



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: 3<sup>rd</sup> November, 2020

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**

**Subject: Outcome of Board Meeting held on 3<sup>rd</sup> November, 2020**

Dear Sir/Madam,

With reference to the above subject, we would like to inform you that Board of Directors of the Company at their meeting held today, inter-alia considered and approved the following:

1. The Standalone and consolidated Un-audited Financial Results for the Quarter and half year ended 30<sup>th</sup> September, 2020 along with the Limited Review Report

Accordingly, please find the enclosed the following:-

1. Standalone and Consolidated un-audited Financial Results for the quarter and half year ended 30th September, 2020 along with the Limited Review Report.

The meeting commenced at 12.30 PM and concluded at 2.45 PM.

Please take the above intimation on your records.

Yours faithfully,  
For SMS Pharmaceuticals Limited

  
V.S.Venkatish  
Company Secretary

(encl: a/a)

**SMS PHARMACEUTICALS LIMITED**

(CIN : L24239TG1987PLC008066)

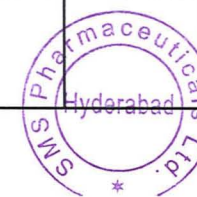
Regd. Office: Plot No.72, H.No.8-2-334/3&4, Road No.5, Opp.SBI Executive Enclave, Banjara Hills, Hyderabad-500 034, Telangana, India

Tel: +91-40-2525 9999, Fax :+91-40-2525 9889 ; Email : info@smspharma.com

**Statement of Standalone Un-Audited Financial Results for the Quarter and Half Year Ended 30th September, 2020**

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Half Year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue From Operations	13,012.74	11,289.54	11,789.58	24,302.28	23,503.18	41,194.69
2	Other Income	91.55	81.19	58.10	131.12	123.35	511.34
3	<b>Total Revenue</b>	<b>13,104.29</b>	<b>11,370.73</b>	<b>11,847.68</b>	<b>24,433.40</b>	<b>23,626.53</b>	<b>41,706.03</b>
4	<b>Expenses</b>						
	(a) Cost of Materials Consumed	8,039.57	6,374.76	7,876.35	14,414.34	16,409.50	25,950.18
	(b) Changes in Inventories	290.80	804.92	(500.11)	1,095.72	(1,733.18)	(1,314.08)
	(c) Manufacturing Expenses	999.86	822.67	945.08	1,822.52	1,777.38	3,363.87
	(d) Employee Benefits Expense	915.08	888.31	960.89	1,803.39	1,926.96	3,935.22
	(e) Finance Cost	271.97	294.96	299.28	566.93	640.80	1,221.14
	(f) Depreciation and Amortization Expense	561.14	549.42	538.50	1,110.56	1,068.75	2,206.64
	(g) Other Expenses	400.44	254.63	285.56	613.45	560.08	1,267.50
	<b>Total Expenses - (a to g)</b>	<b>11,478.86</b>	<b>9,989.67</b>	<b>10,405.55</b>	<b>21,426.91</b>	<b>20,650.29</b>	<b>36,630.47</b>
5	<b>Profit Before Exceptional and Extraordinary Items and Tax (3-4)</b>	<b>1,625.43</b>	<b>1,381.06</b>	<b>1,442.13</b>	<b>3,006.49</b>	<b>2,976.24</b>	<b>5,075.56</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit Before Extraordinary Items and Tax (5-6)</b>	<b>1,625.43</b>	<b>1,381.06</b>	<b>1,442.13</b>	<b>3,006.49</b>	<b>2,976.24</b>	<b>5,075.56</b>
8	Extraordinary Items	-	-	-	-	-	-
9	<b>Profit before Tax (7-8)</b>	<b>1,625.43</b>	<b>1,381.06</b>	<b>1,442.13</b>	<b>3,006.49</b>	<b>2,976.24</b>	<b>5,075.56</b>
10	Tax Expenses						
	(1) Current Tax (MAT)	300.00	250.00	320.00	550.00	650.00	894.14
	(2) Deferred Tax	202.81	210.68	167.31	413.49	423.31	912.57
		<b>502.81</b>	<b>460.68</b>	<b>487.31</b>	<b>963.49</b>	<b>1,073.31</b>	<b>1,806.71</b>
11	<b>Net Profit / (Loss) for the Period (9-10)</b>	<b>1,122.62</b>	<b>920.38</b>	<b>954.82</b>	<b>2,043.00</b>	<b>1,902.93</b>	<b>3,268.85</b>
12	Other Comprehensive Income (OCI):						
	Items that will not be reclassified to profit or Loss:	(3.62)	(3.29)	(3.56)	(6.90)	(6.80)	(13.15)
	Income Tax effect on the above	(1.26)	(1.15)	(1.24)	(2.41)	(2.38)	(4.60)
		<b>(2.35)</b>	<b>(2.14)</b>	<b>(2.32)</b>	<b>(4.49)</b>	<b>(4.42)</b>	<b>(8.55)</b>
13	<b>Total Comprehensive Income for the period (11+12)</b>	<b>1,120.26</b>	<b>918.24</b>	<b>952.51</b>	<b>2,038.51</b>	<b>1,898.51</b>	<b>3,260.30</b>
14	Earning Per Equity Share of Re. 1/- each Basic / Diluted (not annualised)	1.33	1.09	1.13	2.41	2.25	3.86
	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52	846.52	846.52
15	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year						35,895.87



