



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: 25th February, 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: Submission of Notice of Postal Ballot.

Dear Sir/Madam,

With reference to the outcome of the Board Meeting dated 09th February, 2022, please find enclosed here with the Notice of Postal Ballot being sent to all the shareholders on 25th February, 2022 for seeking the approval of members of the Company on the resolutions as mentioned in the Notice of Postal Ballot.

In accordance with the applicable laws, the Notice has been sent by electronic mode only to those members whose names appeared in the Register of Members/ List of Beneficial Owners maintained by the Company/ Depositories on **Wednesday, 23rd February, 2022 (Cut-off date)**.

Members, whose names appeared in the Register of Members / List of Beneficial Owners as on the cut-off date i.e. **Wednesday, 23rd February, 2022** are eligible for the purpose of remote e-voting.

The remote e-voting facility will be available for the period as mentioned below:

Commencement	Conclusion
Monday, 28 th February, 2022 (9.00 am)	Tuesday, 29 th March, 2022 (5.00 pm)

(Both days inclusive)

The Company has engaged the services of M/s. Central Depository Services (India) Limited for the purpose of providing remote e-voting facility to its members.

The Postal Ballot Notice is available on the Company's website www.smspharma.com.


Please note that the result of postal ballot will be declared on or before Thursday, 31st March, 2022.

Kindly take the same on your records.

Thanking you

Yours faithfully,

For SMS Pharmaceuticals Limited


Thirumalesh Tumma
Company Secretary





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, Telangana – 500034

Contact No –040 - 35359999 | Email – complianceofficer@smspharma.com | Website: www.smspharma.com

NOTICE OF POSTAL BALLOT

Dear Shareholders,

NOTICE is hereby given that the resolution set out below is proposed to be passed by the members of SMS Pharmaceuticals Limited (“**the Company**”) by means of (“**Postal Ballot**”), only by way of remote e-voting process (“e-voting”) pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by Institute of Company Secretaries of India (ICSI) on General Meetings read with the General Circular No. 14/2020 dated 8th April, 2020, the General Circular No. 17/2020 dated 13th April, 2020, the General Circular No. 22/2020 dated 15th June, 2020, the General Circular No. 33/2020 dated 28th September, 2020, the General Circular No. 39/2020 dated 31st December, 2020, the General Circular No. 10/2021 dated 23rd June, 2021 and General Circular No. 20/2021 dated 08th December, 2021 issued by the Ministry of Corporate Affairs (“**MCA Circulars**”) and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and SEBI /HO/CFD/CMD2/CIR/P/2021/11 dated 15th January, 2021 (“**SEBI Circulars**”).

In accordance with the provisions of the aforesaid Circulars, shareholders can vote only through the remote e-voting process. Accordingly, the Company is pleased to offer a remote e-voting facility to all its shareholders to cast their votes electronically. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing remote e-voting facility to all its members, Shareholders are requested to read the instructions in the Notes under the section “Instructions relating to e-voting” in this postal ballot notice (“**Postal Ballot Notice**”) to cast their vote electronically. Shareholders are requested to cast their vote through the

e-voting process not later than **Tuesday, 29th March, 2022 (5.00 pm)** to be eligible for being considered, failing which it will be considered that no vote has been received.

In accordance with the provisions of the MCA Circulars, the Company has made arrangements for the shareholders to register their e-mail addresses. Therefore, those shareholders who have not yet registered their e-mail addresses are requested to register the same by following the procedure set out in the notes to this Postal Ballot Notice.

Hence, in compliance with the requirements of the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business reply envelope will not be sent to the members for this Postal Ballot and members are required to communicate their assent or dissent through the remote e-voting system only.

The Statement pursuant to Section 102(1) and other applicable provisions of the Companies Act, 2013 read with the Rules thereunder, setting out all material facts relating to the resolution mentioned in this Postal Ballot Notice is annexed hereto.

The Board of Directors of the Company has appointed Mr. C. Sudhir Babu, Practicing Company Secretary as the Scrutinizer pursuant to Rule 22(5) of the Companies (Management and Administration) Rules, 2014, for conducting the postal ballot /e-voting process in a fair and transparent manner. The Scrutinizer’s decision on the validity of the Postal Ballot shall be final.

