



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: 14th May, 2024

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, 2024 issued by CARE Ratings Limited, Monitoring Agency.

We request to kindly take note of the same

Thanking you

Yours faithfully

For SMS Pharmaceuticals Limited

**Thirumalesh Tumma
Company Secretary**

No. CARE/HRO/GEN/2024-25/1007

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 14, 2024

Dear Sir,

Monitoring Agency Report for the quarter ended 03/31/2024 - in relation to the Convertible share warrants - Private placement of SMS Pharmaceuticals Limited ("the Company")

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

Request you to kindly take the same on records.

Thanking you,

Yours faithfully,

Nivedita Ghayal

Nivedita Ghayal

Associate Director

Nivedita.Ghayal@careedge.in

Report of the Monitoring Agency

Name of the issuer: SMS Pharmaceuticals Limited

For quarter ended: 03/31/2024

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.

Nivedita Ghayal

Signature:

Name and designation of the Authorized Signatory: Nivedita Ghayal

Designation of Authorized person/Signing Authority: Associate Director

1) Issuer Details:

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

2) Issue Details

Issue Period : 03/07/2024 to 03/13/2024
 Type of issue (public/rights) : Private placement
 Type of specified securities : Convertible Share Warrants
 IPO Grading, if any : Not applicable
 Issue size (in Rs. crore) : Rs. 114.300 crore (Note 1)

Note 1:
 The company had offered 90,00,000 Convertible share warrants under the private placement issue, at Rs. 127 per warrant (including security premium of Rs. 126 per warrant) aggregating to ₹ 114.30 crore. The issue was subscribed fully, and the company has allotted 90,00,000 Convertible share warrants to the successful applicants.

Particulars	Remarks
Total share warrants issued and subscribed as a part of private placement	90,00,000
Total subscriptions towards convertible share warrants issue (in Rs. Crore)	114.300
Details of expenses incurred related to issue (in Rs. Crore)	-
Proceeds received till March 31, 2024 (Rs. Crore)	28.575

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?	Yes	Chartered Accountant certificate*, Bank statements and Offer document (Form PAS-4 and EGM notice).	Proceeds are utilized appropriately for the objectives mentioned in the offer document.	
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the Offer Document?	No deviation		Not applicable	
Whether the means of finance for the disclosed objects of the issue	No		Not applicable	

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
have changed?				No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		Not applicable	
Whether all Government/statutory approvals related to the object(s) have been obtained?	Not applicable		Not applicable	
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable		Not applicable	
Are there any favorable/unfavorable events affecting the viability of these object(s)?	No		Not applicable	
Is there any other relevant information that may materially affect the decision making of the investors?	No		Not applicable	

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 07, 2024

#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 / 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).	62.870	NA	NA	NA	NA	
2	Working Capital		40.000	NA	NA			
3	General Corporate Purposes		11.430	NA	NA			
Total			114.300					

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 07, 2024

(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 raised till March 31, 2024 (Rs. crore)	Amount utilised in Rs. Crore			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).	62.870	28.575	-	-	-	0.005	NA	No Comments	
2	Working Capital		40.000		-	28.570	28.570		Rs 28.570 crore has been transferred to company's Cash Credit account from Monitoring account towards working capital purpose		
3	General Corporate Purposes		11.430		-	-	-		NA		
Total			114.300		-	28.570	28.570				

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 07, 2024

(iii) Deployment of unutilized 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	Monitoring account, State Bank of India	0.005	NA	NA	NA	0.005

(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 the Warrants	No Change	Not Applicable	NA	
Working Capital			Not Applicable		
General Corporate Purposes			Not Applicable		

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	0.00	Chartered Accountant certificate*, Bank statements and offer document	The proceeds are yet to be utilized	No Comments

* Certificate from Suryanarayana & Suresh, Chartered Accountants (Statutory auditor) dated May 07, 2024

[^] 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."

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.