

30th January, 2024

BSE Limited

P.J. Towers, Dalal Street, Fort,
Mumbai- 400 001
BSE scrip code: 543635

National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
NSE symbol: PPLPHARMA

Sub: Monitoring Agency Report for the quarter ended 31st December, 2023

Dear Sir/Madam,

Pursuant to the Regulation 32(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 82(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find enclosed herewith Monitoring Agency Report for the quarter ended 31st December, 2023 issued by CARE Rating Limited, Monitoring Agency appointed to monitor utilisation of proceeds of the Rights Issue of the Company.

Further, we reiterate that there has been no deviation in the utilisation of proceeds of Rights Issue from the Objects as stated in the Letter of Offer dated 27th July, 2023.

You are requested to kindly take the above information on record.

Yours faithfully,

For **Piramal Pharma Limited**

Tanya Sanish
Company Secretary

Encl.: a/a

Piramal Pharma Limited

CIN: U24297MH2020PLC338592

Registered Office: Gr. Flr. Piramal Ananta, Agastya Corporate Park, Opp Fire Brigade, Kamani Junction, LBS Marg, Kurla (West), Mumbai – 400070 India

T +91 22 3802 3000 / 4000

piramal.com

No. CARE/HRO/RL/2023-24/1847

**The Board of Directors
Piramal Pharma Limited**

Ground Floor, Piramal Ananta,
Agastya Corporate Park,
Kamani Junction, LBS Marg,
Kurla, Mumbai
Maharashtra 400070

January 30, 2024

Dear Sir/Mam,

Monitoring Agency Report for the quarter ended December 31, 2023 - in relation to the Rights Issue of Piramal Pharma Limited ("the Company")

We write in our capacity of Monitoring Agency for the Rights Issue for the amount aggregating to Rs. 1050.00 crore of the Company and refer to our duties cast under Regulation 82 of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018.

In this connection, we are enclosing the Monitoring Agency Report for the quarter ended December 31, 2023 as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated July 27, 2023.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,



Naveen Kumar Dhondy

Associate Director

dnaveen.kumar@careedge.in

CARE Ratings Limited

401, Ashoka Scintilla, 3-6-520, Himayat Nagar,
Hyderabad - 500 029
Phone: +91-40-4010 2030

CIN-L67190MH1993PLC071691

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

Report of the Monitoring Agency

Name of the issuer: Piramal Pharma Limited

For quarter ended: December 31, 2023

Name of the Monitoring Agency: CARE Ratings Limited

(a) Deviation from the objects: Nil

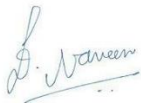
(b) Range of Deviation: Not applicable

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: Naveen Kumar Dhondy

Designation of Authorized person/Signing Authority: Associate Director

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1) Issuer Details:

Name of the issuer : Piramal Pharma Limited
 Name of the promoter : Ajay Piramal
 Industry/sector to which it belongs : Pharmaceuticals

2) Issue Details

Issue Period : August 8, 2023 to August 17, 2023
 Type of issue (public/rights) : Rights issue
 Type of specified securities : Equity shares
 IPO Grading, if any : Not applicable
 Issue size (in Rs. crore) : Rs. 1050.00 crore (Note 1)

Note 1:

Particulars	Remarks
Total shares issued and subscribed as part of rights issue	12,96,29,630
Total proceeds received from rights issue (in Rs.)	10,50,00,00,030.00
Details of expenses incurred related to rights issues (in Rs.)	24,53,71,730.00*
Net proceeds available for utilisation (in Rs.)	10,25,46,28,300.00

*Out of the total issue expenses of about Rs. 24.54 crore, Rs. 15.84 crore was spent and the balance of Rs. 8.70 crores is kept in the allotment account. As per the offer document, in case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. No Such amount was transferred in the quarter ending December 31, 2023.

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	Chartered Accountant certificate*, Utilization certificate as received from the management ² , Bank statement, invoices on a sample basis ¹	The net proceeds of rights issue are Rs. 1025 crore. As per the letter of offer, the net proceeds from the rights issue have to be utilized as per the objects by financial year 2024.	-
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable as no deviation	Not applicable	Not applicable	-
Whether the means of finance for the disclosed objects of the issue have changed?	Not applicable as there was no change	Not applicable	Not applicable	-

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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
Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable as there was no deviation observed in previous report for Q2FY24.	Previous report issued by CARE Ratings.	Not applicable	-
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable as no approvals were required	Not applicable	Not applicable	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Not applicable	Not applicable	-
Are there any favorable/unfavorable events affecting the viability of these object(s)?	Not applicable	Not Applicable	No	-
Is there any other relevant information that may materially affect the decision making of the investors?	No.	Not applicable	No	-

*Chartered Accountant certificate from M/s Deloitte Haskins & Sells LLP. Chartered Accountants dated January 19, 2024.