The Scrutinizer will submit his report, after the completion of scrutiny, to the Managing Director of the Company or any

person authorized by him. The results shall be declared on or before **Thursday, 31st March, 2022** and will be displayed on the Company's website www.smspharma.com and will also be communicated to the Stock Exchanges and on the website of Central Depository Services (India) Limited www.evotingindia.com.

The resolutions, if passed by the requisite majority, shall be deemed to have been passed on **Tuesday, 29th March, 2022** i.e., the last date specified for receipt of votes through the e-voting process.

The shareholders are requested to consider and, if thought fit, pass the following resolutions:

SPECIAL BUSINESS:

1. Approval for Related Party Transactions:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any of the Companies Act, 2013 ("Act"), read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014) and Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), including any statutory modification(s) or re-enactment thereof for the time being in force and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into contract(s)/ arrangement(s)/ transaction(s) with parties as detailed in the table(s) forming part of the Explanatory Statement annexed to this notice with respect to sale, purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services including the providing and/or receiving of loans or guarantees or securities or making investments, or any other transactions of whatever nature, notwithstanding that such transactions may exceed 10% of the Consolidated Turnover of the Company in any financial year or such other threshold limits as may be specified by the Listing Regulations from time to time, up to such extent and on such terms and conditions as the Board of Directors may

deem fit, in the normal course of business and on arm's length basis, within the aggregate limits and during the financial years as mentioned in the explanatory statement.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company."

2. Approval for the payment of remuneration as per terms currently in force to Mr. Ramesh Babu Potluri, in his capacity as Chairman & Managing Director of the Company in excess of limits prescribed under of Regulation 17(6)(e) (i) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"), and the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("Act") and the Rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, consent of the Members be and is hereby accorded to continue with payment of remuneration as per terms and conditions approved by the Shareholders on 30th September, 2021 in the Annual General Meeting, to Mr. Ramesh Babu Potluri (DIN:00166381) in his capacity as Chairman & Managing Director, notwithstanding the fact that the annual remuneration payable to Mr. Ramesh Babu Potluri may exceed 2.5% of the net profit of the Company or Rs.5 Crores whichever is higher, as prescribed in Regulation 17(6)(e)(i) of the Listing Regulations, for the financial years ending from 31st March 2022 to 31st March, 2026, till the expiry of his term however, subject to the maximum overall ceilings prescribed under Section 197 of the Companies Act, 2013."

3. Approval for the payment of remuneration as per terms currently in force to Mr. Vamsi Krishna Potluri, in his capacity as Whole-Time Director of the Company in excess of limits prescribed under of Regulation 17(6)(e)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”), and the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“Act”) and the Rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, consent of the Members be and is hereby accorded to continue with payment of remuneration as per terms and conditions approved by the Shareholders on 30th September, 2020 in Annual General Meeting, to Mr. Vamsi Krishna Potluri (DIN:06956498) in his capacity as Whole-Time Director, notwithstanding the fact that the annual remuneration payable to Mr. Vamsi Krishna Potluri may exceed 2.5% of the net profits of the Company or Rs.5 Crores whichever is higher, as prescribed in Regulation 17(6)(e)(i) of the Listing Regulations, for the financial years ending from 31st March 2022 to 31st March, 2025, till the expiry of his term, however subject to the maximum overall ceilings prescribed under Section 197 of the Companies Act, 2013.”

4. Approval for increase in aggregate annual remuneration payable to Managing Director and Whole-Time Director (s) pursuant to regulation 17(6)(e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 17(6)(e)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”), and the provisions of Section 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (“Act”) and the Rules made thereunder and pursuant to the recommendation of the Nomination and Remuneration Committee, Audit Committee and approval of the Board of Directors of the Company, consent of the members be and is hereby accorded to continue with payment of remuneration as per terms and conditions approved by the Shareholders on 30th September, 2021 to Mr. Ramesh Babu Potluri, (DIN: 00166381) and on 30th September, 2020 to Mr. Vamsi Krishna Potluri (DIN: 06956498), in their in their capacity as Chairman & Managing Director(s) and Whole-time Director(s) of the Company respectively, notwithstanding the fact that the annual remuneration payable in aggregate to all of them may exceed the limit of 5% of net profit of the Company as prescribed in Regulation 17(6)(e)(ii) of the Listing Regulations, for the financial years ending from 31st March 2022 and valid upto the expiry of term of each such director.”

