



## SMS Lifesciences India Limited

### Registered & Corporate Office :

Plot No. 19-III, Road No. 71,  
Opp. Bharatiya Vidya Bhavan Public School,  
Jubilee Hills, Hyderabad - 500 096, Telangana, INDIA.  
Tel : +91-040-6628 8888, Fax : +91-40-2355 1401  
CIN : L74930TG2006PLC050223  
Email : info@smslife.in, Website : www.smslife.in

To

### **BSE Limited,**

Listing Department, P J Towers,  
Dalal Street,  
Mumbai – 400 001.

**Scrip code: 540679**

Through: BSE Listing Center

### **National Stock Exchange of India Limited,**

Listing Department, "Exchange Plaza",  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.

**Trading Symbol: SMSLIFE**

Through: NEAPS

### **SUB: OUTCOME OF THE BOARD MEETING [financial results]**

**Ref: Regulation 33 read with sub-para 4 of Para "A" of Part "A" of Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

With reference to the above cited subject, we would like to inform you that the Board of Directors of the Company at their Meeting held today i.e. July 27, 2020, have *inter-alia* considered and approved the Audited [Standalone & Consolidated] Financial results for the quarter and year ended March 31, 2020 along with Auditors report, as recommended by the Audit Committee.

In this regard, we are enclosing herewith a copy of the following:

- ✚ Standalone Financial Statements for the quarter and year ended March 31, 2020.
- ✚ Consolidated Financial Statements for the quarter and year ended March 31, 2020.
- ✚ Auditor's Report for Standalone and Consolidated Financial Statements.
- ✚ Statement of assets and liabilities as per Regulation 33(3)(f) of the SEBI Listing Regulations
- ✚ Cash-flow statement under Regulation 33(3)(g) of the SEBI Listing Regulations.
- ✚ Declaration under Regulation 33(3)(d) of the SEBI Listing Regulations
- ✚ Detailed report on "Impact of Covid19 pandemic", as per SEBI advisory.

The meeting of the Board commenced at **12.30 pm** and concluded at **6.30 pm**.

For SMS Lifesciences India Limited

  
**Truph Ranjan Mohanty**  
Company Secretary



Date: July 27, 2020

Place: Hyderabad

[Enclosed: a/a]

**SMS LIFESCIENCES INDIA LIMITED**

(CIN: L74930TG2006PLC050223)

Regd. Office: Plot No.19-III, Opp. BVBP School, Road No.71, Jubilee Hills, Hyderabad - 500 096

Tel:+91-40-6628 8888, Fax:91-40-2355 1401, Email: info@smslife.in

Standalone Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2020

( Rs. In Lakhs )

S.No	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue From Operations	4,625.28	4,639.92	9,856.96	25,692.42	34,415.16
2	Other Income	50.26	30.17	164.37	188.31	252.87
3	<b>Total Revenue</b>	<b>4,675.54</b>	<b>4,670.09</b>	<b>10,021.33</b>	<b>25,880.73</b>	<b>34,668.03</b>
4	<b>Expenses</b>					
	(a) Cost of materials consumed	3,105.53	2,399.96	6,269.03	15,575.16	23,847.16
	(b) Changes in Inventories of Finished Goods Stock-in-Progress and Stock-in Trade	(752.19)	482.87	847.35	629.28	(818.57)
	(c) Manufacturing Expenses	1,015.34	737.85	1,167.68	3,755.92	4,777.39
	(d) Employee Benefits Expense	599.75	528.67	523.53	2,327.02	2,063.14
	(e) Finance costs	114.29	116.77	135.81	508.88	546.22
	(f) Depreciation and amortisation expense	189.40	179.49	148.18	724.39	576.98
	(g) Other expenses	286.33	226.99	396.34	1,026.31	1,299.88
	<b>Total Expenses - (a to g)</b>	<b>4,558.44</b>	<b>4,672.60</b>	<b>9,487.93</b>	<b>24,546.96</b>	<b>32,292.20</b>
5	<b>Profit before Exceptional and Extraordinary Items and Tax (3-4)</b>	<b>117.09</b>	<b>(2.51)</b>	<b>533.40</b>	<b>1,333.77</b>	<b>2,375.83</b>
6	Exceptional items	-	-	-	-	-
7	<b>Profit before Extraordinary Items and Tax (5-6)</b>	<b>117.09</b>	<b>(2.51)</b>	<b>533.40</b>	<b>1,333.77</b>	<b>2,375.83</b>
8	Extraordinary Items	-	-	-	-	-
9	<b>Profit Before Tax (7-8)</b>	<b>117.09</b>	<b>(2.51)</b>	<b>533.40</b>	<b>1,333.77</b>	<b>2,375.83</b>
10	Tax Expenses					
	(1) Current Tax	(40.39)	-	80.00	329.61	629.43
	(2) Deferred Tax	10.37	26.41	46.60	89.43	83.08
		(30.01)	26.41	126.60	419.04	712.51
11	<b>Net Profit / (Loss) for the Quarter / Year (9-10)</b>	<b>147.11</b>	<b>(28.92)</b>	<b>406.80</b>	<b>914.72</b>	<b>1,663.32</b>
12	Other Comprehensive Income/(Loss) (OCI):					
	(A) Items that will not be reclassified to statement of Profit & Loss					
	Remeasurement of post-employment benefit obligations	(38.32)	(2.66)	(0.60)	(45.63)	(8.86)
13	<b>Total Other Comprehensive Income/(Loss) before related Tax</b>	<b>(38.32)</b>	<b>(2.66)</b>	<b>(0.60)</b>	<b>(45.63)</b>	<b>(8.86)</b>
14	Income Tax effect on the above	(11.16)	(0.77)	(0.08)	(13.28)	(2.58)
15	<b>Other Comprehensive Income/(Loss) after tax for the Quarter / Year (13-14)</b>	<b>(27.16)</b>	<b>(1.89)</b>	<b>(0.52)</b>	<b>(32.35)</b>	<b>(6.28)</b>
16	<b>Total Comprehensive Income for the period/year (11+15)</b>	<b>119.95</b>	<b>(30.81)</b>	<b>406.28</b>	<b>882.38</b>	<b>1,657.04</b>
17	Earnings Per Equity Share					
	(of Rs.10/ each) (not annualised)					
	(a) Basic	4.87	(0.95)	13.46	30.26	55.02
	(b) Diluted	4.87	(0.95)	13.46	30.26	55.02
18	Paid-up equity share capital (Face Value of Rs.10/- each)	302.33	302.33	302.33	302.33	302.33
19	Other Equity				11,023.24	10,195.53



