



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: 4th September, 2019

To,

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

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

Security Code: 532815

Symbol: SMSPHARMA

Sub: Notice of the 31st Annual General Meeting: Reg.


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 31st Annual General Meeting of the members of SMS Pharmaceuticals Limited will be held on Monday the 30th day of September, 2019 at 09.00 A.M. at the JRC Conventions and Trade Fairs, Survey No. 4, Narne Road, Adjacent to Whisper Valley, Jubilee Hills, Hyderabad-500 008.

Please find the enclosed herewith the Notice of Annual General Meeting along with Proxy form, attendance slip containing the requisite details.

This is for your information and records.

Thanking you

Yours faithfully
For SMS PHARMACEUTICALS LIMITED


V.S.Venkatish
Company Secretary

Encl: a/a
CC to:

1. **National Securities Depository Limited:** Trade World, 'A' wing 4th floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013

2. **Central Depository services India Limited:** 16th floor, phiroze, Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001

3. **Aarathi Consultants Private Limited:** 1-2-285, Domalguda, Hyderabad, 500029.

NOTICE OF ANNUAL GENERAL MEETING

CIN: L24239TG1987PLC008066

Registered Office: Plot No. 72, H.no. 8-2-334/3&4, Road No: 5,
Opp. SBI Executive Enclave, Banjara Hills, Road No. 5, Hyderabad, Telangana – 500034, India.
Tel: 040-25259999, Fax: 040-25259889, website: www.smspharma.com Email: info@smspharma.com

Notice is hereby given that the **31st Annual General Meeting** of the members of SMS Pharmaceuticals Limited will be held on **Monday, the 30th day of September, 2019 at 09.00 A.M.** at the JRC Conventions and Trade Fairs, Survey No. 4, Narne Road, Adjacent to Whisper Valley, Jubilee Hills, Hyderabad -500 008 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Balance Sheet as at 31st March, 2019, Statement of Profit and Loss and Cash Flow Statement for the financial year ended 31st March, 2019 and reports of Directors' and Auditors' thereon.
2. To declare Dividend on the equity shares for the financial year 2018-19.
3. To re-appoint Sri. Ramesh Babu Potluri (DIN: 00166381) who retires by rotation, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **APPOINTMENT OF Sri. Sarvepalli Srinivas (DIN. 02292051) AS AN INDEPENDENT DIRECTOR:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, read with Schedule IV of the Act and all other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) Sri. Sarvepalli Srinivas (DIN:02292051), who has been appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold

office for a term of Five (5) consecutive years with effect from 12th August, 2019 not liable to retire by rotation.”

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 to such authority as may be deemed necessary, proper or expedient to give effect to this resolution and for matter connected herewith or incidental there to in the best interest of the Company.”

5. **Re-Appointment of Sri. P. Sarath Kumar as an Independent Director**

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

“RESOLVED THAT Pursuant to the provisions of Section 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 (“ACT”) and the Companies (Appointment and qualifications of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri. P. Sarath Kumar (DIN 01456746), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-executive Director of the Company to hold office for second term up to 11th August, 2024 not be liable to retire by rotation.”

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 to such authority as may be deemed necessary, proper or expedient to give effect to this resolution and for

matter connected herewith or incidental there to in the best interest of the Company.”

6. Re-appointment of Dr. (Smt.) Thummala Neelaveni as an Independent Director

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

“**RESOLVED THAT** Pursuant to the provisions of Section 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 (“ACT”) and the Companies (Appointment and qualifications of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Smt. Dr. T. Neelaveni (DIN 00065571), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-executive Director of the Company hold office for second term up to 11th August, 2024 not be liable to retire by rotation.”

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 to such authority as may be deemed necessary, proper or expedient to give effect to this resolution and for matter connected herewith or incidental there to in the best interest of the Company.”

7. Re-appointment of Sri. P. Vamsi Krishna as Senior Vice-President (Operations) of the Company

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

“**RESOLVED THAT** Pursuant to the provisions of Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board, consent of

the members of the Company, be hereby accorded for the re-appointment of Sri. Vamsi Krishna designated as **Senior Vice-President (Operations)** of the Company, for a further period of three years from 1st October, 2019 to 30th September, 2022 to hold office of profit, with a Remuneration of Rs. 5,50,000/- PM. (Rs Five Lakhs Fifty Thousand only) per month and other perquisites as per the Company’s policy in force.

