



SAHASRA ELECTRONIC SOLUTIONS LIMITED

68-AA, Noida Special Economic Zone, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India
Phone: +91-120-4202604, Email: contact@seslimited.in, Website: www.seslimited.in

20th May, 2025

To,
Department of Corporate Compliance,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400051.

NSE Symbol: SAHASRA

Subject: Monitoring Agency Report for the quarter ended on 31st March, 2025

Ref: Funds raised through IPO (Initial Public Offer)

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 262 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Monitoring Agency Report for the quarter ended on 31st March, 2025, issued by CARE Ratings Limited, duly reviewed by the Audit Committee and the Board of Directors of the Company at their respective meetings held on today i.e. 20th May, 2025. A copy of the same is enclosed herewith.

You are requested to kindly take the above on records.

Thanking you,

For Sahasra Electronic Solutions Limited

Neha Tahir
Company Secretary & Compliance Officer
Membership No. A46571

No. CARE/KRO/GEN/2025-26/1028

The Board of Directors
Sahasra Electronic Solutions Limited
Plot No 68AA, Sahasra Electronic Solutions Limited
Dadri Road NSEZ Noida
Gautam Buddha Nagar, 201305

May 15, 2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended March 31, 2025 - in relation to the IPO of Sahasra Electronic Solutions Limited ("the Company")

We write in our capacity of Monitoring Agency for the Rights Issue for the amount aggregating to Rs. 172.01 crore of the Company and refer to our duties cast under 262 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 March 31, 2025, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated September 04, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Kamal Mahipal

Kamal Mahipal

Assistant Director

Kamal.mahipal@careedge.in

CARE Ratings Limited

Unit No. A/7/4, 7th Floor Block A, Apeejay House,
15 Park Street, Kolkata - 700016
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Report of the Monitoring Agency

Name of the issuer: Sahasra Electronic Solutions Limited

For quarter ended: March 31, 2025

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Yes. Funds which were transferred to subsidiary current account for capex purpose had been utilized for meeting its normal business expenses to the extent of Rs.2.85 crore, which is a material deviation from the stated objects and not approved by shareholders.

(b) Range of Deviation: There is deviation of more than 10% from the amount of issue proceeds earmarked for the objects (capex to be undertaken for subsidiary) as on March 31, 2025.

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.

Kamal Mahipal

Signature:

Name and designation of the Authorized Signatory: Kamal Mahipal

Designation of Authorized person/Signing Authority: Assistant Director

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1) Issuer Details:

Name of the issuer : Sahasra Electronic Solutions Limited
 Name of the promoter : Amrit Lal Manwani, Varun Manwani, and Arunima Manwani
 Industry/sector to which it belongs : IT & Electronics

2) Issue Details

Issue Period : IPO – September 26, 2024, and closed on September 30, 2024
 Type of issue (public/rights) : IPO (Initial Public Offering)
 Type of specified securities : Equity Shares
 IPO Grading, if any : Not applicable
 Issue size (in crore) : Rs. 172.01 crore (CARE Ratings Limited is monitoring only the gross proceeds pertaining to fresh issue under IPO)

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?	No	Management certificate, CA certificate* and Prospectus	The company's IPO proceeds utilisation for its capex, working capital utilisation and general corporate purposes remained as per the offer document. However, funds which were transferred to subsidiary current account for capex purpose had been utilized by the company for meeting its normal business expenses. Brief description of the same is as below: Amount transferred: Rs.22.92 crore (which is as per offer document) Amount utilized: Rs.18.76 crore (for capex as per offer document) Balance which should be available with subsidiary: Rs.4.16 crore Balance which is actually available: Rs.1.31 crore	Yes, Except the shortfall of Rs 2.85 Crore by subsidiary company.

