

SMS PHARMACEUTICALS LIMITED

(CIN : L24239TG1987PLC008066)

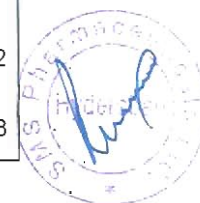
Regd. Office: Plot No.72, H.No.8-2-334/3&4, Road No.5, Opp.SBI Executive Enclave, Banjara Hills, Hyderabad-500 034, Telangana, India

Tel: +91-40-3535 9999, Fax :+91-40-2525 9889 ; Email : info@smspharma.com

Standalone Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2022

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
1	Revenue From Operations	6,091.90	12,125.37	17,128.70	51,987.43	56,317.75
2	Other Income	42.64	212.97	130.32	519.77	345.29
3	Total Revenue	6,134.54	12,338.34	17,259.02	52,507.20	56,663.04
4	Expenses					
	(a) Cost of Materials Consumed	4,055.60	10,043.53	8,655.73	38,779.78	31,326.57
	(b) Changes in Inventories	(712.41)	(3,926.56)	880.73	(11,250.47)	2,673.26
	(c) Manufacturing Expenses	1,124.77	1,360.67	1,140.54	5,504.14	3,939.38
	(d) Employee Benefits Expense	1,378.75	1,321.21	1,236.73	5,102.19	4,117.17
	(e) Finance Cost	434.06	475.22	254.83	1,887.54	1,116.25
	(f) Depreciation and Amortization Expense	797.18	809.58	554.11	3,215.25	2,228.16
	(g) Other Expenses	673.91	598.51	1,105.50	2,403.30	2,150.27
	Total Expenses - (a to g)	7,751.86	10,682.16	13,828.17	45,641.73	47,551.06
5	Profit Before Exceptional and Extraordinary Items and Tax (3-4)	(1,617.32)	1,656.18	3,430.85	6,865.47	9,111.98
6	Exceptional items	-	-	-	-	-
7	Profit Before Extraordinary Items and Tax (5-6)	(1,617.32)	1,656.18	3,430.85	6,865.47	9,111.98
8	Extraordinary Items	-	-	-	-	-
9	Profit Before Tax (7-8)	(1,617.32)	1,656.18	3,430.85	6,865.47	9,111.98
10	Tax Expenses					
	(1) Current Tax	(307.95)	350.00	554.63	1,492.04	1,604.63
	(2) Deferred Tax	(2,215.35)	255.57	654.90	(1,430.22)	1,410.89
		(2,523.30)	605.57	1,209.53	61.82	3,015.52
11	Net Profit / (Loss) for the Period (9-10)	905.98	1,050.61	2,221.32	6,803.65	6,096.46
	Other Comprehensive Income / (Loss)					
	Items that will not be reclassified to Profit & Loss					
12	Remeasurement Gain / (Loss) of the defined benefit plans	28.08	(8.22)	(14.45)	5.25	(25.30)
13	Income Tax effect on the above	(9.30)	2.87	5.05	(1.32)	8.84
14	Other Comprehensive Income / (Loss) after Tax for the period (12+13)	18.78	(5.35)	(9.40)	3.93	(16.46)
15	Total Comprehensive Income for the period	924.76	1,045.26	2,211.92	6,807.58	6,080.00
16	Earnings Per Equity Share of Re.1/- each Basic / Diluted (not annualised)	1.07	1.24	2.62	8.04	7.20
	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52	846.52
17	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				48,529.50	41,975.88



Standalone Audited Statement of Assets and Liabilities as at 31st March, 2022

(Rs.in Lakhs)