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Companies Act, 2013 (as amended from time to time), the Board of Directors of the Company or any committee thereof, be hereby, authorized to vary, alter or modify the designation and revisions in the remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to Sri. P. Vamsi Krishna to the extent the Board of Directors deem fit, subject to overall remuneration ceiling of related party as approved by members.

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 to such authority as may be deemed necessary, proper or expedient to give effect to this resolution and for matter connected herewith or incidental there to in the best interest of the Company.”

8. 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 2018-19 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 2018-19 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.”

9. RATIFICATION OF REMUNERATION PAYABLE TO THE COST AUDITOR FOR THE FINANCIAL YEAR ENDING ON 31ST MARCH, 2020.

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 Rs. 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, 2020.

“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: 12-08-2019

Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting, wherever applicable is annexed hereto.
2. **A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder/member.
4. Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. **Only bonafide members of the Company whose names appear on the Register of Members/ Proxyholders, in possession of valid attendance slips duly filled and signed will be permitted to attend the Meeting. The Company reserves it's right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.**
6. In order to enable us to register your attendance at the venue of AGM, we request you to bring your folio number/demat account number/ DP ID-Client ID to enable us to give you a attendance slip for your signature and participation at the meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
9. The Registers under the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours between 11:00 a.m. to 1:00 p.m. except on holidays. The said Registers will also be available for inspection by the members at the venue of the AGM.
10. The Register of Members and Transfer Books of the Company will remain closed from 23rd September, 2019 to 30th September, 2019, both days inclusive.
11. The Board of Directors of the Company at their meeting held on 27th May 2019 has recommended a dividend of Re. 0.25 per equity share of Re.1/- face value, aggregating to Rs.2,11,63,007/- as dividend for the financial year 2018-19. Dividend, if declared, at the AGM, will be deposited on or before 4th October, 2019. The dividend, if approved at the 31st AGM, will be paid to those members whose names appear on the register of members of the Company as on Saturday, 21st September, 2019.
12. Pursuant to Section 108 and 109 of the Companies Act, 2013, read with Rules 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company has provided voting by electronic means to the members to cast their votes electronically on all resolutions set forth in this notice.
13. The Company will provide the "Remote e-Voting" facility to all the members, whose names appear on the register of members of the Company as on Saturday, 21st September, 2019. The Company will provide the Voting by way of ballot or polling paper at the AGM Venue to those members who have not cast their vote by Remote e-Voting facility. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. The detailed instructions for e-voting are given as a separate attachment to this notice.
14. The e-Voting facility will be available during the following period:

Commencement of e-Voting	From 9:00 A.M. (IST) on Friday, 27 th September, 2019
End of e-Voting	On 05:00 P.M. (IST) on Sunday, 29 th September, 2019

15. The Company has appointed Sri. C. Sudhir Babu, Practicing Company Secretary,(Proprietor, CSB Associates) to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.
16. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode at their address. A copy of the notice of the AGM along with the Annual Report is also available for download on the website of the Company www.smspharma.com. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with Aarthi Consultants Private Limited/ Depositories. The members will be entitled to a physical copy of the annual report for the financial year 2018-19, 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, Telangana, India.
17. The members are requested to intimate immediately any change in their address or bank mandate to their depository participants with whom they are maintaining their accounts **or** to the Company's Share Transfer Agent M/s. Aarthi Consultants Private Limited at their office, 1-2-285, Domalguda, Hyderabad, Telangana 500029" or mail them at info@aarthiconsultants.com stating their details, if the shares are held in physical form.
18. The business set out in the notice will be transacted through electronic voting system and the Company is providing facility for voting through electronic means.
19. Instructions and other information relating to e-voting are given separately.
19. For the convenience of members and for proper conduct of the meeting, entry to the place of meeting will be regulated by attendance slip, which is part of the annual report. Members are requested to duly fill in and sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
20. Shareholder/member desiring any information relating to the accounts are requested to write to the Company at least 7 days before the date of AGM so as to enable the management to keep the information ready.
21. Relevant documents referred to in the notice and the Explanatory Statement is open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of Annual General Meeting.
22. The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2010-11, from time to time on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Sec. 124 of Companies Act, 2013 and Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 20, 2018 (date of last Annual General Meeting) on the website of the Company (www.smspharma.com).
23. Members who have not encashed the dividend warrant(s) for the financial year ended March 31, 2011 onwards are requested to make their claims directly to the Company or to M/s Aarthi Consultants Pvt. Ltd. at info@aarthiconsultants.com & aarthiconsultants@gmail.com, without any delay.