## Standalone Balance Sheet

(Rs.in Lakhs)

Sr.No.	Particulars	As at	
		31.03.2020	31.03.2019
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	Property, plant and equipment,	9,344.45	8,708.49
	Right-of-use Assets	86.95	-
	Capital work-in-progress	246.80	131.46
	Intangible Assets	18.29	4.47
	Investment Property	-	91.31
	<b>Financial Assets</b>		
	a) Investments	2,581.40	2,581.40
	b) Bank Balances	-	104.89
	c) Other Financial Assets	217.48	216.46
	d) Other Non-Current Assets	278.58	261.88
	<b>Sub Total :Non-Current Assets</b>	<b>12,773.95</b>	<b>12,100.36</b>
2	<b>Current Assets</b>		
	Inventories	6,104.56	7,387.04
	<b>Financial Assets</b>		
	a) Trade Receivables	2,202.24	3,657.65
	b) Cash and Cash Equivalents	65.44	203.07
	c) Bank Balances other than b) above	164.60	43.63
	d) Other Current Assets	1,583.85	1,652.61
	e) Current Tax Asset (Net)	-	9.52
	<b>Sub Total : Current Assets</b>	<b>10,120.69</b>	<b>12,953.53</b>
	<b>TOTAL ASSETS</b>	<b>22,894.64</b>	<b>25,053.89</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity:</b>		
	Share Capital	302.33	302.33
	<b>Other Equity</b>		
	a) Reserves & Surplus	11,023.24	10,195.53
	<b>Sub-Total -Shareholders' funds</b>	<b>11,325.57</b>	<b>10,497.86</b>
	<b>Liabilities:</b>		
2	<b>Non-Current Liabilities</b>		
	a) <b>Financial Liabilities</b>		
	(i) Borrowings	2,366.54	2,720.46
	(ii) Lease Liabilities	93.60	-
	b) Provision for Employee Benefit Obligations	259.06	224.18
	c) Deferred Tax Liabilities (net)	873.38	797.23
	<b>Sub-Total -Non-Current Liabilities</b>	<b>3,592.57</b>	<b>3,741.87</b>
3	<b>Current Liabilities</b>		
	a) <b>Financial Liabilities</b>		
	(i) Borrowings	2,095.96	1,276.62
	(ii) Trade Payables - MSME	20.68	15.00
	(iii) Trade Payables Otherthan MSME	4,512.62	8,367.70
	(iv) Other Financial Liabilities	589.80	878.78
	b) Provision for Employee Benefit Obligations	82.92	59.80
	c) Other Current Liabilities	631.82	216.26
	d) Current Tax Liabilities (Net)	42.70	-
	<b>Sub-Total - Current Liabilities</b>	<b>7,976.50</b>	<b>10,814.16</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>22,894.64</b>	<b>25,053.89</b>




