



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

September 7, 2020

To,

BSE Limited.

Listing Department, P J Towers,
Dalal Street,
Mumbai – 400 001.

Scrip code:532815

National Stock Exchange of India Limited

Listing Department, "Exchange Plaza",
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Scrip code: SMSPHARMA

SUB: NOTICE CONVENING 32nd ANNUAL GENERAL MEETING.

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 101 of the Companies Act, 2013, we would like to inform you that the 32nd Annual General Meeting of the members of SMS Pharmaceuticals Limited will be held on Wednesday the 30th day of September, 2020 at 09.00 A.M. through Video conferencing ("VC") / Other Audio Visual Means ("OAVM"), in accordance with relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, at the registered office of the company situated at Plot. No: 72, H. No: 8-2-334/3&4, Road No:5, Opp. SBI Executive enclave, Banjara Hills, Hyderabad – 500034.

Kindly take the same on record and suitably disseminated to all concerned.

Thanking You.

Yours Truly,

For SMS Pharmaceuticals Limited

A handwritten signature in blue ink, appearing to read 'Venkatish', is written over the typed name.

V.S.Venkatish

Company Secretary

[Enclosed: Notice of 32nd AGM]

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting (AGM) of the members of SMS Pharmaceuticals Limited (CIN: L24239TG1987PLC008066) will be held on Wednesday, September 30, 2020 at 9.00 A.M. through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) and deemed venue of AGM is at the registered office of the Company situated at Plot.no.72, H.No. 8-2-334/3&4, Road No. 5, Opp. SBI Executive Enclave, Banjara hills, Hyderabad, Telangana, India 500034 to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS

To consider and adopt the audited (Standalone and Consolidated) financial statement of the Company for the financial year ended 31st March 31, 2020 and the reports of the Board of Directors and the Auditors thereon;

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

“RESOLVED THAT the audited standalone and consolidated financial statements of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. CONFIRMATION OF INTERIM DIVIDEND PAID DURING THE FINANCIAL YEAR 2019-20

To confirm the interim dividend of Re. 0.25 paise per Equity Share paid during the year as dividend for the Financial Year 2019-20.

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

“RESOLVED THAT the interim dividend at the rate of 25% i.e., Re. 0.25 Paise per equity share of Re. 1/- each declared by the Board of Directors of the Company at their meeting held on 18th March, 2020, absorbing a sum of ₹ 2,11,63,007/- (Rupees Two corers eleven lakhs sixty three thousand and seventy paise only) [excluding all applicable taxes] be and is hereby confirmed and approved as the final dividend for the year ended March 31, 2020.”

3. RE-APPOINTMENT OF Mr. TVVSN MURTHY, RETIRING ON ROTATION, AS DIRECTOR OF THE COMPANY

To re-appoint Mr. TVVSN Murthy (DIN: 00465198) who retires by rotation, at this Annual General Meeting and being eligible, offers himself for re-appointment.

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 152 and other applicable provisions of the Companies Act, 2013, Mr. TVVSN Murthy (DIN: 00465198), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.”

SPECIAL BUSINESS:

4. APPOINTMENT OF Mr. VAMSI KRISHNA POTLURI AS A DIRECTOR

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

“RESOLVED THAT Mr. Vamsi Krishna Potluri (DIN 06956498) who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee as an Additional Director effective from June 5th, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the ‘Act’), including any modification or re-enactment thereof and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

5. APPROVAL OF APPOINTMENT OF Mr. VAMSI KRISHNA POTLURI AS A WHOLE-TIME DIRECTOR, DESIGNATED AS EXECUTIVE DIRECTOR.

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 recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, and in accordance with the provisions of Section 152, 188, 196, 197 and other applicable provisions if any, of the Companies Act, 2013 (hereinafter referred to as the ‘Act’) and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or reenactment thereof) read with Schedule V of the Act, approval of the members be and is hereby accorded to appoint Mr. Vamsi Krishna Potluri (DIN: 06956498), as Whole Time Director designated as Executive Director of the Company, for a period of 5 (five) consecutive years commencing from 1st July, 2020 on such terms and conditions, including minimum remuneration in the event of absence or inadequacy of profits, as set out in the explanatory statement relating to this resolution.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation pursuant to Schedule V to the Act, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances etc. within such prescribed limit or ceiling as amended without any further reference to the members of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

