

SMS PHARMACEUTICALS LIMITED

(CIN : L24239TG1987PLC008066)

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

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

Statement of Standalone Un-Audited Financial Results for the Quarter and Nine Months Ended 31st December, 2019

(Rs. In Lakhs)

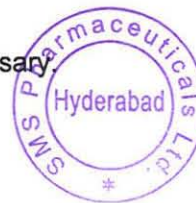
S.No	Particulars	Quarter Ended			Nine Months ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue From Operations	8,044.83	11,789.58	10,125.40	31,548.01	36,120.11	46,491.08
2	Other Income	79.22	58.10	59.33	202.57	244.07	340.31
3	Total Revenue	8,124.05	11,847.68	10,184.73	31,750.58	36,364.18	46,831.39
4	Expenses						
	(a) Cost of Materials Consumed	3,394.98	7,876.35	4,708.43	19,804.48	23,019.79	30,719.13
	(b) Changes in Inventories	669.97	(500.11)	1,056.43	(1,063.21)	(515.43)	(1,448.28)
	(c) Manufacturing Expenses	717.52	945.08	670.63	2,494.90	2,695.13	3,484.18
	(d) Employee Benefits Expense	986.96	960.89	909.62	2,927.51	2,672.41	3,558.67
	(e) Finance Cost	293.00	299.28	272.15	933.80	869.17	1,187.34
	(f) Depreciation and Amortization Expense	537.57	538.50	482.60	1,606.31	1,439.85	1,927.29
	(g) Other Expenses	274.18	285.56	220.93	834.27	785.58	1,167.63
	Total Expenses - (a to f)	6,874.17	10,405.55	8,320.79	27,538.06	30,966.50	40,595.96
5	Profit before Exceptional and Extraordinary Items and Tax (3-4)	1,249.88	1,442.13	1,863.94	4,212.52	5,397.68	6,235.43
6	Exceptional items	-	-	-	-	-	-
7	Profit before Extraordinary Items and Tax (5-6)	1,249.88	1,442.13	1,863.94	4,212.52	5,397.68	6,235.43
8	Extraordinary Items	-	-	-	-	-	-
9	Profit before Tax (7-8)	1,249.88	1,442.13	1,863.94	4,212.52	5,397.68	6,235.43
10	Tax Expenses						
	(1) Current Tax (MAT)	290.73	320.00	450.00	940.73	1,250.00	1,333.36
	(2) Deferred Tax	209.11	167.31	194.55	627.67	661.05	756.72
11	Net Profit / (Loss) for the Period (9-10)	750.04	954.82	1,219.38	2,644.12	3,486.63	4,145.35
12	Other Comprehensive Income (OCI):						
	Items that will not be reclassified to profit or Loss:	(3.88)	(3.56)	(2.52)	(10.68)	(6.47)	(12.95)
	Tax on Items that will not be reclassified to profit or Loss:	(1.36)	(1.24)	(0.88)	(3.73)	(2.26)	(4.53)
		(2.53)	(2.32)	(1.64)	(6.95)	(4.21)	(8.42)
13	Total comprehensive Income for the period (11+12)	747.51	952.49	1,217.74	2,637.17	3,482.43	4,136.93
14	Earning Per Equity Share	0.89	1.13	1.44	3.12	4.12	4.90
	(of Re. 1/ each) (not annualised)						
	(a) Basic						
	(b) Diluted						
15	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52	846.52	846.52
16	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						33,145.84



Notes:

- 1 The above standalone Financial Results have been reviewed and recommended by the Audit Committee on 12th February, 2020 and have been approved by the Board of Directors at its meeting held on 12th February, 2020.
- 2 Results for the quarter ended 31st December, 2019 were subjected to 'Limited Review' by the Auditors and expressed un modified audit opinion thereon.
- 3 The main reasons for decrease in revenues during the current quarter as compared to previous quarter as well as corresponding period year to year is due to decrease in offtake of Anti-Retroviral drugs which is mainly, delay in bidding process by the customer under CMO. However, the company is more focusing to manufacture & sell other new own molecules developed by its R&D and penetrating into overseas markets to increase the revenues as well as margins.
- 4 The above results are in accordance with the companies (Indian Accounting Standards) rules, 2015, (Ind AS) as ammended by Company (Ind AS) (ammendment) Rules, 2016, notified under Section 133 of the Companies Act 2013, read with relavent Rules issued there under and other accounting principals generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115BAA of the Income Tax Act 1961, which provides an option to the Company for paying income tax at concessional rates subject to the provisions/conditions specified in the said Section. The Company has evaluated the impact of this ordinance and tax expenses has been continued to be recognised at existing rate of taxation, as it is more beneficial to the company as a whole.
- 6 The Company is engaged in the manufacturing Active Pharmaceutical Ingredients and their intermediates and the same constitutes a single reportable business segment as per Ind AS108.
- 7 The Ministry of Corporate Affairs (MCA), on 30th March, 2019 , notified Ind AS 116 "Leases" as part of the Companies (Indian Accounting Standard) Amendment Rules, 2019. The new Standard is effective for accounting periods beginning on or after 1st April, 2019. The adoption of the Standard did not have any material impact to the financial results of the Company.
- 8 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad
Date : 12-02-2020



For SMS Pharmaceuticals Limited


P Ramesh Babu
Chairman & Managing Director



Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

Review Report to
The Board of Directors
SMS Pharmaceuticals Limited

We have reviewed the accompanying statement of unaudited standalone financial results of SMS Pharmaceuticals Limited ("the Company"), for the quarter and nine month period ended 31st December 2019 ("the statement"), attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

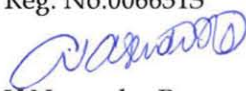
This statement which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by Independent Auditor of Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements is free of material misstatement. A review of the interim financial information consists of making inquires primarily of companies 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 u/s 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting standards ("Ind AS") specified under Section 133 of Companies Act, 2013 as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: Hyderabad
Date: 12-02-2020

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


V Nagendra Rao
Partner
M. No. 227679



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Statement of Consolidated Un-Audited Financial Results for the Quarter and Nine Months Ended 31st December, 2019

(Rs. In Lakhs)

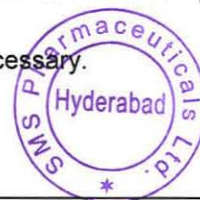
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		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue From Operations	8,044.83	11,789.58	10,125.40	31,548.01	36,120.11	46,491.08
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4	Expenses						
	(a) Cost of Materials Consumed	3,394.98	7,876.35	4,708.43	19,804.48	23,019.79	30,719.13
	(b) Changes in Inventories	669.97	(500.11)	1,056.43	(1,063.21)	(515.43)	(1,448.28)
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6	Exceptional items	-	-	-	-	-	-
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10	Tax Expenses						
	(1) Current Tax (MAT)	290.73	320.00	450.00	940.73	1,250.00	1,333.36
	(2) Deferred Tax	209.11	167.31	194.56	627.67	661.05	756.72
11	Net Profit / (Loss) for the Period (9-10)	750.04	954.82	1,219.38	2,644.12	3,486.63	4,145.35
12	Share of profit / (loss) of associates	11.70	33.63	(277.62)	(126.00)	(822.20)	(140.51)
13	Minority Interest	-	-	-	-	-	-
14	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (11+12-13)	761.74	988.45	941.76	2,518.12	2,664.43	4,004.84
	Other Comprehensive Income/(Loss) (OCI):						
	(A) Items that will not be reclassified to statement of Profit & Loss						
15	Remeasurement Gain/(Loss) of the defined benefit plans	(3.88)	(3.56)	(2.52)	(10.68)	(6.47)	(12.95)
16	Share of Other Comprehensive Income in Associates	0.53	0.61	0.64	1.68	1.70	2.13
17	Income Tax effect on the above	(1.22)	(1.09)	(0.72)	(3.30)	(1.82)	(3.97)
18	Other Comprehensive Income/(Loss) after tax for the Year (16-17)	(2.13)	(1.86)	(1.17)	(5.70)	(2.95)	(6.85)
19	Total comprehensive Income for the period/year (14+18)	759.61	986.58	940.59	2,512.42	2,661.48	3,997.99
20	Earning Per Equity Share						
	(of Re.1/ each) (not annualised)						
	(a) Basic	0.90	1.17	1.11	2.97	3.15	4.73
	(b) Diluted	0.90	1.17	1.11	2.97	3.15	4.73
21	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52	846.52	846.52
22	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						31,345.32