**Notes:**

- 1 The audited standalone audited financial results have been reviewed by the Audit Committee of the board on 27th July, 2020 and approved by the Board of Directors of the Company at their meeting held on 27th July, 2020.
- 2 The standalone audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 3 The main reason for decrease in revenues during the FY 2019-20 as compared to previous financial year is due to regulatory guidance on nitrosamine impurity in Ranitidine Hcl and subsequent decrease in off take of Ranitidine HCL. The company is also focusing to manufacture and sell other new molecules developed by its own R&D along with few contract manufacturing cooperation's to increase the revenues as well as margins. In addition to this the Company is evaluating import substitution products and opportunities arising out of COVID-19.
- 4 Effective 1st April, 2019, the Company adopted Ind-AS 116, on all lease contracts existing on 1st April, 2019 using the modified retrospective method with Right-of-use assets recognized at an amount equal to the lease liabilities in the balance sheet. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. During the quarter and year ended, the company has recognized interest expense on lease amounting to Rs. 2.87 Lakhs Rs.13.22 Lakhs and depreciation on right-of-use assets amounting to Rs. 11.86 Lakhs, Rs.47.43 Lakhs respectively.
- 5 The Government of India, on 20th September 2019, vide the taxation Laws (Amendment) Ordinance 2019, inserted a new section 115BAA in the Income tax Act, 1961, which provides an option to the company for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The company has evaluated the above Ordinance and based on its evaluation currently the Management proposed to continue with the old tax rates.
- 6 COVID-19 is the infectious disease caused by the most recently discovered coronavirus a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of our employees and Covered all the employees for the risk under Covid Kavach Policy recently interduced by IRDAI, and ensure business continuity with minimal disruption. The effect of operations of the company for the quarter and year ending 31st March, 2020 is marginal. The company will continue to closely monitor any material changes to future economic conditions.
- 7 The figures for the quarter ended 31st March 2020 are the balancing figures between audited figures in respect of full financial year upto 31st March 2020 and the unaudited published year to date figures upto 31st December 2019, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 8 The Company is engaged in the manufacturing of Active Pharmaceutical Ingredients and intermediates and the same constitutes a single reportable business segment as per Ind AS108.
- 9 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad  
Date : 27-07-2020



**For SMS Lifesciences India Limited**

  
TVSN Murthy  
Managing Director

**SMS LifeSciences India Limited**

**Statement of Cash Flow for the Year Ended 31st March, 2020**

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>A Cash Flow from Operating Activities</b>		
Profit Before Income Tax	1,333.77	2,375.83
<b>Adjustments for:</b>		
Depreciation and amortisation expense	724.39	576.98
Interest Income classified as Investing Cash Flows	(11.55)	(11.60)
Allowance for Doubtful Debts	7.56	40.14
Interest on Non Current Borrowings	309.62	232.48
Provision for Employee Benefits	12.36	33.13
Term Loan Processing Fee	6.13	(5.68)
Interest On Leased Premises	13.22	-
	<b>2,395.5</b>	<b>3,241.29</b>
<b>Change in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Trade Receivables	1,447.85	(990.23)
(Increase)/Decrease in Inventories	1,282.48	(2,455.43)
Increase/(Decrease) in Trade Payables	(3,849.40)	3,907.20
(Increase)/Decrease in Other Non Current Financial Assets	(1.01)	(19.77)
(Increase)/Decrease in Other Non Current Asset	(16.71)	99.67
(Increase)/Decrease in Other Current Financial Assets	-	-
(Increase)/Decrease in Other Current Asset	73.67	(538.06)
Increase/(Decrease) in Other Current Financial Liabilities	(10.09)	-
Increase/(Decrease) in Other Current Liabilities	354.91	112.91
	<b>(718)</b>	<b>120.27</b>
<b>Cash generated from Operations</b>	1,677	3,362
Income Taxes Paid	(282.30)	(635.48)
<b>Net Cash Inflow from Operating Activities "A"</b>	<b>1,394.91</b>	<b>2,726.08</b>
<b>B Cash flows from Investing Activities</b>		
Purchase for Property, Plant and Equipment	(1,328.41)	(2,233.29)
Proceeds from sale of Property, Plant and Equipment	4.98	-
Payments for Purchase of Investments	-	(2,097.26)
Margin Money Deposits	(7.94)	3.00
Interest Received on Margin Money Deposit	3.83	0.49
<b>Net Cash Outflow from Investing Activities "B"</b>	<b>(1,328)</b>	<b>(4,327.06)</b>
<b>C Cash flows from Financing Activities</b>		
Proceeds from Long Term Borrowings	100.00	1,922.00
Repayment of Long Term Borrowings	(719.74)	(619.60)
Proceeds from Short Term Borrowings	944.77	677.31
Repayment of Short term Borrowings	(125.43)	-
Repayment of Lease Liability	(40.78)	-
Interest paid	(309.16)	(219.23)
Dividends paid to company's shareholders	(54.67)	-
<b>Net Cash (Outflow) from Financing Activities "C"</b>	<b>(205)</b>	<b>1,760.48</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(137.64)</b>	<b>159.50</b>
Cash and Cash Equivalents at the beginning of the Financial Year	203.07	43.57
<b>Cash and Cash Equivalents at End of the Year</b>	<b>65.44</b>	<b>203.07</b>



