



Pharmaceuticals Limited

Registered & Corporate Office :

Plot No. 72, H. No. 8-2-334/3 & 4, Road No. 5,
Opp. SBI Executive Enclave, Banjara Hills,

Hyderabad - 500 034, Telangana, INDIA.

Tel : +91-40-2525 9999, Fax : +91-40-2525 9889

CIN : L24239TG1987PLC008066

Email: info@smspharma.com, www.smspharma.com

Date: 15th May, 2026

To,
The Manager,
Corporate Filings Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

The Manager,
Listing Compliance Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

Security Code: 532815

Symbol: SMSPHARMA

Dear Sir/Madam,

Subject: Report of the Monitoring Agency with respect to utilization of proceeds of the Preferential issue of warrants of SMS Pharmaceuticals Limited.

Pursuant to Regulation 32(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Monitoring Agency Report in respect of utilization of proceeds of the Preferential issue of convertible warrants for the quarter ended 31st March, 2026 issued by CARE Ratings Limited, Monitoring Agency.

The Company has fully utilized the entire issue proceeds towards the objects of the issue by the quarter ended 31st March, 2026. Accordingly, the Company is submitting the Monitoring Agency Report.

We request to kindly take note of the same

Thanking you

Yours faithfully

For SMS Pharmaceuticals Limited

Thirumalesh Tumma
Company Secretary

Encl: a/a

No. CARE/HRO/GEN/2026-27/1008

The Board of Directors

SMS Pharmaceuticals Limited

H No: 8-2-334/3 and 4, Plot No: 72,
Opp SBI Executive Enclave, Road No: 5
Hyderabad
Telangana - 500096

May 15, 2026

Dear Sir/Ma'am,

Monitoring Agency Report for the quarter ended 31/03/2026 - in relation to the share warrants – Private placement issue of SMS Pharmaceuticals Limited (“the Company”)

We write in our capacity of Monitoring Agency for the share warrants issue for the amount aggregating to Rs. 114.30 crore of the Company and refer to our duties cast under 162 A 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 31/03/2026, as per aforesaid SEBI Regulations and Monitoring Agency Agreement dated 27/03/2024.

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Tejeshwar Reddy

Y Tejeshwar Reddy

Associate Director

tejeshwar.reddy@careedge.in

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

Report of the Monitoring Agency

Name of the issuer: SMS Pharmaceuticals Limited
For quarter ended: 31/03/2026
Name of the Monitoring Agency: CARE Ratings Limited
(a) Deviation from the objects: Nil
(b) Range of Deviation: Nil

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: Y Tejeshwar Reddy
Designation of Authorized person/Signing Authority: Associate Director

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1) Issuer Details:

Name of the issuer : SMS Pharmaceuticals Ltd
Name of the promoter : Ramesh Babu Potluri
Industry/sector to which it belongs : Healthcare - Pharmaceuticals

2) Issue Details

Issue Period : 07/03/2024 to 13/03/2024
Type of issue (public/rights) : Private placement
Type of specified securities : Convertible Share Warrants
IPO Grading, if any : Not applicable
Issue size (in crore) : Rs. 114.30 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/Audit Committee
Whether all utilization is as per the disclosures in the Offer Document?	No	Offer document (Form PAS-4 and EGM notice) and Chartered Accountant certificate*	Proceeds from the share warrants issue have been fully utilized as of March 31, 2026. There is a deviation in amounts utilised towards the specified objects. The company had utilised funds amounting to Rs.0.54 crore towards Object 1 i.e., capital expenditure from the available funds earmarked towards Object 3 i.e., GCP. However, the quantum of funds interchanged between the objects remained below 10%, the same is not considered a material deviation.	The Company has obtained the approval of the shareholders through the EGM held on 06th March, 2024. The deviation between the two objects is within the permissible limit of $\pm 10\%$ as approved by the shareholders.
Whether shareholder approval has been obtained in case of	Not required	Management certificate	There are no material deviations in	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/Audit Committee
material deviations# from expenditures disclosed in the Offer Document?			the utilization of proceeds.	received
Whether the means of finance for the disclosed objects of the issue have changed?	No	Offer document (Form PAS-4 and EGM notice) and Chartered Accountant certificate* and Management certificate	No	No comments received
Is there any major deviation observed over the earlier monitoring agency reports?	No	Chartered Accountant certificate* and Management certificate	No major deviations from earlier monitoring report issued for Q3FY26.	No comments received
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes	Management certificate	As per management confirmation, all necessary approvals required for the objects have been obtained from time to time.	No comments received
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable	Management Certificate	As per management confirmation, these arrangements are not applicable.	No comments received
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No	Management Certificate	Nil	No comments received
Is there any other relevant information that may materially affect the decision making of the investors?	No	Management certificate	Nil	No comments received