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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
			Shortfall: Rs.2.85 crore (which has been utilized to meet normal business expenses out of its running current account).	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No	Nil	The company has not availed the shareholders' approval for the material deviation.	-
Whether the means of finance for the disclosed objects of the issue have changed?	No	CA Certificate*	No	-
Is there any major deviation observed over the earlier monitoring agency reports?	Yes	Management certificate	In the last monitoring agency report, the company had utilized Rs.2.04 crore for purposes other than that stated in the object in relation to capex in subsidiary company, which was not a material deviation then. However, in Q4FY25, the amount has increased to Rs.2.85 crore which has been utilized for purposes other than that stated in the object (out of Rs.22.92 crore), which is more than 10% of the object amount. Therefore, the same shall now be classified as a material deviation.	The shortfall or unutilized fund will be restored or utilized in future years.
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	As per document submitted by the management, prospectus	Majority of the approvals have been received w.r.t installation of new machineries in the existing unit. Consent to operate has been applied.	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Yes	Management Certificate and Prospectus	The company was required to incur capex of Rs.22.92 crore in its subsidiary company by FY25 against which entire funds had already been transferred. The company had already incurred Rs.18.76 crore on capex till March 31, 2025, and for the balance amount of Rs.4.16 crore, the company has only Rs.1.31 crore available in its subsidiary's	-

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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
			Current account. The company utilized Rs.2.85 crore out of the same towards normal business operations of the subsidiary, which is against the stated objects of the IPO.	
Is there any other relevant information that may materially affect the decision making of the investors?	No	Management certificate, Prospectus and CA Certificate*	More than 12% of the stated object's money (being investment in subsidiary for financing its capex requirements) has been used towards normal business operations of the subsidiary, which is against the stated objects of the IPO.	

*As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

Note1: The company has transferred a total of Rs.42 crore (Rs.19 crore and Rs.23 crore) to company's current account of CITI Bank and Canara Bank for the purpose of meeting it IPO objects in Q4FY25, instead of spending those amounts directly from the monitoring account. There are numerous other debits and credits in those running current accounts. Accordingly, we were not clearly able to ascertain the utilization of issue proceeds. We have thus relied on documents submitted by the company, including management certification and bank account statement highlighting the specific transactions for the same.

Note2: The company has transferred the amount of Rs.22.92 crore from its monitoring account to the current account of subsidiary as per the offer document. However, since the current account was a running current account, there are numerous other debits and credits in those running current accounts. Accordingly, we were not clearly able to ascertain the utilization of issue proceeds. We have thus relied on documents submitted by the company, including management certification and bank account statement highlighting the specific transactions for the same. Against a fund transfer of Rs.22.92 crore in Q3FY25, the company utilized Rs.18.76 crore towards the objects of the IPO till Q4FY25. The company should have had a balance of Rs.4.16 crore as on March 31, 2025, against which the actual balance available in the subsidiary's HDFC Bank current account is Rs.1.31 crore as on March 31, 2025. The shortfall of Rs.2.85 crore has been utilized by the company for other purposes which stands out to be a material deviation from the stated objects. The Board may take note of this.

#Where material deviation may be defined to mean:

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

As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

4) Details of objects to be monitored:

- Cost of objects –

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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	Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan	Prospectus and statutory auditor's certificate*	65.97	Not applicable	Nil	-	-	-
2	Investment in the Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	Prospectus and statutory auditor's certificate*	22.92	Not applicable	Nil	-	-	-
3	To Meet Working Capital Requirements	Prospectus and statutory auditor's certificate*	40.00	Not applicable	Nil	-	-	-
4	General Corporate Purposes	Prospectus and statutory auditor's certificate*	29.39	Not applicable	Nil	-	-	-
5	IPO Issue Expense	Prospectus and statutory auditor's certificate*	13.73	Not applicable	Nil	-	-	-
Total			172.01					

