

MONITORING AGENCY REPORT

Name of the Issuer: Hariom Pipe Industries Limited

For quarter ended: Q4 FY2023

Name of the Monitoring Agency: ICRA Limited

(a) Deviation from the objects of the issue:

No deviation - The utilization of the issuance proceeds is in line with the objects of the issue.

(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:

Parul Goyal Narang,
Vice President & Head-Process Excellence

Analyst: Dhvani Vinchhi
QA: Parul Narang

1. Issuer Details

Name of the Issuer: Hariom Pipe Industries Limited

Name(s) of the promoters:

Promoters
Rupesh Kumar Gupta
Sailesh Gupta

Source: BSE

Industry/ sector to which it belongs: Iron and Steel Products

2. Issue Details

Issue Period: Opening date- March 27, 2023

Closing date- April 06, 2023

Type of Issue: Preferential Issue

Type of specified securities: Equity shares and Convertible Warrants

IPO Grading, if any: *Not Applicable since it's a Preferential Issue*

Issue Size (Rs. Crore): 190.20 Crore (33,69,000 warrants + 21,43,500 equity shares @345 each)

Net proceeds credited: INR 102.84 Crore

**The proceeds credited to the Net Proceeds account stood at INR 102.84 Crore which includes INR 73.90 towards allotment of Equity shares (including INR .086 Cr credited in proceed accounts for shares allotted on 6-Apr-2023) and INR 28.94 Crore (including INR 0.06 Cr credited in proceeds account for warrants issued on 6-Apr-2023). Hence ICRA will be monitoring the actual amount credited i.e. INR 102.84 Crore for Q4FY2023.*

3. Details of the arrangement made to ensure the monitoring of issue proceeds

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Not Applicable	-Certification from Statutory Auditors -Confirmation from management -Bank statement of the proceeds account	The Funds in the Proceeds Account are yet to be utilized as on 31 st March 2023.	
Whether shareholder approval has been obtained in case of	Not Applicable	As confirmed by the Issuer's management	No comments	

Particulars	Reply	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
material deviations [#] from expenditures disclosed in the Offer Document?				
Whether the means of finance for the disclosed objects of the issue has changed?	No	<i>As confirmed by the Issuer's management</i>	<i>No deviation observed.</i>	
Is there any major deviation observed over the earlier monitoring agency reports?	Not Applicable	<i>No deviation observed.</i>	<i>No comments</i>	
Whether all Government/ statutory approvals related to the object(s) have been obtained?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Whether all arrangements pertaining to technical assistance/ collaboration are in operation?	Not Applicable	<i>As confirmed by the Issuer's management</i>	<i>No comments</i>	
Are there any favorable events improving the viability of these object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Are there any unfavorable events affecting the viability of the object(s)?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	
Is there any other relevant information that may materially affect the decision making of the investors?	No	<i>As confirmed by the Issuer's management</i>	<i>As understood from the Issuer's management</i>	

[#] Where material deviation is defined to mean:

(a) Deviation in the objects or purposes for which the funds had been raised.

(b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

4. Details of the object(s) to be monitored.
(i) Cost of object(s)

S.N.	Item Head	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Original cost (as per the offer document) [Rs. Crore]	Revised cost [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of firm arrangements made
1	Working Capital Requirements	Letter of offer	190.20	-				
	Total		190.20					

(ii) Progress in the object(s)

S.N.	Item Head*	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the offer document. [Rs. Crore]	Amount utilized. [Rs. Crore]			Total unutilized amount [Rs. Crore]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
				As at the beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Working Capital	-Letter of Offer -Certificate from statutory Auditors -Bank Statement of the proceeds account	190.20	-	-	-	102.84	The proceeds credited to the Net Proceeds account stood at INR 102.84 Crore as on 31 st March 2023 as part payment has been received against the equity and warrants issue. Hence, ICRA will be monitoring INR 102.84 Crore for Q4FY2023.		
Total			190.20	-	-	-	102.84			

(iii) Deployment of unutilized proceeds

S.N.	Type of instrument and name of the entity invested in	Amount invested [Rs. Crore]	Maturity date	Earning [Rs. Crore]	Return on Investment [%]	Market Value as at the end of quarter* [Rs. Crore]
1	Preferential Warrant Account with Canara Bank	28.94	-	-	-	-
2	Preferential Equity Account with Canara Bank	73.90	-	-	-	-
Total		102.84				

Source: As certified by R Kabra and Co LLP Chartered Accountant (ICA).

Note 1: The Board of Directors of the Company on 31.03.2023 and on 06.04.2023 has allotted 21,39,425 and 2,750 Equity Shares respectively at a price of Rs.345/- per Share aggregating to Rs. 73.90 Crores.

Note 2: The Board of Directors has also allotted 33,48,125 and 7,500 Convertible Warrants on 31.03.2023 and on 06.04.2023 respectively at a price of Rs.345/- Per warrant out of which 25% of the amount was payable at the time of allotment of the Convertible Warrants aggregating to Rs. 28.94 Crores. The remaining amount i.e., Rs.86.83 Crores (75% of the remaining amount) shall be payable at any time but not after 18 months from the date of allotment of warrants.

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

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Issuer's Board of Directors	
	As per the offer document	Actual [^]		Reason for delay	Proposed course of action
NA					

Source: As confirmed by the Issuer's management

[^]Refers to the latest estimate of the completion date

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

S.N.	Item Head	Amount [Rs. Crore]	Source of information, certifications considered by the Monitoring Agency for the preparation of report	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors
1	NA	Nil	-	No Comments	