

Date: 11th August, 2023

To, BSE Limited ("BSE"), Corporate Relationship Department, 2 nd Floor, New Trading Ring, P.J. Towers, Dalal Street, Mumbai – 400 001	To, National Stock Exchange of India Limited ("NSE") "Exchange Plaza", 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051
BSE Scrip code: 543399	NSE Symbol: TARSONS
ISIN: INE144Z01023	ISIN: INE144Z01023

Subject: Statement of deviation or variation in the use of proceeds of Initial Public Offer (IPO) of Tarsons Products Limited for the quarter ended 30th June, 2023

Ref.: Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular CIR/CFD/CMD1/162/2019 dated December 24, 2019

Dear Sir/Madam,

Pursuant to the captioned Regulations, we hereby confirm that there are no deviation(s) or variation(s) in respect of utilization of proceeds of IPO of the Company for the quarter ended 30th June, 2023, as mentioned in the object clause of the offer letter of the issue. In this regard, please find enclosed herewith the said statement.

The aforesaid statement will also be available on the Company's website at www.tarsons.com.

We request you to kindly take the same on your records.

Thanking you,

Yours Faithfully,


For Tarsons Products Limited

Santosh Kumar Agarwal
Company Secretary and Chief Financial Officer
ICSI Membership No. 44836

Encl: As above

SCHEDULE II

FORMAT OF STOCK EXCHANGE INTIMATION BY THE COMPANY

Statement of Deviation/Variation in utilization of funds raised						
Name of listed entity	TARSONS PRODUCTS LIMITED					
Mode of Fund Raising	Public Issues					
Date of Raising Funds	23/11/2021					
Amount Raised	Rs.1023.54 Crores					
Report filed for Quarter ended	30/06/2023					
Monitoring Agency	Applicable					
Monitoring Agency Name	Axis Bank Limited					
Is there a Deviation/ Variation in use of funds raised	No					
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	NA					
If Yes, Date of shareholder Approval	NA					
Explanation for the Deviation/ Variation	NA					
Comments of the Audit Committee after review	Nil					
Comments of the Chartered Accountant if any	Nil					
Objects for which funds have been raised and where there has been a deviation, in the following table	No deviation					
Original Object	Modified Object, if any	Original Allocation (Rs. in crores)	Modified allocation, if any (Rs. in crores)	Funds Utilised (Rs. in crores)	Amount of Deviation/Variation for the quarter according to applicable object	Remarks if any
Funding capital expenditure for the Proposed Expansion	NA	62.000	NA	31.222	NA	Refer Note 4
Repayment/prepayment of certain borrowings of our Company	NA	78.540	NA	78.540	NA	Refer Note 3 & 4
General corporate purposes	NA	1.621	2.047	2.047	NA	Refer Note 1, 2 & 4
Offer related expenses in relation to the Fresh Issue	NA	7.473	7.114	7.114	NA	Refer Note 2 & 4
Deviation or variation could mean: (a) Deviation in the objects or purposes for which the funds have been raised or (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or (c) Change in terms of a contract referred to in the fund-raising document i.e., prospectus, letter of offer, etc.						
 Santosh Kumar Agarwal Company Secretary and Chief Financial Officer						

#Notes:

- At the time of the Initial Public Offer (IPO) issue of the Company, 60,000 shares were allocated to employee quota, however allotment to employee was done only of 49,081 shares and balance shares were transferred to retail quota without any discount, so the total amount received was increased by Rs. 0.067 crores which is more than the issue size as mentioned in the offer document. On 13/05/2022, Audit Committee passed the circular resolution for the utilisation of the said amount of Rs. 0.067 crores for the General Corporate Purpose of the Company and the said circular resolution was also adopted in the Audit Committee Meeting dated 27/05/2022. Further, Board has also noted in respect of the same in their meeting held on 27/05/2022.
- At the time of the Initial Public Offer (IPO) issue of the Company, Company estimated the IPO expenses amounting to Rs. 7.473 crores. But the actual expenses incurred amounts to Rs. 7.114 crores. So, the amount of Rs. 0.359 crores have been unutilised. On 13/05/2022, Audit Committee passed the circular resolution for the utilisation of the said amount of Rs. 0.359 crores for the General Corporate Purpose of the Company and the said circular resolution was also noted in the Audit Committee Meeting dated 27/05/2022. Further, Board has also noted in respect of the same in their meeting held on 27/05/2022.

Calculation of Revised GCP:

GCP as per Prospectus	Rs.1.621 Crores
Add: Excess amount as per note 1	Rs.0.067 Crores
Add: Unutilised Amount as per Note 2	Rs.0.359 Crores
Revised GCP	Rs.2.047 Crores

- At the time of the Initial Public Offer (IPO) issue of the Company, Company proposed to utilise the amount of Rs. 78.540 crores for the purpose of repayment of certain borrowings and the same has been certified by the statutory auditor of the Company. However, by the time when the proceeds were received, the instalment of Rs. 0.553 crores have already been paid. So, after taking approval in Audit Committee Meeting and Board Meeting both held on 27/05/2022, the company has utilised the said amount for the purpose of repayment of other borrowings from the same lenders.
- The company has earned a total interest of Rs. 3.393 crores on the deployment of unutilised proceeds in fixed deposit till 30/06/2023. Breakup of earning of interest and its utilisation are as follows:

Particulars	Interest Earned	Interest Utilised for the same purpose	Interest Unutilised
Interest earned on unutilised funds raised for the purpose of borrowings repayment	0.008	0.008	-
Interest earned on unutilised funds raised for the purpose of meeting capital expenditure of proposed expansion at Panchla	3.356	3.317	0.039
Interest earned on unutilised funds raised for the purpose of using the same for General Commercial Purpose	0.029	0.029	-
Total	3.393	3.354	0.039

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

Object(s) Name	Particulars of activities	Completion Date		Delay (No. of days/ months)	Comments of the Board of Directors	
		As per Offer Document	Actual/ Revised Estimate*		Reason of delay	Proposed Course of Action
Funding capital expenditure for the Proposed Expansion	Civil design and construction	31/01/2023	31/07/2023	6 months	Unforeseen delay in construction and delay in receiving the machineries/ moulds.	The construction should be completed within July 2023 and production should be started within January 2024
	Erection and pre-commissioning activities	31/07/2023	31/01/2024	6 months		
	Commissioning commencement	01/08/2023	31/01/2024	6 months		

Respective approval has been taken from Audit Committee & Board of Directors in the meetings held on 10th March 2023.



6. *The Company has made the best efforts to utilize the funds within due timelines as per the terms of the issue. However, Rs. 30.778 Crores is still unutilized as at 30th June, 2023, towards funding capital expenditure for proposed expansion at the Panchla Facility, due to unforeseen conditions. As per the current status, exterior construction is fully done and phase wise internal construction of clean rooms for production has been partly completed and remaining unfinished part of clean room will be in progress as per the arrival status of machines and moulds.*

Accordingly, the Board of Directors in its meeting held on July 25, 2023 has considered and approved the proposal to deploy the aforementioned un-utilised amount by the end of fiscal year 2024 in a fungible/interchangeable manner along with the utilization for machines and moulds within Panchla facility as a separate sub head in addition to existing sub heads, subject to approval of shareholders of the Company. Postal Ballot Notice to the shareholders in this regard has been issued on August 1, 2023 and the results of the postal ballot will be announced on or before September 4, 2023.

