

Date: 14/08/2024

To,

Manager,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex- Bandra (E),
Mumbai-400051

NSE Symbol: HITECH

Listing Department,
BSE Limited
Phiroze Jeejeebhoy Towers, Rotunda
Building, Dalal Street, Fort
Mumbai- 400001

Scrip Code: 543411

Sub: Report of the Monitoring Agency with respect to utilization of proceeds of the Preferential Issue for the quarter ended June 30, 2024.

Dear Sir/Madam,

Pursuant to Regulation 162A of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018 and Regulation 32(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Monitoring Agency Report with respect to utilization of proceeds of the Preferential Issue for the quarter ended on June 30, 2024, issued by Monitoring Agency i.e. CRISIL Ratings Limited.

Kindly take the note of above information on record and oblige.

Thanking you,

Yours faithfully,

For Hi-Tech Pipes Limited

For HI-TECH PIPES LIMITED

Arun Kumar
Company Secretary
Company Secretary & Compliance Officer

Monitoring Agency Report
for
Hi-Tech Pipes Limited
for the quarter ended June 30, 2024

CRL/MAR/HTPPLTD/2023-24/1056

August 14, 2024

To
Hi-Tech Pipes Limited,
505, Pearl Omaxe Tower, Netaji Subhash Place,
Pitampura, New Delhi -110034

Dear Sir,

Sub: Monitoring Agency Report for the quarter ended June 30, 2024 – in relation to the Preferential Issue of Hi-Tech Pipes Limited (“the Company”)

Pursuant to Regulation 162 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) and Monitoring Agency Agreement dated January 13, 2023, entered with the Company, we enclose the Monitoring Agency Report, issued by CRISIL Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of Preferential Issue for the quarter ended June 30, 2024.

Request you to kindly take the same on records.

Thanking you,
For and on behalf of CRISIL Ratings Limited



Sushant Sarode
Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: Hi- Tech Pipes Limited

For quarter ended: June 30, 2024

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)

1) Issuer Details:

Name of the issuer: Hi- Tech Pipes Limited

Names of the promoter: a. Ajay Kumar Bansal
b. Anish Bansal

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

2) Issue Details

Issue Period: Wednesday, December 28, 2022, to January 10, 2023

Type of issue: Preferential Issue

Type of specified securities: Fully convertible Equity Warrants

IPO Grading, if any: NA

Issue size: up to 55,40,000 fully convertible Equity Warrants for cash at a price of Rs 692 per Warrant Equity Share aggregating to Rs 383.368 crore* (assuming full subscription).

*CRISIL Ratings shall be monitoring the proceeds raised through issue of fully convertible share warrants pursuant to offer letter dated December 28, 2022

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	Bank Statement, Offer document, Management Undertaking, Statutory Auditor certificate^	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

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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 the means of Finance for the disclosed objects of the issue has changed?	No	Management Undertaking, Statutory Auditor certificate^	No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		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 favourable events improving the viability of these object(s)?	NA		No Comments	No Comments
Are there any unfavourable events affecting the viability of these 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
<p># Where material deviation may be defined to mean: -</p> <p>(a) Deviation in the objects or purposes for which the funds have been raised.</p> <p>(b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.</p>				

NA represents Not Applicable

^Certificate dated July 25, 2024, issued by M/s A. N. Garg and Company, Chartered Accountants (Firm Registration Number: 004616N), Statutory Auditors of the Company

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 crore)	Revised Cost (Rs in crore)	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Augment the long-term resources of the Company for meeting funding requirements of its business activities	Management undertaking, Statutory Auditor Certificate^, Offer Document	19.17	19.17	No revision	No revision		
2	Maintain adequate liquidity		230.02	233.81	Refer Note 1	No revision		
3	Pursue growth opportunities		-	-	No revision	No revision		
4	To extend financial support to its subsidiaries in implementing their projects		19.17	20.38	Refer Note 1	No revision		
5	General corporate purpose#		95.84	90.84	Refer Note 1	No revision		
6	Debt reduction and strengthen balance sheet		19.17	19.17	No revision	No revision		
7	Brand building		-	-	No revision	No revision		
	Total	-	383.368	383.368	-			

#The amount utilised for general corporate purposes does not exceed 25% of the proceeds (amounting to Rs 95.842 crore) from the Issue.

Note 1- As per the Notice to Shareholders dated 25.11.2022, the amount specified for the mentioned object of issue size may not exceed +/- 10% depending upon the future circumstances. During the reported quarter, the Company has utilized an excess of Rs 3.79 crore towards object 2 and Rs 1.21 crore in object 4 of the offer. This excess amount of Rs 5 crore has been adjusted with the

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object of GCP. Therefore, in line with the mentioned notice, the cost has been revised within permissible limits, which is less than 10%.

