

28th October, 2024

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: Monitoring Agency Report for the quarter ended 30th September, 2024

In accordance with the Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 173A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, please find enclosed herewith the Monitoring Agency Report for the quarter ended 30th September, 2024 issued by CRISIL Ratings Limited, Monitoring Agency, appointed by the Company for monitoring the utilization of funds raised through Qualified Institutions Placement (QIP).

We also wish to inform you that as the QIP proceeds have been fully utilized for the objects for which the funds has been raised without any deviations, the requirement of submission of Monitoring Agency Report will not be applicable to the Company and Company will not be filing any Monitoring Agency Report from here onwards under Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulation 173A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Kindly take the same into your records.

Thanking you.

Yours faithfully,
for CRAFTSMAN AUTOMATION LIMITED

Shainshad Aduvanni
Company Secretary & Compliance Officer

Encl: As above

Monitoring Agency Report
for
Craftsman Automation Limited
for the quarter ended
September 30, 2024

CRI/MAR/CRAPI/2024-25/1184

October 28, 2024

To

Craftsman Automation Limited

123/4, Sangothipalayam Road,

Arasur Post, Coimbatore 641 407,

Tamil Nadu, India

Dear Team,

Final Monitoring Agency Report for the quarter ended September 30, 2024 - in relation to the Qualified Institutional Placement ("QIP") of Craftsman Automation 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 May 29, 2024, enclosed herewith the final 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 September 30, 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)

Final Report of the Monitoring Agency (MA)

Name of the issuer: Craftsman Automation Limited

For quarter ended: September 30, 2024

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: No

(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)

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1) Issuer Details:

Name of the issuer: Craftsman Automation Limited
Names of the promoter: Mr. Ravi S
Industry/sector to which it belongs: Auto Components and Equipment

2) Issue Details

Issue Period: Tuesday, June 18, 2024, to Friday, June 21, 2024
Type of issue (public/rights): Qualified Institutional Placement (QIP)
Type of specified securities: Equity Shares
Issue size: Gross proceeds of Rs 1,20,000.00 lakhs (Net proceeds of Rs 1,17,670.00 lakhs*)

**CRISIL Ratings shall be monitoring the net proceeds.*

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, Peer reviewed independent chartered accountant certificate ^, Placement 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, Peer reviewed independent chartered accountant certificate^	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?	NA		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		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 October 11, 2024, issued by M/s M C Ranganathan & Co., Chartered Accountants (Firm Registration Number: 003061S), Peer-reviewed Independent Chartered Accountant.

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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 lakhs)	Revised Cost (Rs in lakhs)	Comment of the Monitoring Agency	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 availed by the Company	Management undertaking, Peer reviewed independent chartered accountant certificate ^, Placement Document	65,000.00	NA	No revision	No Comments	No Comments	No Comments
2	Acquisition of additional equity shares of the Subsidiary, DR Axion from other shareholder, making it wholly owned subsidiary		25,000.00	NA	No revision	No Comments	No Comments	No Comments
3	General corporate purposes [#]		27,670.00	NA	No revision	No Comments	No Comments	No Comments
	Total	-	1,17,670.00	-	-			

[^]Certificate dated October 11, 2024, issued by M/s M C Ranganathan & Co., Chartered Accountants (Firm Registration Number: 003061S), Peer-reviewed Independent Chartered Accountant.

[#]The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 30,000.00 lakhs) 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 lakhs)	Amount utilized (Rs in lakhs)			Total unutilized amount (Rs in lakhs)	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 / prepayment, in full or in part, of certain outstanding borrowings availed by the Company	Management undertaking, Peer reviewed independent chartered accountant certificate ^, Placement Document, Bank Statements	65,000.00	48,285.31	16,714.69	65,000.00	Nil	Refer note 1	No Comments	No Comments
2	Acquisition of additional equity shares of the Subsidiary, DR Axion from other shareholder, making it wholly owned subsidiary		25,000.00	25,000.00	Nil	25,000.00	Nil	Proceeds fully utilized during the quarter ended June 30, 2024	No Comments	No Comments
3	General corporate purposes		27,670.00	14,000.42	13,669.58	27,670.00	Nil	Refer note 2	No Comments	No Comments
	Total	-	1,17,670.00	87,285.73	30,384.27	1,17,670.00	Nil	-		

^Certificate dated October 11, 2024, issued by M/s M C Ranganathan & Co., Chartered Accountants (Firm Registration Number: 003061S), Peer-reviewed Independent Chartered Accountant.

Note:

- As of previous quarter ended June 30, 2024, the Monitoring Account of the Company had a balance of Rs. 158.35 lakhs, earmarked for expenses related to the QIP issuance. During the quarter ended September 30, 2024, Rs. 39.71 lakhs were transferred from the Monitoring Account to the Company's Current Account and utilized for QIP issue expenses. Additionally, the Company utilized Rs. 118.64 lakhs from its internal accruals towards QIP issue expenses. Consequentially, Rs. 118.64 lakhs have been adjusted from the Monitoring Account towards debt repayment during the quarter ended Sep 30, 2024.
- As of previous quarter ended June 30, 2024, net proceeds of Rs. 3,669.58 lakhs which was lying in CC account of the Company. This amount was utilized towards GCP during the quarter ended September 30, 2024.
- Fixed Deposits of Rs. 10,000.00 lakhs had matured during the quarter ended September 30, 2024, and the funds were credited in Company's current accounts instead to Company's Monitoring account, which was further transferred to various CC accounts of the Company for utilization towards General Corporate Purposes. This is in variation to the standard industry practice of transferring

the unutilised proceeds held in Fixed Deposits back to the Monitoring Account of the Company upon maturity, which are then utilised towards objects of the issue.

4. As on September 30, 2024, both the QIP Escrow account balance and Monitoring Account balance stands Nil. Hence, this is the final Monitoring Agency report being issued by CRISIL Ratings for the proceeds raised through the QIP of Craftsman Automation Limited.

#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 availed by the Company	The Company avails fund-based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. The borrowing arrangements entered into by them include, inter alia, term loans and working capital facilities. As of March 31, 2024, their borrowings were Rs 1,40,303 lakhs, on standalone basis. Company proposes to utilise a portion of the Net Proceeds aggregating up to Rs 65,000 lakhs for repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by the Company.
Acquisition of additional equity shares of the Subsidiary, DR Axion from other shareholder, making it wholly owned subsidiary	As on the date of the Placement Document, the Company holds 76.00% of the total paid-up equity share capital of DR Axion, on a fully diluted basis, and it proposes to utilize Rs 25,000 lakhs from the Net Proceeds ("Proposed Funding") towards acquisition of the remaining 2,70,83,884 equity shares, representing 24.00% of the total paid-up equity share capital of DR Axion ("Proposed Acquisition").
General corporate purposes	Details on "GCP" as per Placement document: General corporate purposes may include, but are not restricted to, <ul style="list-style-type: none"> (i) fund requirements which the Company may face in the ordinary course of business; (ii) funding growth opportunities, strategic initiatives, partnerships, tie ups; (iii) meeting exigencies and expenses, and other expenses, make payments towards vendors; (iv) and any other purpose as may be decided by the management, from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

iii. Deployment of unutilised proceeds[^]:

S. No.	Type of instrument where amount is invested	Amount invested (in Rs lakhs)	Maturity date	Earnings as on Sept 30, 2024 (in Rs lakhs)	Return on Investment (%) *	Market value as at the end of quarter (in Rs lakhs)
Not applicable						

[^]On the basis of management undertaking and certificate dated October 11, 2024, issued by M/s M C Ranganathan & Co., Chartered Accountants (Firm Registration Number: 003061S), Peer-reviewed Independent Chartered Accountant.

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 certificate dated October 11, 2024, issued by M/s M C Ranganathan & Co., Chartered Accountants (Firm Registration Number: 003061S), Peer-reviewed Independent Chartered Accountant.

5) Details of utilization of proceeds stated as General Corporate Purpose[^] amount in the offer document:

Item heads	Amount (in Rs lakhs)	Remarks
Funding Growth Opportunities and Strategic Initiatives	12,615.75	Capital Infusion: Craftsman Germany GMBH (Wholly owned Subsidiary)
Repayment of Debt	1,053.83*	RBL Bank Limited working capital demand loan closure
Total	13,669.58	-

[^]On the basis of management undertaking and certificate dated October 11, 2024, issued by M/s M C Ranganathan & Co., Chartered Accountants (Firm Registration Number: 003061S), Peer-reviewed Independent Chartered Accountant.

*Working capital demand loan closure of RBL Bank Limited amounts to Rs 20.00 crores, of which Rs 946.17 lakhs have been utilized from internal accruals of the Company.

Note: Please refer to section on "Brief Description of Objects" on page 8 above for the details of utilization towards GCP.

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.*
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- 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.*
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