: Scrip code: BSE: 500463/NSE: BBOX

Dear Sir/Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 162(A)(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Monitoring Agency Report for the quarter ended December 31, 2024, issued by CARE Ratings Limited, duly reviewed by the Audit Committee of the Company is enclosed herewith.

This is for your information, record and necessary dissemination to all the stakeholders.

Yours Faithfully,
For Black Box Limited

Aditya Goswami
Company Secretary & Compliance Officer

Encl.: A/a.

BLACK BOX LIMITED

Registered Office: 501, 5th Floor, Building No. 9, Airoli Knowledge Park, MIDC Industrial Area, Airoli, Navi Mumbai 400 708, India

BLACKBOX.COM | CIN: L32200MH1986PLC040652 | Tel: +91 22 6661 7272

Monitoring Agency Report



No. CARE/HO/GEN/2024-25/1153

The Board of Directors

Black Box Limited

501, 5th Floor, Building No.9,
Airoli Knowledge Park,
MIDC Industrial Area, Airoli,
Navi Mumbai-400708

February 11, 2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31, 2024 - in relation to the Preferential Issue of Black Box Limited ("the Company")

We write in our capacity of Monitoring Agency for the preferential issue for the amount aggregating to Rs.386.36 crore of the Company and refer to our duties cast under 162A 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 31,2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 22,2024 and amendment to the Monitoring Agency Agreement dated November 05, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Ashish Kambli".

Ashish Kambli

Associate Director

ashish.k@careedge.in

Report of the Monitoring Agency

Name of the issuer: Black Box Limited

For quarter ended: December 31, 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(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 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 and designation of the Authorized Signatory: Ashish Kambli

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

Name of the issuer : Black Box Limited
Name of the promoter : Essar Telecom Limited

Industry/sector to which it belongs : IT Enabled Services

2) Issue Details

Issue Period for share warrants : 18 months from date of allotment
Type of issue (public/rights) : Share warrants issued to Promoter Group and Non- Promoter Category
Type of specified securities : Warrants convertible into equity shares
IPO Grading, if any : Not applicable
Issue size (in Rs. crore) : Rs. 386.36 crore (Note 1)

Note 1:

The company had offered 98,32,123 fully convertible warrants each convertible into 1 (One) Equity Share of face value of Rs. 2/- (Rupees two Only) each to the 'Promoter Group and Non-Promoter group, on preferential basis, in one or more tranches, at an issue price of Rs 417/- (Rupees Four hundred and seventeen Only) each, for an aggregate amount of up to Rs. 410.00 crore. However, due to undersubscription and as per allotment finalized dated September 27, 2024, the company offered 92,65,215 fully convertible warrants each convertible into 1 (One) Equity Share of face value of Rs. 2/- (Rupees two Only) each to the 'Promoter Group and Non-Promoter group, on preferential basis, in one or more tranches, at an issue price of Rs 417/- (Rupees Four hundred and seventeen Only) each, for an aggregate amount of up to Rs. 386.36 crore.



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* and Bank statements	The funds have been utilized in line with the object during the quarter.	Nil
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	Nil
Whether the means of finance for the disclosed objects of the issue have changed?	Yes	Not applicable	The issue size has reduced from Rs.410 crore to Rs.386.36 crore due to undersubscription.	Nil
Is there any major deviation observed over the earlier monitoring agency reports?	No	Not applicable	Not applicable	Nil
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	BSE and NSE	---	Nil
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	Nil
Are there any favourable/unfavourable events affecting the viability of these object(s)?	Not applicable	Not applicable	Not applicable	Nil
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not applicable	Nil

*CA certificate received from M/s. Rao and Shyam dated January 06, 2025.

#Where material deviation may be defined to mean:

- a) Deviation in the objects or purposes for which the funds have been raised
- b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.



4) 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 Offer 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	Investment in Subsidiaries	As per Letter of Offer*, Board resolution and Chartered Accountant Certificate*	370.00	^386.36	Not applicable	Undersubscription by the non-promoter allottee	Nil	Nil
2	General Corporate Purpose	As per Letter of Offer*, Board resolution and Chartered Accountant Certificate*	40.00		Not applicable	Undersubscription by the non-promoter allottee	Nil	Nil
Total			410.00	386.36				

*Here, the offer document containing details related to preferential issues.

