

**SMS Pharmaceuticals limited – Networth Certificate**

1. We, Raju & Prasad Chartered Accountants (Firm Registration No:003475S) have examined the proposed " Scheme of Arrangement between SMS Pharmaceuticals Limited ("SMS Pharma" or the "Company") and SMS Lifesciences India Limited (Formerly known as SMS Lifesciences India Private Limited) ("SMS Lifesciences") and their respective Shareholders and Creditors under sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ( "the Proposed Scheme") for demerger of Semi-regulatory Business of SMS Pharma with SMS Lifesciences having the Appointed Date as the 1<sup>st</sup> April, 2016. We have also examined the annexed "Statement of Computation of Provisional Pre-demerger & Post-demerger Net Worth of SMS Pharmaceuticals Limited"("the Statement") as certified by the Company.
2. The Management of the Company is responsible for the maintenance of proper books of account and such other relevant records as prescribed by applicable laws, which includes collecting, collating and validating data and designing, implementing and monitoring of internal controls relevant for the preparation of the Statement and drawing up the Audited Financial Statements of the Company for the period ended 31<sup>st</sup> March, 2016.
3. Our responsibility, for the purpose of this Certificate, is limited to certifying the particulars contained in the Statement on the basis of the Audited Financial Statements of the Company, the Proposed Scheme and other relevant records and documents maintained by the Company and did not include the evaluation of the adherence by the Company with all the applicable guidelines. We conducted our verification in accordance with Guidance Note on Audit Reports and Certificates for Special Purposes and Standards on Auditing Issued by the Institute of Chartered Accountants of India.
4. On the basis of our verification and examination of the Proposed Scheme and according to the information and explanations provided to us by the Management of the Company and decisions of Audit Committee communicated to us vide letter dated 08-08-2016, we state that we have examined the annexed Statement as prepared by the Company with:

**New Delhi Branch:**  
A 20/20, DLF City,  
Phase - I,  
Gurgaon - 122 002  
Ph: 0124-4056132

**Mumbai Branch:**  
511, The Corporate Centre,  
Nirmal Lifestyle Mall,  
L.B.S. Road, Mulund West,  
Mumbai - 400 080  
Ph: 022-25671155 / 1199

**Bangalore Branch:**  
# 202, Akash Avenue,  
# 34, 1st Main, SBM Colony,  
Anand Nagar,  
Bangalore - 560 024  
Ph : +91-9241570047

**Jaigaon Branch:**  
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Ganapathi Nagar,  
Jaigaon - 475 001  
Cell : +91-9966738900

**Navi Mumbai Branch:**  
B-712, Groma House,  
Near APMC Market,  
Vashi,  
Navi Mumbai - 400703  
Cell : +91-9967220322

# RAJU & PRASAD

CHARTERED ACCOUNTANTS

**Head Office :**

401, "Diamond House",

Adj. Amrutha Hills,

Punjagutta, Hyderabad - 500 082

Ph : 040 - 23410404/05/06

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E-mail : [hyderabad@rajuandprasad.com](mailto:hyderabad@rajuandprasad.com)

[rajuandprasad@gmail.com](mailto:rajuandprasad@gmail.com)

- The Audited Financial Statements of SMS Pharma for the period ended 31<sup>st</sup> March, 2016, as Certified by the Management of SMS Pharma;
- The Audited Financial Statements of SMS Lifesciences for the period ended 31<sup>st</sup> March, 2016, as Certified by the Management of SMS Lifesciences;
- A Certified copy of the Proposed Scheme as approved by the Board of Directors of the Company at its meeting held on 13<sup>th</sup> August, 2016;
- The information and explanations given to us;

And, found the Statement in accordance therewith.

5. This Certificate is issued solely as per the requirements of the Stock Exchange for filing along with the Proposed Scheme having the 'Appointed Date' of 1<sup>st</sup> April, 2016, which has been approved by the Board of Directors of SMS Pharmaceuticals Limited on 13<sup>th</sup> August, 2016 and should not be considered for any other purpose without our prior written consent.

For Raju and Prasad  
Chartered Accountants

*Y. Balakrishna Reddy*

Y. Balakrishna Reddy

Partner

M. No. 223701



Date: 13<sup>th</sup> August 2016

Place: Hyderabad

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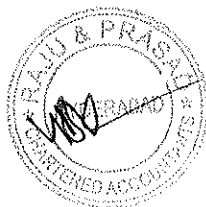
pharmaceuticals ltd.