*Handwritten signature*



Standalone Un-Audited Statement of Assets and Liabilities as at 30th September, 2020

(Rs.in Lakhs)

Sr. No.	Particulars	As at	As at
		30.09.2020 (Unaudited)	31.03.2020 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	26,552.04	27,518.98
	(b) Right-of-use Assets	398.49	446.31
	(c) Capital Work-in-Progress	9,894.20	4,212.31
	(d) Intangible Assets	114.99	83.26
	(e) Financial Assets:		
	(i) Investments	4,499.87	4,499.87
	(ii) Bank Balances	231.76	224.89
	(iii) Other Financial Assets	347.13	331.95
	(f) Other Non-Current Assets	4,512.64	3,514.63
	<b>Sub Total :Non-Current Assets</b>	<b>46,551.12</b>	<b>40,832.20</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	14,374.76	12,920.02
	(b) Financial Assets		
	(i) Trade Receivables	7,034.59	4,877.07
	(ii) Cash and Cash Equivalents	650.74	954.42
	(iii) Bank Balances (Other than (ii) above)	8.75	10.91
	(iv) Other Financial Assets	29.79	28.50
	(c) Other Current Assets	2,313.91	2,776.81
	(d) Current Tax Asset (Net)	208.42	310.36
	<b>Sub Total : Current Assets</b>	<b>24,620.96</b>	<b>21,878.09</b>
	<b>TOTAL ASSETS</b>	<b>71,172.08</b>	<b>62,710.29</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity:</b>		
	(a) Equity Share Capital	846.52	846.52
	(b) Other Equity	37,934.38	35,895.87
	<b>Sub-Total -Shareholders' funds</b>	<b>38,780.90</b>	<b>36,742.39</b>
	<b>Liabilities:</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	9,403.57	6,822.10
	(ii) Lease Liabilities	443.19	477.99
	(b) Provisions	179.44	172.64
	(c) Deferred Tax Liabilities (net)	4,387.90	3,974.41
	<b>Sub-Total -Non-Current Liabilities</b>	<b>14,414.10</b>	<b>11,447.14</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	4,678.65	6,115.52
	(ii) Trade Payables:		
	(a) Dues to Micro & Small Enterprises	70.80	23.01
	(b) Dues to Creditors Otherthan Micro & Small Enterprises	8,645.78	4,426.39
	(iii) Other Financial Liabilities	4,006.71	2,843.76
	(b) Provisions	75.64	72.04
	(c) Other Current Liabilities	499.49	1,040.04
	<b>Sub-Total - Current Liabilities</b>	<b>17,977.08</b>	<b>14,520.76</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>71,172.08</b>	<b>62,710.29</b>