by order of the Board
For SMS Pharmaceuticals Limited

Date: 09.02.2022

Place: Hyderabad

Company Secretary

Explanatory statement pursuant to section 102 of the Companies Act, 2013

Item No: 1:

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section requires a Company to obtain approval of the Board of Directors and subsequently the Shareholders of the Company by way of ordinary resolution in case the value of the Related Party Transactions exceed the stipulated thresholds prescribed in Rule 15 of the said Rules and transactions other than in ordinary course of business and on arm's length basis.

Further, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") also stipulates that all material related party transactions shall require prior approval of the shareholders through ordinary resolution.

Accordingly, the related party transactions as recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 8th February and 9th February, 2022 are hereby placed before the shareholders for their approval by way of Ordinary Resolution to enable the Company to enter into the following Related Party Transactions in one or more tranches. The transactions under consideration, are proposed to be entered into by the Company with the following related parties is in the ordinary course of business and at arms' length basis.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662, dated November 22, 2021, the particulars of the transactions with the related parties are estimated as under:

SI.No	Name of the Related Party	Nature of Relationship (including nature of interest, financial or otherwise)	Aggregate maximum value of the contract/arrangement/ transaction (during the financial year 2022-23) (Rs. in Crores)	Nature and material terms of Contract/arrangement / transaction
1	SMS Lifesciences India Limited	Promoters holding more than 10% of total Equity.	25.00	Sale/Purchase of Pharmaceutical Bulk Drugs (APIs) & its Intermediates and Chemicals related products.
2	VKT Pharma Private Limited	Promoter Group holding majority equity shares and having common Directors.	125.00	Sale/Purchase of Pharmaceutical Bulk Drugs (APIs) and rental receipts.
3	Rchem (Somanahalli) Private Limited	Common promoters for SMS Lifesciences India Limited and Rchem(Somanahalli) Private Limited.	10.00	Sale/Purchase of Pharmaceutical Bulk Drugs (APIs) & its Intermediates and Chemicals related products.
4	Eshwar Coal Movers	Relative of Promoters	5.00	Purchase of Coal both Domestic & Imported and related services.

The proposed contracts/arrangements/transactions relate to sale/purchase of goods/services or any other transaction(s), which shall be governed by the Company's Related Party Transaction Policy and shall be reviewed by the Audit Committee within the overall limits approved by the members. The Board of Directors or any Committee thereof would carefully evaluate the proposals providing and/or receiving of loans or guarantees or securities or making investments through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such entities.

The proposal outlined above will contribute to the principal business activities of your Company and is in the interest of the Company. Hence, the Audit Committee/Board recommends

the resolution set out in the Item no. 1 of the notice for your approval as an Ordinary Resolution. None of the Related Parties shall vote in the resolution.

Except Mr. Ramesh Babu Potluri, Chairman & Managing Director, and Mr. Vamsi Krishna Potluri, Whole-time Director and their respective relatives, none of the other directors, key managerial personnel or their respective relatives in any way, financially or otherwise, concerned or interested in the said resolution.

Accordingly, approval of the shareholders by way of Ordinary Resolution is sought for the above proposal.

The Board recommends the Ordinary Resolution as set out in Resolution 1 of this notice for the approval of the shareholders.

Item No. 2:

Mr. Ramesh Babu Potluri was re-appointed as the Chairman & Managing Director of the Company by a Special Resolution of shareholders passed on 30th September, 2021 in the Annual General Meeting, for a period of 5 years commencing from 01st October, 2021. The terms of remuneration, as approved by the above resolution are summarized below:

- a) Monthly salary of Rs.25,00,000/- (With an enhancement 15% Per Annum)
- b) Rent free Accommodation or HRA of Rs. 3,00,000/- Per month
- c) Perquisites and allowances Rs. 7,00,000/- P.A.
- d) Remuneration based on profits as a percentage of profits as may be decided by the Board of Directors.
- e) Other benefits like contribution to provident and superannuation funds, gratuity, annual leave with pay / leave encashment, reimbursement of medical expenses, provision of car, medical / personal accidental/ travel insurance, club fees, Travelling expenses, Communication facilities, telephone, internet etc.