**SMS LIFESCIENCES INDIA LIMITED**

(CIN: L74930TG2006PLC050223)

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Consolidated Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2020

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue From Operations	4,598.54	4,659.26	10,722.30	26,078.12	37,785.22
2	Other Income	86.81	32.48	165.49	228.08	251.43
3	<b>Total Revenue</b>	<b>4,685.35</b>	<b>4,691.74</b>	<b>10,887.79</b>	<b>26,306.20</b>	<b>38,036.65</b>
4	<b>Expenses</b>					
	(a) Cost of Materials Consumed	3,049.56	2,291.03	6,949.35	14,704.39	26,879.44
	(b) Changes in Inventories of Finished Goods Stock-in-Progress and Stock-in Trade	(840.12)	455.02	784.54	1,083.68	(1,291.81)
	(c) Manufacturing Expenses	1,062.87	808.70	1,240.42	4,029.75	5,054.41
	(d) Employee Benefits Expense	674.63	602.40	606.35	2,656.31	2,311.08
	(e) Finance Costs	115.14	117.29	136.17	513.71	550.68
	(f) Depreciation and Amortisation Expense	204.57	194.81	162.51	786.15	638.04
	(g) Other Expenses	291.64	235.21	405.27	1,065.40	1,356.32
	<b>Total Expenses - (a to g)</b>	<b>4,558.29</b>	<b>4,704.46</b>	<b>10,284.61</b>	<b>24,839.39</b>	<b>35,498.16</b>
5	<b>Profit before Exceptional and Extraordinary Items and</b>	<b>127.07</b>	<b>(12.72)</b>	<b>603.18</b>	<b>1,466.81</b>	<b>2,538.49</b>
6	Exceptional items					
7	<b>Profit before Extraordinary Items and Tax (5-6)</b>	<b>127.07</b>	<b>(12.72)</b>	<b>603.18</b>	<b>1,466.81</b>	<b>2,538.49</b>
8	Extraordinary Items					
9	<b>Profit before Tax (7-8)</b>	<b>127.07</b>	<b>(12.72)</b>	<b>603.18</b>	<b>1,466.81</b>	<b>2,538.49</b>
10	<b>Tax Expenses</b>					
	(1) Current Tax	(40.39)	-	96.00	369.61	661.62
	(2) Deferred Tax	10.22	21.20	47.09	78.88	92.15
		(30.17)	21.20	143.09	448.49	753.77
11	<b>Net Profit / (Loss) for the Quarter / Year (9-10)</b>	<b>157.24</b>	<b>(33.92)</b>	<b>460.09</b>	<b>1,018.31</b>	<b>1,784.72</b>
12	<b>Other Comprehensive Income/(Loss) (OCI):</b>					
	Items that will not be reclassified to Statement of Profit & Loss:					
13	Total Other Comprehensive Income/(Loss) before related tax	(41.14)	(1.06)	4.57	(44.14)	(3.69)
14	Income Tax effect on the above	(11.94)	(0.33)	1.36	(12.87)	(1.14)
15	Other Comprehensive Income/(Loss) after tax for the Quarter/Year (12-13)	(29.20)	(0.73)	3.22	(31.27)	(2.55)
16	<b>Total Comprehensive Income/(Loss) for the Quarter/Year (11+14)</b>	<b>128.03</b>	<b>(34.65)</b>	<b>463.31</b>	<b>987.05</b>	<b>1,782.17</b>
17	<b>Earning Per Equity Share</b> (of Rs.10/ each) (not annualised)					
	(a) Basic	5.20	(1.12)	15.22	33.68	59.03
	(b) Diluted	5.20	(1.12)	15.22	33.68	59.03
18	Paid-up equity share capital (Face Value of Rs.10/- each)	302.33	302.33	302.33	302.33	302.33
19	Other Equity				11,270.98	10,330.57



*(Handwritten signature)*

## Consolidated Balance Sheet

(Rs.in Lakhs)

