

Date: 11th November, 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

Sub: Report of the Monitoring Agency w.r.t. Utilization of Proceeds of the Initial Public Offer (IPO) of the Tarsons Products Limited for the quarter ended 30th September, 2023

Ref.: Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to the captioned Regulations, please find enclosed herewith the Monitoring Agency Report in respect of utilization of proceeds of the IPO of the Company for the quarter ended 30th September, 2023, as issued by Axis Bank Limited, Monitoring Agency.

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

AXB/CO/IFB-TS/2023-24/131

8th November 2023

To,
Tarsons Products Limited,
Martin Burn Business Park,
Room No. 902 BP-3
Salt Lake, Sector – V
Kolkata - 700091

Dear Sir,

Sub: Tarsons Products Limited (the Company) –Monitoring Agency Report

We write in our capacity of Monitoring Agent to the Company and refer to our duties cast under Regulation 82(2) of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

In terms of above, please find attached the Monitoring Agency Report for the quarter ended on September 30, 2023 as per Schedule XI of the aforesaid SEBI Regulations as amended.

Request you to kindly take the same on records.

Thanking you.

Yours Faithfully,
For and on behalf of Axis Bank Ltd,



Authorized signatory

Corporate Office -

Axis Bank Limited, 'Axis House', C-2, Wadia International Centre,
Pandurang Budhkar ~~mag~~ Worli, Mumbai - 400 025.

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Report of the Monitoring Agency

Name of the Issuer: Tarsons Products Limited

For quarter ended: 30th September 2023

Name of the Monitoring Agency: Axis Bank Limited

(a) Deviation from the objects: As on 30th September 2023, variation in the Object clause of Funding Capital Expenditure for proposed expansion, after taking prior approval from shareholders by way of Postal ballot on 31st August, 2023.

As per this approval, the period for utilisation has been extended up to end of Fiscal year 2024 to use the IPO proceeds in a fungible/interchangeable manner along with the utilisation for Machines & Moulds.

(b) Range of Deviation*: There is no deviation in the utilisation of IPO Proceeds. Only the period for utilisation has been extended up to end of Fiscal year 2024 to use the IPO proceeds in a fungible/interchangeable manner along with the utilisation for Machines & Moulds.

Indicate range of percentage deviation from the amount of issue proceeds earmarked for objects. For example, up to 10%, 10 - 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

** Range of Deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.*

Declaration:

We hereby declare that this report is based on the format as prescribed by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. We further declare that this report provides true and fair view of the utilization of issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of issue proceeds by the issuer.

For and on behalf of Axis Bank



Authorized Signatory

Corporate Office:

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1) Issuer Details: Name of the issuer: Tarsons Products Limited

The names of the promoters of the issuer:

1. Mr. Sanjive Sehgal
2. Mr. Rohan Sehgal

Industry/sector to which it belongs: Manufacturing of Plastic Labware and Benchtop Instruments.

2) Issue Details:

Issue Period: 15/11/2021 to 17/11/2021

Type of issue (public/rights): Public

Type of specified securities: Equity shares

Grading: Not Applicable

Issue size (Rs. in Crores): 1023.54 crore

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

(Give item by item description for all the objects, as well as for the sub-heads (if any)) given under objects, stated in the offer document separately in following format))

Particulars	Reply	Source of information /certifications considered by Monitoring Agency for preparation of report"	Comments of Monitoring Agency	Comments of Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes/No	Certificate provided by the Chartered Accountant	No, Object is deferred to FY24	As per special resolution passed by shareholders through postal ballot dated 31 st August 2023, the period for utilisation has been extended up to end of Fiscal year 2024 to use the IPO proceeds in a fungible/interchangeable manner along with the utilisation for Machines & Moulds.
Whether Shareholder approval is obtained in case of material deviations# from expenditures disclosed in Offer Document?	Yes/No	Certificate provided by the Chartered Accountant	Yes	Yes. Shareholders approval by way Postal Ballot have been sought.
Whether means of finance for disclosed objects of the Issue has changed?	Yes/No	Certificate provided by the Chartered Accountant	No	No

