



13th May, 2022

To,
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No. C/1, G block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai 400051.
Scrip ID - HPAL

To,
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai
Scrip Code - 543433

Sub: Monitoring Agency Report for the quarter ended March 31, 2022.

Dear Sir/ Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith Monitoring Agency Report dated 13th May, 2022 issued by ICICI Bank Limited, Monitoring Agency, for the quarter ended 31st March, 2022 in respect of utilization of proceeds of the IPO of the Company.

Request you to please take the above on record.

Thanking you,

Yours Truly,

For HP Adhesives Limited

Jyoti Chawda
Company Secretary
Encl: As above



HP ADHESIVES LIMITED (Formerly known as HP ADHESIVES PRIVATE LIMITED)

Corporate Office: 501, 5th floor, C Wing, Business Square Bldg., Andheri East, Mumbai 400093, Maharashtra, India
Registered Office: 11, Unique House, Chakala, Andheri (East), Mumbai 400099, India
CIN: L24304MH2019PLC325019

Tel: +91-22-68196300

Email: info@hpadhesives.com

Web: www.hpadhesives.com

Report of the Monitoring Agency

Name of the Issuer: M/s HP Adhesives Limited
For quarter ended: March 31, 2022
Name of the Monitoring Agency: ICICI Bank Limited

(a) Deviation from the objects: No deviation from the object

(b) Range of Deviation: Not applicable

Declaration:

We declare that this report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the 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 the issue proceeds by the issuer.

Signature:



Name of the Authorized Person/Signing Authority: Sagar Welekar
Designation of Authorized person/Signing Authority: Chief Manager
Seal of the Monitoring Agency:
Date: 13/05/2022



1) Issuer Details:

Name of the issuer: M/s HP Adhesives Limited

Names of the promoter: Mrs. Anjana Haresh Motwani and Mr. Karan Haresh Motwani.

Industry/sector to which it belongs: Manufacture a wide range of consumer adhesives and sealants products.

2) Issue Details:

Issue Period: Dec 15, 2021 to Dec 17, 2021

Type of issue (public/rights): Initial Public Offer

Type of specified securities: Equity Shares

Public Issue Grading, if any: NA

Issue size (` in million): 1259.6

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

(Give item by item description for all the objects stated in offer document separately in following format)

Particulars	Reply	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes/No	Yes	Yes
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Yes/No	NA	NA
Whether the means of finance for the disclosed objects of the issue has changed?	Yes/No	No	No
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/No	NA	No
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes/No	NA	Yes
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/No	NA	NA
Are there any favorable events improving the viability of these object(s)?	Yes/No	NA	No
Are there any unfavorable events affecting the viability of the object(s)?	Yes/No	No	No
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/No	NA	No

NA – represents Not Applicable

#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)- INR in Million

Sr. No	Item Head	Original Cost (as per Offer Document)	Revised Cost*	Comments of Monitoring Agency	Comments of Board of Directors		
					Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding the incremental working capital requirements of our Company	540.00	NA	No comments	N.A.	N.A.	N.A.
2.	Funding capital expenditure for the Proposed Expansion	255.09	NA	No comments	N.A.	N.A.	N.A.
3.	General corporate purposes	172.35	171.82	No comments	N.A.	N.A.	N.A.
	Total	967.44	966.91				

(*) There is revision in the General corporate purposes on account of finalization of Issue related expenses.

(ii) Progress in the object(s)- INR in Million

Sr. No	Item Head	Amount as proposed in Offer Document	Amount utilized			Total unutilized Amount	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 the incremental working capital requirements of our Company	540.00	53.78	105.23	159.01	380.99	No comments	N.A.	N.A.
2	Funding capital expenditure for the Proposed Expansion	255.09	0.0	19.49	19.49^	235.60	No comments	N.A.	N.A.
3	General corporate purposes	171.82	100.00	71.82	171.82	0.0	No comments	N.A.	N.A.
	Total	966.91	153.78	196.54	350.32	616.59			

(*) The amount utilized represents actual payments made inclusive of Taxes.

