



**CODE OF CONDUCT OF BOARD OF DIRECTORS
AND SENIOR MANAGEMENT PERSONNEL**

(Originally adopted by the Board of Directors on 8th August, 2015

Amended on 5th December, 2015, on 14th May, 2016, on 10th August, 2016, on 30th May, 2017 & on 08th February, 2024)

1. INTRODUCTION:

- 1.1.** The Code of Business Conduct and Ethics for Director(s) & Senior Management Personnel hereinafter referred to as “the Code”) of SMS Pharmaceuticals limited (hereinafter referred to as “SMS Pharmaceuticals”) represents the values and core principles that guide the conduct of SMS Pharmaceuticals and its business. The Code lays down the ethical standards that SMS Pharmaceuticals colleagues need to observe in their professional lives. The Code is a living document. It could be amended over the years to stay aligned with changing cultural and regulatory norms across the multiple jurisdictions in which we conduct our business.
- 1.2.** This Code of Conduct is framed in consistent with global best practices and regulatory changes in key markets in which we operate and further this Code of Conduct has been adopted by the Company in compliance with Regulation 17(5) & 26 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 146 of the Companies Act, 2013 as amended.
- 1.3.** It explicitly references our Company’s values, and linked with our Company’s mission to improve the quality of life of the communities we serve globally through long-term stakeholder value creation; it clarifies the duties and responsibilities of SMS Pharmaceuticals and colleagues in relation to these stakeholder groups.
- 1.4.** This Code supersedes the earlier Code of Conduct for Board Members and Senior Management approved by the Board in its meeting held on 30th May, 2017.
- 1.5.** The Code is intended to be a contemporary and relevant guide for our times. It cannot, however, provide an answer to all possible questions or ethical dilemmas that may arise at the workplace. SMS Pharmaceuticals colleagues who feel uncertain about the appropriate professional conduct



in any situation must seek guidance from the Chairman and utilise appropriate channels or platforms to discuss the same.

- 1.6. The Company shall not only comply with the laws and regulations that govern our business, but strive to go beyond and set an example of business conduct that meets the highest ethical standards. Each SMS Pharmaceuticals colleague has the ability to make a vital difference to the quality of life of the communities we serve. This Code represents our individual and mutual commitment to discharge our responsibilities through the most sustainable and ethical means, and our shared determination to reinforce the SMS Pharmaceuticals reputation of leadership with Trust.
- 1.7. The Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every Director is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

2. **SCOPE/APPLICABILITY OF THE CODE:**

- 2.1. The Code applies to Directors and Senior Management of the Company.
- 2.2. The Independent Directors of the Company are subject to certain duties as laid down by the Companies Act, 2013 which are set out in **Annexure - I** of the Code.
- 2.3. The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices.

3. **DEFINITIONS:**

“Board” or “Board of Directors” shall mean the board of directors of the Company.

“Company” shall mean SMS Pharmaceuticals limited.

“Compliance Officer” shall mean the Company Secretary of the Company.



“Listing Regulations” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Senior management Personnel (SMP)” shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and one level below Managing Director, Whole Time Director, including the functional heads, Company Secretary and Chief Financial Officer.

[Note: criteria of SMP has been broadened w.e.f. 17th January, 2023 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023.]

Words and expressions used and not defined in this Code, but defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and rules and regulations made thereunder shall have the meanings respectively assigned to them in such legislations.

4. CODE OF CONDUCT:

Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall conform to the highest moral and ethical standards and at all times, be loyal to the Company and act in good faith and in the best interest of the Company.

4.1. PRINCIPLES GOVERNING DISCLOSURES AND OBLIGATIONS:

The Governing Principles of disclosures and dissemination of information by the Board of Directors of SMS Pharmaceuticals are mentioned hereunder:

- A. Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.
- B. The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.



- C. The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
- D. The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.
- E. The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
- F. Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.
- G. The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.
- H. The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.
- I. Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information.
- J. Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.

5. DUTIES & RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

The Board of Directors of the listed entity shall have the following duties and responsibilities:

5.1. DISCLOSURE OF INFORMATION TO THE BOARD OF DIRECTORS:

- i. Members of Board of Directors and Key Managerial Personnel shall disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
- ii. The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

5.2. DUTIES OF DIRECTORS AS STIPULATED IN THE COMPANIES ACT, 2013 IS MENTIONED HERE UNDER:

- i. Subject to the provisions of the Companies Act, 2013, a director of a Company shall act in accordance with the articles of the Company.
- ii. As a Member of Board of Directors, they shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- iii. As a Member of Board of Directors, they shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv. As a Member of Board of Directors, they shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- v. As a Member of Board of Directors, they shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- vi. As a Member of Board of Directors, they shall not assign his office and any assignment so made shall be void.