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Any major deviation observed over the earlier monitoring agency reports?	Yes/No		No	No
Whether all Government / Statutory approvals related to the object(s) obtained?	Yes/No		Yes	Yes
Whether all arrangements pertaining to technical assistance/collaboration in operation?	Yes/No		Yes	Yes
Any favourable events improving object(s) viability	Yes/No		No	No
Any unfavourable events affecting object(s) viability	Yes/No		No	No
Any other relevant information that may materially affect the decision making of the investors	Yes/No		No	No

Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of fund actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of object(s) to be monitored:

(i) Cost of object(s):

(Give item by item description for all the objects, as well as for the sub-heads (if any)) given under objects, stated in the offer document separately in following format)

(₹/Crores)

Sl. No	Item Head	Original Cost (as per Offer Document)	Revised Cost	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of Board of Directors		
						Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding capital expenditure for the Proposed Expansion	62.000	62.000	Monitoring Agency Agreement & CA Certification	NA	NA	NA	NA
2	Repayment/prepayment of certain	78.540	78.540	Monitoring Agency Agreement	NA	Note 3	NA	NA

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	borrowings of our Company			t & CA Certification				
3	General corporate purposes	1.621	2.047	Monitoring Agency Agreement & CA Certification	NA	Note 1 & 2	NA	NA
4	Offer related expenses in relation to the Fresh Issue	7.473	7.114	Monitoring Agency Agreement & CA Certification	NA	Note 2	NA	NA

(ii) Progress in the object(s):
(Give item by item description for all the objects, as well as for the sub-heads (if any)) given under objects, stated in the offer document separately in following format)

(₹/Crores)

S l. No	Item Head\$	Amount as proposed in Offer Document	Amount utilized			Total unutilized Amount	Source of information / certifications considered by Monitoring Agency for preparation of report"	Comments of Monitoring Agency	Comments of Board of Directors	
			As at Beginning of the quarter	During the quarter	At the end of the quarter				Reason of idle funds	Proposed Course of Action
1	Funding capital expenditure for the Proposed Expansion	#62.000 (Excluding interest earned if any on temporary deployment of fund pending	31.222 (Excluding utilisation of interest earned of Rs. 3.317 Crore on deployment of fund	12.559 (Excluding utilisation of interest earned of Rs. 0.379 Crore on deployment	43.781 (Excluding utilisation of interest earned of Rs. 3.696 Crore on deployment	18.219 (Excluding unutilised interest earned on deployment of funds pending utilisation	Monitoring Agency Agreement & CA Certification		Using the fund as per the offer document	NA

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		utilisati on)	pending utilisati on)	ment of fund pendin g utilisat ion)	ment of fund pendin g utilisat ion)	on of fund of Rs 0.007 Crore)				
2	Repayment/pr epayment of certain borrowings of our Company	#78.5 40 (Excludi ng interes earned if any on tempora ry deploy ment of fund pending utilisati on)	78.54 0 (Excludi ng utilisati on of interest earned of Rs. 0.008 Crore on deploy ment of fund pending utilisati on)	0.00 0	78.5 40 (Exclu ding Inter est Utilisa tion of Rs. 0.008 Crore)	0.000	Monitor ing Agency Agreem ent & CA Certifica tion		Used as per offer docu ment.	NA
3	General corporate purposes	#2.04 7 (Revis ed from Rs 1.621 crores) (Excludi ng interes earned if any on tempora ry deploy ment of fund pending utilisati on)	2.047 (Excludi ng utilisati on of interest earned of Rs. 0.029 Crore on deploy ment of fund pending utilisati on)	0.00 0	2.04 7 (Exclu ding utilisat ion of interes t earned of Rs. 0.029 Crore on deploy ment of fund pendin g utilisat ion)	0.000	Monitor ing Agency Agreem ent & CA Certifica tion		Used as per offer docu ment.	NA
4	Offer related expenses in relation to the Fresh Issue	#7.11 4 (Revis ed from Rs. 7.473 crores) (Excludi ng interes earned if any on tempora ry deploy ment of fund pending utilisati on)	7.114	0.00 0	7.11 4	0.000	Monitor ing Agency Agreem ent & CA Certifica tion		Used as per offer docu ment.	NA

