



15<sup>th</sup> May, 2023

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

To,  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400001.  
**Script Code - 543433**

**Sub: Monitoring Agency Report for the quarter ended 31<sup>st</sup> March, 2023.**

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 the Monitoring Agency Report dated 15<sup>th</sup> May, 2023 issued by ICICI Bank Limited, Monitoring Agency, for the quarter ended 31<sup>st</sup> March, 2023 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  
NIKUNJ  
CHAWDA

Digitally signed  
by JYOTI NIKUNJ  
CHAWDA  
Date: 2023.05.15  
12:36:51 +05'30'

**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, 2023  
Name of the Monitoring Agency: ICICI Bank Limited

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

(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: 15<sup>th</sup> May 2023

**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: December 15, 2021 to December 17, 2021

Type of issue (public/rights): Public Issue

Type of specified securities: Equity Shares

Public Issue Grading, if any: NA

Issue size (in Million): Fresh Issue of Equity Shares of ₹ 1134.3 Million

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

**4) Details of object(s) to be monitored:**
**(i) Cost of object(s)- (All In ₹ millions)**

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	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 the Company	Statutory Auditor Certificate and Company Declaration	540.00	NA	No Comments	NA	NA	NA
2	Funding capital expenditure for the Proposed Expansion	Statutory Auditor Certificate and Company Declaration	255.09	NA	No Comments	NA	NA	NA
3	General corporate purposes	Statutory Auditor Certificate and Company Declaration	172.35	171.82*	No Comments	NA	NA	NA
	<b>Total</b>		<b>967.44</b>	<b>966.91*</b>				

\*GCP Revised to 171.82 from 172.35 due to finalization of Issue Expenses

**(ii) Progress in the object(s)- (All In ₹ millions)**

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	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 the Company	Statutory Auditor Certificate and Company Declaration	540.00	405.22	0.00	405.22	134.78	Pls refer comments below this table^	NA	NA
2	Funding capital expenditure for the Proposed Expansion	Statutory Auditor Certificate and Company Declaration	255.09	77.43	17.78	95.21	159.88	Pls refer comments below this table**	NA	NA
3	General Corporate Purposes	Statutory Auditor Certificate and Company Declaration	171.82	171.82	-	171.82	-	No Comments	NA	NA
	<b>Total</b>		<b>966.91</b>	<b>654.47</b>	<b>17.78</b>	<b>672.25</b>	<b>294.66</b>			

\*The amount utilized represents actual payments made inclusive of taxes.

^ As per prospectus, the company had proposed utilizing INR 200 mn towards working capital requirement in current financial year (FY23). Keeping in mind the rising interest rate cost on working capital bank borrowings and the comparative lower interest rate earned on FDs with banks of the unutilized amount, the company has intended to accelerate the deployment of upto INR 80 mn from next year's (FY24) working capital allocation (of INR 180 mn) which has been discussed and noted in the Audit committee meeting dated 11th November, 2022. In Q3FY23, the company has utilized INR 45.22 mn from the proposed INR 80 mn (proposed accelerated usage) as stated above.

\*\* The amount has been utilized for the capex object as defined in the prospectus. However, there has been a delay in utilization of the capex amount as compared to revised timeline provided in the Q4 FY2022 monitoring agency report. Details provided in table titled - (iv) Delay in Implementation of the Objects.

(iii) Deployment of unutilized Public Offer proceeds- (All In ₹ millions)

Sr. No	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Interest Earning upon maturity	Return on Investment (%)	Market Value as at the end of quarter
1	Fixed Deposits - ICICI Bank	0.09	06/04/23	**	3.00%	0.09
2	Fixed Deposits - ICICI Bank	10.00	24/06/24	0.92	7.10%	10.00
3	Fixed Deposits - ICICI Bank	60.50	04/05/24	5.60	7.15%	60.50
4	Fixed Deposits - ICICI Bank	46.55	04/05/24	**	7.15%	46.55
5	Fixed Deposits - Indusind Bank	20.14	29/02/24	1.63	7.25%	20.14
6	Fixed Deposits - Indusind Bank	21.08	04/05/24	1.85	7.25%	21.08
7	Fixed Deposits - Indusind Bank	6.52	06/05/24	0.55	7.00%	6.52
8	Fixed Deposits - Indusind Bank	18.00	11/04/23	1.39	6.00%	18.00
9	Fixed Deposits - Indusind Bank	19.50	12/04/23	1.50	6.00%	19.50
10	Fixed Deposits - Indusind Bank	19.70	13/04/23	1.52	6.00%	19.70
11	Fixed Deposits - Indusind Bank	18.20	14/04/23	1.40	6.00%	18.20
12	Fixed Deposits - Indusind Bank	18.60	17/04/23	1.43	6.00%	18.60
13	Fixed Deposits - Indusind Bank	11.20	19/04/23	0.86	6.00%	11.20
14	Fixed Deposits - Indusind Bank	19.50	19/04/23	1.50	6.00%	19.50
15	Fixed Deposits - Indusind Bank	18.50	20/04/23	1.43	6.00%	18.50
16	Monitoring agency account Balance	0.05	-	-	-	-
17	Less: Interest Credited to Account on Fixed Deposits maturity proceeds.	13.46	-	-	-	-
	<b>Total</b>	<b>321.59</b>		<b>21.58</b>		<b>308.08</b>

Note: Effect of Interest on FD with partial/ prematurity withdrawals, if any not considered above.

(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
Funding capital expenditure for the Proposed Expansion	Q4 FY2024	Q4 FY2025	12 months	As there was a delay in spending in FY22 allocated amount, the amount proposed to be spent on capex in FY23 has spilled over to FY24. However, capex for capacity additions have not been impacted and the same has been carried out as per expected production forecast to meet estimated demand.	This is a continuing Object as per Prospectus with final date of completion being FY2024. 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. Management is planning to incur upto INR 80 mn capex in FY24 and balance in FY25 based on current planning which may be revised in case of any change in market scenario, etc.

\* 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: (₹/Million)

Sr. No	Item Head	Amount as proposed in Offer Document	Amount utilized			Total unutilized Amount
			As at Beginning of the quarter	During the quarter#	At the end of the quarter	
1	General Corporate Purpose	171.82	171.82	-	171.82	-

Signature:




Name of the Authorized Person/Signing Authority: Sagar Welekar  
 Designation of Authorized person/Signing Authority: Chief Manager  
 Seal of the Monitoring Agency:  
 Date: 15<sup>th</sup> May 2023