Notes:

- 1 The above consolidated Financial Results have been reviewed and recommended by the Audit Committee on 12th February, 2020 and have been approved by the Board of Directors at its meeting held on 12th February, 2020.
- 2 Results for the quarter ended 31st December, 2019 were subjected to 'Limited Review' by the Auditors and expressed un modified audit opinion thereon.
- 3 The main reasons for decrease in revenues during the current quarter as compared to previous quarter as well as corresponding period year to year is due to decrease in offtake of Anti-Retroviral drugs which is mainly, delay in bidding process by the customer under CMO. However, the company is more focusing to manufacture & sell other new own molecules developed by its R&D and penetrating into overseas markets to increase the revenues as well as margins.
- 4 The consolidated financial results of the Company have been prepared in accordance with the companies (Indian Accounting Standards) rules, 2015, (Ind AS) as ammended by Company (Ind AS) (ammendment) Rules, 2016, notified under Section 133 of the Companies Act 2013, read with relavent Rules issued there under and other accounting principals generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 5 The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance, 2019, inserted a new Section 115BAA of the Income Tax Act 1961, which provides an option to the Company for paying income tax at concessional rates subject to the provisions/conditions specified in the said Section. The Company has evaluated the impact of this ordinance and tax expenses has been continued to be recognised at existing rate of taxation, as it is more beneficial to the company as a whole.
- 6 VKT Pharma Pvt Ltd is considered as associate of the Company for consolidation in which the Company holds 42.62% in their equity. Accordingly, the results include appropriate share of the company in the results of the said associate.
- 7 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.
- 8 The Company is engaged in the manufacturing Active Pharmaceutical Ingredients and their intermediates and the same constitutes a single reportable business segment as per Ind AS108.
- 9 The Ministry of Corporate Affairs (MCA), on 30th March, 2019 , notified Ind AS 116 "Leases" as part of the Companies (Indian Accounting Standard) Amendment Rules, 2019. The new Standard is effective for accounting periods beginning on or after 1st April, 2019. The adoption of the Standard did not have any material impact to the financial results of the Company.
- 10 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad
Date : 12-02-2020



For SMS Pharmaceuticals Limited


P Ramesh Babu
Chairman & Managing Director



Limited Review Report

**To the Board of Directors
SMS Pharmaceuticals Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial results of SMS Pharmaceuticals Limited ("the Parent") and share of the net profit after tax and total comprehensive income of its associates for the quarter ended 31st December, 2019 (the "statement"), being submitted by the parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This statement is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial information performed by the Independent Auditor of the Entity*, issued by Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons 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 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the result of the following Associates:
 - a. VKT Pharma Private Limited





5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements of associate included in the consolidated unaudited financial results, whose interim financial statements reflects the Group's share of net profit after tax of Rs. 11.70 lakhs and total comprehensive income of Rs. 28.39 lakhs for the quarter ended 31st December, 2019 as considered in the consolidated unaudited financial results, in respect of associate, whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of the associate is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matters.

Place: Hyderabad

Date: 12-02-2020

For Suryanarayana & Suresh.,

Chartered Accountants

Reg. No.006631S

V Nagendra Rao

Partner

M. No. 227679