^ The amount has been utilized for the Capex Object as defined in the Prospectus. However, there has been a delay in utilization of the amount as compared to the Estimated deployment of Net Proceeds schedule as mentioned in the Prospectus. Details provided in table titled - (iv) Delay in Implementation of the Objects.

(iii) Deployment of unutilized Public offer proceeds- INR In millions

Sl. No	Type of instrument and name of the entity invested in	Amount Invested	Maturity date	Earnings	Return on Investment (ROI %)p. a.	Market Value as at the end of quarter*
1	Fixed Deposits – ICICI Bank	100.26	14/04/2022	0.14	2.5%	100.26
2	Fixed Deposits – Indusind Bank	50.00	22/04/2022	0.47	3.8%	50.00
3	Fixed Deposits – ICICI Bank	120.00	08/05/2022	1.43	3.6%	120.00
4	Fixed Deposits – Indusind Bank	49.50	12/05/2022	0.67	4.1%	49.50
5	Fixed Deposits – Indusind Bank	49.80	13/05/2022	0.68	4.1%	49.80
6	Fixed Deposits – Indusind Bank	19.00	29/01/2023	1.27	6.0%	19.00
7	Fixed Deposits – Indusind Bank	18.50	30/01/2023	1.24	6.0%	18.50
8	Fixed Deposits – Indusind Bank	19.80	04/03/2023	1.42	6.0%	19.80
9	Fixed Deposits – Indusind Bank	17.50	06/03/2023	1.25	6.0%	17.50
10	Fixed Deposits – Indusind Bank	18.00	11/04/2023	1.39	6.0%	18.00
11	Fixed Deposits – Indusind Bank	19.50	12/04/2023	1.50	6.0%	19.50
12	Fixed Deposits – Indusind Bank	19.70	13/04/2023	1.52	6.0%	19.70
13	Fixed Deposits – Indusind Bank	18.20	14/04/2023	1.40	6.0%	18.20
14	Fixed Deposits – Indusind Bank	18.60	17/04/2023	1.43	6.0%	18.60
15	Fixed Deposits – Indusind Bank	11.20	19/04/2023	0.86	6.0%	11.20
16	Fixed Deposits – Indusind Bank	19.50	19/04/2023	1.50	6.0%	19.50
17	Fixed Deposits – Indusind Bank	18.50	20/04/2023	1.43	6.0%	18.50
18	Amount Lying in Monitoring Agency account as on date.	30.60	-	-	-	30.60
19	Less: Pending withdrawal from Monitoring account towards reimbursement of IPO Expenses incurred before IPO completion	-1.06	-	-	-	-
20	Less: Interest Credited to Account on Fixed Deposits maturity proceeds.	-0.51	-	-	-	-
	Total	616.59		19.6		618.16

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

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

Object(s) Name	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document	Actual		Reason of delay	Proposed Course of Action
Working Capital	Q4 FY2022	Q1 FY2023	1 month	In March 2022, raw material vendor to whom advance payment was made in December 2021 and January 2022, Company cancelled the purchase as the earlier material was not as per specification and hence advance was received back in March 2022. Part has already been utilized in March 2022 and only INR 0.99 million is pending to be utilized.	Pending INR 0.99 million for FY22 has already been utilized in Apr 2022.
Capex	Q4 FY2022	Q2 FY2023	6 months	The delay in deploying the funds is due to commencement of order placement to vendors beginning only in Jan 2022 post IPO completion in Dec 2021. Also, construction and supply of specific equipment's are delayed due to supply chain disruption in India and globally as well as resurgence of covid wave in India and certain other countries.	This is a continuing Object as per Prospectus with final date of completion being FY2024. Management is working towards improving the pace of capex implementation with the objective of utilizing the pending capex proceeds earmarked for FY22 to be utilized in FY23. This is as mentioned in the Prospectus that incase of estimated utilization being not undertaken in its entirety in a scheduled fiscal, remaining Net proceeds shall be utilized in subsequent Fiscals.

Signature:




Name of the Authorized Person/Signing Authority: Sagar Welekar
 Designation of Authorized person/Signing Authority: Chief Manager
 Seal of the Monitoring Agency:
 Date: 13/05/2022