^Certificate dated July 25, 2024, issued by M/s A. N. Garg and Company, Chartered Accountants (Firm Registration Number: 004616N), Statutory Auditors of the Company

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 crore)	Amount utilized (Rs in crore)			Total unutilized amount (Rs in crore)	Comments 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	Augment the long-term resources of the Company for meeting funding requirements of its business activities	Management undertaking, Statutory Auditor Certificate [^] , Offer Document, Bank Statements	19.17	-	15.05	15.05	4.12	Payment made by the company for implementing debottlenecking strategies to improve the efficiency of its production process.	No Comments	
2	Maintain adequate liquidity	Management undertaking Statutory Auditor Certificate Document [^]	233.81	209.90	23.91	233.81	-	Maintaining liquidity by making vendor payment and fulfilling working capital requirement.	No Comments	
3	To extend financial support to its subsidiaries in implementing their projects	Management undertaking, Statutory Auditor Certificate [^] , Offer Document, Bank Statements	20.38	15.38	5.00	20.38	-	Funds infused in subsidiary (Hi-Tech Metalex Private Limited) situated in Jammu in the form unsecured loan for establishing a plant as per the details mentioned in the offer letter.	No Comments	

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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 crore)	Amount utilized (Rs in crore)			Total unutilized amount (Rs in crore)	Comments 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
4	General corporate purpose		90.84	-	-	-	90.84	No proceeds were utilized towards this object during the reported quarter	No Comments	
5	Debt reduction and strengthen balance sheet	Management undertaking, Statutory Auditor Certificate [^] , Offer Document	19.17	11.60	-	11.60	7.57	No proceeds were utilized towards this object during the reported quarter	No Comments	
6	Brand building		-	-	-	-	-	No proceeds were utilized towards this object during the reported quarter	No Comments	
7	Pursue growth opportunities	Offer Document	-	-	-	-	-	No proceeds were utilized towards this object during the reported quarter	No Comments	
		Total	383.368	236.88	43.96	280.84	102.53*			

*Out of the total net proceeds of Rs 383.368 crore, the Company had received Rs 236.88 crore and the same was fully utilized till the quarter ended March 31, 2024. Further, during the reported quarter, the Company has received Rs 76.84 crore from the issue out of which Rs 43.96 crore were utilized as at the end of the quarter and balance of unutilized issue proceeds is lying the Share Application account as there is no allotment done after April 30, 2024, to June 30, 2024. The total proceeds received till the quarter ended June 30, 2024, is Rs 313.72 crore. The remaining amount of Rs 69.65 crore is expected to be received by the Company within 18 months from the date of allotment of the share warrants viz. January 10, 2023.

[^]Certificate dated July 25, 2024, issued by M/s A. N. Garg and Company, Chartered Accountants (Firm Registration Number: 004616N), Statutory Auditors of the Company.

#Brief description of objects:

Object of the Issue	Description of objects as per the Statutory Auditor certificate shared by the issuer
Maintain adequate liquidity	Working Capital requirement
Debt reduction and strengthen balance sheet	Payment of Term Loan
Augment the long-term resources of the Company for meeting funding requirements of its business activities	Capex (Capacity Extension) and debottlenecking
General corporate	General business purpose
Pursue growth opportunities	Acquisition/ Green field Setup
Brand building	Brand Promotion
To extend financial support to its subsidiaries in implementing their projects	Fund to existing and proposed subsidiary, if any

iii. Deployment of unutilised proceeds[^]:

Sr. No:	Type of instrument and name of the entity invested in	Amount invested (Rs in crore)	Maturity date	Earnings (Rs in crore)	Return on investment (%)	Market Value as at end of quarter (Rs in crore)
	Share Application Account maintained with Axis Bank	32.88	-	-	-	-

[^] On the basis of management undertaking and certificate dated July 25, 2024, issued by M/s A. N. Garg and Company, Chartered Accountants (Firm Registration Number: 004616N), Statutory Auditors of the Company.

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
Not applicable					

[^] On the basis of management undertaking and certificate dated July 25, 2024, issued by M/s A. N. Garg and Company, Chartered Accountants (Firm Registration Number: 004616N), Statutory Auditors of the Company.

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

Not Applicable based on management undertaking and certificate dated July 25, 2024, issued by M/s A. N. Garg and Company, Chartered Accountants (Firm Registration Number: 004616N), Statutory Auditors of the Company.

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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