6. RATIFY / APPROVE THE RELATED PARTY CONTRACTS/ ARRANGEMENTS/ TRANSACTIONS OF THE COMPANY.

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 Section 188 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time) and as per Regulation 23(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval / ratification of the members of the Company, be hereby, accorded to all the arrangements / transactions entered by the Company with Related Parties in the financial year 2019-20 or earlier year, whether by way of continuation / extension / renewal / modification of earlier arrangements / transactions or otherwise,

and entering into further contracts / arrangements / transactions with ‘Related Parties’ as defined under Section 2(76) of the Companies Act, 2013, within the prescribed limits of Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23(1) of SEBI (LODR) Regulations, whether material or not, for the FY 2019-20 as set out in the Explanatory Statement.

“RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby, authorized to do, all such acts, matters, deeds and things, settle any queries / delegate such authority as may be deemed necessary and execute such addendum contracts / arrangements / transactions as may be considered necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

7. RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITOR FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH, 2021.

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

“RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 (‘Act’) and Rule 6 of the Companies (Cost Records and Audit) Rules, 2014 and all other applicable provisions, if any, of the Act and the rules made thereunder, as amended, the members be and hereby ratify the remuneration of ₹ 75,000/- (Rupees Seventy Five thousand only) and taxes as applicable plus out of pocket expenses payable to Mr. K.S.N.Sarma, Cost Accountant having registration No. 102145 and Membership No. 6875 appointed by the Board of Directors of the Company to conduct the Cost Audit for the financial year ending 31st March, 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be hereby authorized to do, all such acts, matters, deeds and things, settle any queries/ difficulties/ doubts arise from it, including delegate such authority as may be deemed necessary, proper or expedient to give effect to this resolution and for matters connected herewith or incidental there to in the best interest of the Company.”

By the order of the Board

Ramesh Babu Potluri

Chairman and Managing Director
(DIN:00166381)

Place: Hyderabad
Date: 05-06-2020

Notes to E-AGM NOTICE

1. The Statement pursuant to Section 102(10) of the Companies Act, 2013 and the Rules made thereunder (“ACT”) in respect of the Special business set out in the Notice, Secretarial Standard on General Meetings (“SS-2”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) wherever applicable, is annexed hereto. The Board of Directors of the Company at its meeting held on 5th June, 2020 concluded that the special business under 4 to 7, are critical and considered unavoidable, and hence need to be transacted at the 32nd AGM of the Company.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs (“MCA”) allowed conducting Annual General Meeting (“AGM”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”) and dispensed the personal presence of the members at the meeting. Accordingly, the MCA issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020 (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) prescribing the procedures and manner of conducting the AGM through VC/OAVM.

In terms of the said circulars, the 32nd AGM of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note **No. 12** and available at the Company’s website www.smspharma.com.

Deemed Venue for the AGM shall be registered office of the Company.

Company is providing VC/OAVM facility to its members to attend the 32nd AGM through Central Depository Services Limited (CDSL).

The facility for attending the AGM virtually will be made available for 1,000 shareholders on first come first served basis. This will not include large members (i.e. members with 2% or more shareholding,

promoters, institutional investors, Directors, key managerial personnel, the chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders’ Relationship committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

[Detailed procedure for participation in the meeting is mentioned in note no. 22.]

3. In line with the aforesaid Circulars and our intimation dated 18th July, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on Friday, 4th September, 2020. Members may note that Notice and Annual Report 2019-20 can also be accessed from the websites of the Company at www.smspharma.com, websites of the Stock Exchange(s) www.bseindia.com and www.nseindia.com, website of CDSL (agency for providing the remote / venue e-voting facility) www.evotingindia.com.
4. The VC/OAVM facility for shareholders to join the meeting, shall be kept open 15 minutes before the start of the AGM (i.e. 8.45 am) and shall be closed on expiry of 15 minutes after start of the AGM (i.e. 9.15 am).
5. Pursuant to the MCA Circular No. 14/2020 dated 8th April, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives by sending representation at cs@smspharma.com to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
6. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. The detailed procedure and instruction for e-voting is mentioned in note no. 16.
8. The statutory registers under the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members

who wish to inspect the register are requested to write to the company at cs@smspharma.com

