

Hatsun Agro Product Limited

CIN: L15499TN1986PLC012747

Registered Office:

No.41 (49), Janakiram Colony Main Road, Janakiram Colony,
Arumbakkam, Chennai - 600 106, Tamil Nadu.

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Corporate Office:

Plot No 14, TNHB, TN Housing Board 'A' Road,
Sholinganallur, Chennai - 600 119, Tamil Nadu.

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HAPL\SEC\15\2023-24

May 10, 2023

BSE Limited
Corporate Relationship Department
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra(E), Mumbai – 400 051

Stock Code: BSE: 531531
NSE: HATSUN

Dear Sir / Madam,

Sub: Report issued by the Monitoring Agency for the quarter ended March 31, 2023

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations), and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, we enclose a Report issued by the Monitoring Agency CRISIL Ratings Limited dated May 10, 2023, for the quarter ended March 31, 2023 with respect to the Rights Shares issued by the Company.

Kindly take the above information on record.

Thanking you.

Yours faithfully,

For Hatsun Agro Product Limited



G Somasundaram
Company Secretary & Compliance Officer



Hatsun Agro Product Limited



**Monitoring Agency Report for
Hatsun Agro Product Limited
for the quarter ended
March 31, 2023**

CRL/MAR/HATAGPL/2022-23/1016

May 10, 2023

To

Hatsun Agro Products Limited

No.41 (49), Janakiram Colony Main Road,
Arumbakkam, Chennai - 600106

Dear Sir,

Monitoring Agency Report for the quarter ended March 31, 2023 - in relation to the Rights Issue of Hatsun Agro Products Limited ("the Company")

Pursuant to Regulation 82 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") and Monitoring Agency Agreement dated December 03, 2022, we enclose herewith the Monitoring Agency Report, issued by CRISIL Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of Rights Issue for the quarter ended March 31, 2023.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of CRISIL Ratings Limited



Sushant Sarode

Director, Ratings (LCG)

Ratings

Name of the issuer: Hatsun Agro Products Limited

For quarter ended: March 31, 2023

Name of the Monitoring Agency: CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

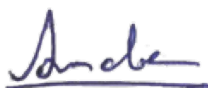
(b) Range of Deviation: Not applicable

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: Hatsun Agro Products Limited
Names of the promoter: Mr. R. G. Chandramogan
Industry/sector to which it belongs: Dairy Products

2) Issue Details

Issue Period: Monday, December 19, 2022 to Monday, January 9, 2023
Type of issue (public/rights): Rights Issue
Type of specified securities: Equity Shares
IPO Grading, if any: NA
Issue size: Up to Rs 30,107.02 lakh
(including net proceeds of Rs 29,579.87* lakh)

*CRISIL Ratings shall be monitoring the net proceeds amount:

<i>Particulars</i>	<i>Amount as per offer document (Rs in lakh)</i>	<i>Actual amount during the quarter (Rs in lakh)</i>	<i>Difference (Rs in lakh)</i>	<i>Remarks</i>
<i>Net proceeds considered for the quarter ended March 31, 2023</i>	29,579.87	29,681.87	102.00	<i>Actual issue expenses are less than estimated expenses disclosed in offer document hence surplus in issue expenses has been utilised in GCP accordingly cost of GCP and consequentially net proceeds increased by Rs 102 lakh.</i>

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 [^] , 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, 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?	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)?	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?	NA		No Comments	No Comments

NA represents Not Applicable

[^]Statutory Auditor Certificate dated May 05, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018).

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 lakhs)	Revised Cost (Rs in lakhs)	Comment of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment or pre-payment, in full or part, of certain outstanding borrowings availed by the Company	Management undertaking, Statutory Auditor Certificate [^]	28,579.87	NA	No comments	No comments		
2	General Corporate Purposes (GCP) [#]	Management undertaking, Statutory Auditor Certificate [^]	1,000.00	1,102.00*	Refer note	No comments		

[^]Statutory Auditor Certificate dated May 05, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018).

[#]The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds from the Fresh Issue.