Sr. No.	Particulars	As at	As at
		31.03.2022 (Audited)	31.03.2021 (Audited)
A	ASSETS		
1	Non-Current Assets		
	(a) Property, Plant and Equipment	43,407.10	45,225.40
	(b) Right-of-use Assets	255.03	350.67
	(c) Capital Work-in-Progress	1,100.40	674.37
	(d) Intangible Assets	137.01	160.24
	(e) Financial Assets:		
	(i) Investments	4,499.87	4,499.87
	(ii) Bank Balances	260.50	237.72
	(iii) Other Financial Assets	502.25	346.43
	(f) Other Non-Current Assets	430.06	563.28
	Sub Total :Non-Current Assets	50,592.22	52,057.98
2	Current Assets		
	(a) Inventories	25,109.75	13,778.73
	(b) Financial Assets		
	(i) Trade Receivables	4,851.93	10,567.98
	(ii) Cash and Cash Equivalents	4,658.28	4,042.31
	(iii) Bank Balances (Other than (ii) above)	7.73	8.67
	(iv) Other Financial Assets	27.57	36.16
	(c) Other Current Assets	2,604.95	2,199.98
	(d) Current Tax Asset (Net)	444.90	299.06
	Sub Total : Current Assets	37,705.11	30,932.89
	TOTAL ASSETS	88,297.33	82,990.87
B	EQUITY AND LIABILITIES		
1	Equity:		
	(a) Equity Share Capital	846.52	846.52
	(b) Other Equity	48,529.50	41,975.88
	Sub-Total -Shareholders' funds	49,376.02	42,822.40
	Liabilities:		
2	Non-Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	14,950.15	14,740.78
	(ii) Lease Liabilities	211.44	315.47
	(b) Provisions	175.92	183.99
	(c) Deferred Tax Liabilities (net)	3,955.07	5,385.30
	Sub-Total -Non-Current Liabilities	19,292.58	20,625.54
3	Current Liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	11,061.21	10,310.74
	(ii) Lease Liabilities	104.04	90.88
	(iii) Trade Payables:		
	(a) Dues to Micro & Small Enterprises	17.67	28.62
	(b) Dues to Creditors Otherthan Micro & Small Enterprises	7,268.11	6,515.40
	(iii) Other Financial Liabilities	675.53	1,695.59
	(b) Provisions	82.35	82.35
	(c) Other Current Liabilities	419.82	819.34
	Sub-Total - Current Liabilities	19,628.73	19,542.93
	TOTAL - EQUITY AND LIABILITIES	88,297.33	82,990.87



SMS Pharmaceuticals Limited

Standalone Statement of Cash Flow for the Year Ended 31st March, 2022

S No	Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
A	Cash Flow from Operating Activities		
	Profit Before Tax	6,865.47	9,111.98
	Adjustments for:		
	Depreciation and Amortisation Expense	3,215.25	2,228.16
	Interest Income	(30.52)	(15.19)
	Allowance for Doubtful Debts	-	7.84
	Interest on Non Current Borrowings	1,378.90	543.78
	Provision for Employee Benefits	(4.15)	5.20
	Amortisation of Transaction Cost on Borrowings	19.08	6.23
	Profit on Sale of Assets	(0.57)	(1.02)
	Loss on Sale of Assets	0.37	0.80
	Operating Profit before Working Capital Changes	11,443.83	11,887.80
	Change in Operating Assets and Liabilities		
	(Increase)/Decrease in Trade Receivables	5,716.05	(5,698.75)
	(Increase)/Decrease in Inventories	(11,331.02)	(858.71)
	(Increase)/Decrease in Other Non Current Financial Assets	(155.81)	(14.48)
	(Increase)/Decrease in Other Non Current Asset	133.23	2,951.35
	(Increase)/Decrease in Other Current Financial Assets	8.59	(7.66)
	(Increase)/Decrease in Other Current Assets	(404.98)	576.83
	(Increase)/Decrease in Prepaid Taxes	(145.84)	11.30
	Increase/(Decrease) in Trade Payables	741.76	2,094.61
	Increase/(Decrease) in Other Current Liabilities	(490.40)	(292.33)
		(5,928.42)	(1,237.82)
	Cash generated from Operations	5,515.41	10,649.97
	Income Taxes Paid	(1,492.04)	(1,604.63)
	Net Cash Inflow from Operating Activities "A"	4,023.37	9,045.34
B	Cash flows from Investing Activities		
	Purchase of Property, Plant and Equipment	(2,724.74)	(15,174.90)
	Sale of Property, Plant and Equipment	1.72	13.31
	Margin Money Deposits	(19.83)	(16.62)
	Interest Received on Margin Money Deposit	27.56	18.98
	Net Cash Outflow from Investing Activities "B"	(2,715.29)	(15,159.23)
C	Cash Flows from Financing Activities		
	Proceeds from Long Term Borrowings	3,473.89	10,572.84
	Repayment of Long Term Borrowings	(3,283.60)	(1,727.00)
	Proceeds from Short Term Borrowings	1,136.44	1,172.56
	Repayment of Short Term Borrowings	(385.96)	(202.23)
	Interest paid on Borrowings	(1,378.90)	(614.39)
	Dividend Paid to Company's Shareholders	(253.96)	-
	Net Cash Inflow (Outflow) from Financing Activities "C"	(692.10)	9,201.78
	Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	615.98	3,087.89
	Cash and Cash Equivalents at the Beginning of the Financial Year	4,042.31	954.42
	Cash and Cash Equivalents at End of the Year	4,658.29	4,042.31