*Handwritten signature*

SMS Pharmaceuticals Limited  
 Standalone Statement of Cash Flow for the Half Year Ended 30th September, 2020  
 (All amounts in Indian Rupees, unless otherwise stated)

S No	Particulars	For the Half Year ended 30th September, 2020	For the Year ended 31st March, 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Profit Before Tax	3,006.49	5,075.56
	Adjustments for:		
	Depreciation and Amortisation Expense	1,110.56	2,206.64
	Interest Income	(7.80)	(16.06)
	Interest on Non Current Borrowings	294.39	646.51
	Provision for Employee Benefits	5.91	12.25
	Amortisation of Transaction Cost on Borrowings	-	6.23
	Notional Rent Expense	-	4.94
	Loss on Sale of Assets	0.80	5.14
	<b>Operating Profit before Working Capital Changes</b>	<b>4,410.34</b>	<b>7,941.20</b>
	<b>Change in Operating Assets and Liabilities</b>		
	(Increase)/Decrease in Trade Receivables	(2,157.52)	(2,274.82)
	(Increase)/Decrease in Inventories	(1,454.74)	719.96
	(Increase)/Decrease in Other Non Current Financial Assets	(15.18)	11.08
	(Increase)/Decrease in Other Non Current Asset	(998.01)	(1,602.82)
	(Increase)/Decrease in Other Current Financial Assets	(1.28)	(4.18)
	(Increase)/Decrease in Other Current Assets	462.90	186.48
	(Increase)/Decrease in Prepaid Taxes	-	47.37
	Increase/(Decrease) in Trade Payables	4,267.18	(375.78)
	Increase/(Decrease) in Other Current Liabilities	(575.35)	533.06
		<b>(472.00)</b>	<b>(2,759.65)</b>
	<b>Cash generated from Operations</b>	<b>3,938.34</b>	<b>5,181.55</b>
	Income Taxes Paid	(448.06)	(1,210.36)
	<b>Net Cash Inflow from Operating Activities "A"</b>	<b>3,490.28</b>	<b>3,971.19</b>
<b>B</b>	<b>Cash flows from Investing Activities</b>		
	Purchase of Property, Plant and Equipment	(5,670.13)	(4,273.40)
	Sale of Property, Plant and Equipment	13.14	13.36
	Payments for Purchase of Investments	-	-
	Margin Money Deposits	(10.66)	(27.45)
	Interest Received on Margin Money Deposit	11.59	31.12
	<b>Net Cash Outflow from Investing Activities "B"</b>	<b>(5,656.06)</b>	<b>(4,256.37)</b>
<b>C</b>	<b>Cash Flows from Financing Activities</b>		
	Proceeds from Long Term Borrowings	4,113.97	2,886.32
	Repayment of Long Term Borrowings	(450.00)	(1,075.00)
	Proceeds from Short Term Borrowings	-	1,199.56
	Repayment of Short Term Borrowings	(1,436.87)	(2,164.89)
	Interest paid on Borrowings	(365.00)	(575.90)
	Dividend Paid to Company's Shareholders	-	(510.26)
	<b>Net Cash Inflow (Outflow) from Financing Activities "C"</b>	<b>1,862.10</b>	<b>(240.18)</b>
	<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(303.68)</b>	<b>(525.35)</b>
	Cash and Cash Equivalents at the Beginning of the Financial Year (Refer Note 9)	954.42	1,479.77
	Less: Cash Equivalents on account of Demerger		
	<b>Cash and Cash Equivalents at End of the Year (Refer Note 9)</b>	<b>650.74</b>	<b>954.42</b>



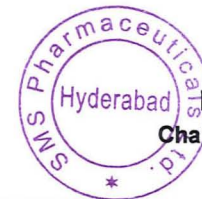
*Handwritten signature*

**Notes:**

- 1 The above standalone Financial Results have been reviewed and recommended by the Audit Committee on 03rd November, 2020 and have been approved by the Board of Directors at its meeting held on 03rd November, 2020.
- 2 Results for the quarter ended 30th September, 2020 were subjected to 'Limited Review' by the Auditors.
- 3 The standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4 The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients and their intermediates and the same constitutes a single reportable business segment as per Ind AS108.
- 5 The Company has not experienced any significant impact on its operations, supply chain and recoverability of carrying amounts of financial and non-financial assets due to COVID 19 pandemic. As the pandemic continues to evolve, the company will continue to closely monitor for any material changes to future economic conditions.
- 6 Figures for the previous period have been reclassified/ regrouped wherever necessary to conform to current period's classification.