Sr. No.	Particulars	As at	
		31.03.2020	31.03.2019
I	<b>ASSETS</b>		
1	<b>Non-Current Assets</b>		
	(a) Property, Plant and Equipment	10,612.56	10,043.90
	(b) Right-of-use Assets	86.95	-
	(c) Capital Work-in-Progress	1,576.24	329.34
	(d) Intangible Assets	18.29	4.47
	(e) Goodwill	1,694.79	1,694.79
	(f) Investment Property	-	91.31
	(g) Financial Assets		
	(i) Investments	4.11	4.11
	(ii) Bank Balances	-	104.88
	(iii) Other Financial Assets	238.64	228.11
	(h) Other Non-Current Assets	329.28	261.88
	<b>Sub Total :Non-Current Assets</b>	<b>14,560.86</b>	<b>12,762.79</b>
2	<b>Current Assets</b>		
	(a) Inventories	6,429.84	8,116.78
	(b) Financial Assets		
	(i) Trade Receivables	2,160.81	4,132.06
	(ii) Cash and Cash Equivalents	214.78	217.48
	(iii) Bank Balances other than (ii) above	544.60	43.63
	(c) Other Current Assets	1,372.14	1,704.65
	(d) Current Tax Asset (Net)	-	1.51
	<b>Sub Total : Current Assets</b>	<b>10,722.17</b>	<b>14,216.12</b>
	<b>TOTAL ASSETS</b>	<b>25,283.03</b>	<b>26,978.91</b>
II	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity:</b>		
	(a) Equity Share Capital	302.33	302.33
	(b) Other Equity	11,270.98	10,330.57
	<b>Sub-Total -Shareholders' funds</b>	<b>11,573.31</b>	<b>10,632.90</b>
2	<b>Liabilities:</b>		
A	<b>Non-Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	3,670.70	2,720.46
	(ii) Lease Liabilities	93.60	-
	(b) Provision for Employee Benefit Obligations	269.51	233.01
	(c) Deferred Tax Liability (Net)	972.23	906.21
	<b>Sub-Total -Non-Current Liabilities</b>	<b>5,006.03</b>	<b>3,859.68</b>
B	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	2,095.96	1,276.62
	(ii) Trade Payables - MSME	21.24	36.40
	(iii) Trade Payables Otherthan MSME	4,881.86	9,754.68
	(iv) Other Financial Liabilities	866.96	878.78
	(b) Provision for Employee Benefit Obligations	83.56	59.80
	(c) Other Current Liabilities	690.05	480.05
	(d) Current Tax Liabilities (Net)	64.06	-
	<b>Sub-Total - Current Liabilities</b>	<b>8,703.69</b>	<b>12,486.34</b>
	<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>25,283.03</b>	<b>26,978.91</b>

**Notes:**

- 1 The above Consolidated Financial Results have been reviewed and recommended by the Audit Committee on 27th July, 2020 and have been approved by the Board of Directors at its meeting held on 27th July, 2020 and have been audited by the Statutory Auditors of the Company.
- 2 The consolidated financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India.
- 3 Financials of Mahi Drugs Pvt Ltd, a Wholly owned subsidiary of the Company are considered for consolidation. Accordingly, the results include results of the Wholly owned subsidiary.
- 4 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.
- 5 The main reason for decrease in revenues during the FY 2019-20 as compared to previous financial year is due to regulatory guidance on nitrosamine impurity in Ranitidine Hcl and subsequent decrease in off take of Ranitidine HCL. The company is also focusing to manufacture and sell other new molecules developed by its own R&D along with few contract manufacturing cooperation's to increase the revenues as well as margins. In addition to this the Company is evaluating import substitution products and opportunities arising out of COVID-19.
- 6 Effective 1st April, 2019, the group adopted Ind-AS 116, on all lease contracts existing on 1st April, 2019 using the modified retrospective method with Right-of-use assets recognized at an amount equal to the lease liabilities in the balance sheet. Accordingly, comparatives for the year ended 31st March, 2019 have not been retrospectively adjusted. During the quarter and year ended, the group has recognized interest expense on lease amounting to Rs. 2.87 Lakhs Rs.13.22 Lakhs and depreciation on right-of-use assets amounting to Rs. 11.86 Lakhs, Rs.47.43 Lakhs respectively.
- 7 The Government of India, on 20th September 2019, vide the taxation Laws (Amendment) Ordinance 2019, the inserted a new section 115BAA in the Income tax Act, 1961, Which provides an option to the group for paying income tax at reduced rates as per the provisions/conditions defined in the said section. The group has evaluated the above Ordinance and based on its evaluation currently the management proposed to continue with the old tax rates.
- 8 COVID-19 is the infectious disease caused by the most recently discovered coronavirus a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of our employees and Covered all the employees for the risk under Covid Kavach Policy recently interduced by IRDAI, and ensure business continuity with minimal disruption. The effect of operations of the company for the quarter and year ending 31st March, 2020 is marginal. The company will continue to closely monitor any material changes to future economic conditions.
- 9 The figures for the quarter ended 31st March 2020 are the balancing figures between audited figures in respect of full financial year upto 31st March 2020 and the unaudited published year to date figures upto 31st December 2019, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 10 The group is engaged in the manufacturing of Active Pharmaceutical Ingredients and intermediates and the same constitutes a single reportable business segment as per Ind AS108.
- 11 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad  
Date : 27-07-2020