9. Members seeking any information with regard to accounts or any other information are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
10. No physical copy of the notice of the AGM and the Annual Report for the year 2019-20 has been sent to members who have not registered their e-mail addresses with the company/depository participants. However, Members will be entitled to a physical copy of the Annual Report for the year 2019-20, free of cost, upon sending a request to the Company Secretary at Plot No. 72, H.No. 8-2-334/3&4, Road No. 5, Opp. SBI Executive Enclave, Banjara Hills, Hyderabad – 500034. once normalcy is restored.
11. Members who have not yet registered their e-mail address may register the same by following the procedure laid down in note no 18.
12. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the RTA of the Company. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

Further, as per Regulation 40 of Listing Regulations, as amended, securities of listed companies can only be transferred in demat form with effect from 1st April,

2019, except in case of request for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holding to demat form, Members can contact Company / RTA for assistance in this regard.

13. In terms of Section 72 of the Act, nomination facility is available to individual Members holding shares in the physical mode. Members, who are desirous of availing this facility, may kindly write to Company's RTA for nomination form by quoting their folio number.
14. The Company's Statutory Auditors, M/s Suryananaryana & Suresh, Chartered Accountants, were appointed as Statutory Auditors of the Company for a period of Five (5) consecutive years at the AGM of the Members held on September, 27th, 2017 on remuneration to be determined by the Board of Directors. Pursuant to the amendment made by the Companies (Amendment) Act, 2017, effective from September 27th, 2017, it is no longer necessary to seek the ratification of the shareholders for continuance of the above appointment. Hence, the Company is not seeking the ratification of the shareholders for the appointment of the Statutory Auditors.
15. Members who have not encashed the dividend warrant(s) for the financial year ended March 31, 2012 onwards are requested to make their claims directly to the Company or to M/s Aarthi Consultants Pvt. Ltd. at info@arthiconsultants.com & arthiconsultants@gmail.com, without any delay.

Due date for transfer of unclaimed dividend to IEPF

Year	Dividend per share (₹)	Date of declaration	Due date for transfer to IEPF	Amount of Unpaid Dividend(₹)
2012-13	2	30/09/2013	07/10/2020	1,05,452
2013-14	2	30/09/2014	07/10/2021	1,55,702
2014-15	2	29/09/2015	06/10/2022	1,78,174
2015-16	Re.0.20	30/09/2016	07/10/2023	1,93,310
2016-17	Re 0.20	27/09/2017	05/10/2024	57,563
2017-18	Re. 0.25	20/09/2018	27/09/2025	99,613
2018-19	Re. 0.25	30/09/2019	04/10/2026	1,27,001

Further it is informed to the members that pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the relevant Rules made thereunder, shares on which dividend has not been paid or claimed for seven (7) consecutive years or more shall be transferred to the IEPF Authority as notified by the Ministry of Corporate Affairs.

Members who have not encashed their dividend warrants are requested to make their claims to RTA (info@aarthicconsultants.com) or Company (info@smspharma.com).

16. Process and manner for members voting through Electronic means:

- a) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ("CDSL") as the authorised e-Voting agency for facilitating voting through electronic means. The facility of casting votes by members using remote e-voting as well as e-voting system on the date of the AGM will be provided by CDSL.
- b) Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. **Friday, September 18, 2020**, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- c) A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Friday, September 25, 2020 shall be entitled to exercise his/her vote either electronically i.e., remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- d) The remote e-voting will commence on **Sunday, September 27, 2020 at 9.00 a.m. and will end on Tuesday, September 29, 2020 at 5.00 p.m.** During this period, the members of the Company holding shares either in physical mode or in demat mode as on the **Cut-off date i.e., Friday, September 18, 2020** may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by CDSL thereafter.
- e) Once the vote on a resolution is casted by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- f) The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the **Cut-off date i.e., Friday, September 18 2020**.
- g) The Company has appointed Mr. C. Sudhir Babu, Practicing Company Secretary, (Proprietor, CSB Associates) to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

17. Note for Non – Individual Shareholders and Custodians

- a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c) 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.

- d) 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.
- e) 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.
- f) 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 voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- g) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Nitin Kumar (022-23058738)/Mr. Mehbaob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542, 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 1800225533.