Notes:

- 1 The above standalone Financial Results have been reviewed and recommended by the Audit Committee on 28th May, 2022 and have been approved by the Board of Directors at its meeting held on 30th May, 2022.
- 2 These 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.
- 3 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.
- 4 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial period commencing from April 01, 2021. Pursuant to such amendments, current maturities of long term borrowings of Rs.32.25 crores as at March, 2021 have been reclassified within 'Current liabilities' from 'Other financial liabilities' to 'Borrowings'
- 5 The Company has decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised provision for income tax for the year ended March 31, 2022 and re-measured its deferred tax liabilities based on the rates prescribed in the said section. The company has recognised an amount of Rs.1430.22 Lakhs towards reversal of deferred tax liability for the year ended March 31, 2022 on account of the re-measurement.
- 6 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.
- 7 The main reason for decrease in revenues during the current quarter as compared to previous quarter is primarily due to reduction in offtake of Anti-Retroviral drugs by customers under CMO Arrangement, which again is due to delays in bidding process across the Globe and also volume drop in certain other products. However, the company continues to focus on manufacturing capabilities augmentation and sales of its own products supported by strong R&D to penetrate into overseas markets to increase the revenues as well as margins.
- 8 * The figures for the current quarter and quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021, respectively and published year to date figures up to third quarter ended December 31, 2021 and December 31, 2020, respectively, regrouped as necessary.

Place: Hyderabad
Date : 30-05-2022



For SMS Pharmaceuticals Limited


Ramesh Babu Potluri
Chairman and Managing Director



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

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

Opinion

We have (a) audited the accompanying Statement of Standalone Financial Results for the year ended March 31, 2022 and

(b) reviewed the Standalone Financial Results for the quarter ended 31 March 2022 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 2022" ("the Statement" / "Standalone Financial Results") of **SMS PHARMACEUTICALS 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, 2022:

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, 2022.





With respect to the Standalone Financial Results for the quarter ended 31 March 2022, 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 2022

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 2022

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2022 in accordance with the Standard on Review Engagements (SRI:) 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 2022 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: 30.05.2022

UDIN: 22227679A5WK.YG.9427

For Suryanarayana & Suresh.,

Chartered Accountants

Reg. No.006631S

V Nagendra Rao

Partner

M. No. 227679



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: +91-40-3535 9999, Fax :+91-40-2525 9889 ; Email : info@smspharma.com

Consolidated Statement of Audited Financial Results for the Quarter and Year Ended 31st March, 2022