*Note:

Particulars	Amount as per offer document (Rs in lakh)	Actual amount (Rs in lakh)	Difference (Rs in lakh)	Remarks
GCP	1,000.00	1,102.00	102	1. Actual issue expenses are less than estimated expenses disclosed in offer document hence surplus in issue expenses has been utilised in GCP accordingly cost of GCP and consequentially net proceeds increased by Rs 102 lakh 2. Out of Rs 29,681.87, Rs 2.10 lakh are kept in abeyance as the determination of ownership of these equity shares are under court proceedings.
Net proceeds considered for the quarter ended March 31, 2023	29,579.87	29,681.87	102	

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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 lakhs)	Amount utilized (Rs in lakhs)			Total unutilized amount (Rs in lakhs)	Comment 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 or pre-payment, in full or part, of certain outstanding borrowings availed by the Company	Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements	28,579.87	-	28,579.87	28,579.87	Nil	No comments	No comments	
2	General Corporate Purposes (GCP)	Management undertaking, Statutory Auditor Certificate [^] , Final Offer Document, Bank Statements	1,102.00*	-	1,099.90	1,099.90	2.10*	Refer Note	No comments	
	Total		29,681.87*		29,679.77		2.10*			

[^]Statutory Auditor Certificate dated May 05, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018).

*Refer note under section "4(i) – Cost of the objects" above

#Brief description of objects:

Object of the Issue	Description of objects as per the offer document filed by the issuer
Repayment or pre-payment, in full or part, of certain outstanding borrowings availed by the Company	<ol style="list-style-type: none"> 1. Company has, in the ordinary course of business, entered into financing arrangements with various banks, financial institutions, and other entities. The borrowing arrangements entered into by Company comprise, among others, working capital facilities and term loans. 2. The selection of borrowings proposed to be repaid or prepaid shall be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant borrowing, the amount of the borrowing outstanding, the remaining tenor of the borrowing, presence of onerous terms and conditions under the facility, levy of any prepayment penalties and the quantum thereof, provisions of any law, rules or regulations governing such borrowings, terms of prepayment to lenders, if any and mix of credit facilities provided by lenders. 3. Utilization of the net proceeds for part or full repayment of any such additional borrowings or borrowings obtained to refinance any of existing borrowings. The company will choose to repay or pre-pay certain borrowings from those identified. Given the nature of these borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts may vary from time to time.
General Corporate Purposes (GCP)	<p>Utilisation towards general corporate purposes shall be to drive business growth, including, amongst other things,</p> <ol style="list-style-type: none"> i. brand building and other marketing expenses, ii. acquiring assets, such as furniture and fixtures, and vehicles, iii. meeting any expenses incurred in the ordinary course of business by Company, including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties, iv. repair, maintenance, renovation and upgradation of our existing facilities, v. strategic initiatives, leasehold improvements, vi. meeting of exigencies which Company may face in the course of any business and any other purpose as permitted by applicable laws, subject to meeting regulatory requirements and obtaining necessary approvals / consents, as applicable and other purpose as permitted by applicable laws and as approved by Board or a duly appointed committee thereof for funding growth opportunities.

iii. Deployment of unutilized IPO proceeds

Sr. No:	Type of instrument and name of the entity invested in	Amount invested (Rs in lakh)	Maturity date	Earnings (Rs in lakh)	Return on investment (%)	Market Value as at end of quarter (Rs in lakh)
Not Applicable [^]						

^On the basis of management undertaking and Statutory Auditor Certificate dated May 05, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Rs 29,679.77 lakh has been raised and fully utilised by the company during the quarter ended March 31, 2023. Remaining 499 equity shares of Rs 2.10 lakh are kept in abeyance as the determination of the ownership of these equity shares are under court proceedings.

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
Refer note				No Comments	

^On the basis of management undertaking and Statutory Auditor Certificate dated May 05, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), Rs 29,679.77 lakh has been raised and fully utilised by the company during the quarter ended March 31, 2023. Remaining 499 equity shares of Rs 2.10 lakh are kept in abeyance as the determination of the ownership of these equity shares are under court proceedings. Offer document filed by the Company specifies that, "in the event the net proceeds are not completely utilised for the purpose stated by Fiscal 2023, the same would be utilized in subsequent fiscals for achieving the objects of the issue."

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Sr. No.	Particulars	Amount utilized during the quarter (Rs in lakh)	Supporting documents referred by MA	Comments of the Monitoring Agency
1.	Expenses incurred in the ordinary course of business	110.83	Management undertaking and Statutory Auditor certificate^	Company has provided Board resolution dated January 19, 2023 wherein the Board of Directors of the Company has approved the utilization under GCP along with quantum
2.	Repayment/pre-payment, in full or part, of certain outstanding borrowings availed by the company	989.07		
Total		1,099.90		

^Statutory Auditor Certificate dated May 05, 2023 issued by M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018).

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.*
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- f) *The MA report is intended for the jurisdiction of India only. This report does not constitute an offer of services. Without limiting the generality of the foregoing, nothing in the report is to be construed as CRL providing or intending to provide any services in jurisdictions outside India, where it does not have the necessary licenses and/or registration to carry out its business activities referred to above.*
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Ratings

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