



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: 12th August, 2019

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

The Manager,
Listing Compliance Department,
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.

Security Code: 532815

Symbol: SMSPHARMA

Subject: Outcome of Board Meeting held on 12th August, 2019

Dear Sir/Madam,

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

1. Approved the Standalone and consolidated Un-audited Financial Results for the Quarter ended 30th June, 2019 along with the Limited Review Report
2. Re-appointed Mr. P. Sarath Kumar as Independent Director
3. Re-appointed Mrs. T. Neelaveni as Independent Director
4. Appointment of Mr. Sarvepalli Srinivas as Additional Director in the category of Independent Director
5. Resignation of Mr. P.S. Rao as Independent Director of the Company with effect from 10th August, 2019.


Accordingly, please find the enclosed the following:-

1. Standalone and Consolidated un-audited Financial Results for the quarter ended 30th June, 2019 along with the Limited Review Report.
2. Brief Profile of Mr. Sarath Kumar P
3. Brief Profile of Mrs. T. Neelaveni
4. Brief Profile of Mr. Sarvepalli Srinivas

The meeting commenced at 11.30 AM and concluded at 2.40 PM.

Please take the above intimation on your records.

Yours faithfully,
For SMS Pharmaceuticals Limited


V.S. Venkatish
Company Secretary



Profiles of the Independent Directors of Mr. P. Sarath Kumar and Mrs. Dr. T. Neelaveni, Mr. Sarvepalli Srinivas

Profile of Mr. P. Sarath Kumar (DIN: 01456746) – re-appointed as Independent Director

Mr. P. Sarath Kumar is the founder partner of the Sarath & Associates. He is a Chartered Accountant with about more than 30 years of standing in the Profession of Chartered Accountancy and Consulting. He is a Graduate in Commerce and a Bachelor of Law. He is also a Certified Fraud Examiner & Certified Forensic Accounting Professional. He had been a Partner of a leading Firm of Chartered Accountants in Hyderabad earlier and established this Firm in the year 1990.

He is an Advisor actively involved with C.I.D. of AP Police and Central Bureau of Investigation in investigation of major Economic Offence cases and is a Member of Multi-Disciplinary Investigation team, which investigated the famous Satyam Computers fraud case. He is one of the leading Consultants for Business Analysis, System Study and other areas of Consulting. He has been the guiding force behind the successful completion of every task in-front of S & A. He is an expert in Investigation Audits and is a visiting faculty at CBI Academy, Sardar Vallabhbhai Patel National Police Academy, Andhra Pradesh Police Academy, A P Judicial Academy, National Academy of Direct Taxes, National Academy of Customs & Excise, ECIL, Midhani, HAL and other Public Sector Undertakings and deliver lectures on White Collar Crimes, Forensic Accounting, Anti-Corruption case investigations, Fraud Investigations etc., He had lead teams to carryout various types of Consulting and Audits, with specialization in Fraud Investigation and Forensic Accounting.

He is not holding any equity shares of the Company and he is not related to any Director of the Company.

Profile of Mrs. Dr. T. Neelaveni (DIN: 00065571) re-appointed as independent Director

Mrs. Dr. T. Neelaveni is Graduate in BDS, from Osmania University, Hyderabad and she is one of the reputed dental surgeons in Hyderabad. She has vast experience of more than 25 years in the profession.

She is not holding any equity shares of the Company and she is not related any Director of the Company.

Profile of Mr. Sarvepalli Srinivas (DIN: 02292051) appointed as Additional Director

Accomplished Business leader with over 3 decades of proven leadership experience in leading Public / Private Sector enterprises. Decisive and forward thinking with a strong vision and strategic capability. Excellent people skills and problem-solving capability. Exceptional blend of fiscal and management capabilities – financially astute, strategic thinking and highly analytical. Consistent track record of increasing

sales and growing bottom line, while spearheading operational improvements in varied business verticals. Cross-sector exposure with effective vision. Excel in dynamic, demanding environments, while remaining pragmatic and focused. Over 32 years of experience in leading public / private sectors at National Handloom Development Corporation Ltd (NHDC) - Managing Director and also National Textile Corporation Ltd (NTC) – Chairman & Managing Director.

He is not holding any equity shares of the Company and he is not related to any Director of the Company.