18. Process for those members whose email ids are not registered:

- a) For members holding shares in Physical mode - please provide necessary details like Folio No., Name of shareholder by email to info@smspharma.com and info@aarthiconsultants.com
- b) Members holding shares in Demat mode can get their e-mail id registered by contacting their

respective Depository Participant or by email to info@aarthiconsultants.com

(Detailed procedure in this regard is laid down in our intimation to Stock Exchange(s) by the name of “**Request to Shareholders to Register Email Address**” on 17th July, 2020)

19. The instructions for shareholders for remote e-voting are as under:

- a) The voting period begins on **Sunday, September 27, 2020 at 9.00 a.m. and ends on Tuesday, September 29, 2020 at 5.00 p.m.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **September 18, 2020** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- b) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- c) The shareholders should log on to the e-voting website www.evotingindia.com.
- d) Click on **Shareholders**.
- e) Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- f) Next enter the **Image Verification** as displayed and Click on **Login**.
- g) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- h) If you are a first time user follow the steps given below:

For Members holding shares in Demat mode and Physical mode

PAN : Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number indicated in the PAN field.

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.

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 as mentioned in instruction (v).

- a) After entering these details appropriately, click on **“SUBMIT”** tab.
 - b) Members holding shares in physical mode will then directly reach the Company selection screen. However, members 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 can also be 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.
 - c) For Members holding shares in physical mode, the details can be used only for e-voting on the resolutions contained in this Notice.
 - d) Click on the **EVSN** of the Company.
 - e) 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
 - f) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.
 - g) 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.
 - h) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
 - i) You can also take a print of the votes casted by clicking on **“Click here to print”** option on the Voting page.
 - j) 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** and enter the details as prompted by the system.
 - k) Shareholders can also cast their vote using **CDSL’s mobile app m-Voting**. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting through your mobile.
- 20. The instructions for shareholders voting on the day of the AGM on e-voting system are as under:**
- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

- b) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
- c) If any Votes are casted by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes casted by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- d) Members who have voted through remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
21. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.smspharma.com and on the website of CDSL i.e. www.cdslindia.com within three days of the passing of the Resolutions at the 32nd AGM of the Company and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.
22. **Instructions for members for attending the AGM through VC/OAVM is as under:**
- a) Members will be provided with a facility to attend the AGM through VC/OAVM or view the live webcast of AGM through the CDSL e-Voting system. Members may access the same at www.evotingindia.com under shareholders'/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e) For ease of conduct, members who would like to ask questions may send their questions in advance **at least two(2) days before** AGM mentioning their name, demat account number / folio number, email id, mobile number at info@smspharma.com and to register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- f) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

CONTACT DETAILS:

- Company : **SMS Pharmaceuticals Limited**
Phone: 40-25259999
Email : info@smspharma.com / cs@smspharma.com
- Registrar and : **Aarthi Consultants Private Limited** Phone: 040-27638111 / 27642217 / 27634445
Transfer Agent Email: info@arthiconsultants.com
- e-Voting Agency : **Central Depository Services (India) Limited**
E-mail : helpdesk.evoting@cdslindia.com
Phone : +91-22-22723333/8588
- Scrutinizer : **Mr. C. Sudhir Babu, Practicing Company Secretary**
Phone: 7981191458 / 9493676368
Email : csbassociates27@gmail.com

ANNEXURE TO NOTICE:

Explanatory statement pursuant to section 102 of the Companies Act, 2013 and Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Item No: 4

Based on the recommendations of the Nomination and Remuneration Committee, the Board appointed Mr. Vamsi Krishna Potluri as an Additional Director of the Company, effective June 5th, 2020 pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Vamsi Krishna Potluri will hold office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a member, proposing the candidature of Mr. Vamsi Krishna Potluri for the office of Director, liable to retire by rotation.

The Company has received the following from Mr. Vamsi Krishna Potluri:

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014;
- Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and
- Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

The profile and specific areas of expertise of Mr. Vamsi Krishna Potluri are provided to this Notice. Board of Directors recommends the said resolution for your approval by passing an **Ordinary Resolution**.

Mr. Ramesh Babu Potluri and his relatives are deemed to be concerned or interested in this resolution. None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the resolution set out at Item No. 4 of the accompanying Notice.