For SMS Lifesciences India Limited

  
TVVSN Murthy  
Managing Director

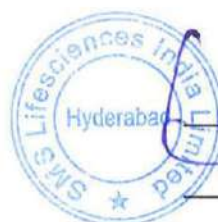


**SMS LifeSciences India Limited**

**Consolidated Statement of Cash Flow for the Year Ended 31st March, 2020**

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
<b>A Cash Flow from Operating Activities</b>		
Profit Before Income Tax	1,466.81	2,538.49
<b>Adjustments for:</b>		-
Depreciation and amortisation expense	786.15	638.04
Interest Income classified as Investing Cash Flows	(11.55)	(11.60)
Allowance for Doubtful Debts	7.56	40.14
Interest on Non Current Borrowings	309.62	232.48
Provision for Employee Benefits	8.05	41.02
Term Loan Processing Fee	6.41	(5.68)
Interest On Leased Premises	13.22	-
	<u>2,586.28</u>	<u>3,472.90</u>
<b>Change in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Trade Receivables	2,034.86	(1,152.88)
(Increase)/Decrease in Inventories	1,694.98	(3,044.07)
Increase/(Decrease) in Trade Payables	(5,011.60)	4,973.62
(Increase)/Decrease in Other Non Current Financial Assets	(10.54)	(19.77)
(Increase)/Decrease in Other Non Current Asset	(67.40)	99.67
(Increase)/Decrease in Other Current Financial Assets	(350.00)	3.98
(Increase)/Decrease in Other Current Asset	(15.58)	(534.60)
(Increase) Decrease in Prepaid Taxes		(38.77)
Increase/(Decrease) in Provisions	3.76	(2.80)
Increase/(Decrease) in Other Current Financial Liabilities	339.91	-
Increase/(Decrease) in Other Current Liabilities	551.81	(90.55)
	<u>(829.80)</u>	<u>193.84</u>
<b>Cash generated from Operations</b>	1,756	3,667
Income Taxes Paid	(305.94)	(667.47)
<b>Net Cash Inflow from Operating Activities "A"</b>	<u>1,450.54</u>	<u>2,999.27</u>
<b>B Cash flows from Investing Activities</b>		
Purchase for Property, Plant and Equipment	(2,335.35)	(4,152.77)
Proceeds from sale of Property, Plant and Equipment	13.23	12.37
Payments for Purchase of Investments	-	(386.27)
Margin Money Deposits	(3.63)	125.15
Fixed Deposits made	(380.00)	-
Interest Received on Margin Money Deposit	3.83	0.49
<b>Net Cash Outflow from Investing Activities "B"</b>	<u>(2,701.91)</u>	<u>(4,401.04)</u>
<b>C Cash flows from Financing Activities</b>		
Proceeds from Long Term Borrowings	1,549.56	1,840.19
Repayment of Long Term Borrowings	(719.74)	(619.60)
Proceeds from Short Term Borrowings	944.77	677.31
Repayment of Short term Borrowings	(125.43)	-
Interest paid	(309.16)	(219.23)
Repayment of Lease Liability		
Dividends paid to company's shareholders		
<b>Net Cash (Outflow) from Financing Activities "C"</b>	<u>1,340.00</u>	<u>1,678.68</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	(2.70)	135.03
Cash and Cash Equivalents at the beginning of the Financial Year (Refer Note 15)	217.48	82.46
<b>Cash and Cash Equivalents at End of the Year (Refer Note 15)</b>	<u>214.78</u>	<u>217.48</u>



**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY STANDALONE FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF SMS LIFESCIENCES INDIA LIMITED**

**Opinion**

We have (a) audited the accompanying Statement of Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year (refer 'Other Matter' paragraph below) which were subject to limited review by us, both included in the accompanying "Statement of Standalone Audited Results for the Quarter and Year ended 31 March 2020" ("the Statement" / "Standalone Financial Results") of **SMS LIFESCIENCES INDIA LIMITED** ("the Company"), 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) and both included in the Statement.

In our opinion and to the best of our information and according to the explanations given to us, Standalone Financial Results for the year ended March 31, 2020:

- a. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b. 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 Company for the three months and year ended March 31, 2020.

