

Independent Auditor's Report
To The Board of Directors of
SMS Pharmaceuticals Limited

1. We have audited the financial results of M/s. SMS Pharmaceuticals Limited and its subsidiary M/s. SMS Lifesciences India Limited audited by us and its associate M/s. VKT Pharma Private limited which was audited by their statutory auditors for the year ended 31st March, 2017 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of Securities and Exchange Board of India (LODR) Regulations, 2015.
2. This consolidated statement, which is the responsibility of the company's management and approved by the Board of Directors has been compiled from the related financial statements which has been prepared in accordance with Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such financial statements.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s).

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend upon the auditor's judgement, including the assessment of the risk of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Company's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but are not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes the evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the statement. We believe that audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of Securities and Exchange Board of India (LODR) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the consolidated net profit and other financial information for the year from April 1, 2016 to March 31, 2017.

Place : Hyderabad
Date : 30-05-2017

For Rambabu & Co.,
Chartered Accountants
Firm Regn. No. 002976S



Ravi Rambabu
RAVI RAMBABU
Partner
M.No. 018541.

SMS PHARMACEUTICAL LIMITED

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

Consolidated Audited Financial Results for the Year Ended 31st March, 2017

(Rs. In Lakhs)

S.No.	Particulars	Year Ended	
		31-03-2017	31-03-2016
		Audited	Audited
I	Revenue From Operations	65,373.25	60,319.34
II	Other Income	315.07	360.79
	Total Revenue	65,688.32	60,680.13
III	Expenses		
	(a) Cost of materials consumed	44,870.82	39,945.32
	(b) Purchases of stock-in-trade	-	-
	(c) Changes in inventories of finished goods work-in-progress and stock-in trade	(3,278.94)	(963.93)
	(d) Employee Benefits Expense	4,430.89	3,811.31
	(e) Finance costs	2,147.68	1,709.81
	(f) Depreciation and amortisation expense	2,473.18	1,943.30
	(g) Other expenses	9,075.57	8,607.08
	Total Expenses - (a to f)	59,719.20	55,052.89
IV	Profit before Exceptional and Extraordinary Items and Tax (III-IV)	5,969.12	5,627.24
V	Exceptional items	-	-
VI	Profit before Extraordinary Items and Tax (IV-V)	5,969.12	5,627.24
VII	Extraordinary Items		
VIII	Profit before Tax (VI-VII)		
IX	Tax Expenses		
	(1) Current Tax	570.01	546.09
	(2) Deferred Tax	581.96	917.23
X	Profit/ (Loss) for the Period (VIII-IX)	4,817.15	4,163.92
XI	Share of profit / (loss) of associates*	(713.17)	(74.71)
XII	Minority Interest*	-	-
XIII	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)*	4,103.98	4,089.21
XIV	Earning Per Share (after extraordinary items) (of Re.1/ each) (not annualised)	4.85	4.83
	(a) Basic		
	(b) Diluted		
	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52
	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year	32,617.02	28,513.77



Statement of Consolidated Assets & Liabilities as at 31st March, 2017

(Rs.in Lakhs)

Sr.No.	Particulars	As at 31.03.2017 Audited	As at 31.03.2016 Audited
A	<u>EQUITY AND LIABILITIES</u>		
1	Shareholders' Funds		
	(a) Share Capital	846.52	846.52
	(b) Reserves & Surplus	32,617.02	28,513.77
	Sub-Total -Shareholders' funds	33,463.54	29,360.29
2	Non-Current Liabilities		
	(a) Long Term Borrowings	9,070.05	11,322.50
	(b) Deffered Tax Liability (Net)	5,071.99	4,490.03
	(c) Long Term Provisions	418.87	343.38
	Sub-Total -Non-Current Liabilities	14,560.91	16,155.91
3	Current Liabilities		
	(a) Short Term Borrowings	6,379.79	7,274.74
	(b) Trade Payables	12,241.11	8,440.29
	(c) Other Current Liabilities	2,541.11	4,037.40
	(d) Short Term Provisions	142.88	290.11
	Sub-Total - Current Liabilities	21,304.89	20,042.54
	TOTAL - EQUITY AND LIABILITIES	69,329.34	65,558.74
B	<u>ASSETS</u>		
1	Non-Current Assets		
	(a) Fixed Assets	37,753.77	38,315.07
	(b) Non Current Investments	2,912.45	2,051.04
	(c) Long Term Loans & Advances	565.37	437.40
	Sub-Total - Non-Current Assets	41,231.59	40,803.51
2	Current Assets		
	(a) Inventories	13,631.38	11,268.37
	(b) Trade Receivables	6,053.84	6,108.77
	(c) Cash and Cash Equivalents	1,717.44	1,508.24
	(d) Short Term Loans & Advances	2,992.79	2,251.97
	(e) Other Current Assets	3,702.30	3,617.88
	Sub-Total - Current Assets	28,097.75	24,755.23
	TOTAL ASSETS	69,329.34	65,558.74