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 13, 2026.

#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:

- Cost of objects –

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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/Audit Committee		
						Reason for cost revision	Proposed financing option	Particulars of -firm arrangements made
1	Capital Expenditure	Chartered Accountant certificate*, Bank statements and Offer document (Form PAS-4 and EGM notice).	62.87	63.41	Funds have been reallocated within the objects, and the deviation is less than 10%. Further, there is no change in overall funds utilisation.	No Comments received		
2	Working Capital		40.00	40.00		No Comments received		
3	General Corporate Purposes		11.43	10.89		No Comments received		
Total			114.30	114.30				

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 13, 2026.

(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/Audit Committee	
				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	Capital Expenditure	Chartered Accountant certificate*, Bank statements and Offer document (Form PAS-4 and EGM notice).	62.87	48.05	15.36	63.41	(0.54)	During Q4FY26, the Company utilised Rs. 15.36 crore towards capital expenditure, with all payments to vendors routed through the MA account. Invoices/purchase orders have been verified. Further, additional funds of Rs.0.54 crore were utilised from funds earmarked towards GCP.	No comments received	
2	Working Capital		40.00	26.43	13.57	40.00	0.00	During Q4FY26, SMS utilized Rs. 13.57 towards working capital requirements and all payments made through MA account.	No comments received	

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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/Audit Committee	
				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
3	General Corporate Purposes		11.43	6.45	4.44	10.89	0.54	During the quarter, Rs. 4.44 crores have been utilized towards repairs and maintenance expenses of corporate building under GCP which is as per the offer document. The payment is made through MA account. The unutilized funds of Rs.0.54 crore have been utilized towards capex (Object 1).	No comments received	
Total			114.30	80.93	33.37	114.30	0.00			

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 13, 2026.

(iii) Deployment of unutilized 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	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/Audit Committee	
	As per the offer document	Actual		Reason of delay	Proposed course of action
Capital Expenditure	Within 24 months from receipt of funds for warrants	Rs. 80.93 crore utilized till	No delay	No Comments received	
Working Capital	i.e. Rs. 28.58 crores by March 14, 2026	December 31, 2025		No Comments received	
General Corporate Purposes	Rs. 38.10 crores by March 25, 2027 Rs. 47.62 crores by September 09, 2027	Balance Rs. 33.37 crores utilized by March 30, 2026		No Comments received	

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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/Audit Committee
1	General Corporate Purposes	4.44	Chartered Accountant certificate*, Bank statements and offer document	During Q4FY26, the funds utilized was towards interior and designing expenses for corporate building.	No Comments received
	Total	4.44			

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 13, 2026.

[^] Section from the offer document related to GCP:

“General Corporate Purposes, which includes, inter alia, meeting ongoing general corporate exigencies and contingencies, expenses of the Company as applicable in such a manner and proportion as may be decided by the Board from time to time, and/or any other general purposes as may be permissible under applicable laws.”

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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 auditor 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 statutory auditors, 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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