

August 13, 2024

National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai-400001

Symbol: **ORCHPHARMA**

Scrip Code: **524372**

**Sub: Monitoring Agency Report for the Quarter-1 of Financial Year 2024-25
ended on June 30, 2024**

Dear Sir/Madam,

Pursuant to the captioned subject and subject to the provisions of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, please find enclosed herewith the Monitoring Agency Report issued by M/s. Care Ratings Limited, Monitoring Agency of the Company, for the Quarter-1 of Financial Year 2024-25, ended on June 30, 2024, in respect of utilization of proceeds raised through Qualified Institutions Placement.

You are requested to take the above intimation on record.

Thanking You,

For Orchid Pharma Limited


Kapil Dayya
Company Secretary and Compliance Officer



No. CARE/CRO/RL/2024-25/1164

**The Board of Directors
Orchid Pharma Limited**

Plot Nos.121-128,128A-133,138-151,159-164,
SIDCO Industrial Estate, Alathur,
Kanchipuram Tamil Nadu 603110

Date: August 06, 2024

Dear Sir,

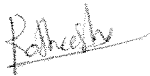
Monitoring Agency Report for the quarter ended June 30, 2024 - in relation to the QIP of Orchid Pharma Limited ("the Company")

We write in our capacity of Monitoring Agency for the Fresh Issue of 99,02,705 equity shares aggregating to Rs. 400.00 crore of the Company and refer to our duties cast under 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 June 30, 2024, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated June 23, 2023.

Request you to kindly take the same on records.

Thanking you,
Yours faithfully,



Ratheesh Kumar

Associate Director

Ratheesh.Kumar@careedge.in

Report of the Monitoring Agency

Name of the issuer: Orchid Pharma Limited

For quarter ended: June 30, 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: Name of GH

Designation of Authorized person/Signing Authority: Designation of GH

1) Issuer Details:

Name of the issuer : Orchid Pharma Limited
Name of the promoter : Dhanuka Laboratories Limited
Industry/sector to which it belongs : Pharmaceuticals

2) Issue Details

Issue Period : June 22, 2023, to June 27, 2023
Type of issue (public/rights) : QIP
Type of specified securities : Equity shares
IPO Grading, if any : Not applicable
Issue size (in Rs. crore) : Rs. 400.00 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 the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	CA certificate, Bank statement	Not applicable	No Comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	Not applicable	Not applicable	Not applicable	No Comments
Whether the means of finance for the disclosed objects of the issue have changed?	No	Not applicable	Not applicable	No Comments
Is there any major deviation# observed over the earlier monitoring agency reports?	No	Not applicable	Not applicable	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	As indicated by the company, approvals will/ are obtained / being obtained from time to time in relation to the objects.	Not applicable	No specific list of statutory/ Govt Approvals has been mentioned in the offer document for the purpose of monitoring.	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	An amount of Rs. 10 crores has been mentioned for technical know-how for Object 1 – for setting up a manufacturing facility in Jammu.	CA Certificate, Offer document, Management undertaking	The company has spent Rs 3.77 crores towards technical know-how.	No Comments
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Not applicable	Not applicable	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No	Not applicable	Not Applicable	No Comments

#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	Investment in Orchid Bio Pharma Limited for setting up Manufacturing Facility in Jammu.	Offer Document	90.00	Not applicable	Nil	No Comments	No Comments	No Comments
2	Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by our Company	Offer Documents	141.00	Not Applicable	Nil	No Comments	No Comments	No Comments
3	Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu	Offer Documents	99.82	Not Applicable	Nil	No Comments	No Comments	No Comments
4	General corporate purposes	Offer Documents	60.98	63.72	#			
Total			391.80					

#As per the offer document the GCP was ₹ 60.98 crore which was on the basis of proposed net proceeds after issue expenses of ₹ 391.80 crore. However, net Proceeds transferred to Monitoring Account was ₹ 394.54 crores as against the proposed Net Proceeds of ₹ 391.80 crores, therefore the GCP was revised to ₹ 63.72 crore.

(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 Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at the 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	Investment in OBPL for setting up Jammu Manufacturing Facility	CA certificate, Bank statements, Offer Document	90.00	4.12	Nil	4.12	85.88	--	No Comments	No Comments
2	Repayment/prepayment, in full or in part, of certain outstanding borrowings availed by our Company	CA certificate, Bank statements, Offer Document	141.00	141.00	Nil	141.00	0.00	--	No Comments	No Comments

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 Rs. Crore	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at the 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
3	Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu	CA certificate, Bank statements, Offer Document	99.82	Nil	Nil	Nil	99.82	--	No Comments	No Comments
4	General corporate purposes	CA certificate, Bank statements, Offer Document	60.98	5.12	Nil	5.12	58.60#	--	No Comments	No Comments
Total			391.80	150.24	0.00	150.24	244.30			

#As per the offer document the GCP was ₹ 60.98 crore which was on the basis of proposed net proceeds after issue expense of Rs 8.20 crores amounting to Rs 391.80 crores. The actual issue expense incurred was Rs 5.46 crores. Accordingly, Net Proceeds transferred to Monitoring Account was ₹ 394.54 crores as against the proposed Net Proceeds of ₹ 391.80 crores, therefore the GCP was revised to ₹ 63.72 crore and unutilized amount is increased accordingly.

(iii) Deployment of unutilized public issue proceeds:

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.	Fixed Deposit with Yes Bank Ltd	244.01	03-Jan-2025	-	7.85	-
2	Fixed Deposit with Yes Bank Ltd	0.29	04-Feb-2025	-	7.75	-
	Total	244.30				

(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
Funding capital expenditure requirements for setting up a new block at the API Facility of the Company in Alathur, Tamil Nadu	FY24 (Building - Dec 2023 Plant and Machinery - Jan 2024 Electrical, Instrumental and other quality control equipment's – Feb	No amount has been spent	Yes, there is a delay but not ascertainable.	No Comments	No Comments

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
	2024 Fabrication erection & commissioning – Feb 2024)				
Investment in OBPL for setting up Jammu Manufacturing Facility	Land and Site Development – June 2024	Rs 4.12 crores was utilised in Q4FY24 related to this object.	Yes, there is a delay but not ascertainable.	No Comments	No Comments

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
No utilization towards GCP during Q1FY25					

^ Section from the offer document related to GCP:

4. General corporate purposes

The Net Proceeds will first be utilised for the purposes as set out above. Subject to this, our Company intends to deploy ₹ 609.76 million from the Gross Proceeds towards our general corporate purposes, subject to such amount not exceeding 25% of the gross proceeds of the Issue and as permissible under applicable law and approved by our Board of Directors or a duly constituted committee thereof. Such general corporate purposes may include (i) strategic investment; (ii) financing of business opportunities (which may be either organic or inorganic); (iii) any additional cost incurred towards the objects of the Company; and (iv) meeting various expenditure of the Company including contingencies or any other purpose as permissible.

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.



Comments of the Management on Monitoring Agency Report under Regulation 41 of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations

The Management has indicated that land acquisition for setting up the 7ACA project at Jammu under OBPL is delayed. Consequently, there is a delay in setting up the API facility at Alathur for further processing 7ACA into intermediate goods or downstream products, hence the amount remained unutilized and also the Investment in OBPL for setting up Jammu Manufacturing Facility is delayed. However, as on date, the major land acquisition has been done and projects are on fast-track.