Based on the above, the remuneration of Mr. Ramesh Babu Potluri as applicable during the financial year 2021 – 2022, comprises of salary of Rs. 25,00,000/- per month apart from residential accommodation, perquisites, allowances, commission and other benefits as mentioned above.

As per Regulation 17(6)(e)(i) of the SEBI (LODR) Regulations, 2015 (“Listing Regulations”), the remuneration payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by way of a Special Resolution if the annual remuneration payable to such executive director exceeds Rs.5 crores or 2.5% of the net profits of the Company, whichever is higher. The remuneration of Mr. Ramesh Babu potluri, in his capacity as Chairman & Managing Director of the Company or, may exceed 2.5 % of the net profit of the Company or Rs.5 Crores , being the higher of the limits prescribed in Regulation 17(6)(e)(i) of SEBI (LODR) Regulations, 2015.

In view of the above, the Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee, taking into consideration, the valuable contribution of Mr. Ramesh Babu Potluri, to steer the Company in these challenging times, have approved continuation of payment of remuneration to Mr. Ramesh Babu Potluri as per existing terms and condition already in force, pursuant to the approval of members accorded by Special Resolution passed by members in the Annual General Meeting held on 30th September, 2021 notwithstanding the same exceeding the limits prescribed in Regulation 17(6)(e)(i) as mentioned above, for the financial

years ending 31st March, 2022 and valid upto the expiry of his present term.

However, the total remuneration payable to Mr. Ramesh Babu Potluri would not exceed the ceiling prescribed under section 197 of the Companies Act, 2013 which prescribes the limit of 5% of net profit computed as per Section 198 of the Companies Act, 2013 for one Managing Director / Whole time Director and 10% of net profit for all the Managing Directors / Whole Time Directors in aggregate.

Interested Directors:

Mr. Ramesh Babu Potluri, is the promoter of the Company and also the father of Mr. Vamsi Krishna Potluri, and their relatives may be deemed to be concerned or interested in the above resolution

None of the other directors and key managerial personnel are related to Mr. Ramesh Babu Potluri, as envisaged under the Companies Act, 2013. Further, none of them or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Accordingly, approval of the shareholders by way of Special Resolution is sought for the above proposal.

The Board recommends the Special Resolution as set out in Resolution 2 of this notice for the approval of the shareholders.

Item No. 3

Mr. Vamsi Krishna Potluri was appointed as the Whole-Time Director of the Company by a Special Resolution of shareholders passed on 30th September, 2020 in the Annual General Meeting, for a period of 5 years commencing from 01st July, 2020. The terms of remuneration, as approved by the above resolution are summarized below:

- a) Monthly salary of Rs.5,50,000/-
- b) Rent free Accommodation or HRA of Rs.1,50,000/- P.A.
- c) Perquisites and allowances restricted to two times his annual salary.
- d) Commission payable as percentage of profits as may be decided by the Board of Directors from time to time.
- e) Other benefits like contribution to provident and superannuation funds, gratuity, annual leave with pay / leave encashment, reimbursement of medical expenses, provision of car, medical / personal accidental/ travel insurance, club fees, Travelling expenses, Communication facilities, telephone, internet etc.

Based on the above, the remuneration of Mr. Vamsi Krishna Potluri as applicable during the financial year 2021 – 2022, comprises of salary of Rs.5,50,000/- per month apart

from residential accommodation, perquisites, allowances, commission and other benefits as mentioned above.

As per Regulation 17(6)(e)(i) of the SEBI (LODR) Regulations, 2015 ("Listing Regulations"), the remuneration payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by way of a Special Resolution if the annual remuneration payable to such executive director exceeds Rs.5 crores or 2.5% of the net profits of the Company, whichever is higher. The remuneration of Mr. Vamsi Krishna Potluri, in his capacity as Whole-Time Director of the Company, may exceed 2.5 % of the net profit of the Company or Rs.5 Crores, being the higher of the limits prescribed in Regulation 17(6)(e)(i) of the SEBI (LODR) Regulations, 2015.