Item No: 5

The Board on the recommendations of the Nomination & Remuneration Committee in its meeting held on June 5th, 2020 approved the appointment of Mr. Vamsi Krishna Potluri (DIN: 06956498) as the Whole-Time Director (WTD), designated as Executive Director of the Company for a period of 5 (five) consecutive years effective from 1st July, 2020, subject to the approval of the Members. He is associated with the Company as Senior Vice-president (marketing) since June 10, 2017 at a monthly remuneration of ₹ 5,50,000 (Rupees Five lakhs fifty thousand only), which is within the limits prescribed under Section II of Schedule V of the Companies Act, 2013.

The provisions of section 188(1) of the Companies Act, 2013 read with Rule 15(3)(b) require a Company to obtain prior approval of the Board of Directors and in case any related party holds an office or place of profit in the company then approval of the shareholders by passing Special Resolution is also required.

Considering the rich experience of Mr. Vamsi Krishna Potluri, the Nomination & Remuneration Committee along with the Board recommends his appointment as WTD so that Company can benefit from his insights and global perspective in terms of Section 197, 198, Schedule V and any other applicable provisions of the Companies Act, 2013, at the terms and conditions as set out below:

Salary	: ₹ 5,50,000 (Rupees Five Lakhs Fifty thousand only) per month
Housing	: Rent Free Accommodation: If no accommodation is provided by the Company, he shall be entitled to House Rental Allowance for an amount of ₹ 1.50,000 (₹ One lakh fifty thousand only) per month. : Actual expenses pertaining to maintenance of accommodation, Gas, Electricity, Water and other utilities will be / reimbursed by the Company. : The Company shall provide such furniture, furnishings, domestic servant and security guards at his residence as may require.
Provident Fund, Gratuity	: Company's contribution to the Provident Fund and payment of Gratuity shall be as per the Rules of the Company.
Medical Reimbursement	: Reimbursement of actual medical expenses incurred in India and abroad for self and dependent family members.
Medical Insurance	: Premium will be paid by the Company as per the Company's Policy,
Leave Travel Allowance (LTA)	: LTA will be paid once in a year for one month salary, as per Rules of the Company.
Leave Encashment	: As per the rules of the Company.
Personal accident Insurance	: The premium shall not exceed ₹ 25,000/- per annum.
Club Membership	: Subscription or reimbursement of membership fees (excluding admission and life membership) for two clubs.
Keyman Insurance Policy	: Benefits if any, assigned
Other allowances	: as may be decided by the Board/ nomination and remuneration committee from time to time, subject to the provisions of the Companies Act, 2013

Explanation:

- i) Perquisites shall be evaluated as per the Income-tax Rules, wherever applicable and in the absence of any such rule, Perquisites shall be evaluated at actual costs.
- ii) Family mentioned above means the spouse, dependent parents and dependent children of the Director as mentioned in the applicable rules or schemes.

Commission:

Commission payable as percentage of profits as may be decided by the Board of Directors from time to time.

Amenities:

- i) Conveyance facility: The Company shall provide a Car with Driver.
- ii) Communication facilities: The Company shall provide Telephone, Cell Phone, Internet, and other communication facilities at Director's residence.
- iii) Travelling expenses actually incurred on travelling and boarding and lodging for self and also spouse and attendant, if required accompanying him during domestic and overseas business trips

Explanation:

The following shall not be included for the purpose of computation of Directors' remuneration and perquisites as aforesaid:

1. Company's contribution to the Provident Fund and Superannuation Fund.
2. Gratuity payable pursuant to the rules of the Company.
3. Encashment of Leave.
4. Amenities as mentioned above. This may also be considered and treated as Abstract of the terms of appointment and Memorandum of Interest under Section 190 of the Companies Act, 2013.

Further, pursuant to the provisions of Sections 197 and Schedule V as applicable and other applicable provisions, if any, of the Companies Act, 2013, the said terms & conditions of remuneration shall be placed for the approval of the Shareholders in the Annual General Meeting. Therefore, the Board of Directors of your Company recommends the passing of **Special Resolution** in the ensuing general meeting.

Mr. Vamsi Krishna Potluri, himself and his father Mr. Ramesh Babu Potluri, Chairman & Managing Director of the Company along with his relatives are deemed to be concerned or interested in this resolution. None of the other Directors or key managerial personnel or their relatives is, in anyway, concerned or interested in the resolution set out at Item No. 5 of the accompanying Notice.

