

Date: 13th February, 2024

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 31st December, 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 31st December, 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

STATEMENT OF DEVIATION / VARIATION IN UTILISATION OF FUNDS RAISED

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			31/12/2023			
Monitoring Agency			Applicable			
Monitoring Agency Name			Axis Bank Limited			
Is there a Deviation/ Variation in use of funds raised			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.			
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders			YES			
If Yes, Date of shareholder Approval			31/08/2023			
Explanation for the Deviation/ Variation			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.			
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	46.150	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 Date: 10 th Day of February 2024 Place: Kolkata						

*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 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**

- 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. 3.937 crores on the deployment of unutilised proceeds in fixed deposit till 31/12/2023. 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	3.900	3.842	0.058
Interest earned on unutilised funds raised for the purpose of using the same for General Commercial Purpose	0.029	0.029	-
Total	3.937	3.879	0.058

- 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."