In view of the above, the Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee, taking into consideration, the valuable contribution of Mr. Vamsi Krishna Potluri, to steer the Company in these challenging times, have approved continuation of payment of remuneration to Mr. Vamsi Krishna Potluri as per existing terms and conditions already in force, pursuant to the approval of members accorded by Special Resolution passed by members in the Annual General Meeting held on 30th September, 2020 notwithstanding the same exceeding the limits prescribed in Regulation 17(6)(e)(i) as mentioned above, for the financial years ending 31st March, 2022 and valid upto the expiry of his present term.

However, the total remuneration payable to Mr. Vamsi Krishna Potluri would not exceed the ceiling prescribed under section 197 of the Companies Act, 2013 which prescribes the limit of 5% of net profit computed as per Section 198 of the Companies Act, 2013 for one Managing Director / Whole time Director and 10% of net profit for all the Managing Directors / Whole Time Directors in aggregate.

Interested Directors:

Mr. Vamsi Krishna Potluri is the son of Mr. Ramesh Babu Potluri, and their relatives may be deemed to be concerned or interested in the above resolution.

None of the other Directors and key managerial personnel is related to Mr. Vamsi Krishna Potluri as envisaged under the Companies Act, 2013. Further, none of them or their relatives is concerned or interested, in financially or otherwise, in the above resolution.

Accordingly, approval of the Shareholders by way of Special Resolution is sought for the above proposal.

The Board recommends the Special Resolution as set out in Resolution. No.3 of this notice for the approval of the Shareholders.

Item No: 4

Mr. Ramesh Babu Potluri, Chairman & Managing Director and Mr. Vamsi Krishna Potluri, Whole Time Director(s), re-appointed / appointed by the Company by resolutions of shareholders passed on 30th September, 2021 and 30th September, 2020 for a period of 5 years. The terms of remuneration, as approved by the above resolutions in respect of Mr. Ramesh Babu Potluri and Mr. Vamsi Krishna Potluri are given in Explanatory statement pertaining to Resolutions 2 & 3 of the Notice.

As per Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), which is effective from 1st April 2019, the remuneration payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by way of a Special Resolution, if the aggregate annual remuneration to all such promoter executive directors exceeds 5% of the net profits of the Company computed as per Section 198 of the Companies Act, 2013. Considering the huge challenges posed by the COVID-19 pandemic which has ushered in a period of uncertainty in demand conditions, restriction on production because of lockdowns, availability and volatility in raw material prices, the aggregate remuneration payable to Mr. Ramesh Babu Potluri and Mr. Vamsi Krishna Potluri may exceed the aggregate limit of 5% of the net profits prescribed in Regulation 17(6)(e)(ii) mentioned above.

In view of the above, the Board on the recommendation of the Nomination and Remuneration Committee and Audit Committee, taking into consideration the valuable contribution being made by the Managing Director and Whole-time Director to steer the Company in these challenging times, have approved continuation of payment of remuneration to Managing Director and Whole-time Director as per existing terms and conditions already in force, pursuant to the approval of members accorded by the respective Shareholders' Resolutions appointing / reappointing them, notwithstanding the same exceeding the aggregate limit of 5% of net profit prescribed in Regulation 17(6)(e)(ii) which is mentioned above, for the financial year ending 31st March, 2022 and valid upto the expiry of term of each such director.

The total remuneration paid to both the Managing Director and Whole-time Director would not exceed the ceiling of 10% of net profits as prescribed under Section 197 of the Companies Act, 2013.

Mr. Ramesh Babu Potluri is the father of Mr. Vamsi Krishna Potluri, and none of the other directors and key managerial personnel are related to the Chairman & Managing Director and Whole-Time Director as envisaged under Companies Act, 2013. Further, none of them or their relatives are concerned or interested, financially or otherwise, in the above resolution.