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Statement of Standalone Un Audited Financial Results for the Quarter Ended 30th June, 2019

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un Audited)	(Audited)	(Un Audited)	(Audited)
1	Revenue From Operations	11,713.60	10,370.96	12,510.66	46,491.08
2	Other Income	65.26	74.86	36.14	340.31
3	Total Revenue	11,778.86	10,445.82	12,546.80	46,831.39
4	Expenses				
	(a) Cost of materials consumed	8,533.16	7,699.34	8,339.98	30,719.13
	(b) Changes in inventories	(1,233.07)	(932.85)	(302.38)	(1,448.28)
	(c) Manufacturing Expenses	832.30	767.22	1,032.25	3,484.18
	(d) Employee Benefits Expense	966.08	886.26	859.82	3,558.67
	(e) Finance costs	341.52	318.17	301.87	1,187.34
	(f) Depreciation and amortisation expense	530.24	487.43	475.34	1,927.28
	(g) Other expenses	274.52	386.91	210.44	1,167.65
	Total Expenses - (a to h)	10,244.75	9,612.48	10,917.32	40,595.96
5	Profit before Exceptional and Extraordinary Items and Tax (3-4)	1,534.11	833.34	1,629.48	6,235.43
6	Exceptional items	-	-	-	-
7	Profit before Extraordinary Items and Tax (5-6)	1,534.11	833.34	1,629.48	6,235.43
8	Extraordinary Items	-	-	-	-
9	Profit before Tax (7-8)	1,534.11	833.34	1,629.48	6,235.43
10	Tax Expenses				
	(1) Current Tax	330.00	83.36	350.00	1,333.36
	(2) Deferred Tax	256.00	102.46	268.05	756.73
		586.00	185.82	618.05	2,090.09
11	Net Profit / (Loss) for the Period (9-10)	948.11	647.52	1,011.43	4,145.34
12	Other Comprehensive Income/(Loss) (OCI):				
	(A) Items that will not be reclassified to statement of Profit & Loss				
	Remeasurements of post-employment benefit obligations	(3.24)	(19.42)	(1.58)	(12.94)
13	Total Other Comprehensive Income/(Loss) before related Tax	(3.24)	(19.42)	(1.58)	(12.94)
14	Deferred Tax on OCI	(1.13)	(6.78)	(0.55)	(4.52)
15	Other Comprehensive Income/(Loss) after tax for the Year (13-14)	(2.11)	(12.63)	(1.03)	(8.42)
16	Total comprehensive Income for the period/year (11+15)	946.00	634.89	1,010.40	4,136.92
17	Earning Per Equity Share				
	(of Re.1/ each) (not annualised)				
	(a) Basic	1.12	0.76	1.19	4.90
	(b) Diluted	1.12	0.76	1.19	4.90
18	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52
19	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				33,145.83



Notes:

- 1 The above standalone Financial Results have been reviewed and recommended by the Audit Committee on 12th August, 2019 and have been approved by the Board of Directors at its meeting held on 12th August, 2019.
- 2 Results for the quarter ended 30th June, 2019 were subjected to 'Limited Review' by the Auditors.
- 3 The standalone audited financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 4 Effective 01st April 2019, the Company has adopted Ind AS 116 'Leases', using the modified retrospective approach. This has resulted in recognising Right-to-Use Assets and Lease Liability as on 01st April 2019. The adoption of the standard did not have any material impact to the financial results.
- 5 The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of full financial year upto March 31, 2019 and the unaudited published year to date figures upto December 31, 2018, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 6 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 AS 108.
- 7 Figures of previous period have been regrouped / rearranged wherever necessary.

Place: Hyderabad

Date : 12-08-2019



For SMS Pharmaceuticals

A handwritten signature in blue ink, appearing to read "Ramesh Babu Potluri".

Ramesh Babu Potluri

Chairman and Managing Director

DIN : 00166381



Limited Review Report

To
The Board of Directors
SMS Pharmaceuticals Limited
Hyderabad.

We have reviewed the accompanying statement of unaudited financial results of SMS Pharmaceuticals Limited ("the Company"), for the quarter ended 30th June 2019. This statement which is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

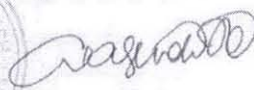
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by Independent Auditor of Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain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

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

Place: Hyderabad
Date: 12-08-2019

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




V Nagendra Rao
Partner
M. No. 227679

UDIN: 19227679AAAACY6720

SMS PHARMACEUTICALS LIMITED

(CIN : L24239TG1987PLC008066)

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Statement of Consolidated Un Audited Financial Results for the Quarter Ended 30th June, 2019

(Rs. In Lakhs)