*As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

(ii) Progress in the objects –

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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	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	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	Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan	Chartered Accountant certificate*, Management certificate, Bank Statements	65.97	1.73	2.27	4.00	61.97	The funds received from issue proceeds were utilized towards payment to vendor for machineries purchased for capex.	12 MONTH EMI by SUPPLIER OF MACHINE	-
2	Investment in the Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	Chartered Accountant certificate*, Management certificate, Bank Statements	22.92	22.92	0.00	22.92	0.00	Against a fund transfer of Rs.22.92 crore in Q3FY25, the company utilized Rs.18.76 crore towards the objects of the IPO till Q4FY25. The company should have had a balance of Rs.4.16 crore as on March 31, 2025 against which the actual balance available in the subsidiary's HDFC Bank current account is Rs.1.31 crore as on March 31, 2025. The shortfall of Rs.2.85 crore has been utilized by the company for other purposes than those stated in the objects, which stands out to be a material deviation from the stated objects. The Board may take note of this.	-	-
3	Funding of working capital requirement	Chartered Accountant	40.00	23.42	16.58	40.00	0.00	The funds received were utilised towards funding working capital	-	-

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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	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	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
		certificate*, Management certificate, Bank Statements						requirement by paying its packing credit loan, interest on working capital, payment towards its suppliers, tax payments and employee establishment expenses.		
4	General corporate purposes (GCP)	Chartered Accountant certificate*, Management certificate, Bank Statements	29.39	27.03	2.36	29.39	0.00	The company has utilised the amount under GCP towards procurement of raw materials	-	-
5	IPO Issue Expense	-	13.73	13.01	0.00	13.01	0.72	-	-	-
Total			172.01	88.11	21.21	109.32	62.69#			

*As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

Note: The company had transferred the amount of Rs.22.92 crore from its monitoring account to the current account of subsidiary as per the offer document. However, since the current account was a running current account, there are numerous other debits and credits in those running current accounts. Accordingly, we were not clearly able to ascertain the utilization of issue proceeds. We have thus relied on documents submitted by the company, including management certification and bank account statement highlighting the specific transactions for the same.

#Though, the total unutilized amount is shown as Rs.62.69 crore, however, the actual balance available with the company is Rs.64.58 crore. The extra amount relates to interest income and TDS which has been paid out of other account.

(iii) Deployment of unutilized proceeds

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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.	Balance in Fixed deposits (FD) – ICICI Bank	40.00	May 25, 2025	0.71	7.20%	40.71
2.	Fixed Deposit with Canara Bank					
2a.	Balance in Fixed deposits (FD) – Canara Bank	23.00	May 23, 2025	0.18	7.25%	23.18
2b.	Balance in Fixed deposits (FD) – Canara Bank	0.50	Dec 16, 2025	0.01	6.85%	0.51
3.	Balance in CITI Bank current Account	1.08*		0.90\$		

As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

*Since the amount was transferred from monitoring account to current account of the company which includes expenditure towards the objects of the company and numerous other debits and credits in those running current accounts. Accordingly, the actual balance available in the CITI bank current account is around Rs.3.25 crore. However, we are only considering Rs.1.08 crore as available balance from IPO proceeds.

\$Relates to accrued interest.

(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
Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan	FY26	Ongoing	-	-	-
Investment in the Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	FY25	Q3FY25*	-	-	-
Funding of working capital requirement	FY26	Q4FY25	-	-	-
General corporate purposes (GCP)	FY26	Q4FY25	-	-	-

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As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

*Though, entire amount of Rs.22.92 crore has been transferred to subsidiary current account in Q3FY25, however, the company had expended only Rs.18.76 crore till March 31, 2025 on its capex.

5) 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	Fund utilized for working capital requirement (procurement of raw material)	2.36	Bank Statement, Invoice copy, CA Certificate*, Management certificate	-	-
	Total	2.36			

*As per M/s PKMB & Co. (Statutory Auditor) certificate dated May 15, 2025

Section from the offer document related to GCP:

4. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh issue proceeds aggregating 22,938.58 lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any Offer related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by our Company through this Offer.

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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.

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