Due date for transfer of unclaimed dividend to IEPF

Year	Dividend per share (Rs.)	Date of declaration	Due date for transfer to IEPF	Amount of Unpaid Dividend(Rs.)
2011-12	-	-	-	0
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

24. In the event of transfer of equity shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed form IEPF-V available on the website of www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in said Form.
25. In accordance with the proviso to Regulation 40 (1) of the SEBI (LODR) Regulations, 2015, effective from April 1, 2019, transfer of shares of the Company shall not be processed unless the shares are held in dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical forms are requested to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to certain ordinary business and the special businesses mentioned in the Notice:

Item No. 4

The Board of Directors of the Company had appointed Sri. Sarvepalli Srinivas (DIN No: 02292051) as an Additional Director w.e.f. 12th August, 2019 in the category of independent director. In terms of the provisions of Sec. 161(1) of the Companies Act, 2013, he would hold office up to the date of ensuing annual general meeting. As per the provision of Sec. 149 of the Companies Act, 2013 an Independent Director shall hold office for a term not exceeding five consecutive years in the Board of the Company and is not liable to retire by rotation.

A notice under Section 160 of the Companies Act, 2013 has been received from a member of the Company proposing candidature of Sri. Sarvepalli Srinivas. The Company has received consent in writing to act as a Director in Form DIR – 2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, from Sri. Sarvepalli Srinivas to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013.

In the opinion of the Board, Sri. Sarvepalli Srinivas, fulfills the conditions specified in the Companies Act, 2013 and the Rules framed there under and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is Independent of the management. The Resolution set out at item No. 4 of the notice is put forth for consideration of the members as an Ordinary Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Sri. Sarvepalli Srinivas as an Independent Director.

The Board recommends the resolution for approval of the members.

Except Sri. Sarvepalli Srinivas none of the other Directors/ Key Managerial Personnel/ their relatives are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No.5

Sri. P Sarath Kumar is a Chartered Accountant and is the senior partner of M/s Sarath & Associates, Chartered Accountants. He has about 36 years of professional experience and has a Degree in Law, besides a certified fraud examiner. He specializes in Financial Strategy, Restructuring, personal Financial Management, Red Flag Studies, Forensic Investigations and preventive Fraud Risk Management.

The Board of Directors of the Company had appointed him as an Additional Director of the Company with effect from 12th August, 2014 and was appointed by the Shareholders at the 26th Annual General Meeting held on 30th September, 2014 for a period of five years. As per section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of five (5) consecutive years on the Board of the Company, but shall be eligible for reappointment on passing a special resolution by the Company for another term of five (5) consecutive years on the Board of the Company. The Board of Directors recommended for the re-appointment of Sri. P. Sarath Kumar as an Independent Director for a further period of five years with effect from 12th August, 2019 subject to the approval of the Members in the ensuing General Meeting of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 an Independent Director shall hold office for a term up to five years on the Board of a Company and is not liable to retire by rotation. Sri. P. Sarath Kumar has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1) of SEBI (LODR) Regulations, 2015. He also given his consent to continue to act as the Director of the Company, if so appointed by the Members.

The Board has also considered and recommended his appointment. In the opinion of the Board, the Independent Directors proposed to be appointed fulfills the Conditions specified in the Companies Act, 2013 and the Rules made there under and the proposed Directors are independent of the Management.

In the opinion of the Board, the Independent Director proposed to be appointed fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and the proposed Director is independent of the management.

In compliance with the provisions of Sections 161(1) and 149 read with Schedule IV of the Act, the appointment of Sri. P. Sarath Kumar as an Independent Director is now being placed before the Members in General Meeting for approval.

The terms and conditions of appointment of Sri. P. Sarath Kumar shall be open for inspection by the members at the registered office during normal business hours on any working day of the Company.

None of the Directors, Key managerial personnel or their relatives, except Sri. P. Sarath Kumar, is concerned or interested in the Resolution.

Item No.6

Dr. (Smt.) Thummala Neelaveni is a medical doctor by profession. She is a graduate in BDS, from Osmania University, Hyderabad and is one of the reputed dental surgeons in Hyderabad. She has vast experience of more than 20 years in the profession.

The Board of Directors of the Company had appointed her as an Additional Director of the Company with effect from 12th August, 2014 and was appointed by the Shareholders at the 26th Annual General Meeting held on 30th September, 2014 for a period of five years. As per section 149(10) of the Companies Act, 2013 an Independent Director shall hold office for a term of five (5) consecutive years on the Board of the Company, but shall be eligible for reappointment on passing a special resolution by the Company for another term of five (5) consecutive years on the Board of the Company. The Board of Directors recommended for the re-appointment of Dr. (Smt.) Thummala Neelaveni as an Independent Director for a further period of five years with effect from 12th August, 2019 subject to the approval of the Members in the ensuing General Meeting of the Company.

As per the provisions of Section 149 of the Companies Act, 2013 an Independent Director shall hold office for a term up to five years on the Board of a Company and is not liable to retire by rotation. Dr. (Smt.) Thummala Neelaveni has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. She also given her consent to continue to act as the Director of the Company, if so appointed by the Members.

The Board has also considered and recommended her appointment. In the opinion of the Board, the Independent

Directors proposed to be appointed fulfills the Conditions specified in the Companies Act, 2013 and the Rules made there under and the proposed Directors are independent of the Management.

In the opinion of the Board, the Independent Director proposed to be appointed fulfills the conditions specified in the Companies Act, 2013 and the Rules made there under and the proposed Director is independent of the management.

In compliance with the provisions of Sections 161(1) and 149 read with Schedule IV of the Act, the appointment of Dr. (Smt.) Thummala Neelaveni as an Independent Director is now being placed before the Members in General Meeting for approval.

The terms and conditions of appointment of Dr. (Smt.) Thummala Neelaveni shall be open for inspection by the members at the registered office during normal business hours on any working day of the Company.

None of the Directors, Key managerial personnel or their relatives, except Dr. (Smt.) Thummala Neelaveni, is concerned or interested in the Resolution.

Item No. 7

Sri. P. Vamsi Krishna son of Sri. Ramesh Babu Potluri (Chairman & Managing Director) was appointed as Vice-President (Operations) of the Company by the members of the Company at the 28th Annual General Meeting of the Company held on 30th September, 2016 for a period of three (3) years at a remuneration of Rs. 3,25,000/- (Rs. Three Lakh Twenty Five thousand only) per month inclusive of all perquisites and allowances.

He had studied B. Tech (EEE) in Birla Institute of Technology and Science (BITS) Pilani, Dubai, and University of Missouri, St. Louis, Rola, U.S.A.. Prior to joining SMS Pharmaceuticals Limited, he had worked in Ranbaxy Laboratories, Jacksonville, Florida, U.S.A. He is focusing on improvement of operations of the Company and to improve operational efficiency.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has re-appointed him as Senior Vice-President (Operations) from 1st October, 2019 to 30th September, 2022 subject to the approval of the members, on revised remuneration 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 of the Company except Sri. Ramesh Babu Potluri, is in any way concerned or interested, financially or otherwise, in this resolution.

Item No. 8

The Company had made following Contracts/Arrangements/Transactions with its Related Parties:

- 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 Sri. Ramesh Babu Potluri (Chairman and Managing Director) and Sri. 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. 9

The Board, on the recommendation of the Audit Committee has re-appointed the Cost Auditor Sri. K.S.N. Sarma, to conduct the Audit of the cost records of the Company for the Financial Year 2019-20.

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.]

I. Sri. Ramesh Babu Potluri (DIN. 00166381)

Brief profile and Nature of Expertise in Specific Functional Areas:

He is a Post-graduate Technocrat. In 1990 he acquired SMS Pharmaceuticals Limited which

at that point of time was a sick unit and had become the Managing Director of the Company. After taking charge as Managing Director, he changed the product mix of the Company. This gave the Company a boost in sales and helped the Company in achieving profitability in the first year of operations itself. Under his guidance the Company introduced many other series of API's. He helped the company in reaching a level wherein the Company became one of the largest producers of Ranitidine HCl. He had served on boards of Organizations like Chemexil and had been advisor to AP State Government for Pharma Sector.

Inter-se relationship between Directors: None of the directors is related to Mr, Ramesh Babu Potluri.

2. Sri. P. Sarath Kumar (DIN. 01456746)

Brief Profile and Nature of Expertise in Specific Functional Areas:

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

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

Inter-se relationship between Directors: None of the directors is related to Sri. P. Sarath Kumar.