Item No. 6

Purchase and sale of products/ by-products/ material at arm's length price from R. Chem (Somanahalli) Private Limited. Sales and purchase of products/by-products/material at arm's length price to VKT Pharma Private Limited and SMS Lifesciences India Limited.

A detail description of the same as set out in form AOC -2 of Board's Report of this Annual Report.

The Board recommends the resolution for approval of the members.

Except Mr. Ramesh Babu Potluri (Chairman and Managing Director) and Mr. TVVSN Murthy (Director) none of the other Directors, Key Managerial Personnel is, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 7

The Board, on the recommendations of the Audit Committee has re-appointed the Cost Auditor Mr. K.S.N. Sarma, to conduct the Audit of the cost records of the Company for the Financial Year 2020-21.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditor needs ratification from the members of the Company. Accordingly, consent of the members is accorded, for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2020 as set out in the Notice.

The Board recommends the resolution for approval of the members.

None of the Directors/ Key Managerial Personnel/ their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting.

[In pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.]

1) Mr.TVVSN Murthy

Brief profile and Nature of Expertise in Specific Functional Areas:

Mr. TVVSN Murthy is a Graduate in Chemistry having expertise in the field of Organic Chemistry and has a rich experience in bulk drug and pharmaceutical industry. He started his career in 1981 with Standard Organics Limited, Hyderabad, as a chemist in R & D. During this period he was instrumental in developing technologies and processes for several bulk drugs. He was actively involved in commercialization of products by scaling up the laboratory-scale process to pilot plant and up to commercial scales.

In 1984, he joined Cheminor Drugs Limited (Group of Dr. Reddy's Laboratories Limited), Hyderabad as Production Manager. He played a major role in substantial development of production and turnover. He played a key role in getting US FDA approval for Cheminor Drugs Limited. As a production Manager, he contributed a lot in process improvement and cost reduction procedures and to increase labor productivity by motivation.

Inter-se relationship between Directors:

None of the directors is related to Mr. TVVSN Murthy

Directorship/ Committee Membership in Listed Companies:

Mr. TVVSN Murthy is the Director of SMS Pharmaceuticals Limited and also in the SMS Life Sciences India Limited. He is also one of the members of "Stakeholders Relationship Committee" in SMS Pharmaceuticals Limited and SMS Lifesciences India Limited, also Chairman of "Corporate Social Responsibility Committee" of SMS Lifesciences India Limited.

No. of Shares held in the Company:

As on 31st March, 2020, Mr. TVVSN Murthy held 54,67,000 shares in the SMS Pharmaceuticals Limited.

2) **Mr. Vamsi Krishna Potluri**

Mr. Vamsi Krishna Potluri is the eldest son of Mr. Ramesh Babu Potluri, Chairman and Managing Director, SMS Pharmaceuticals Ltd. He is the chip of the old block being bought up with same values and virtues which made Mr. Ramesh Babu Potluri a successful but humble human being. He had the privilege of dotting and guiding parents and has been learning from them in being humble and inheriting all the characteristics to be a successful second generation technocrat.

Mr. Vamsi Krishna had his schooling from Hyderabad and after his intermediate education joined BITS Pilani Dubai Campus for his Bachelor's in Engineering in EEE. He was a meticulous student and passed out with flying colours. As part of his BE, he has done his internship in Julphar, one of the biggest Pharma companies in Middle East and owned by the Royal family of Ras Al Khaimah. He worked in their Electrical Engineering department working on ideas to increase the efficiency of the formulation equipment leveraging on what he learnt in his BE and incorporating latest technologies to increase the equipment efficiency.

In his limited internship for just 6 months, he could implement few of his ideas successfully and moved on for his higher education. He has done his Masters in Engineering Management from Missouri University of Science & Technology-Rolla. He had exposure to subjects like Lean manufacturing; finance and cash flow management etc. which will keep him in a good stead going forward in managing Pharma industry.

He joined Ohm Labs which is a biggest manufacturing hub of Ranbaxy in US in the supply chain group and had hands on experience in managing the supply chain to ensure hassle free manufacturing schedules. After working for 1 year with exposure in almost all areas of the operations, he joined family business.

