

**Monitoring Agency Report
for
Creative Newtech Limited
for the quarter ended
September 30, 2024**

CRL/MAR/ CTPSDPL/2024-25/1227

November 12, 2024

To

Creative Newtech Limited

3rd & 4th Floor, Plot No. 137AB,

Kandivali Co Op Industrial Estate Limited,

Charkop, Kandivali West, Mumbai-400092

Dear Sir,

Monitoring Agency Report for the quarter ended Sep 30, 2024 - in relation to the Preferential Issue of Creative Newtech Limited ("the Company")

Pursuant to Regulation 162A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and Monitoring Agency Agreement dated August 21, 2023, 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 Preferential Issue for the quarter ended Sep 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)

Report of the Monitoring Agency (MA)

Name of the issuer: Creative Newtech Limited

For quarter ended: Sep 30, 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: Creative Newtech Limited

Names of the promoter: a. Ketan Chhaganlal Patel
b. Purvi Ketan Patel

Industry/sector to which it belongs: Computers Hardware & Equipment

2) Issue Details

Issue Period: Thursday, August 10, 2023, to Monday, August 14, 2023

Type of issue (public/rights): Preferential Issue

Type of specified securities: Equity Shares and Convertible Warrants

Grading, if any: NA

Issue size: Rs 1,061.71 million
Issue size comprises of share swap of Rs 261.00 million, issue of equity shares of Rs 393.23 million and issue of convertible warrants of Rs 407.48 million.

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 Auditor Certificate [^] , Notice to Shareholders, Bank Statements | 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 shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document? | NA | Management undertaking, Statutory Auditor 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? | No | | 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)? | NA | | No Comments | No Comments |
| Are there any unfavorable events affecting the viability of the object(s)? | NA | | 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 November 07, 2024, issued by M/s Gupta Raj & Co., Chartered Accountants (Firm Registration Number: 001687N), 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 Monitoring Agency | Comments of the Board of Directors | | |
|--------------|---|---|---|------------------------------|----------------------------------|------------------------------------|---------------------------|---------------------------------------|
| | | | | | | Reason of Cost revision | Proposed financing option | Particulars of firm arrangements made |
| 1 | Share swap to be adjusted towards consideration of Purchase of SCL shares | Management undertaking, Statutory Auditor Certificate [^] , Notice to Shareholders | 261.00 | - | No revision | No Comments | No Comments | No Comments |
| 2 | Funding working capital requirements | | 601.00 | - | No revision | No Comments | No Comments | No Comments |
| 3 | General Corporate Purposes (GCP) [#] | | 200.00 | 199.71 | Refer Note | No Comments | No Comments | No Comments |
| Total | | - | 1,062.00 | - | - | - | - | - |

[^] Certificate dated November 07, 2024, issued by M/s Gupta Raj & Co., Chartered Accountants (Firm Registration Number: 001687N), Statutory Auditors of the Company.

[#]The amount utilised for general corporate purposes does not exceed 25% of the Issue Proceeds (amounting to Rs 265.43 million) from the Fresh Issue.

Note: At the time of allotment, shares worth Rs. 0.29 million were not subscribed and the said unsubscribed shares amount is adjusted with General Corporate Purposes which was Rs. 200.00 million as per the Notice to Shareholders, is now reduced to Rs. 199.71 million.

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 | Share swap to be adjusted towards consideration of Purchase of SCL shares | | 261.00 | 261.00 | Nil | 261.00 | - | No comments | No Comments | No Comments |
| 2 | Funding working capital requirements of the Company | Management undertaking, Statutory Auditor Certificate^, Notice to Shareholders, Bank Statements | 601.00 | 495.10 | 44.04 | 539.14 | 61.86 | Refer Note 2 | No Comments | No Comments |
| 3 | General Corporate Purposes (GCP) | | 199.71 | Nil | Nil | Nil | 199.71 | No utilization during the reported quarter | No Comments | No Comments |
| | Total | | 1,061.71 | 756.10 | 44.04 | 800.14 | 261.57 | - | - | - |

^Certificate dated November 07, 2024, issued by M/s Gupta Raj & Co., Chartered Accountants (Firm Registration Number: 001687N), Statutory Auditors of the Company.

Note 1 – The above figures are rounded off up to two decimal places

Note 2 - The Company has utilized Rs 44.04 million from its cash credit account maintained with HDFC bank towards the objects of the issue for operational ease.

iii. Deployment of unutilised proceeds[^]:

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

[^] On the basis of management undertaking and certificate dated November 07, 2024, issued by M/s Gupta Raj & Co., Chartered Accountants (Firm Registration Number: 001687N), Statutory Auditors of the Company.

Note:

Proceeds amounting to Rs 539.14 million have been received by the Company as of Sep 30, 2024, and Rs 261.56 million shall be payable by the warrant holders at the time of exercising the conversion of warrants into equity shares, as per the Notice to Shareholders (within 18 months from the date of allotment of the share warrants, which is by February 13, 2025).

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 November 07, 2024, issued by M/s Gupta Raj & Co., Chartered Accountants (Firm Registration Number: 001687N), Statutory Auditors of the Company.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the Notice to Shareholders:

Not applicable on the basis of management undertaking and certificate dated November 07, 2024, issued by M/s Gupta Raj & Co., Chartered Accountants (Firm Registration Number: 001687N), Statutory Auditors of the Company.

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.*
- 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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Ratings

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