3. Smt. Dr. T. Neelaveni (DIN: 00065571)

Brief Profile and Nature of Expertise in Specific Functional Areas:

She is Graduate in BDS, from Osmania University, Hyderabad and she is one of the reputed dental surgeons in Hyderabad. She has vast experience of more than 20 years in the profession.

Inter-se relationship between Directors: None of the directors is related to Smt. T. Neelaveni.

4. Smt. Shilpa R Waghmare as Nominee Director of Export Import Bank of India

Brief profile and Nature of Expertise in Specific Functional Areas:

Smt. Shilpa Waghmare holds a Bachelor's degree in Commerce and has a Master's degree in Management Studies from the University of Mumbai with specialisation in Finance. She is a Certified Associate of the Indian Institute of Bankers and is currently associated with the Loan Administration Group at the Bank's Head Office. She has served across various functions in the Bank including Risk Analysis, Credit Management and Stressed Assets. Before joining the Bank, Smt. Waghmare worked with SICOM Ltd. for 12 years and its subsidiary SICOM ARC Ltd., for over 4 years. She has over 23 years of experience in the areas of stressed assets, management / resolution of non-performing assets, sale and purchase of stressed assets, legal matters, project finance and compliance.

Her areas of interest include music, dance, cooking and travel.

Inter-se relationship between Directors: None of the directors is related to Smt. Shilpa R Waghmare.

5. Sri. Sarvepalli Srinivas (DIN: 02292051)

Brief profile and nature of Expertise in specific functional Areas:

Sri. Sarvepalli Srinivas holds a B.Com., degree from the University of Delhi. He is an accomplished Business leader with over 3 decades of proven leadership experience in leading Public/ Private Sector enterprises with decisive and forward thinking with a strong vision and strategic capability. He has excellent people skills and problem-solving capability, exceptional blend of fiscal and management capabilities, financially astute, strategic thinking and highly analytical. He has a consistent track record of increasing sales and growing bottom line, while spearheading operational improvements in varied business verticals, cross-sector exposure with effective vision, excel in dynamic, demanding environments, while remaining pragmatic and focused.

Professional Experience (Over 32 years of experience in leading Public / Private Sectors)-National Handloom Development Corporation Ltd (NHDC) – Managing Director -National Textile Corporation Ltd (NTC) – Chairman & Managing Director

Inter-se relationship between Directors: None of the directors is related to Sri. Sarvepalli Srinivas.

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	Sri. Ramesh Babu Potluri	Sri. P. Sharath Kumar	Dr.(Smt.) T. Neelaveni	Smt. Shilpa R Waghmare as Nominee Director of Export Import Bank of India	Sri. Sarvepalli Srinivas
Date of Birth	23.06.1959	15.08.1957	01.07.1963	01.07.1972	29.06.1962
Date of Appointment	01.12.2008	12.08.2014	12.08.2014	31.01.2019	12.08.2019
Qualification	M.Sc.	Chartered Accountant	BDS - Doctor	MBA	B.Com.
Expertise in Specific functional areas	Chemical	Finance & Accounts	In Medicine	Banker by profession	Banker by Profession
No. of shares held	1,45,06,960	Nil	Nil	Nil	Nil
List of Companies in Which Directorship held as on 31/03/2019	1. SMS Pharmaceuticals Limited 2. SMS Lifesciences India Limited 3. Pharmaceuticals Export Promotion Council Of India 4. VKT Pharma Private Limited 5. Mahi Drugs Private Limited	1. SMS Pharmaceuticals Limited 2. SMS Lifesciences India Limited 3. Shreyas Management And Services Private Limited 4. Nischaya Insolvency Professionals Private Limited	1. SMS Pharmaceuticals Limited 2. SMS Lifesciences India Limited	1. SMS Pharmaceuticals Limited	Nil
Chairman / Member of the Mandatory committees of the Board of the Companies on which he is director as on 31.03.2019	Chairman of the Board. Chairman CSR Committee.	Audit Committee – Chairman Nomination and Remuneration Committee – Member Stakeholder relationship Committee – Member CSR Committee – Member	Audit Committee – Member Nomination and Remuneration Committee – Chairman Stakeholder relationship Committee – Member CSR Committee – Member	NIL	Nil

Notes:

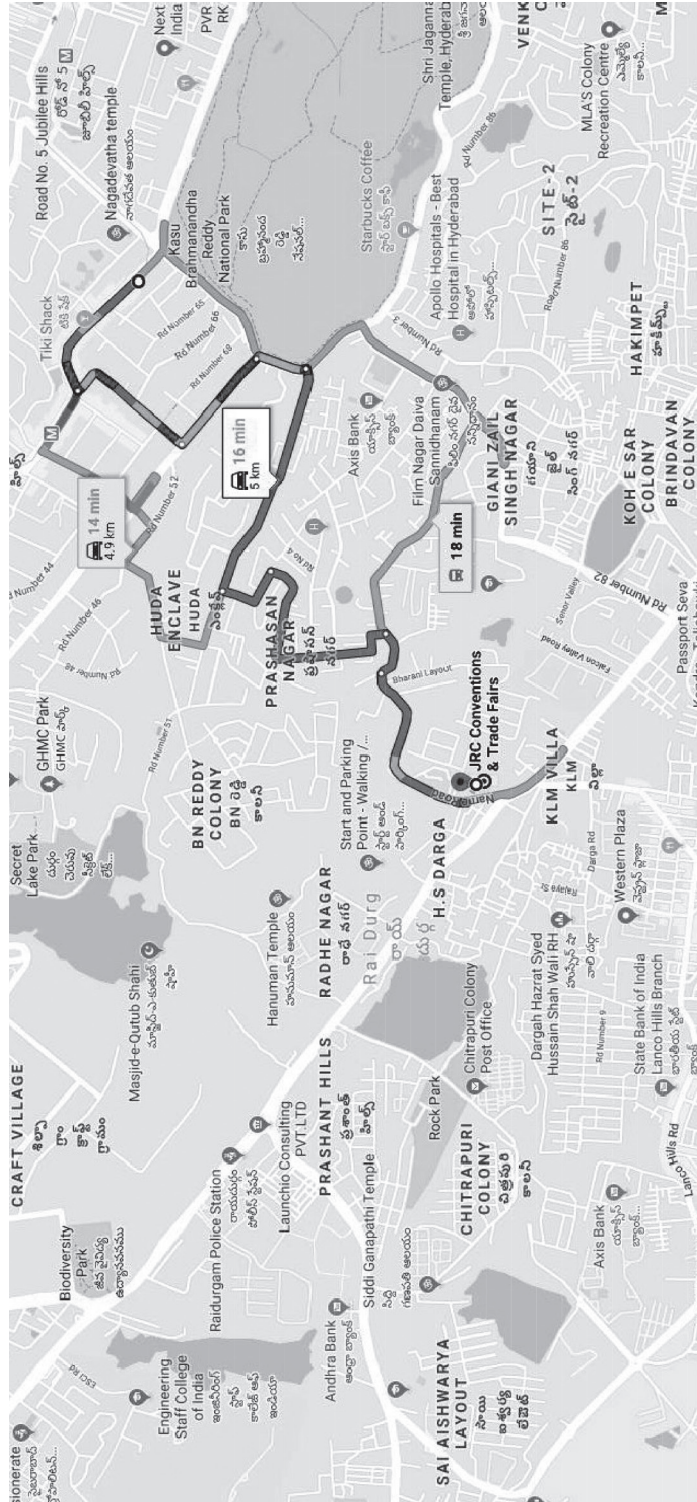
- The Directorships, Committee memberships and Chairmanships do not include unlisted Companies and Private Companies, position as an advisory Board Member and position in Companies incorporated under Section 8 of Companies Act, 2013.
- Information pertaining to the remuneration paid to the directors who are being appointed / re-appointed and the number of Board Meetings attended by them during the year 2018-19 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: 12-08-2019

Annual General Meeting VENUE ROUTE MAP

JRC Conventions & Trade Fairs
Survey No. 4, Narne Road, Adjacent to Whisper valley,
Jubilee Hills, Film Nagar, Hyderabad, Telangana – 500008.
Phone. No: 040-45549999



INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday, **27-09-2019 at 09:00 A.M.** and ends on Sunday, **29-09-2019 at 05:00 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 (record date) of **21-09-2019**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
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"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said Demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If 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 (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form 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 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

-
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. 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 on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- 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.
 - 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 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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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 you may contact 18002005533.



Pharmaceuticals Ltd.



