

Ref: EPL/CS/SE/0023/2024

Date: November 7, 2024

To,

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BSE Limited P J Towers, Dalal Street, Mumbai - 400 001
Script Symbol: EMCURE	Scrip Code/Symbol: 544210/ EMCURE

Subject: Monitoring Agency Report for the quarter ended September 30, 2024.

Dear Sir/Madam,

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 41 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report for the quarter ended September 30, 2024, issued by CARE Ratings Limited, the Monitoring Agency appointed in respect of utilization of proceeds of the Initial Public Offer of the Company.

You are requested to take the above information on your records.

Thanking you,

For **Emcure Pharmaceuticals Limited**

Chetan Sharma
Company Secretary & Compliance Officer
Membership No. F8352

Emcure Pharmaceuticals Limited

Registered Office: Plot No. P-1 & P-2, IT-BT Park, Phase-II, M.I.D.C., Hinjawadi, Pune - 411057, Maharashtra, India

Phone Nos.: +91 20 – 35070033/ 35070000 **Fax No.:** +91 20 3507 0060

E-mail: corporate@emcure.com **Website:** www.emcure.com **CIN:** L24231PN1981PLC024251

No. CARE/HRO/GEN/2024-25/1030

**The Board of Directors
Emcure Pharmaceuticals Limited
Plot No. P-1 & P-2, IT-BT Park,
Phase-II, M.I.D.C.,
Hinjawadi,
Pune
Maharashtra 411057**

7th Nov 2024

Dear Sir/Mam,

Monitoring Agency Report for the quarter ended 30th Sept 2024- in relation to the IPO of Emcure Pharmaceuticals Limited (“the Company”)

We write in our capacity of Monitoring Agency for the IPO for the amount aggregating to Rs. 800 crore of the Company and refer to our duties cast under Regulation 41 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended 30th September 2024 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 18th June 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



D Naveen Kumar

Associate Director

Dnaveen.kumar@careedge.in
CARE Ratings Limited

Report of the Monitoring Agency

Name of the issuer: Emcure pharmaceuticals limited

For quarter ended: 30th Sept 2024

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

(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 there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

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: D Naveen Kumar

Designation of Authorized person/Signing Authority: Associate Director

CARE Ratings Limited

1) Issuer Details:

Name of the issuer : Emcure pharmaceuticals limited
 Name of the promoter : Mr. Satish Mehta
 Industry/sector to which it belongs : Pharmaceuticals

2) Issue Details

Issue Period : 03 Jul 2024 to 05 Jul 2024
 Type of issue (Public) : Public
 Type of specified securities : Shares
 IPO Grading, if any : No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer
 Issue size (in crore) : Rs. 800 crore (fresh issue)*

Particulars	Amount (Rs in Crore)
Gross Proceeds	800.00*
Fresh Issue related expenses	41.14
Net Proceeds from fresh issue	758.86

*Out of the Rs. 800 crores of fresh issue, Rs. 41.14 crore was allocated towards fresh issue related expenses and as per the Certificate from an audit firm listed on peer review board and written confirmation by Management, the entire amount has been spent in Q2FY25.

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	Yes	Chartered Accountant certificate*,	The proceeds of fresh issue through	-

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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
Document?		utilization certificate from the management ² , Bank statements, sample invoices, NDC/loan statements.	IPO are Rs. 800 crore. As per the letter of offer, the net proceeds from the fresh IPO issue have to be utilized by: 1. Repayments by FY25 2. GCP by FY26	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No material deviation, hence not applicable	As confirmed by the issuer's management	Not applicable	-
Whether the means of finance for the disclosed objects of the issue have changed?	No	As confirmed by the issuer's management	Not applicable	-
Is there any major deviation observed over the earlier monitoring agency reports?	NA as this is the first report	The issue closed on July 5 th , 2024 this is the first MA report	Not applicable	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable	As confirmed by the issuer's management	Not applicable	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	As confirmed by the issuer's management	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Nil	As confirmed by the issuer's management	Not applicable	-
Is there any other relevant information that may materially affect the decision making of the investors?	Nil	As confirmed by the issuer's management	Not applicable	-

#Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

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b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

*Chartered Accountant certificate from M/s R. B. Sharma dated 24th Sept 2024.