* Chartered Accountant certificate from M/s. Rao and Shyam dated January 06, 2025.

^As informed by the company management, it has proposed to proportionately allocate the funds under each object due to undersubscription and this matter of change will be placed for board approval in its upcoming board meeting.



(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	Revised Amount Rs. Crore	Total amount received till Dec 31, 2024	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Amount to be received	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				Reasons for idle funds	Proposed course of action
1	Investment in Subsidiaries	As per Letter of Offer, CA Certificate*	370.00	386.36#	136.37	-	71.70 @	71.70	24.49	249.99	Company has transferred funds from HDFC MA account to its IDBI current account and then to its wholly owned subsidiary viz. Black Box Technologies PTE. Ltd. in form of equity investment and then it has given as a loan to its step-down subsidiary viz. BBX Main Inc. It further transferred to stepdown subsidiary viz. Black Box Corporation and the same were utilized under the step-down subsidiaries viz. Norstan Communications Inc., Black Box Services Company, Delaney Telecom Inc., Black Box Corporation of Pennsylvania. The proceeds have been utilized for working capital requirements towards payroll payments in these subsidiaries.	Nil	Nil
2	General Corporate Purpose	As per Letter of Offer, CA Certificate*	40.00			-	40.18	40.18			The company has utilized funds towards GCP for bank charges, Return of advance to customer, earnest money deposit, fixed deposit as margin money for letter of credit, security deposit, statutory payment, employee payments, fund raising expenses and vendor Payments which are given in the below table.	Nil	Nil
Total			410.00	386.36	136.37	-	111.88	111.88	24.49	249.99			

* Chartered Accountant certificate from M/s.Rao and Shyam dated January 06, 2025.

^ Unutilised amount of Rs. 24.49 crore remained in HDFC Preferential Issue Monitoring Account of Rs. 5.16 crore and Rs.19.33 crore in IDBI FDR's

As informed by the company management, it has proposed to proportionately allocate the funds under each object due to undersubscription and this matter of change will be placed for board approval in its upcoming board meeting. Thus, in absence of clarity of funds allocation object wise, the entire amount has been considered by CARE, however, in the CA certificate, CA has allocated the amount on the proportionate basis of original funds allocation for objects.



Further, the company has given the board a resolution for deviating in GCP amount as mentioned in C A certificate, for deviation is within range of 10% which has been approved by board vide their resolution dated August 2, 2024.

@ The company has invested Rs.71,69,58,000 (\$85,20,000.00) during Q3FY25 in the form of equity in the direct subsidiaries and in the form of loan in the form of stepdown subsidiaries to fund the working capital requirements which is in line with its objects. This transaction was routed through its direct subsidiary and indirect subsidiaries where there are other transactions as well, we have relied on management certificate and statements provided by clients to track the transactions. The nature and amount of funds invested in its subsidiaries are given below:

Date	Bank	Entity	From A/c No.	To A/c No.	Funds transferred (in \$)	Funds utilized (in \$)	Nature of fund utilization
18-10-2024	IDBI Bank	Black Box Limited	XXXX4803	XXXX0301	85,20,000.00	-	-
21-10-2024	OCBC Bank	BLACK BOX TECHNOLOGIES PTE. LTD.	XXXX0301	XXXX 4373	85,19,990.00 [^]	-	-
21-10-2024	Fifth Third Bank	BBX MAIN INC	XXXX4373	XXXX4803	85,19,975.00 [^]	-	-
21-10-2024	PNC	Black Box Corporation	XXXX4803	-	85,19,975.00	-	-
23-10-2024	PNC	Norstan Communications Inc.	XXXX4803	XXXX1961	36,22,464.26	36,22,464.26	Working Capital Requirements (Payroll Payments)
24-10-2024	PNC	Norstan Communications Inc.	XXXX4803	XXXX1961	15,08,287.21	15,08,287.21	
23-10-2024	PNC	Black Box Services Company	XXXX4803	XXXX1012	17,92,028.63	17,92,028.63	
25-10-2024	PNC	Black Box Services Company	XXXX4803	XXXX1012	8,27,673.17	8,27,673.17	
23-10-2024	PNC	Delaney Telecom Inc.	XXXX4803	XXXX0845	5,46,722.92	5,46,722.92	
25-10-2024	PNC	Black Box Corporation of Pennsylvania	XXXX4803	XXXX0802	2,22,798.81	2,22,798.81*	
					Total	85,19,975.00	

[^] The difference in the amounts of \$10 and \$15 respectively were deducted towards foreign bank charges.