SMS pharmaceuticals Ltd as Vice President - Operations in the year 2014. Took charge of the operations of unit II and was instrumental in planning the business growth of the unit from 50 Crores to 100 crores in a span of 5 years without any capital investment or expansion but realizing the full potential of a limited capacity manufacturing facility through his optimization and marketing skills.

He was also drafted in to the core management team to drive the joint venture with a European partner chemo and was instrumental in development of 8 products under the JV which were developed in the R&D center and got commercialized in vizianagaram facility. In this process, he was regularly visiting and interacting with the R&D teams, motivating them and providing guidance in successfully churning out products in stringent time frames. He is currently involved in management of R & D as well apart from his regular role heading the marketing department in SMS pharmaceuticals Ltd.

He is a director on Board of VKT Pharma which is a Associate concern of SMS pharmaceuticals Ltd manufacturing finished formulations and has been driving its entire operations since 2015. He has been successful in getting market authorization for Ranitidine tablets in US market and has completed a joint venture with US based company, ACIC Pharmaceuticlas developing 4 products with them and commercializing them successfully which are now driving revenues of VKT.

Mr.Vamsi Krishna has proved his management credentials and capabilities in multiple areas within a short span of time under guidance of Mr. Ramesh Babu Potluri. His attitude and man and resources management skills have kept the company in good stead since he joined the organization and believes in hands on approach inculcating the modern business traits with old and established virtues and is poised to take the company to greater heights.

Inter-se relationship between Directors: Mr. Vamsi Krishna Potluri is related to Mr. Ramesh Babu Potluri Chairman & Managing Director.

Directorship/ Committee Membership in Listed Companies:

Is a Director in VKT Pharma Private Limited

No. of Shares held in the Company:

As on 31st March, 2020, Mr. Vamsi Krishna Potluri held 48,10,590 shares in the SMS Pharmaceuticals Limited.

Brief profile and Nature of Expertise in Specific Functional Areas

The brief particulars of the Directors and the names of the Companies in which the directors hold directorships and chairmanships of the Board /Committees and their shareholding in the Company are provided below:

Name of Director	Mr. TVVSN Murthy	Mr. Vamsi Krishna Potluri
Date of Birth	10-02-1960	15.08.1988
Date of Appointment	11-12-2003	05-06-2020
Qualification	B.Se - Chemistry	Graduate from Bits Pilani, Dubai and completed masters in engineering management from Missouri University of Science and Technology in United States
Expertise in Specific functional areas	Expertise in the field of Organic Chemistry and has a rich experience in bulk drugs and pharmaceutical industry	Currently looking after the operations in SMS Pharmaceuticals Limited as Senior-Vice President (Operations) of the Company. Before joining SMS, worked for OHM Laboratories in supply chain to better understand the International Market.
No. of shares held	54,67,000 shares	48,10,590 Shares

Name of Director	Mr. TVVSN Murthy	Mr. Vamsi Krishna Potluri
List of Companies in Which Directorship held as on 31/03/2020	SMS Pharmaceuticals Limited SMS Lifesciences India Limited Mahi Drugs Private Limited	VKT Private Limited
Chairman / Member of the Mandatory committees of the Board of the Companies on which he is director as on 31.03.2020	1. Non-Executive - Director of the Board 2. Member - of Stake holders relationship committee 3. Member – of Nomination and Remuneration Committee	NA

Notes:

- The Directorships, Committee memberships and Chairmanships do not include unlisted Companies and Private Companies, position as an advisory Board Member and position in Companies incorporated under Section 8 of Companies Act, 2013.
- Information pertaining to the remuneration paid to the directors who are being appointed / re-appointed and the number of Board Meetings attended by them during the year 2019-20 have been provided in the Corporate Governance Report forming part of the Annual Report.

By the order of the Board

Ramesh Babu Potluri

Chairman and Managing Director
(DIN:00166381)

Place: Hyderabad
Date: 05-06-2020

Venu of AGM Corporate Office

Regd.off : SMS Pharmaceuticals Limited Plot No. 72, H.No. 8-2-334 / 3 & 4, Road No. 5,
Opp. SBI Executive Enclave, Banjara Hills,
Hyderabad – 500034 Telangana, India.

