

4th August, 2023

To

The Manager - Listing,
BSE Limited,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001
Scrip Code: 543276

The Manager - Listing,
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex ,
Bandra (East),
Mumbai - 400 051
Stock Code: CRAFTSMAN

Dear Sir/Madam,

Sub: Update on Intimation dated 2nd August, 2023 under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We refer to our letter dated 2nd August, 2023 intimating the order pronounced by the Additional Commissioner of GST & Central Excise, Coimbatore towards short payment of CGST, SGST, IGST on the products cleared by classification issues.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform the exchange that the Company has preferred an appeal to the Commissioner of CGST & Central Excise (Appeals), the appellate authority on 3rd August, 2023.

Brief Facts:

In the indirect tax matters of the Company, for the pre-GST period (i.e., central excise regime), CBIC department has demanded that the Company's locomotive parts supplies to Indian railways are to be classified as general parts instead of railway parts and subsequently a demand of Rs.1,26,91,614 and equivalent penalty was raised by the CBIC department vide order OIO 07/2022- ST(ADC) dt 29 Apr 2022. The said classification issue was appropriately contested by company in department's legal forum and received orders in favour of the company on merits vide order 07/2023-CBE-CEX-APP dt 27/Feb/2023. In this order, Company's classification was upheld and subsequently both (demand and penalty) were dropped. The department has preferred an appeal on the same but as of date, the order dated 27th February, 2023 prevails.

The same issue was raised by the CBIC for the GST period from July 2017, and a demand was raised by the department as order vide reference OIO 24/2023 - GST(ADC) dated 30/Jun/2023 received by email on 01st August, 2023 for a demand value of Rs 29,28,79,564 excluding penalty and interest and the same will also be legally contested by the company in similar manner.

Craftsman Automation Limited

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CIN NO: L28991TZ1986PLC001816
GST NO: 33AABCC2461K1ZW

The company is of the view that the classification would not change for the GST period and as explained above, the company is already holding a favourable order where in classification followed by the company (in pre-GST period-central excise period) is already upheld by the department.

Kindly take the same into your records.

Thanking you.

Yours faithfully,
for CRAFTSMAN AUTOMATION LIMITED

Shainshad Aduvanni
Company Secretary & Compliance Officer

Encl: As above