



SONA COMSTAR

Date: - 24th January, 2025

BSE Ltd. Regd. Office: Floor - 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	National Stock Exchange of India Ltd. Listing Deptt., Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
BSE Scrip Code: 543300	NSE Scrip: SONACOMS

SUBJECT: - Monitoring Agency Report for the Quarter ended 31st December, 2024

Dear Sir / Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith Monitoring Agency Report dated 24th January, 2025 issued by CRISIL Ratings Limited, Monitoring Agency, for the quarter ended 31st December, 2024 in respect of utilization of proceeds of the Qualified Institutional Placement (**QIP**) of the Company.

This is for your information and record.

Thanking you,

For SONA BLW PRECISION FORGINGS LIMITED

Ajay Pratap Singh
Group General Counsel, Company Secretary and Compliance Officer

Enclosed: As above

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Monitoring Agency Report
for
Sona BLW Precision Forgings Limited
for the quarter ended
December 31, 2024

CRL/MAR/ GDS20431/2024-25/1250

January 24, 2025

To

Sona BLW Precision Forgings Limited

Sona Enclave, Village Begumpur Khatola,
Sector 35, Gurugram, Haryana - 122004, India

Dear Sir,

Monitoring Agency Report for the quarter ended December 31, 2024 - in relation to the Qualified Institutional Placement ("QIP") of Sona BLW Precision Forgings Limited ("the Company")

Pursuant to Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated September 04, 2024, 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 QIP for the quarter ended December 31, 2024.

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:** Sona BLW Precision Forgings Limited**For quarter ended:** December 31, 2024**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: Sona BLW Precision Forgings Limited

Names of the promoter: Aureus Investment Private Limited

Industry/sector to which it belongs: Auto Components & Equipment

2) Issue Details

Issue Period: September 04, 2024 to September 09, 2024

Type of issue (public/rights): Qualified Institutional Placement (QIP)

Type of specified securities: Equity Shares

QIP Grading, if any: NA

Issue size: Rs 24,000.00 million
Issue size comprises of gross proceeds of Rs 24,000.00 million (Net proceeds of Rs 23,695.00 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 Auditors 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	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

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 arrangements pertaining to technical assistance/collaboration are in operation?	NA	Management undertaking	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

^Certificate dated January 15, 2025, issued by M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company.

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	Repayment / pre-payment, in full or in part, of certain outstanding borrowings	Management undertaking, Statutory Auditors Certificate [^] , Final offer document	8,250.00	NA	No revision	No revision	No revision	No revision
2	Payment of balance consideration in relation to the acquisition of Novellic		715.56	NA	No revision	No revision	No revision	No revision

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
3	Pursue strategic investments and organic and inorganic growth opportunities	Management undertaking, Statutory Auditors Certificate [^] ,	8,400.00	NA	No revision	No Comments	No Comments	No Comments
4	Purchase of fixed assets, including, equipment and machinery		673.00	NA	No revision	No Comments	No Comments	No Comments
5	General corporate purposes		5,656.44	NA	No revision	No Comments	No Comments	No Comments
	Total	-	23,695.00	NA		-	-	-

[^]Certificate dated January 15, 2025, issued by M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company.

[#]The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 6,000.00 million) from the Fresh Issue.

Note: All figures in the above table are rounded off

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	Repayment / pre-payment, in full or in part, of certain outstanding borrowings		8,250.00	8,250.00	0.00	8,250.00	0.00	Fully utilised during the previous quarter	No Comments	No Comments

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
2	Payment of balance consideration in relation to the acquisition of Novellic	Management undertaking, Statutory Auditors Certificate [^] , Final Offer Document, Bank Statements	715.56	0.00	0.00	0.00	715.56	No utilisation during the quarter	No Comments	No Comments
3	Pursue strategic investments and organic and inorganic growth opportunities		8,400.00	0.00	0.00	0.00	8,400.00	No utilisation during the quarter	No Comments	No Comments
4	Purchase of fixed assets, including, equipment and machinery		673.00	115.91	335.09	451.00	222.00	No Comments	No Comments	No Comments
5	General corporate purposes		5,656.44	2,035.53	3620.91	5656.44	0.00	No Comments	No Comments	No Comments
Total			23,695.00	10,401.44	3,956.00*	14,357.44	9,337.56	-	-	-

[^]Certificate dated January 15, 2025, issued by M/s Walker Chandio & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company

*Net proceeds were transferred from Company's monitoring agency account maintained with HDFC Bank to various current accounts of the Company for business operational ease. All the transferred funds stand fully utilised during the reported quarter.

Note: During the reported quarter, the company has utilized Rs 272.62 million towards reimbursement of issue expenses by transferring issue proceeds from Escrow account to Monitoring account of the Company and further transferring from Company's Monitoring account to Company's current account.