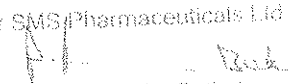
Notes:

- 1 The above Consolidated Financial Results have been reviewed and recommended by the Audit Committee on 27th May, 2017 and have been approved by the Board of Directors at its meeting held on 30th May, 2017 and have been audited by the Statutory Auditors of the Company.
- 2 Pursuant to the scheme of Demerger, the National Company Law Tribunal (NCLT), Order was filed with Registrar of Companies and, the Company has demerged relevant assets and liabilities (Demerged Undertaking) as mentioned in the Scheme of Arrangement and are vested with SMS Lifesciences India Limited (Resulting Company) w.e.f. 01.04.2016, the appointed date as ongoing concern basis. The above results are prepared after giving effect to the said Scheme of Demerger.
- 3 SMS Lifesciences India Ltd and VKT Pharma Pvt Ltd are considered as subsidiary and associate of the company for consolidation during the financial year 2016-17. Accordingly, the results include the results of M/s. SMS Lifesciences Limited, a 100% Subsidiary Company and also M/s VKT Pharma Private Ltd, an Associate Company in which the company holds 40.26% in the equity of the said Associate Company.
- 4 Consolidated Financial Statement from which these results have been derived have been prepared by applying Accounting Standard "AS" 23 "Accounting for Investments in Associates in Consolidated Financial Statements" applicable under the Companies (Accounts) Rules 2014.
- 5 Non Current Investments Includes value of Shares aquired in Associate Company and Good will thereon of Rs. 2405.34Lakhs (Previous Year of Rs.356.78 Lakhs)
- 6 The Company's business activity falls within a single primary business segment during the Financial Year 2016-17. Hence segment reporting is not applicable.
- 7 Tax expenses for the year ending 31.03.2017 consists of :-

Particulars	Year Ending 31.03.2017
Income Tax for current year	1,500.00
Tax Expenses for Earlier years	(8.94)
Differed Tax	581.96
Mat Credit Entitlement	(193.11)
Mat Credit Entitlement for Earlier years	(727.94)
Total	1,151.97

- 8 Pursant to Regulation 33 of SEBI (LODR) Regulations, 2015, the company has opted to publish the Standalone Results. However, both the Consolidated and Standalone Financial Results for the Year Ended 31.03.2017 will be submitted to the BSE & NSE where the Equity Shares of the compnay are listed.
- 9 Figures of previous periods have been regrouped / rearranged wherever necessary.

Place: Hyderabad
Date : 30-05-2017

For SMS Pharmaceuticals Ltd

Ramesh Babu Polluri
Chairman & Managing Director



pharmaceuticals ltd.

Registered & Corporate Office :

Plot No. 19-111, Road No. 71,
Opp. Bharatiya Vidya Bhavan Public School,
Jubilee Hills Hyderabad - 500 096, Telangana. INDIA,
Tel : +91-40-6628 8888, Fax : +91-40-2355 1401/402
CIN : L24239AP1987PLC008066
Email : info@smspharma.com, www.smspharma.com

To,
The Managers,
Corporate Filings Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001

The Managers,
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: Declaration pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

In compliance with the provisions of Regulation 33 (3) (d) of SEBI (Listing and Obligations & Disclosure Requirements) Regulations, 2015, as amended by the SEBI (Listing and Obligations & Disclosure Requirements)(Amendment) Regulations, 2016 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated 25th May, 2016, we hereby declare that M/s. RAMBABU & CO., Chartered Accountants (FRN:002976S), Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone / Consolidated) for the year ended March 31, 2017.

Kindly take the same on record

Thanking you
For SMS Pharmaceuticals Limited

N. Rajendra Prasad
Chief Financial Officer

Place: Hyderabad
Date: 30th May, 2017