²A detailed document dated 21st October 2024 presenting the utilization of funds till Sept 30, 2024 undersigned by CFO, Mr Tajuddin Shaikh.

4) Details of objects to be monitored:

(i) Cost of objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) in Rs. Crore	Revised Cost in Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Repayment and/or prepayment of all or a portion of certain outstanding borrowings availed by the Company	Chartered Accountant certificate*, utilization certificate from the management ² , Bank statements, NDC/loan statements	600.00	600.00	Nil	-	-	-
2	General corporate purposes	Chartered Accountant certificate*, utilization certificate from the management ² , Bank statements, Sample invoices	158.86	159.04	The main reason for increase in GCP spends is the interest income on fixed deposit received of Rs. 0.18 Crore.	-	-	-
Total			758.86	759.04				

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*Chartered Accountant certificate from M/s R. B. Sharma dated 24th Sept 2024.

²A detailed document dated 21st October 2024 presenting the utilization of funds till Sept 30, 2024 undersigned by CFO, Mr Tajuddin Shaikh.

(ii) Progress in the objects –

Sr. No	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
1	Repayment and/or prepayment of all or a portion of certain outstanding borrowings availed by the Company	Chartered Accountant certificate*, utilization certificate from the management ² , Bank statements, NDC/loan statements	600.00	-	600.00	600.00	-	Nil	-	-
2	General corporate purposes	Chartered Accountant certificate*, utilization certificate from the	158.86	-	159.04	159.04	-	The main reason for increase in GCP spends is the interest income on fixed deposit	-	-

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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 in Rs. Crore	Amount utilised in Rs. Crore			Total unutilised amount in Rs. crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter in Rs. Crore	During the quarter in Rs. Crore	At the end of the quarter in Rs. Crore			Reasons for idle funds	Proposed course of action
		management ² , Bank statements, Sample invoices					received of Rs. 0.18 Crore.			
Total			758.86	-	759.04	759.04	-			

*Chartered Accountant certificate from M/s R. B. Sharma dated 24th Sept 2024.

²A detailed document dated 21st October 2024 presenting the utilization of funds till Sept 30, 2024 undersigned by CFO, Mr Tajuddin Shaikh.

(iii) Deployment of unutilized proceeds: Not applicable as there is nil balance in Monitoring account as on 30th Sept 2024.

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter
NA	NA	NA	NA	NA	NA	NA

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

Objects	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
Repayment and/or prepayment of all or a portion of	FY25	Q2FY25	NA	-	-

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Objects	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
certain outstanding borrowings availed by the Company					
General corporate purposes	FY26	Q2FY25	NA	-	-

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

Sr. No	Item Head^	Amount in Rs. Crore	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of Monitoring Agency	Comments of the Board of Directors
1	Raw material/packing material	142.63	Utilization certificate from the management ² , Sample invoices	Amount of Rs. 159.04 crore utilized under various item heads are as per the provisions of letter of offer. Section from the letter of offer related to GCP is presented below. GCP Invoices were checked on a sample basis.	-
2	Freight & clearing charges	12.28	Utilization certificate from the management ²		
3	Product manufacturing charges	2.73	Utilization certificate from the management ² , Sample invoices		
4	Professional fees	0.95	Utilization certificate from the management ²		
5	Miscellaneous operational payments	0.45	Utilization certificate from the management ²		
	Total	159.04			

²A detailed document dated 21st October 2024 presenting the utilization of funds till Sept 30, 2024 undersigned by CFO, Mr Tajuddin Shaikh.

^ Section from the offer document related to GCP:

“Our Company proposes to deploy the balance of the Net Proceeds aggregating to ₹1,588.64 million towards general corporate purposes, as approved by our management, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to the following: (i) funding organic and inorganic growth opportunities, including acquisitions; (ii) strengthening marketing capabilities and brand building exercises;

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(iii) investment in our Subsidiaries; (iv) meeting ongoing general corporate contingencies; and/or (v) any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with the Companies Act and applicable law. The allocation or quantum of utilization of funds towards the specific purposes described above will also be determined by our Board, based on our business requirements and other relevant considerations, from time to time.”

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Disclaimers to MA report:

- a) This Report is prepared by CARE Ratings Ltd (hereinafter referred to as “**Monitoring Agency/MA**”). 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.
- c) Nothing contained in this Report is capable or 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 MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.

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