



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: 8th November, 2025

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: Statement of deviation or variation in utilisation of funds raised through Preferential Issue for the quarter ended September 30, 2025

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended read with SEBI circular no. CIR/CFD/CMD1/162/2019 dated December 24, 2019, we hereby confirm that during the quarter ended on September 30, 2025, there was no deviation or variation in the utilisation of proceeds of issuance of Convertible Warrants from the objects stated in the notice dated February 08, 2024 calling Extraordinary General Meeting on March 06, 2024.

The Company had allotted 90,00 000 warrants on receipt of 25% upfront amount March 19, 2024, out of which 40,00,000 had been converted into equity shares on March 27, 2025, upon receipt of balance 75% amount from the 2 allottees and balance 50,00,000 warrants were converted into equity shares on September 10, 2025, upon receipt of balance 75% amount from the 2 allottees.

Please find enclosed herewith the statement of deviation or variation in utilisation of funds raised through preferential issue for the quarter ended September 30, 2025.

We request to kindly take note of the same

Thanking you

Yours faithfully

For SMS Pharmaceuticals Limited

**Thirumalesh Tumma
Company Secretary**



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Statement of Deviation / Variation in utilisation of funds raised through Preferential Allotment

Name of listed entity	SMS Pharmaceuticals Limited
Mode of Fund Raising	Preferential Issue
Date of Raising Funds	19 th March, 2024 (Allotment of 90,00,000 convertible warrants upon receipt of 25% of the issue price at Rs.127/- per warrant)
Amount Raised	Rs. 1,14,30,00,000/- (The total issue size is Rs. 1,14,30,00,000/- out of which company has received Rs. 28,57,50,000/- as 25% upfront payment and allotted 90,00,000 warrants on 19.03.2024. On 27.03.2025, 40,00,000 warrants has been converted into equity shares on receipt of balance 75% amount i.e. Rs. 38,10,00,000/-) On 10.09.2025, balance 50,00,000 warrants has been converted into equity shares on receipt of balance 75% amount i.e. Rs. 47,62,50,000/-)
Report filed for Quarter ended	30 th September, 2025
Monitoring Agency	Applicable
Monitoring Agency Name, if applicable	M/s. CARE Ratings Limited
Is there a Deviation / Variation in use of funds raised	No
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable
If Yes, Date of shareholder Approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the Audit Committee after review	The Company has temporarily deployed an amount of Rs.6,191 lakhs, raised through the preferential issue, in working capital accounts in order to optimise the utilisation of funds and reduce finance costs. The Audit Committee has advised that the said amount be re-transferred to the specified bank account as and when required for the execution of the project.
Comments of the auditors, if any	Nil

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation (Rs. In lakhs)	Modified allocation, if any	Funds Utilised till 30 th September, 2025 (Rs. In	Amount of Deviation/ Variation for the quarter according	Remarks if any



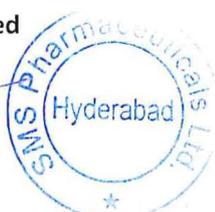
				Lakhs)	to applicable object	
Capital Expenditure: Expansion of production capacities in phased manner and installation of additional utility equipments as well as recovery systems. Proposed to start backward integration of Key Starting Materials (KSM) for existing as well as new products under pipeline at R&D by setting up new production blocks.	Not Applicable	6287	N.A	1714	Nil	-
Working Capital: Expanding the production capacities, backward integration of KSM, which led to an increased requirement of Working Capital, operational expenditure and other related expenses.	Not Applicable	4000	N.A	7334	Nil	During the quarter Q2FY26 an amount of Rs.2381 lakhs and Rs.3810 lakhs in Q1FY26 has been utilized for temporary deployment of working capital against the pending utilization, in line with the objects of the issue.
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.	Not Applicable	1143	N.A	-	Nil	-
Total		11430		9048		-

Deviation or variation could mean:

- Deviation in the objects or purposes for which the funds have been raised or
- Deviation in the amount of funds actually utilized as against what was originally disclosed or
- Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.

For SMS Pharmaceuticals Limited

Lakshmi Narayana Tammineedi
Chief Financial Officer



Place: Hyderabad

Date: 08.11.2025