\$ Provide following details under Item Head:

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Sl No.	Name of the object	Brief description of the object	Location of the object(s)
1.	Funding capital expenditure for the Proposed Expansion	It will be utilised for the construction of New Plant along with the utilisation for Machines & Moulds in a fungible manner.	Panchla, West Bengal
2.	Repayment/prepayment of certain borrowings of our Company	It will be used for the repayment of Loan Liabilities of company	NA
3.	General corporate purposes	It will be used for the General business requirement of the company	NA
4.	Offer related expenses in relation to the Fresh Issue	It will be used to meet the expenses incurred on the offer.	NA

(iii) Deployment of unutilized proceeds:

(₹/Crores)

Sl. No	Type of instrument where amount invested*	Amount invested (Rs. In Crores)	Maturity date	Earnings	Return on Investment (ROI %)	Market Value as at the end of quarter**
1.	Fixed Deposit with Axis Bank Ltd	18.069	13/10/2023	0.007	5% P.A.	18.076

* Also indicate name of the party/company in which amounts have been invested

** Where market value is not practical to find, provide NAV/NRV/Book Value of the same

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

Object(s) Name	Particulars of activities	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
		As per Offer Document	Actual*		Reason of delay	Proposed Course of Action
Funding Capital Expenditure for the purposed Expansion	Civil design & construction	31/01/2023	31/07/2023	6 months	Unforeseen delay in construction and delay in receiving the machineries /moulds.	The construction has been 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		

* In case of continuing object(s) please specify latest/revised estimate of completion date.

5) "Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document" (₹/Crores)

Item Head	Amount as per offer document	Date of Payment	Amount Utilized as on 30	Un Utilised Balance
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			Sept, 2023		
General corporate purposes	2.047(Revised)	27/06/2022	2.047	0.00	

#Notes:

1. *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.*
2. *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 derived 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

3. *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.*
4. *The company has earned a total interest of Rs. 3.740 crores on the deployment of unutilised proceeds in fixed deposit till 30/09/2023. Breakup of earning of interest and its utilisation are as follows:*

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<i>Particulars</i>	<i>Interest Earned</i>	<i>Interest Utilised for the same purpose</i>	<i>Interest Unutilised</i>
<i>Interest earned on unutilised funds raised for the purpose of borrowings repayment</i>	0.008	0.008	-
<i>Interest earned on unutilised funds raised for the purpose of meeting capital expenditure of proposed expansion at Panchla</i>	3.703	3.696	0.007
<i>Interest earned on unutilised funds raised for the purpose of using the same for General Commercial Purpose</i>	0.029	0.029	-
<i>Total</i>	3.740	3.733	0.007

5. The shareholder of the Company vide a special resolution through postal ballot on 31st August 2023, has approved the utilization of IPO proceeds by the end of fiscal year 2024 in the manner as stated in extract of resolution mentioned below:

Extension of time limit in deployment of funds received during IPO in a fungible/interchangeable manner along with the utilization for Machines and Moulds.

“RESOLVED FURTHER THAT the consent of the members of the Company be and is hereby accorded to utilize the Unutilized Proceeds for the Funding Capital Expenditure for Proposed Expansion 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 viz. Building civil work and exterior development work, clean room costs & Utilities and erection, limited to the overall limit of ₹ 827.02 million at the discretion of the Board.”

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