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Audited) *	(Unaudited)	(Audited) *	(Audited)	(Audited)
1	Revenue From Operations	6,091.90	12,125.37	17,128.70	51,987.43	56,317.75
2	Other Income	42.64	212.97	130.32	519.77	345.29
3	Total Revenue	6,134.54	12,338.34	17,259.02	52,507.20	56,663.04
4	Expenses					
	(a) Cost of Materials Consumed	4,071.16	10,067.02	8,655.73	38,795.34	31,326.57
	(b) Changes in Inventories	(712.41)	(3,926.56)	880.73	(11,250.47)	2,673.26
	(c) Manufacturing Expenses	1,124.77	1,360.67	1,140.54	5,504.14	3,939.38
	(d) Employee Benefits Expense	1,378.75	1,321.21	1,236.73	5,102.19	4,117.17
	(e) Finance Cost	434.06	475.22	254.83	1,887.54	1,116.25
	(f) Depreciation and Amortization Expense	797.18	809.58	554.11	3,215.25	2,228.16
	(g) Other Expenses	673.91	598.51	1,105.50	2,403.30	2,150.27
	Total Expenses - (a to g)	7,767.42	10,705.65	13,828.17	45,657.29	47,551.06
5	Profit Before Exceptional and Extraordinary Items and Tax (3-4)	(1,632.88)	1,632.69	3,430.85	6,849.91	9,111.98
6	Exceptional items	-	-	-	-	-
7	Profit Before Extraordinary Items and Tax (5-6)	(1,632.88)	1,632.69	3,430.85	6,849.91	9,111.98
8	Extraordinary Items	-	-	-	-	-
9	Profit Before Tax (7-8)	(1,632.88)	1,632.69	3,430.85	6,849.91	9,111.98
10	Tax Expenses					
	(1) Current Tax (MAT)	(307.95)	350.00	554.63	1,492.04	1,604.63
	(2) Deferred Tax	(2,215.35)	255.57	654.90	(1,430.22)	1,410.89
		(2,523.30)	605.57	1,209.53	61.82	3,015.52
11	Net Profit / (Loss) for the Period (9-10)	890.42	1,027.12	2,221.32	6,788.09	6,096.46
12	Share of Profit/(Loss) in associate companies	(273.01)	(130.86)	92.39	(566.10)	156.23
	Net Profit (11+12)	617.41	896.26	2,313.71	6,221.99	6,252.69
	Other Comprehensive Income / (Loss) Items that will not be reclassified to Profit & Loss					
13	Remeasurement Gain / (Loss) of the defined benefit plans	28.08	(8.22)	(14.45)	5.25	(25.30)
14	Share of Other Comprehensive Income in Associates	(1.56)	2.36	7.66	5.52	(9.44)
15	Income Tax effect on the above	(9.30)	2.87	5.05	(1.32)	8.84
16	Share of Income Tax effect on the above in Associates	0.41	(0.61)	(1.99)	(1.44)	2.46
17	Other Comprehensive Income / (Loss) after Tax for the period (13+14-15+16)	17.63	(3.60)	(3.73)	8.01	(23.44)
18	Total Comprehensive Income for the period (12+17)	635.04	892.66	2,309.98	6,230.00	6,229.25
19	Earnings Per Equity Share of Re.1/- each Basic / Diluted (not annualised)	0.73	1.06	2.73	7.35	7.39
	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52	846.52
20	Reserves excluding Revaluation Reserve as per balance sheet of previous accounting year				46,182.34	40,206.29



SMS Pharmaceuticals Limited
Consolidated Statement of Cash Flow for the Year Ended 31st March, 2022

S No	Particulars	For the Year ended 31st March, 2022	For the Year ended 31st March, 2021
A	Cash Flow from Operating Activities		
	Profit Before Tax	6,849.91	9,111.98
	Adjustments for:		
	Depreciation and Amortisation Expense	3,215.25	2,228.16
	Interest Income	(30.52)	(15.19)
	Allowance for Doubtful Debts	-	7.84
	Interest on Non Current Borrowings	1,378.90	543.78
	Provision for Employee Benefits	(4.15)	5.20
	Amortisation of Transaction Cost on Borrowings	19.08	6.23
	Profit on Sale of Assets	(0.57)	(1.02)
	Loss on Sale of Assets	0.37	0.80
	Adjustment for unrealised profits on unsold stock with associate company	15.56	-
	Operating Profit before Working Capital Changes	11,443.83	11,887.80
	Change in Operating Assets and Liabilities		
	(Increase)/Decrease in Trade Receivables	5,716.05	(5,698.75)
	(Increase)/Decrease in Inventories	(11,331.02)	(858.71)
	(Increase)/Decrease in Other Non Current Financial Assets	(155.81)	(14.48)
	(Increase)/Decrease in Other Non Current Asset	133.23	2,951.35
	(Increase)/Decrease in Other Current Financial Assets	8.59	(7.66)
	(Increase)/Decrease in Other Current Assets	(404.98)	576.83
	(Increase)/Decrease in Prepaid Taxes	(145.84)	11.30
	Increase/(Decrease) in Trade Payables	741.77	2,094.61
	Increase/(Decrease) in Other Current Liabilities	(490.40)	(292.33)
		(5,928.42)	(1,237.82)
	Cash generated from Operations	5,515.41	10,649.97
	Income Taxes Paid	(1,492.04)	(1,604.63)
	Net Cash Inflow from Operating Activities "A"	4,023.37	9,045.34
B	Cash flows from Investing Activities		
	Purchase of Property, Plant and Equipment	(2,724.74)	(15,174.90)
	Sale of Property, Plant and Equipment	1.71	13.31
	Margin Money Deposits	(19.83)	(16.62)
	Interest Received on Margin Money Deposit	27.56	18.98
	Net Cash Outflow from Investing Activities "B"	(2,715.29)	(15,159.23)
C	Cash Flows from Financing Activities		
	Proceeds from Long Term Borrowings	3,473.89	10,572.84
	Repayment of Long Term Borrowings	(3,283.60)	(1,727.00)
	Proceeds from Short Term Borrowings	1,136.44	1,172.56
	Repayment of Short Term Borrowings	(385.96)	(202.23)
	Interest paid on Borrowings	(1,378.90)	(614.40)
	Dividend Paid to Company's Shareholders	(253.96)	-
	Net Cash Inflow (Outflow) from Financing Activities "C"	(692.10)	9,201.78
	Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	615.98	3,087.89
	Cash and Cash Equivalents at the Beginning of the Financial Year	4,042.31	954.42
	Cash and Cash Equivalents at End of the Year	4,658.28	4,042.31