Place: Hyderabad  
Date : 03-11-2020

**For SMS Pharmaceuticals Limited**



  
**Ramesh Babu Potluri**  
Chairman and Managing Director  
DIN : 00166381





**Limited Review Report**

To  
The Board of Directors  
SMS Pharmaceuticals Limited  
Hyderabad.

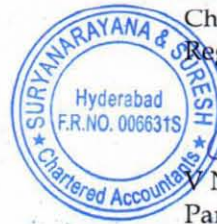
We have reviewed the accompanying statement of unaudited financial results of SMS Pharmaceuticals Limited ("the Company"), for the quarter ended 30<sup>th</sup> September 2020. This statement which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by Independent Auditor of Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the aforesaid Indian Accounting standards and other accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad  
Date: 03-11-2020

For Suryanarayana & Suresh.,  
Chartered Accountants  
Reg. No.006631S



*Nagendra Rao*  
Nagendra Rao  
Partner  
M. No. 227679

UDIN: 20227679AAAAHQ3098

**SMS PHARMACEUTICALS LIMITED**

(CIN : L24239TG1987PLC008066)

Regd. 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 ; Email : info@smspharma.com

**Statement of Consolidated Un-Audited Financial Results for the Quarter and Half Year Ended 30th September, 2020**

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Half Year ended		Year ended
		30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue From Operations	13,012.74	11,289.54	11,789.58	24,302.28	23,503.18	41,194.68
2	Other Income	91.55	81.19	58.10	131.12	123.35	511.35
3	<b>Total Revenue</b>	<b>13,104.29</b>	<b>11,370.73</b>	<b>11,847.68</b>	<b>24,433.40</b>	<b>23,626.53</b>	<b>41,706.03</b>
4	<b>Expenses</b>						
	(a) Cost of Materials Consumed	8,039.57	6,374.76	7,876.35	14,414.34	16,409.50	25,950.18
	(b) Changes in Inventories	290.80	804.92	(500.11)	1,095.72	(1,733.18)	(1,314.08)
	(c) Manufacturing Expenses	999.86	822.67	945.08	1,822.52	1,777.38	3,363.87
	(d) Employee Benefits Expense	915.08	888.31	960.89	1,803.39	1,926.96	3,935.22
	(e) Finance Cost	271.97	294.96	299.28	566.93	640.80	1,221.14
	(f) Depreciation and Amortization Expense	561.14	549.42	538.50	1,110.56	1,068.75	2,206.64
	(g) Other Expenses	400.44	254.63	285.56	613.45	560.08	1,267.50
	<b>Total Expenses - (a to g)</b>	<b>11,478.86</b>	<b>9,989.67</b>	<b>10,405.55</b>	<b>21,426.91</b>	<b>20,650.29</b>	<b>36,630.47</b>
5	<b>Profit Before Exceptional and Extraordinary Items and Tax (3-4)</b>	<b>1,625.43</b>	<b>1,381.06</b>	<b>1,442.13</b>	<b>3,006.49</b>	<b>2,976.24</b>	<b>5,075.56</b>
6	Exceptional items	-	-	-	-	-	-
7	<b>Profit Before Extraordinary Items and Tax (5-6)</b>	<b>1,625.43</b>	<b>1,381.06</b>	<b>1,442.13</b>	<b>3,006.49</b>	<b>2,976.24</b>	<b>5,075.56</b>
8	Extraordinary Items	-	-	-	-	-	-
9	<b>Profit Before Tax (7-8)</b>	<b>1,625.43</b>	<b>1,381.06</b>	<b>1,442.13</b>	<b>3,006.49</b>	<b>2,976.24</b>	<b>5,075.56</b>
10	Tax Expenses						
	(1) Current Tax (MAT)	300.00	250.00	320.00	550.00	650.00	894.14
	(2) Deferred Tax	202.81	210.68	167.31	413.49	423.31	912.57
		502.81	460.68	487.31	963.49	1,073.31	1,806.71
11	<b>Net Profit / (Loss) for the Period (9-10)</b>	<b>1,122.62</b>	<b>920.38</b>	<b>954.82</b>	<b>2,043.00</b>	<b>1,902.93</b>	<b>3,268.85</b>
12	Share of Profit / (Loss) of Associates	(25.70)	(217.67)	33.61	(243.37)	(137.72)	(111.47)
13	Minority Interest	-	-	-	-	-	-
