



SONA COMSTAR

Date: - 24th October, 2024

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| 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 30th September, 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 23rd October, 2024 issued by CRISIL Ratings Limited, Monitoring Agency, for the quarter ended 30th September, 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
Vice President (Legal), Company Secretary and Compliance Officer

Enclosed: As above

SONA BLW Precision Forgings Ltd.
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Sona Enclave, Village Begumpur Khatola
Sector 35, Gurugram 122004
Haryana India
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IMT Manesar, Gurugram
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CIN L27300HR1995PLC083037
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Monitoring Agency Report
for
Sona BLW Precision Forgings Limited
for the quarter ended
September 30, 2024

CRL/MAR/ GDS20431/2024-25/1180

October 23, 2024

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 September 30, 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 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)

Report of the Monitoring Agency (MA)

Name of the issuer: Sona BLW Precision Forgings Limited

For quarter ended: September 30, 2024

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

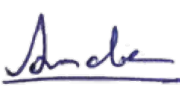
(b) Range of Deviation: Not applicable

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)

Ratings



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? | 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 15, 2024, issued by M/s Walker Chandiok & 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 Comments | No Comments | No Comments |
| 2 | Payment of balance consideration in relation to the acquisition of Novelic | | 715.56 | NA | No revision | No Comments | No Comments | No Comments |
| 3 | Pursue strategic investments and organic and inorganic growth opportunities | | 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 | No revision | - | - | - |

[^] Certificate dated October 15, 2024, issued by M/s Walker Chandio & 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 | Management undertaking, Statutory Auditors Certificate [^] , Final Offer Document, Bank Statements | 8,250.00 | 0.00 | 8,250.00 | 8,250.00 | 0.00 | Fully utilised during the quarter | No Comments | No Comments |
| 2 | Payment of balance consideration in relation to the acquisition of Novelic | | 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 | 0.00 | 115.91 | 115.91 | 557.09 | No Comments | No Comments | No Comments |
| 5 | General corporate purposes | | 5,656.44 | 0.00 | 2,035.53 | 2,035.53 | 3,620.91 | No Comments | No Comments | No Comments |
| | Total | | 23,695.00 | 0.00 | 10,401.44 | 10,401.44 | 13,293.56 | - | - | - |

*Net proceeds were transferred from Company's monitoring agency account maintained with HDFC Bank to various CC accounts of the Company for business operational ease.

Note: During the quarter, the company has utilized Rs 32.38 million towards reimbursement of issue expenses by transferring issue proceeds from Escrow account to MA account of the Company and further transferring from MA account to Company's current account. Hence, Rs 272.62 million balance lying in Escrow account is towards payment of the remaining issue related expenses.

[^] Certificate dated October 15, 2024, issued by M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company.

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 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 |
| Payment of balance consideration in relation to the acquisition of Novelic | 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 |
| Pursue strategic investments and organic and inorganic growth opportunities | 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. |
| Purchase of fixed assets, including, equipment and machinery | 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. |
| General corporate purposes | 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. |

iii. Deployment of unutilised proceeds^:

(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-HDFC Bank 50301036458322 | 5,500.00 | 12-Dec-24 | 20.76 | 7.25% | 5,520.76 |
| 2 | FD-SBI Bank-43339932677 | 250.00 | 7-Oct-24 | 0.90 | 6.60% | 250.90 |
| 3 | FD-SBI Bank - 43341195048 | 300.00 | 14-Oct-24 | 1.08 | 6.60% | 301.08 |
| 4 | FD-SBI Bank - 43341190118 | 350.00 | 15-Oct-24 | 1.27 | 6.60% | 351.27 |
| 5 | FD-SBI Bank - 43341199166 | 300.00 | 21-Oct-24 | 1.08 | 6.60% | 301.08 |
| 6 | FD-SBI Bank - 43339935293 | 2,900.00 | 11-Mar-25 | 12.00 | 7.55% | 2,912.00 |
| 7 | FD-SBI Bank - 43339935985 | 715.56 | 3-Sep-25 | 3.06 | 7.80% | 718.62 |
| 8 | FD-YES Bank-000240300918725 | 300.00 | 28-Oct-24 | 1.13 | 6.90% | 301.13 |
| 9 | FD-YES Bank-000240300918735 | 380.00 | 30-Oct-24 | 1.44 | 6.90% | 381.44 |
| 10 | FD-YES Bank-000240300918745 | 300.00 | 4-Nov-24 | 1.13 | 6.90% | 301.13 |
| 11 | FD-YES Bank-000240300918755 | 300.00 | 11-Nov-24 | 1.17 | 7.10% | 301.17 |
| 12 | FD-YES Bank-000240300918765 | 350.00 | 16-Nov-24 | 1.36 | 7.10% | 351.36 |
| 13 | FD-YES Bank-000240300918775 | 300.00 | 18-Nov-24 | 1.17 | 7.10% | 301.17 |
| 14 | FD-YES Bank-000240300918785 | 300.00 | 25-Nov-24 | 1.17 | 7.10% | 301.17 |
| 15 | FD-YES Bank-000240300918795 | 300.00 | 30-Nov-24 | 1.17 | 7.10% | 301.17 |
| 16 | Mutual Fund SBI Overnight-41081208 | 392.00 | - | 1.30 | 6.74% | 393.30 |
| 17 | Balance in Escrow a/c-57500001577452 | 56.00 | - | - | - | 56.00 |
| | Total | 13,293.56 | - | 51.19 | | 13,344.75 |

Note: During the quarter end Interest received on closure of FDs and redemption of Mutual funds amounting to Rs 3.48 million, has been transferred from MA account of the Company to Company’s current account for its business purposes.

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

^On the basis of Management undertaking and Certificate dated October 15, 2024, issued by M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company.

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

On the basis of Management undertaking and Certificate dated October 15, 2024, 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:

On the basis of Management undertaking and Certificate dated October 15, 2024, issued by M/s Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company:

| Item heads | Amount (Rs in Million) | Remarks |
|--|---------------------------|---|
| Working capital requirements and other expenses incurred related to business | 2,035.53 | <ul style="list-style-type: none"> Towards various vendor payments, interest payments, tax payments, custom duty, salary & wages, capex payments etc. The Board of Directors of the Company vide resolution dated 23 October, 2024 has taken note of the utilisation towards GCP. |

Note: All figures in the above table are rounded off

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 Independent Chartered Accountants (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
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