*The total payroll payment made by Black Box Corporation of Pennsylvania amounted to \$550,861.71 dated October 25, 2024 Of this, \$2,22,798.81 deposited from MA proceeds and remaining through own funds.



(iii) Deployment of unutilized Preferential Issue proceeds as on December 31, 2024:

Sr. No.	Type of instrument and name of the entity invested in	Instrument Number	Amount invested (Rs. in crore)	Maturity date	Earning (Rs.) \$	Return on Investment (%)	Market Value as at the end of quarter (Rs. in crore)
1	Fixed Deposits (FD)			-	-	-	-
a	IDBI Bank FD	4105000322034	3.650	07-Jan-25	66,305.70	5.26%	3.657
b	IDBI Bank FD	4105000322027	3.500	07-Jan-25	63,581.40	5.26%	3.506
c	IDBI Bank FD	4105000322317	4.000	06-Jan-25	36,315.90	5.26%	4.004
d	IDBI Bank FD	4105000322294	4.000	06-Jan-25	36,315.90	5.26%	4.003
e	IDBI Bank FD	4105000322287	4.180	06-Jan-25	37,931.40	5.26%	4.182
2	HDFC Preferential Issue Monitoring Current Account	NA	5.16	NA	NA	NA	5.16
	Total		24.49				24.512

Note: Unutilized amount verified from HDFC MA Account, FDR bank statement and CA certificate from M/s. Rao and Shyam dated January 06, 2025.

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

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
Investment in subsidiaries	12 months from the date of receipt of funds	On-going	Not applicable	Nil	Nil
General Corporate Purpose		On-going	Not applicable	Nil	Nil

^Out of total amounting to Rs. 155.12 crore till December 31, 2024 (Rs. 115.34 crore at time subscription including excess funds of Rs.18.75 crore received from allottees during Q2FY25 and Rs.39.78 crore in the 1st call during Q3FY25). Further, the excess of fund of Rs. 18.75 crore has been refunded to the investor during Q3FY25.

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

Sr. No	Item Head	Amount in Rs.	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Bank Charges	44,32,147	CA Certificate/ bank receipts	Utilized for working capital purpose	Nil

Sr. No	^Item Head	Amount in Rs.	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
2	Return of advance to customer	7,98,92,948	CA Certificate/ Client email copy	Utilized for working capital purpose	Nil
3	Earnest Money Deposit	2,04,00,677	CA Certificate/ Agreement	Utilized for working capital purpose	Nil
4	Fixed Deposit as margin money for letter of credit	8,03,00,000	CA Certificate/ Bank of Maharashtra FDR Copy	Utilized for working capital purpose	Nil
5	Security Deposit	2,00,00,000	CA Certificate/ Challan	Utilized for working capital purpose	Nil
6	Statutory Payment	2,90,195	CA Certificate/ invoices	Utilized for working capital purpose	Nil
7	Employee Payments	3,72,19,049	CA Certificate	Utilized for working capital purpose	Nil
8	Fund Raising Expenses	9,00,00,000	CA Certificate/ Invoice	Utilized for working capital purpose	Nil
9	Vendor Payments	6,92,79,314	CA Certificate/ invoices.	Utilized for working capital purpose	Nil
	Total	40,18,14,129			

The expenses towards the GCP have been verified by M/s. CA Rao and Shyam dated January 06, 2025.

^ Section from the offer document related to GCP:

“General corporate purposes, which includes, inter alia, meeting ongoing working capital requirements, general corporate exigencies and contingencies at Company or its subsidiaries, expenses related to fund raising, expenses of the Company as applicable in such a manner and proportion as may be decided by the Board from time to time, and/or any other general purposes as may be permissible under applicable laws (referred to below as “General Corporate Purposes”).”

Disclaimers to MA report:

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