SMS PHARMACEUTICALS LIMITED

CIN: L24239TG1987PLC008066

Registered Office: Plot no.72, H.No.8-2-334/3&4, Road. No. 5,
Opp. SBI Executive Enclave, Banjara Hills, Hyderabad, Telangana 500034, India
Tel.: 040-25259999 • Fax: 040 - 25259889 • www.smspharma.com •
E-mail: info@smspharma.com

ATTENDANCE SLIP

(To be presented at the entrance)

31st Annual General Meeting

I hereby state that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the Annual General Meeting of the Company being held on Monday 30th September, 2019 at 09.00 AM at JRC Conventions & Trade Fairs, Survey No, 4, Narne Road, Adjacent to whisper valley, Film Nagar, Jubilee Hills, Hyderabad – 500008, Telangana, or/any adjournment thereof

Name of the Member(s)/ Proxy
(In Block Letters)

Folio No.

DP ID - Client ID

No. of Shares Held

Signature of the Member/Proxy

Note:

1. Shareholders/proxy holders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand over at the gate, affixing their signature on them.
2. Shareholders are informed that no duplicate attendance slips will be issued at the venue of the meeting
3. Members are requested to bring their copies of Annual Report at the AGM. Shareholders are informed that no extra / substitute annual report will be issued at the venue of the Meeting.
4. Please strike off whichever is not applicable



FORM MGT II PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014)



SMS PHARMACEUTICALS LIMITED

CIN: L24239AP1987PLC008066

Registered Office: Plot no. 72, H.no.8-2-334/3&4, Road.No. 5,

Opp. SBI Executive Enclave, Banjara Hills, Hyderabad, Telangana 500034, India

Tel.: 040-25259999 • Fax: 040 – 25259889 www.smspharma.com • E-mail: info@smspharma.com

Name of the Member(s): _____

Registered Address: _____

E-mail ID: _____ Folio No./Client Id: _____ DP ID: _____

I/We, being member(s) of _____ shares of the Company, hereby appoint:

A Name : _____

Address : _____

E-mail Id : _____ Signature: _____

Or failing him/her

B Name : _____

Address : _____

E-mail Id : _____ Signature: _____

Or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting, SMS Pharmaceuticals Limited to be held on the 30th day of September, 2019 At 09.00 A.M. at "JRC Conventions & Trade Fairs, Survey No. 4, Narne Road, Adjacent to whisper valley, Film Nagar, Jubilee Hills, Hyderabad -500 008 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	For	Against	Abstain
Ordinary Business				
1	To receive, consider and adopt the Audited Standalone and Consolidated Balance Sheet as at 31st March, 2019, Statement of Profit and Loss and Cash Flow Statement for the financial year ended 31st March, 2019 and reports of Directors' and Auditors' thereon.			
2	To declare the dividend on Equity Shares for the financial year 2018-19.			
3	To re-appoint Sri Ramesh Babu Potluri (DIN : 00166381) who retires by rotation, and being eligible, offers himself for re-appointment			
Special Business				
4	Appointment of Sri. Sarvepalli Srinivas as Independent Director			
5	Re-Appointment of Sri. P. Sharath Kumar as an Independent Director			
6	Re-appointment of Dr. (Mrs) ThummalaNeelaveni as an Independent Director			
7	Re-appointment of Sri. P. Vamsi Krishna as Vice-President (Operations) of the Company			
8	To Ratify/Approve the Related Party Contracts / Arrangements/ Transactions of the Company			
9	Ratification of remuneration payable to the cost auditor for the financial year ending on 31st March, 2020.			

Signed this..... day of..... 2019.

Revenue Stamp

Signature of Proxy holder(s)

Signature of the Shareholder



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company situated at Plot.No.72, H.No. 8-2-334/3&4, Opp. SBI Executive Enclave, Banjara Hills, Road No. 5, Hyderabad, Telangana 500034, India not less than 48 hours before the commencement of the Meeting.
2. Please complete all details including details of member(s) before submission. (To be handed over at the entrance of the Meeting Hall).
3. Proxy need not a member of the Company.
4. Corporate members intending to send their authorized representative(s) to attend the meeting are required to send a certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. It is optional to indicate your preference. If you or abstain column blank against any or all resolutions. Your proxy will be entitled to vote in the manner as he/she may think appropriate.
6. Appointing a Proxy does not prevent a member from attending the meeting in person if he so wishes.
7. In case of Joint holders the signature of any one holder will be sufficient but names of all the Joint holders should be stated.