14	<b>Net Profit / (Loss) After Taxes, Minority Interest and Share of Profit / (Loss) of Associates (11+12-13)</b>	<b>1,096.92</b>	<b>702.71</b>	<b>988.43</b>	<b>1,799.63</b>	<b>1,765.21</b>	<b>3,157.38</b>
15	Other Comprehensive Income/(Loss) (OCI):						
	(A) Items that will not be reclassified to statement of Profit & Loss						
	Remeasurements of post-employment benefit obligations	(3.62)	(3.29)	(3.56)	(6.90)	(6.80)	(13.15)
16	Share of Other Comprehensive Income in Associates	0.60	0.59	0.61	1.18	1.14	(9.09)
17	Income Tax effect on the above	(1.11)	(1.00)	(1.09)	(2.10)	(2.08)	(6.96)
18	Other Comprehensive Income/(Loss) after tax for the Year (13-14)	(1.91)	(1.70)	(1.86)	(3.61)	(3.58)	(15.28)
19	<b>Total comprehensive Income for the period/year (14+18)</b>	<b>1,095.01</b>	<b>701.01</b>	<b>986.57</b>	<b>1,796.02</b>	<b>1,761.63</b>	<b>3,142.10</b>
20	Earning Per Equity Share of Re.1/- each						
	Basic / Diluted (not annualised)	1.30	0.83	1.17	2.13	2.07	3.73
21	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52	846.52	846.52
22	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						33,977.04



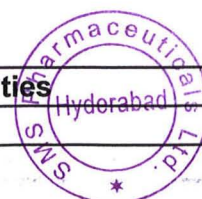
*Handwritten signature*



**Consolidated Un-Audited Statement of Assets and Liabilities as at 30th September, 2020**

(Rs.in Lakhs)

Sr. No.	Particulars	As at	As at
		30.09.2020 (Unaudited)	31.03.2020 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	26,552.04	27,518.98
	(b) Right-of-use Assets	398.49	446.31
	(c) Capital Work-in-Progress	9,894.20	4,212.31
	(d) Intangible Assets	114.99	83.26
	(e) Financial Assets:		
	(i) Investments	2,338.54	2,581.04
	(ii) Bank Balances	231.76	224.89
	(iii) Other Financial Assets	347.13	331.95
	(f) Other Non-Current Assets	4,512.64	3,514.63
	<b>Sub Total :Non-Current Assets</b>	<b>44,389.79</b>	<b>38,913.37</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	14,374.76	12,920.02
	(b) Financial Assets		
	(i) Trade Receivables	7,034.59	4,877.07
	(ii) Cash and Cash Equivalents	650.74	954.42
	(iii) Bank Balances (Other than (ii) above)	8.75	10.91
	(iv) Other Financial Assets	29.79	28.50
	(c) Other Current Assets	2,313.91	2,776.81
	(d) Current Tax Asset (Net)	208.42	310.36
	<b>Sub Total : Current Assets</b>	<b>24,620.96</b>	<b>21,878.09</b>
	<b>TOTAL ASSETS</b>	<b>69,010.76</b>	<b>60,791.46</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity:</b>		
	(a) Equity Share Capital	846.52	846.52
	(b) Other Equity	35,773.06	33,977.04
	<b>Sub-Total -Shareholders' funds</b>	<b>36,619.58</b>	<b>34,823.56</b>
	<b>Liabilities:</b>		
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	9,403.57	6,822.10
	(ii) Lease Liabilities	443.19	477.99
	(b) Provisions	179.44	172.64
	(c) Deferred Tax Liabilities (Net)	4,387.90	3,974.41
	<b>Sub-Total -Non-Current Liabilities</b>	<b>14,414.10</b>	<b>11,447.14</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	4,678.65	6,115.52
	(ii) Trade Payables:		
	(a) Trade Payables - MSME	70.80	23.01
	(b) Trade Payables - Otherthan MSME	8,645.78	4,426.39
	(iii) Other Financial Liabilities	4,006.71	2,843.76
	(b) Provisions	75.64	72.04
	(c) Other Current Liabilities	499.49	1,040.04
	<b>Sub-Total - Current Liabilities</b>	<b>17,977.08</b>	<b>14,520.76</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>69,010.76</b>	<b>60,791.46</b>



*Handwritten signature/initials*



SMS Pharmaceuticals Limited  
Consolidated Statement of Cash Flow for the Half Year Ended 30th September, 2020  
(All amounts in Indian Rupees, unless otherwise stated)

S No	Particulars	For the Half Year ended 30th September, 2020	For the Year ended 31st March, 2020
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Profit Before Tax	3,006.49	5,075.56
	Adjustments for:		
	Depreciation and Amortisation Expense	1,110.56	2,206.64
	Interest Income	(7.80)	(16.06)
	Interest on Non Current Borrowings	294.39	646.51
	Provision for Employee Benefits	5.91	12.25
	Amortisation of Transaction Cost on Borrowings	-	6.23
	Notional Rent Expense	-	4.94
	Loss on Sale of Assets	0.80	5.14
	<b>Operating Profit before Working Capital Changes</b>	<b>4,410.34</b>	<b>7,941.20</b>
	<b>Change in Operating Assets and Liabilities</b>		
	(Increase)/Decrease in Trade Receivables	(2,157.52)	(2,274.82)
	(Increase)/Decrease in Inventories	(1,454.74)	719.96
	(Increase)/Decrease in Other Non Current Financial Assets	(15.18)	11.08
	(Increase)/Decrease in Other Non Current Asset	(998.01)	(1,602.82)
	(Increase)/Decrease in Other Current Financial Assets	(1.28)	(4.18)
	(Increase)/Decrease in Other Current Assets	462.90	186.48
	(Increase)/Decrease in Prepaid Taxes	-	47.37
	Increase/(Decrease) in Trade Payables	4,267.18	(375.78)
	Increase/(Decrease) in Other Current Liabilities	(575.35)	533.06
		<b>(472.00)</b>	<b>(2,759.65)</b>
	<b>Cash generated from Operations</b>	<b>3,938.34</b>	<b>5,181.55</b>
	Income Taxes Paid	(448.06)	(1,210.36)
	<b>Net Cash Inflow from Operating Activities "A"</b>	<b>3,490.28</b>	<b>3,971.19</b>
<b>B</b>	<b>Cash flows from Investing Activities</b>		
	Purchase of Property, Plant and Equipment	(5,670.13)	(4,273.40)
	Sale of Property, Plant and Equipment	13.14	13.36
	Margin Money Deposits	(10.66)	(27.45)
	Interest Received on Margin Money Deposit	11.59	31.12
	<b>Net Cash Outflow from Investing Activities "B"</b>	<b>(5,656.06)</b>	<b>(4,256.37)</b>
<b>C</b>	<b>Cash Flows from Financing Activities</b>		
	Proceeds from Long Term Borrowings	4,113.97	2,886.32
	Repayment of Long Term Borrowings	(450.00)	(1,075.00)
	Proceeds from Short Term Borrowings	-	1,199.56
	Repayment of Short Term Borrowings	(1,436.87)	(2,164.89)
	Interest paid on Borrowings	(365.00)	(575.90)
	Dividend Paid to Company's Shareholders	-	(510.26)
	<b>Net Cash Inflow (Outflow) from Financing Activities "C"</b>	<b>1,862.10</b>	<b>(240.18)</b>
	<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(303.68)</b>	<b>(525.35)</b>
	Cash and Cash Equivalents at the Beginning of the Financial Year (Refer Note 9)	954.42	1,479.77
	Less: Cash Equivalents on account of Demerger		
	<b>Cash and Cash Equivalents at End of the Year (Refer Note 9)</b>	<b>650.74</b>	<b>954.42</b>