¹Owing to the volume of invoices and materiality of the individual invoice amount, CARE Ratings has verified around 1/3rd of the total invoices (around 300 invoices shared by the management) shared on a sample basis.

²A detailed document dated January 19, 2024 presenting the utilization of funds during Q3FY24 undersigned by ED & CFO, Mr Vivek Valsaraj.

#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 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	Repayment or prepayment, in full or in part, of certain borrowings availed by our Company	Chartered Accountant certificate*, utilization certificate from the management ² , Bank statements	859.24	Not applicable	In line with the objects in letter of offer	-	-	-

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2	General corporate purposes (GCP)	Chartered Accountant certificate*, Bank statements, Invoices on a sample basis ¹	166.22	Not applicable	In line with the objects in letter of offer	-	-	-
Total			1025.46					

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(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	Repayment or prepayment, in full or in part, of certain borrowings availed by PPL	Chartered Accountant certificate*, utilization certificate as received from the management ² , Bank statements, confirmation from bankers.	859.24	859.24	0	859.24	0.00	The entire amount was transferred to the monitoring account, from where multiple repayments and prepayments made towards term debt and working capital facilities, as per the objects of the issue.	-	-
2	General corporate purposes (GCP)	Chartered Accountant certificate*, utilization certificate as received from the management ² , Bank statements, Invoices on a sample basis ¹	166.22	13.87	73.98	87.85	78.37	Out of the Rs. 166.22 crore, Rs. 87.85 crores has been spent till Q3FY24 and the balance is kept in the Monitoring account and is expected to be spent by March 2024.	-	-
Total			1025.46	873.11	73.98	947.09	78.37			

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¹Owing to the volume of invoices and materiality of the individual invoice amount, CARE Ratings has verified around 1/3rd of the total invoices (around 300 invoices shared by the management) shared on a sample basis.

²A detailed document dated January 19, 2024 presenting the utilization of funds during Q3FY24 undersigned by ED & CFO, Mr Vivek Valsaraj.

(iii) Deployment of unutilized public issue proceeds: The remaining funds amounting to Rs. 78.37 crores are parked in the Monitoring account as on Dec 31, 2023 and the management plans to utilise the same over the next two quarters. Out of the total issue expenses, Rs. 15.84 crores were spent and the balance of Rs.8.70 crores is kept in the allotment account. As per the offer document, in case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. No Such amount was transferred in quarter ending Dec 31, 2023.

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
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(iv) Delay in implementation of the object(s) – No delays in Q3FY24

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, in full or part, of certain subordinated debt and certain outstanding borrowings (including interest) availed by the Company	By FY24	25 th Aug 2023 – Aug 30 th 2023	NA	-	-
General corporate purposes	By FY24	Rs. 87.85 crores has been spent till Dec 2023. The company is in the process of utilizing the remaining and plans full utilization by March 2024.	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	Advertisement expenses	40.89	Chartered Accountant certificate*, Management	Amount of Rs. 73.98 crore utilised under	-

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			certificate ² , Bank statement, sample invoices ¹	various item heads are as per the provisions of letter of offer. Section from the letter of offer related to GCP is presented below.	
2	Plant & Machinery	27.49	Chartered Accountant certificate*, Management certificate ² , Bank statement		
3	Buildings	0.43			
4	Insurance	5.12			-
	Total	73.98³			-

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²A detailed document dated January 19, 2024 presenting the utilization of funds during Q3FY24 undersigned by ED & CFO, Mr Vivek Valsaraj.

³ The variation between total expense (Rs. 73.98 crs) and the break up (Rs. 73.93 crs) is owing to rounding off differences.

^ Section from the offer document related to GCP:

"Our Company intends to deploy the balance Net Proceeds aggregating up to ₹166.22 crore towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Net Proceeds. Such utilisation towards general corporate purposes shall be to drive our business growth, including, amongst other things, acquiring assets, such as plant and machinery, furniture and fixtures, and vehicles and intangibles, meeting any expenses related to brand building, other marketing expenses, upgradation of information technology infrastructure, insurance related expenses, funding growth opportunities, including strategic initiatives, payment of interest on borrowings, leasehold improvements, meeting of exigencies which our Company may face in the course of any business and any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof, subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

Our management will have flexibility in utilizing the proceeds earmarked for general corporate purposes."

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