Accordingly, approval of the shareholders by way of Special Resolution is sought for the above proposal.

The Board recommends the Special Resolution as set in Resolution No. 4 of this notice for the approval of the Shareholders.

by order of the Board
For SMS Pharmaceuticals Limited

Date: 09.02.2022

Place: Hyderabad

Company Secretary

NOTES:

1. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the resolutions in respect of the businesses set out above is annexed hereto.
2. In compliance with the provisions of Section 108 and Section 110 and other applicable provisions of the Act read with the Management Rules and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility to all the Members of the Company. For this purpose, the **Company has engaged the services of CDSL for facilitating e-voting** to enable the Members to cast their votes electronically.
3. The Postal Ballot Notice is being sent only by email to all the Members, whose names appear on the Register of Members/List of Beneficial Owners as received from National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') as on **Wednesday, 23rd February, 2022 (the 'cut-off date')** and who have registered their email addresses in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with Company's Registrar and Share Transfer Agent ("RTA"), Aarthi Consultants Private Limited.
4. Members may note that the aforesaid Postal Ballot Notice has been uploaded on the website of the Company at www.smspharma.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Postal Ballot Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility). Accordingly, members who have not registered their e-mail address may register their e-mail address by sending an email to Company (complianceofficer@smspharma.com & cs@smspharma.com) / RTA (info@aarthiconsultants.com), along with their folio no./ DP ID client ID and valid email address for registration.
5. The voting rights of the Members shall be reckoned in proportion to the equity shares held by them on the cut-off date **on Wednesday, 23rd February, 2022**. Only those Members holding shares either in physical form or dematerialized form as on the Cutoff date will be entitled to cast their votes by remote e-voting.
6. Resolution, if passed by the Members through postal ballot is deemed to have been duly passed on the last date specified for the remote e-voting i.e. **Tuesday, 29th March, 2022** and shall be deemed to have been passed at a general meeting of Members convened on that behalf.
7. A member cannot exercise his vote by proxy on a Postal Ballot.

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS:

The procedure and instructions for the voting through electronic means are as follows:

In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Section 108, 110 and other applicable provisions of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Company is providing facility of e-voting to its members in respect of the business to be transacted through postal ballot.

Company has appointed Central Depository Services (India) Limited ("CDSL") as the authorized e-voting agency for facilitating voting through electronic means.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, CDSL, a wing, 25th floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013.

Members whose names are recorded in the Register of members or in the register of beneficial owners maintained by the depositories as **on Wednesday, 23rd February, 2022 ("Cut off date")**, shall be entitled to avail the facility of e-voting

- (i) The voting period **begins on Monday, 28th February, 2022 at 09.00 AM and ends on Tuesday, 29th March, 2022 at 05.00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/ retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant SMS Pharmaceuticals Limited on which you choose to vote.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORS

- a) **For Physical Shareholders:-** Please provide necessary details like Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN Card), Aadhar (self-attested scanned copy of Aadhar card) by email to & info@aarthiconsultants.com and mark copy to cs@smspharma.com; and Complianceofficer@smspharma.com .

- b) **For demat shareholders:-** Please update your email id & mobile no with your respective Depository Participant (DP)
- c) **For individual Demat shareholders:-** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

The link for updation of your details provided here <http://www.aarthiconsultants.com/investors/login.php>

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

- d) In case of any query / grievance in connection with the Postal Ballot including remote e-voting, members may contact the below:

Company	SMS PHARMACEUTICALS LIMITED
	Phone: 040-35359999 / 9100123244
	Email : cs@smspharma.com ; complianceofficer@smspharma.com
Registrar & Transfer Agent	Aarathi Consultants Private Limited
	Phone: 040-27638111 / 27634445
	Email: info@aarthiconsultants.com ; aarthiconsultants@gmail.com
e-Voting Agency	Central Depository Services (India) Limited
	Phone: 022-23058738 and 022-23058542 / 43
	Email: helpdesk.evoting@cdslindia.com
Scrutinizer	Mr. C.Sudhir Babu, Practicing Company Secretary
	Phone: 7981191458 / 9493676368
	Email: csbassociates27@gmail.com