*Handwritten signature*

**Notes:**

- 1 The above consolidated Financial Results have been reviewed and recommended by the Audit Committee on 03rd November, 2020 and have been approved by the Board of Directors at its meeting held on 03rd November, 2020.
- 2 The consolidated results for the quarter ended 30th September, 2020 were subjected to 'Limited Review' by the Auditors.
- 3 The consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 4 VKT Pharma Pvt Ltd is considered as associate of the Company for consolidation in which the Company holds 42.62% in their equity. Accordingly, the results include appropriate share of the company in the results of the said associate.
- 5 Consolidated Financial Statements have been prepared by applying Accounting Standard "Ind AS" 27 "Accounting for Investments in Associates in Consolidated Financial Statements" as applicable under the Companies Act, 2013 and applicable rules there under.
- 6 The group has not experienced any significant impact on its operations, supply chain and recoverability of carrying amounts of financial and non-financial assets due to COVID 19 pandemic. As the pandemic continues to evolve, the company will continue to closely monitor for any material changes to future economic conditions.
- 7 The Group is engaged in the manufacturing Active Pharmaceutical Ingredients and their intermediates and the same constitutes a single reportable business segment as per Ind AS108.
- 8 Figures for the previous period have been reclassified/ regrouped wherever necessary to conform to current period's classification.

**For SMS Pharmaceuticals Limited**



**Ramesh Babu Potluri**  
Chairman and Managing Director

DIN : 00166381

Place: Hyderabad  
Date : 03-11-2020





## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF DIRECTORS OF SMS PHARMACEUTICALS LIMITED

#### Report on the Review of Consolidated Financial Results

#### Opinion

We have audited the accompanying consolidated annual financial results of SMS PHARMACEUTICALS LIMITED (hereinafter referred to as the holding Company) and its associate (Holding Company and its associate together referred to as the Group) for the quarter ended September 30, 2020, attached here with, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations).

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial Results for the quarter ended September 30, 2020:

- (i) includes the share of profit/(loss) of the following associate entity  
VKT Pharma Private Limited
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Group for the quarter ended September 30, 2020.





## **Basis for Opinion**

We conducted our audit of this Consolidated Financial Results in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (“ICAI”) together with the independence requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

## **Management’s Responsibilities for the Consolidated Financial Results**

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its associates and jointly controlled entities in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.







In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

#### **Auditor's Responsibilities for the audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.







- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Financial Results of the Company to express an opinion on the Consolidated Financial Results.

Materiality is the magnitude of misstatements in the Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

The consolidated financial results includes the audited financial statements/ financial results of associate namely VKT Pharma Private Limited which have been audited by their auditor whose financial statements / financial results reflect total assets of Rs. 17,693.74 lakhs as at 30 September 2020 total revenue of Rs. 1,860.14 lakhs, total net loss after tax of Rs. 60.30 lakhs and total comprehensive income of Rs. 59.27 lakhs for the quarter ended 30 September 2020.







The independent auditors' reports on financial statements/ Financial Results of the entity have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of the entity, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Place: Hyderabad  
Date: 03-11-2020

UDIN: 20227679AAAAHP4104

For Suryanarayana & Suresh.,  
Chartered Accountants  
Reg. No.006631S

V Nagendra Rao  
Partner  
M. No. 227679