**Registered & Corporate Office :**

Plot No. 19-111, Road No. 71,  
Opp. Bharatiya Vidya Bhavan Public School,  
Jubilee Hills Hyderabad - 500 096. Telangana. INDIA,  
Tel : +91-40-6628 8888, Fax : +91-40-2355 1401  
CIN : L24239AP1987PLC008066  
Email : info@smspharma.com, www.smspharma.com

### Net Worth of Transferor Company: SMS Pharmaceuticals Limited

| Statement of Computation of Provisional Pre-demerger and Post-Demerger Net worth of SMS Pharmaceuticals Limited as on 31 <sup>st</sup> March, 2016 |       |  |  |
|--|-------|--|--|
| (Rs. In Lakhs)   |       |  |  |
| Particulars  |       | Prior to giving effect to the Proposed Scheme (Pre-Demerger) | After giving effect to the Proposed Scheme (Post-Demerger) |
| <b>Share Capital:</b>  |       |  |  |
| Equity - Issued and Paid-up  | A     | 846.52   | 846.52   |
| <b>Reserves &amp; Surplus:</b>   |       |  |  |
| Securities Premium Account   |       | 6,981.84   | 6,981.84   |
| Capital Redemption Reserve   |       | 155.00   | 155.00   |
| General Reserve  |       | 10,123.62  | 3305.27  |
| Surplus balance in Profit & Loss Account   |       | 11,329.16  | 11,329.16  |
| <b>Reserves &amp; Surplus</b>  | B     | <b>28,589.62</b>   | <b>21,771.27</b>   |
| <b>Less: Revaluation reserve</b>   | C     | -  | -  |
| <b>Reserves &amp; Surplus (Excluding Revaluation reserve)</b>  | D=B-C | <b>28,589.62</b>   | <b>21,771.27</b>   |
| <b>Net Worth (Excluding Revaluation reserve)</b>   | E=A+D | <b>29,436.14</b>   | <b>22,617.79</b>   |





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**Net Worth of Transferee Company: SMS Lifesciences India Limited**

| Statement of Computation of Provisional Pre-demerger and Post-Demerger Net worth of SMS Lifesciences India Limited as on 31 <sup>st</sup> March, 2016 |         |  |  |
|---|---------|--|--|
| (Rs. In Lakhs)  |         |  |  |
| Particulars   |         | Prior to giving effect to the Proposed Scheme (Pre-Demerger) | After giving effect to the Proposed Scheme (Post-Demerger) |
| <b>Share Capital:</b>   |         |  |  |
| Equity - Issued and Paid-up   | A       | 1.00   | 1.00   |
| <b>Reserves &amp; Surplus:</b>  |         |  |  |
| General Reserve   |         | -  | 6,818.35   |
| Surplus balance in Profit & Loss Account  |         | -0.73  | -0.73  |
| <b>Reserves &amp; Surplus</b>   | B       | -0.73  | 6,817.62   |
| Less: Miscellaneous Expenditure not written off   | C       | 1.09   | 1.09   |
| Less: Revaluation reserve   | D       | -  | -  |
| <b>Reserves &amp; Surplus (Excluding Revaluation reserve)</b>   | E=B-C-D | -1.82  | 6,816.53   |
| <b>Net Worth (Excluding Revaluation reserve)</b>  | E=A+E   | -0.82  | 6,817.53   |

Notes:

1. The aforesaid computation has been made solely as per the requirements of the Stock Exchange for filing along with the Proposed 'Scheme of Arrangement between SMS Pharmaceuticals Limited (SMS Pharma) and SMS Lifesciences India Limited ('SMS Lifesciences') and their respective Shareholders and Creditors (Proposed Scheme') having the 'appointed date' of 1<sup>st</sup> April, 2016 which has been approved by the Board of Directors of SMS Pharma on 13<sup>th</sup> August, 2016 and is not to be considered for any other purpose. The Proposed Scheme is pending other statutory approvals.





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2. The figures stated above have been arrived at on the basis of figures extracted from the Audited Financial Statements of SMS Pharma as at 31<sup>st</sup> March, 2016.
3. No adjustments for any events after 31<sup>st</sup> March, 2016, that may affect the Net Worth of SMS Pharmaceuticals Limited or SMS Lifesciences India Limited as on that date, has been considered.

**For SMS Pharmaceuticals Limited**

A handwritten signature in black ink, appearing to read 'N. Rajendra Prasad', is written over the printed name.

**N. Rajendra Prasad  
Chief Financial Officer**



**Place: Hyderabad**

**Date : 13<sup>th</sup> August, 2016**