Notes:

- 1 The above Consolidated Financial Results have been reviewed and recommended by the Audit Committee on 28th May, 2022 and approved by the Board of Directors at their meeting held on 30th May, 2022 .
- 2 These 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 VKT Pharma Private Limited is considered as an associate Company for the consolidation in which the Company holds 36.55% as on March 31, 2022 in their equity. Accordingly, the results include appropriate shares of the Company the results of the said associate. During the reporting quarter our Associate Company has issued fresh equity to outsiders which resulted our share diluted to 36.55% from 42.62%. The Company has one Joint venture "Chemo SMS Enterprises SL" in which there were no operations during the reporting period.
- 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 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.
- 6 On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial period commencing from April 01, 2021. Pursuant to such amendments, current maturities of long term borrowings of Rs.32.25 crores as at March 31, 2021 have been reclassified within 'Current liabilities' from 'Other financial liabilities' to 'Borrowings'.
- 7 The Company has decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised provision for income tax for the year ended March 31, 2022 and re-measured its deferred tax liabilities based on the rates prescribed in the said section. The company has recognised an amount of Rs.1430.22 Lakhs towards reversal of deferred tax liability for the year ended March 31, 2022 on account of the re-measurement.
- 8 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.
- 9 The main reason for decrease in revenues during the current quarter as compared to previous quarter is primarily due to reduction in offtake of Anti-Retroviral drugs by customers under CMO Arrangement, which again is due to delays in bidding process across the Globe and also volume drop in certain other products. However, the company continues to focus on manufacturing capabilities augmentation and sales of its own products supported by strong R&D to penetrate into overseas markets to increase the revenues as well as margins.
- 10 * The figures for the current quarter and quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021, respectively and published year to date figures up to third quarter ended December 31, 2021 and December 31, 2020, respectively, regrouped as necessary.

Place: Hyderabad
Date : 30-05-2022



For SMS Pharmaceuticals Limited

Ramesh Babu Potluri
Chairman and Managing Director



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF
SMS PHARMACEUTICALS LIMITED

Report on the Audit 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 year ended March 31, 2022, attached herewith, 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, 2022:

- (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 thereunder 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, 2022.

Suryanarayana & Suresh



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 thereunder 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 thereunder 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.

Suryanarayana Suresh
Hyderabad
F.R.NO. 006631S
Chartered Accountants



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 VKI Pharma Private Limited which have been audited by their auditor whose financial statements / financial results reflect total assets of Rs 20,022.44 lakhs as at 31 March 2022 total revenue of Rs 4,011.31, total net profit/(loss) after tax of Rs(1548.81) lakhs and total comprehensive income of Rs (1,537.64) lakhs for the year ended 31 March 2022.





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.

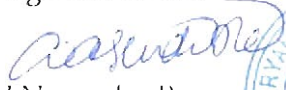
Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

The Statement includes the Consolidated Financial Results for the quarter ended 31 March 2022 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: 30.05.2022

UDIN: 22227679AJWLDD2689

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


V Nagendra Rao
Partner
M. No. 227679





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: 30th May, 2022

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

Sub: 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, we hereby declare that M/s. Suryanarayana & Suresh, Chartered Accountants, Hyderabad (FRN. 006631S), Statutory Auditors of the Company have issued Audit Reports with unmodified opinion on the Audited Financial Results of the Company (Standalone & Consolidated) for the year ended 31st March, 2022.

Kindly take the same on record.

Thanking you

For SMS Pharmaceuticals Limited


Lakshmi Narayana Tammareddy
Chief Financial Officer