With respect to the Standalone Financial Results for the quarter ended 31 March 2020, based on our review, nothing has come to our attention that causes us to believe that the accompanying Statement, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



### **Basis for Opinion**

We conducted our audit of this Standalone 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 Standalone Financial Results section of our report. We are independent of the Company 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 Standalone 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 Standalone Financial Results**

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related audited Standalone Financial Statements. The Company's Board of Directors are responsible for the preparation and presentation of the Standalone Financial Results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with Ind AS 34 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.



**Auditor's Responsibilities**

**a) Audit of the Standalone Financial Results for the year ended 31 March 2020**

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone 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 Standalone Financial Results, including the disclosures, and whether the Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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.

**b) Review of the Standalone Financial Results for quarter ended 31 March 2020**

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Other Matter**

The Statement includes the Standalone Financial Results for the quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our opinion on the Statement is not modified in respect of this matter.

Place: Hyderabad

Date: 27-07-2020

UDIN: 20026548AAAACC2003

For Rambabu & Co.,  
Chartered Accountants  
Reg. No.002976S

  
GVL Prasad  
Partner  
M. No. 026548



**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF  
SMS LIFESCIENCES INDIA LIMITED**

**Report on the Audit of Consolidated Financial Results**

**Opinion**

We have audited the accompanying consolidated annual financial results of SMS LIFESCIENCES INDIA LIMITED (hereinafter referred to as the holding Company) and its subsidiary (Holding Company and its subsidiary together referred to as the Group) for the year ended March 31, 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 year ended March 31, 2020:

- (i) includes the results of the following subsidiary  
Mahi Drugs 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 year ended March 31, 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 subsidiary are responsible for assessing the ability of the Group 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 are responsible for overseeing the financial reporting process of the Group.

**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 subsidiary namely Mahi Drugs Private Limited which have been audited by us whose financial statements / financial results reflect total assets of Rs. 3,690.67 lakhs as at 31 March 2020 total revenue of Rs. 2,259.52 lakhs, total net profit after tax of Rs.128.96 lakhs and total comprehensive income of Rs. 130.03 lakhs for the year ended 31 March 2020.



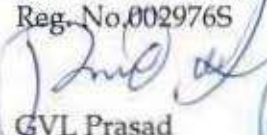
Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done.

The Statement includes the Consolidated Financial Results for the quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our opinion on the Statement is not modified in respect of this matter.

Place: Hyderabad  
Date: 27-07-2020

UDIN: 20026548AAAACB7747

For Rambabu & Co.,  
Chartered Accountants  
Reg. No. 0029765

  
GVL Prasad  
Partner  
M. No. 026548





## SMS Lifesciences India Limited

### Registered & Corporate Office :

Plot No. 19-III, Road No. 71,  
Opp. Bharatiya Vidya Bhavan Public School,  
Jubilee Hills, Hyderabad - 500 096, Telangana, INDIA.  
Tel : +91-040-6628 8888, Fax : +91-40-2355 1401  
CIN : L74930TG2006PLC050223  
Email : info@smslife.in, Website : www.smslife.in

July 27, 2020

To

**BSE Limited,**

Listing Department, P J Towers,  
Dalal Street,  
Mumbai – 400 001.

**Scrip code: 540679**

*Through: BSE Listing Center*

**National Stock Exchange of India Limited,**

Listing Department, "Exchange Plaza",  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.

**Trading Symbol: SMSLIFE**

*Through: NEAPS*

**SUB: DECLARATION REGARDING UNMODIFIED OPINION BY STATUTORY AUDITOR**

**Ref: Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

I, N Rajendra Prasad, Chief financial Officer of SMS Lifesciences India Limited having its registered office at Plot No.19-III, Road No. 71, Jubilee Hills, Opp. Bharatiya Vidya Bhavan Public School, Hyderabad – 500096, hereby declare that the Statutory Auditors of the Company i.e. M/s Rambabu & Co., Chartered Accountants (Registration No. 002976S) have issued Audit Report(s) with unmodified opinion on audited (Standalone and Consolidated) financial results of the Company for the quarter and year ended March 31, 2020, as approved by the Board of Directors at their meeting held today i.e. July 27, 2020.

This declaration is given in compliance to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended vide SEBI notification no. SEBI/LAD/NRO/GN/20 16-17/001 dated May 25, 2016 and SEBI Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

This is for your information and records.

Yours Truly,

**For SMS Lifesciences India Limited**

**N Rajendra Prasad**  
Chief Financial officer



To

**BSE Limited,**

Listing Department, P J Towers,  
Dalal Street,  
Mumbai – 400 001.

**Scrip code: 540679**

Through: BSE Listing Center

**National Stock Exchange of India Limited,**

Listing Department, "Exchange Plaza",  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.