Note: All figures in the above table are rounded off

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Repayment / pre-payment, in full or in part, of certain outstanding borrowings	Company avails fund-based and non-fund-based facilities in the ordinary course of business from various banks/ financial institutions. The borrowing arrangements entered into by the company include, inter alia, term loans and working capital facilities. Company proposes to utilize a portion of the Net Proceeds for repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by the Company

<p>Payment of balance consideration in relation to the acquisition of Novelic</p>	<p>In accordance with the Framework Agreement, the Company proposes to utilize the Net Proceeds towards the payment of the Second Tranche to acquire 54% of the share capital of Novelic</p>
<p>Pursue strategic investments and organic and inorganic growth opportunities</p>	<p>The Company intends to continue to grow inorganically through acquiring and integrating companies that complement their competencies and enable them to achieve business objectives. Company intends to acquire such companies which (i) are in the similar line of business as the Company, with the intention of expanding product portfolio; (ii) are in a complementary line of business to Company's existing businesses which will benefit to add additional capabilities to the existing line of business in the interest of attaining speed to market new products; (iii) enables acquiring new capabilities to serve existing customers and/or acquire new customers and for new business opportunities within mobility sector; or (iv) will enhance geographical reach and strengthen market share in existing markets.</p>
<p>Purchase of fixed assets, including, equipment and machinery</p>	<p>Company intends to expand business operations in existing and future/ upcoming manufacturing plants manufacturing differential gears, differential assemblies, other gears, motors and motor controllers. On an ongoing basis, Company procures equipment/ machinery, which are utilized for business operations, based on the future requirements estimated by management. Company proposes to utilize the Net Proceeds towards funding the capital expenditure towards procurement and installation of fixed assets, including, plant and machinery and related infrastructure at (a) manufacturing plants at Gurugram, Haryana, India; Manesar, Haryana, India; and Pune, Maharashtra, India to enhance production capacity and/or capability for differential gears, differential assemblies and other gears and (b) manufacturing plant at Chennai, Tamil Nadu, India to enhance production capacity and/or capability for motors and motor controllers.</p>
<p>General corporate purposes</p>	<p>The general corporate purposes for which Company proposes to utilize the Net Proceeds include strategic initiatives, working capital requirements, business development activities, funding growth opportunities, including acquisitions and meeting exigencies, meeting expenses, other expenditure considered expedient by Company, as may be applicable and approved by Board, from time to time. In addition to the above, Company may utilize the Net Proceeds towards other expenditure considered expedient and as approved periodically by Board or a duly appointed committee thereof, subject to compliance with applicable laws, including necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by Board, based on the amount actually available under this head and the business requirements of Company, from time to time.</p>

iii. Deployment of unutilised proceeds:

Based on Management undertaking and Certificate dated January 15, 2025, issued by M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company:

Rs in million

S. 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 (if the market value is not feasible, provide NAV/NRV/Book value of the same)
1	FD-SBI Bank -43339935293	2,900.00	11-Mar-25	67.18	7.55%	2,967.18
2	FD-SBI Bank -43339935985	715.56	3-Sep-25	17.13	7.80%	732.69
3	FD-HDFC Bank 50301081857721	5,500.00	31-Mar-25	22.30	7.40%	5,522.30
4	Mutual Fund SBI Overnight-41081208	215.00	NA	1.42	6.68%	216.42
5	Mutual Fund SBI Overnight-41081208	7.00	NA	0.14	6.51%	7.14
	Total	9,337.56	-	108.17		9,445.73

Note: Total interest received in Monitoring agency account of the Company till quarter ended December 31, 2024 from closure of FDs and redemption of mutual funds amounted to Rs 126.16 million, out of which Rs 125.01 million is transferred to company's current account during the reported quarter for business purposes and hence Rs 1.15 million is lying in Monitoring Account as at the end of the reported quarter.

Note: Monitoring the deployment of Interest Income earned from unutilised issue proceeds does not form part of the scope of Monitoring Agency report

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

Based on Management undertaking and Certificate dated January 15, 2025, issued by M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company:

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					

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

Based on Management undertaking and Certificate dated January 15, 2025, issued by M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company.

Item head	Amount (Rs in Million)	Remarks
Working capital requirements and other expenses incurred related to business	3,620.91	<ul style="list-style-type: none"> Towards various vendor payments, interest payments, tax payments, custom duty, salary & wages, admin expense, capex payments etc.

Note: The Board of Directors of the Company vide resolution dated 23 January 2025 has approved the quantum of utilization of GCP towards mentioned item head in line with the disclosure provided in the offer document dated 09 September 2024.

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.*
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