S.No	Particulars	Quarter Ended			Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		(Un Audited)	(Audited)	(Un Audited)	(Audited)
1	Revenue From Operations	11,713.60	10,370.96	12,510.66	46,491.08
2	Other Income	65.26	74.86	36.14	340.31
3	Total Revenue	11,778.86	10,445.82	12,546.80	46,831.39
4	Expenses				
	(a) Cost of materials consumed	8,533.16	7,699.34	8,339.98	30,719.13
	(b) Changes in inventories	(1,233.07)	(932.85)	(302.38)	(1,448.28)
	(c) Manufacturing Expenses	832.30	767.22	1,032.25	3,484.18
	(d) Employee Benefits Expense	966.08	886.26	859.82	3,558.67
	(e) Finance costs	341.52	318.17	301.87	1,187.34
	(f) Depreciation and amortisation expense	530.24	487.43	475.34	1,927.28
	(g) Other expenses	274.52	386.91	210.44	1,167.65
	Total Expenses - (a to h)	10,244.75	9,612.48	10,917.32	40,595.96
5	Profit before Exceptional and Extraordinary Items and Tax (3-4)	1,534.11	833.34	1,629.48	6,235.43
6	Exceptional items	-	-	-	-
7	Profit before Extraordinary Items and Tax (5-6)	1,534.11	833.34	1,629.48	6,235.43
8	Extraordinary Items	-	-	-	-
9	Profit before Tax (7-8)	1,534.11	833.34	1,629.48	6,235.43
10	Tax Expenses				
	(1) Current Tax	330.00	83.36	350.00	1,333.36
	(2) Deferred Tax	256.00	102.46	268.05	756.73
		586.00	185.82	618.05	2,090.09
11	Net Profit / (Loss) for the Period (9-10)	948.11	647.52	1,011.43	4,145.34
12	Share of profit / (loss) of associates	(171.33)	681.68	(294.52)	(140.52)
13	Minority Interest	-	-	-	-
14	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (11+12-13)	776.78	1,329.20	716.91	4,004.81
12	Other Comprehensive Income/(Loss) (OCI):				
	(A) Items that will not be reclassified to statement of Profit & Loss				
	Remeasurements of post-employment benefit obligations	(2.70)	(18.99)	(1.10)	(10.82)
13	Total Other Comprehensive Income/(Loss) before related Tax	(2.70)	(18.99)	(1.10)	(10.82)
14	Deferred Tax on OCI	(0.99)	(6.67)	(0.43)	(3.97)
15	Other Comprehensive Income/(Loss) after tax for the Year (13-14)	(1.71)	(12.32)	(0.67)	(6.85)
16	Total comprehensive Income for the period/year (11+15)	775.07	1,316.89	716.23	3,997.97
17	Earning Per Equity Share				
	(of Re.1/ each) (not annualised)				
	(a) Basic	0.92	1.57	0.85	4.73
	(b) Diluted	0.92	1.57	0.85	4.73
18	Paid-up equity share capital (Face Value of Re.1/- each)	846.52	846.52	846.52	846.52
19	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year				31,345.21



Notes:

- 1 The above consolidated Financial Results have been reviewed and recommended by the Audit Committee on 12th August, 2019 and have been approved by the Board of Directors at its meeting held on 12th August, 2019.
- 2 Results for the quarter ended 30th June, 2019 were subjected to 'Limited Review' by the Auditors.
- 3 The consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 4 Effective 01st April 2019, the Company has adopted Ind AS 116 'Leases', using the modified retrospective approach. This has resulted in recognising Right-to-Use Assets and Lease Liability as on 01st April 2019. The adoption of the standard did not have any material impact to the financial results.
- 5 The figures for the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of full financial year upto March 31, 2019 and the unaudited published year to date figures upto December 31, 2018, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 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 figures for the quarter ended 31st March, 2019 and quarter 30th June, 2018 included in the statement of Consolidated Financial Results for the quarter ended 30th June, 2019 have been approved by the parent company's Board of Directors, but have not been subjected to review, as the mandatory requirement for limited review has been made applicable for periods beginning 01st April, 2019, pursuant to Regulation 33(8) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended.
- 9 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 AS 108.
- 10 Figures of previous period have been regrouped / rearranged wherever necessary.

For SMS Pharmaceuticals Limited



Place: Hyderabad

Date : 12-08-2019

Ramesh Babu Potluri

Chairman and Managing Director

DIN : 00166381



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 its share of the net loss after tax and total comprehensive income of its associates for the quarter ended 30th June, 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. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30th June 2018 and the corresponding period from 01-04-2018 to 30-06-2018, as reported in these financial results have been approved by the Parent's Board of Directors but have not been subjected to review.
 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/(loss) after tax of Rs. (171.33) lakhs and total comprehensive income of Rs. (170.94) lakhs for the quarter ended 30th June 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: 12-08-2019

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


V Nagendra Rao
Partner
M. No. 227679

UDIN: 19227679AAAACX8284