**Trading Symbol: SMSLIFE**

Through: NEAPS

**SUB: IMPACT OF THE COVID-19 PANDEMIC**

**Ref: Our initial disclosure dated June 2, 2020 read along with SEBI advisory issued vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020.**

Dear Sir/Madam,

With reference to the subject cited above and Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform the Stock Exchange(s) as under:

Sl No.	Particulars	Remarks
1.	Impact of the CoVID-19 pandemic on the business	<p>During the initial stage of the outbreak of the Covid19 pandemic, Company was operating at a low capacity, hence there has been corresponding loss in production and business.</p> <p>However, operational activities have improved in a phased manner by adopting a series of precautionary and safety measures including compliance of the Standard Operating Procedures for Social distancing and other measures advised by Central/State Government and the Local Administration.</p> <p>Currently, we are able to <b>operate at normal efficiently</b> though some capacity utilization has been affected.</p>
2.	Ability to maintain operations including the factories/units/office spaces functioning and closed down	<p>Operations were majorly impacted during the phase-I of the lockdown as staff / contract workmen were not available and units had to run at low capacity.</p> <p>However, though the current situation has stabilized but hiccups pertaining to migrant contract workmen exist.</p>



3.	Schedule, if any, for restarting the operations	We are categorized under essential category, hence, our operations are continuing by following the Safety guidelines issued by the concerned Authorities.
4.	Steps taken to ensure smooth functioning of operations	<p>Initially, workmen were brought in batches and resided in dedicated premises. Administrative and executive staff continued to work from home or attended office only on "need to basis".</p> <p>In Phase - III of the lockdown, operations of the corporate office also commenced in line with the guidelines and rules issued by the Government.</p> <p>Management in order to mitigate the covid risk has been providing a hygienic environment at working facilities i.e. providing Sanitizer, Mask and also sanitizing the facilities frequently.</p> <p>In addition to that, management has decided to cover health insurance against Covid19 to the maximum extent available under corona kavach policy i.e. Rs. 5 lakhs for all employees for a period of 285 days. (Policy is effective from July 18 onwards)</p>
5.	Estimation of the future impact of CoVID-19 on its operations	<p>Due to the unpredictable and fast changing Covid situation, it is very difficult to exactly assess the future impact of covid on Business operations.</p> <p>However as per Company's farsightedness, availability of workmen and ancillary supply chain are two major areas that will affect the future operations of the Company.</p> <ul style="list-style-type: none"> <li>▪ <b>Work force:</b> in phase - IV of the lockdown, Government relaxed the norms in restriction of movement and that encouraged the migrant contract workmen to shift to their respective native places.</li> <li>▪ <b>Raw material, ancillary supply chain:</b> Initially there was a disruption in the supply chain but gradually most of the logistics were under control and domestic logistics is majorly streamlined.</li> </ul>



		<p>However, inward/outward air freight rates and various other geopolitical factors might impact the import and export logistics.</p> <p>[Given the uncertainty of the covid19 pandemic, the impact in future may differ from what is estimated now]</p>
6.	<p><b>Details of impact of Covid19 on Company's:</b></p> <p>1. <b>Capital and financial resources</b> ⇒ No impact on capital and financial resources of the Company as it deals in essential goods i.e. Pharmaceuticals and hence, had no impact on general business as well as on financial resources.</p> <p>The Company has sufficient liquidity &amp; does not foresee any difficulty during the current Financial Year in meeting and servicing its Business obligations.</p> <p>2. <b>profitability</b> ⇒ Negligible impact due to COVID pandemic</p> <p>3. <b>liquidity position</b> ⇒ Liquidity position of the company is not impacted due to the nature of industry and product line.</p> <p>4. <b>ability to service debt and other financing arrangements</b> ⇒ All debt and other finance obligations were met in full and on time; The Company does not foresee any difficulty for the current year in meeting business obligations.</p> <p>However, Company has partly availed the Moratorium facility extended by the Banks as per RBI guidelines and has sufficient liquidity.</p> <p>5. <b>assets</b> ⇒ No impact</p> <p>6. <b>internal financial reporting and control</b> ⇒ Company has a robust system in place and hence there has been no significant impact.</p> <p>7. <b>supply chain</b> ⇒ Bottlenecks in import of major raw materials and exports are majorly streamlined now</p> <p>8. <b>demand for its products/services</b> ⇒ Demand remains unaffected.</p>	
9.	<p>Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business;</p>	<p>All agreements and contracts are fulfilled on time and in full and the Company is not expecting any such scenario, since the Company is into the Pharma business which is an essential activity.</p>



10.	Other relevant material updates about the Company's business.	<b>Company is optimistic about its operations in future.</b>
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This is for the information of the Stock Exchange(s), SEBI and other stakeholders.

Yours Truly,

**For SMS Lifesciences India Limited**



**Trupri Ranjan Mohanty**

Company Secretary



Date: July 27, 2020

Place: Hyderabad