6. CONFLICT OF INTEREST

- i. The Directors and Senior Management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest. They should avoid transacting Company's business with their relative or with a firm/ Company in which either they themselves or their relatives are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board.
- ii. The Directors and Senior Management shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.
- iii. Further, members of the Board of Directors and all senior management personnel of the Company are required to make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company & its subsidiaries at large in the ***Annexure II*** attached to this Code. The disclosure is required to be sent to the Compliance Officer who shall promptly circulate the same to the Board of Directors and/or place it at the meeting of the Board of Directors scheduled after receipt of such Disclosure.

Explanation: For the purpose of this Clause, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives, etc.

7. HONESTY, INTEGRITY, FAIRNESS AND ACCOUNTABILITY

- i. The Directors and Senior Management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore, in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity, and fairness. All of them must act in good faith with honesty and accountability and with due care, competence, and diligence.



- ii. The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations, or this Code to the appropriate personnel.

8. DISCLOSURE OF INTEREST

- i. The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws.
- ii. The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

9. CONFIDENTIALITY

- i. Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company.
- ii. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director/ Senior Management or anyone other than the Company.
- iii. Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possess such information because of their position in the Company.

10. COMPLIANCE WITH APPLICABLE LAWS & COMPANY'S POLICIES

- i. Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time.



- ii. Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

11. DECLARATION FOR COMPLIANCE WITH THE CODE

- i. The members of the Board and Senior Management shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect as per the format set out in *Annexure III*.
- ii. The annual report of the Company shall carry a declaration signed by the Managing Director/CEO of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

12. MISCELLANEOUS

- i. Suspected violations of the Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated and action will be taken on the conclusion of the enquiry by the Board which may even include a request to resign as Director or Senior Management of the Company, if permitted by applicable laws and is in the best interest of the Company.
- ii. The board of directors of the Company reserves the right to modify and/or amend the Code at any time. The Code and subsequent amendment(s) thereto, shall be published on the website of the Company.

Annexure-I

DUTIES OF INDEPENDENT DIRECTORS

The duties of the Independent Director as laid down in Schedule IV to the Companies Act, 2013 are as follows:

The independent directors shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the Company;
6. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the Company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;



10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy; and
12. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.



Annexure-II

To,
The Compliance Officer
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.

Subject: Disclosure under Regulation 26(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to any material, financial and commercial transactions with the Company having potential conflict of interest with the Company.

Dear Sir,

In compliance of the requirements of Regulation 26(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I _____,
Director / member of Senior Management team of SMS Pharmaceuticals Limited, (the "Company") hereby confirm that during the financial year ended _____.

- there has not been any material, financial and commercial transactions with the Company, wherein I had any personal interest that may have a potential conflict with the interest of the Company and its subsidiaries.

OR

- there has been material, financial and commercial transactions as detailed in Annexure A, had been undertaken by the Company, wherein I had a personal interest that had a potential conflict with the interest of the Company.

(delete the option which is not applicable)

I also confirm that in case of any such situation arises in the future, I will bring the same to the notice of the Company.

The disclosure be brought to the notice of the Board at its forthcoming meeting.

Signature: _____

Name: _____

Designation: _____

Date: _____

Employee ID/DIN No.: _____

Place: _____



Annexure-A

Details of transactions of the Company in which I shall be considered as interested or transactions where I have potential conflict of interest

Sr. No.	Name of Party(ies) with whom transaction(s) has/have been entered	Nature of Transaction	Nature of Interest	Amount of Transaction

Signature: _____

Name: _____

Date: _____

Place: _____



Annexure-III

**CODE OF BUSINESS CONDUCT FOR BOARD OF DIRECTORS
AND SENIOR MANAGEMENT PERSONNEL**

(Pursuant to Regulation 26(3) of the SEBI (LODR) Regulation, 2015)

ANNUAL CONFIRMATION TO CODE

To
The Compliance Officer,
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.

I, son of resident of
being a Director/ Senior Management Personnel of the SMS Pharmaceuticals Limited,
do hereby solemnly affirm that I have received and read the Company's "CODE OF
BUSINESS CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT
PERSONNEL" as applicable to all the Board of Directors and Senior Management
Personnel. I have understood the provisions and policies contained in this Code. I had
complied with this Code, in letter and in spirit and to the best of my knowledge and
belief, during the financial year ending on

Signature:.....

Name:

Date:

Place: