



MOREPEN



Date: 06/02/2025

To,

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai- 400 051
Symbol: MOREPENLAB

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai- 400 001
Scrip Code: 500288

Subject: Monitoring Agency Report for the quarter ended 31st December 2024

Dear Sir/ Madam,

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 173A of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith the Monitoring Agency Report dated 06th February 2025 for the quarter ended 31st December 2024, issued by Care Ratings Limited, the Monitoring Agency appointed to monitor utilization of proceeds of the qualified institutions placement issue.

Kindly take aforesaid on record.

Thanking you,

Yours faithfully,

For Morepen Laboratories Limited

Vipul Kumar Srivastava
Company Secretary
Membership no. F-12148

Encl.: a/a.

Morepen Laboratories Limited

CIN NO. L24231 HP1984PLC006028

Corp. Off.: 2nd Floor, Tower C, DLF Cyber Park, Udyog Vihar-III, Sector-20, Gurugram, Haryana-122016, INDIA
TEL.: +91 124 4892000, E-mail: corporate@morepen.com, Website: www.morepen.com

Regd. Off.: Morepen Village, Malkumajra, Nalagarh Road, Baddi, Distt. Solan (H.P.) -173205, INDIA
Tel.: +91 1795 266401-03, 244590, Fax: +91 1795 244591, E-mail: plants@morepen.com

No. CARE/NRO/GEN/2024-25/1116

**The Board of Directors
Morepen Laboratories Limited**

Morepen Village, Nalagarh Road, Near Baddi, Distt. Solan
Himanchal Pradesh-173205

February 06, 2025

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended December 31, 2024 - in relation to the QIP of Morepen Laboratories Limited ("the Company")

We write in our capacity of Monitoring Agency for the QIP for the amount aggregating to Rs. 200.00 crore of the Company and refer to our duties cast under Regulation 173A 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 December 31, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated August 01, 2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Akhil Kumar

Akhil Kumar

Associate Director

akhil.kumar@careedge.in

Report of the Monitoring Agency

CARE Ratings Limited

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Plot no. C-001 A/2 Sector 16B, Berger Tower, Gautam
Budh Nagar, Noida, (UP) - 201301
Phone: +91-120-4452000

CIN-L67190MH1993PLC071691

Corporate Office :4th Floor, Godrej Coliseum,
Somaiya Hospital Road, Off Eastern Express
Highway, Sion (E), Mumbai - 400 022
Phone: +91-22-6754 3456 • www.careedge.in

Name of the issuer: Morepen Laboratories Limited
For quarter ended: December 31, 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.

Akhil Kumar

Signature:
Name of the Authorized Signatory: Akhil Kumar
Designation of Authorized Signatory/Signing Authority: Associate Director

CARE Ratings Limited

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1) Issuer Details:

Name of the issuer : Morepen Laboratories Limited
 Name of the promoter : Mr. Sushil Suri
 Industry/sector to which it belongs : Pharmaceuticals

2) Issue Details

Issue Period : 01/08/2024 to 05/08/2024
 Type of issue (public/rights) : QIP
 Type of specified securities : Equity
 IPO Grading, if any : -
 Issue size (in Rs. crore) : Rs. 200.00 crore

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	CA Certificate*, Offer document, Bank Statements	The issue proceeds of QIP have been utilized in accordance with the objects given as per offer document	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	NA	NA	NA	
Whether the means of finance for the disclosed objects of the issue have changed?	No	NA	NA	
Is there any major deviation observed over the earlier monitoring agency reports?	Nil	NA	NA	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	SEBI approval has been obtained and same is intimated to BSE	NA	
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA	NA	NA	

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
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	NA	NA	-
Is there any other relevant information that may materially affect the decision making of the investors?	No	NA	NA	-

NA: Not Applicable

*CA Certificate from Virendra K Jain & Associates dated February 04, 2025

#Where material deviation may be defined to mean:

- Deviation in the objects or purposes for which the funds have been raised
- Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

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	Modernisation and expansion of manufacturing units located in Baddi and Masulkhana	CA Certificate*, Placement document	122.79	122.79	NA	-	-	-
2	Funding of Working Capital requirements of the company	CA Certificate*, Placement document	64.36	64.36	NA	The usage of funds for working capital has increased from existing Rs. 64.36 crore as mentioned in the offer document to Rs. 66.29 crore, i.e. increased by Rs. 1.93 crore resulting from the amount reduced in issue related expenses. This increase in 'funding of working capital', was driven by actual issue related expenses being lower than anticipated, with	-	-

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						actual expenses amounting to Rs. 10.92 crore, compared to the Rs. 12.85 crore originally projected in the offer document.		
Total			187.15	187.15				

*CA Certificate from Virendra K Jain & Associates dated February 04, 2025.

(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			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	Modernisation and expansion of manufacturing units located in Baddi and Masulkhana	CA Certificate*, Bank Statement	122.79	8.49	23.98	32.47	90.32	The company has incurred Rs.9.64 crore directly from monitoring account and Rs.14.34 crore transferred to current accounts and subsequently utilised for capital expenditure and is verified through bank statements.		
2	Funding of Working Capital requirements of the company	CA Certificate*, Bank Statement	64.36	46.42	18.22	64.64	1.65^	The Company has transferred funds from monitoring account to overdraft and current accounts maintained with ICICI and IndusInd Bank as and when required. However, there were numerous		

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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			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
								debits and credits in the OD and Current Account. Accordingly, we were not directly able to ascertain the utilization of issue proceeds. The Company had represented to us that the funds had been used for working capital requirements and submitted documents including management certificate, CA certificate and bank account statement.		
Total			187.15	54.91	42.20	97.11	91.97			

*CA Certificate from Virendra K Jain & Associates dated Feb 04, 2025

^ The usage of funds for working capital has increased from existing Rs. 64.36 crore as mentioned in the offer document to Rs. 66.29 crore, i.e. increased by Rs. 1.93 crore resulting from the amount reduced in issue related expenses. This increase in 'funding of working capital', was driven by actual issue-related expenses being lower than anticipated, with actual expenses amounting to Rs. 10.92 crore, compared to the Rs. 12.85 crore originally projected in the offer document.

As per the offer document, it is mentioned that "Our funding requirements, deployment of the Net Proceeds and the intended use of the Net Proceeds indicated above are based on internal management assessments of current and expected sectoral and market conditions, which are subject to change in the future. However, the deployment of funds described herein, has not been appraised by any bank or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial conditions, business and growth strategy and other external factors in the business eco-system such as changes in market conditions, regulatory climate, competitive environment, supply chain etc which may not be within the control of our management."

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(iii) Deployment of unutilized public issue proceeds:

(in Rs. crore)

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
1	Debt Mutual Funds -ICICI Pru Money Market-G	16.56	On demand	0.47	7.41%	17.04
2	Debt Mutual Funds -Kotak Money Market Reg-G	18.31	On demand	0.18	7.00%	18.49
3	Debt Mutual Funds -Invesco India Liquid Fund-G	20.25	On demand	0.10	6.62%	20.35
4	Bonds -Government Securities	38.62	On demand	0.64	7.65%	39.26
5	Balance in Monitoring Account of 'Morepen Laboratories Limited' with Kotak Mahindra bank (Account No. 2805197200)	0.00	NA	-	-	0.00
6	Balance in Current Accounts of 'Morepen Laboratories Limited' with Punjab National Bank at Parwanoo-CA/c No. 2912002100015175 & IndusInd Bank at Chandigarh- CA/c No. 200998923941	0.38	NA	-	-	0.38
	Total	94.13^		1.39		95.52

*CA Certificate from Virendra K Jain & Associates dated February 04, 2025

^This is inclusive of interest earned on the investment i.e. Rs.2.16 crore during Q2FY25 and Q3FY25 on Mutual funds, Bonds.

(iv) Delay in implementation of the object(s): No delay is observed in current quarter

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
Modernisation and expansion of manufacturing units located in Baddi and Masulkhana	March 31, 2026	Ongoing*	-		
Funding of Working Capital requirements of the company	March 31,2025	Ongoing	-		

* Rs. 88.83 crores to be utilised by FY25 and remaining in FY26.

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document: Not Applicable

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	NA	NA	NA	NA	NA
	Total	NA	NA	NA	NA

*NA: Not Applicable.

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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.