



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: 06<sup>th</sup> September 2025

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**

Dear Sir/Madam,

**Sub: Business Responsibility and Sustainability Report for the financial year 2024-25.**

Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year 2024-25. The BRSR also forms part of the Annual Report for the Financial Year 2024-25.

Please take the above intimation on your records.

Thanking you  
Yours faithfully

**For SMS Pharmaceuticals Limited**

**Thirumalesh Tumma  
Company Secretary and Compliance Officer**

Encl: as above

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR) – 2024-25

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	: L24239TG1987PLC008066
2. Name of the Listed Entity	: SMS Pharmaceuticals Limited
3. Year of incorporation	: 14 <sup>th</sup> December, 1987
4. Registered office address	: Plot. No. 72, H.No: 8-2-334/3&4, Road No: 5, Opp. SBI Executive Enclave, Banjara Hills, Hyderabad – 5000034, Telangana, India
5. Corporate address	: Plot. No. 72, H.No: 8-2-334/3&4, Road No: 5, Opp. SBI Executive Enclave, Banjara Hills, Hyderabad – 5000034, Telangana, India
6. E-mail	: <a href="mailto:cs@smspharma.com">cs@smspharma.com</a>
7. Telephone	: +91-40-35359999
8. Website	: <a href="http://www.smspharma.com">www.smspharma.com</a>
9. Financial year for which reporting is being done	: 01 <sup>st</sup> April, 2024 to 31 <sup>st</sup> March, 2025
10. Name of the Stock Exchange(s) where shares are listed	: BSE Limited (BSE), National Stock Exchange of India Limited (NSE)
11. Paid-up Capital	: Rs.886.52 lakhs
12. Name and contact details telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	: Mr. Thirumalesh Tumma, Company Secretary and Compliance Officer, Tele: +91-40-35359999, Email: <a href="mailto:Complianceofficer@smspharma.com">Complianceofficer@smspharma.com</a>
13. Reporting boundary - Are the disclosures under this Report made on a standalone basis or on a consolidated basis.	: The disclosure under BRSR is on Standalone basis unless otherwise stated.
14. Name of assurance provider	: -
15. Type of assurance obtained	: -

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of Active Pharmaceutical Ingredients (APIs)	99.21

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Manufacture of Active pharma ingredients, intermediates, custom pharmaceutical services and nutraceuticals	21001	100

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3*	1	4
International	0	0	0

\*The plants include the Company's manufacturing locations and R&D centers.

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	47

b. What is the contribution of exports as a percentage of the total turnover of the entity?

69%

c. A brief on types of customers

We serve a diverse range of pharmaceutical companies worldwide.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1173	1107	94.37	66	5.63
2.	Other than Permanent (E)	0	0	0	0	0.00
3.	<b>Total employees (D + E)</b>	<b>1173</b>	<b>1107</b>	<b>94.37</b>	<b>66</b>	<b>5.63</b>
<b>WORKERS</b>						
4.	Permanent (F)	297	297	100.00	0	0
5.	Other than Permanent (G)	396	363	91.67	33	8.33
6.	<b>Total workers (F + G)</b>	<b>693</b>	<b>660</b>	<b>95.24</b>	<b>33</b>	<b>4.76</b>

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	<b>Total differently abled workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

21. Participation/ Inclusion/representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5
Key Management Personnel	4	0	0

**22. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	Turnover rate in current FY 2024-25			Turnover rate in previous FY 2023-24			Turnover rate in the FY prior to previous FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.68	9.58	15.26	22.99	25.24	48.23	23.3	23.4	46.7
Permanent Workers	8.99	0	8.99	26.75	0	26.75	1.42	0	1.42

**V. Holding, subsidiary and Associate Companies (including Joint Ventures)****23. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	SMS Peptides Private Limited	Subsidiary	93.00	No
2	VKT Pharma Private Limited	Associate	34.83	No
3	CHEMO SMS ENTERPRISES SL (55% held by Chemo 45% held by SMS)	Joint Venture	45.00	No

**VI. CSR Details****24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes**

- a. Turnover (in Rs.) 782,74,81,188/-
- b. Net worth (in Rs.) 673,06,97,288/-

**VII. Transparency and Disclosures Compliances****25. Complaints/Grievance on any of the principles (Principles1 to 9) under the National Guidelines on Responsible Business conduct**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)*	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y	-	-	-	-	-	-
Investors (other than shareholders)	Y	-	-	-	-	-	-
Shareholders	Y	-	-	-	-	-	-
Employees and workers	Y	-	-	-	-	-	-
Customers	Y	-	-	-	-	-	-
Value Chain Partners	Y	-	-	-	-	-	-
Other (please specify)	Y	-	-	-	-	-	-

\* Various policies of the Company for redressing the grievances of its stakeholders are available at <https://smspharma.com/company-announcements/downloads/>. In addition there are internal policies placed on intranet of the Company.

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	ESG compliance	Risk and Opportunity	<p>In the evolving business environment, ESG compliance has emerged as a critical factor for long-term sustainability and investor confidence. For the company, ESG considerations are particularly significant due to:</p> <p>Stringent global regulatory expectations from importing countries (e.g., US FDA, EMA) around environment and ethical practices.</p> <p>Increasing scrutiny from institutional investors and global supply chain partners on ESG performance.</p> <p>Rising expectations around waste management, carbon footprint reduction, energy efficiency, and responsible sourcing.</p> <p>Greater public focus on ethical business conduct, clinical trial transparency, employee welfare, and community engagement.</p> <p>Non-compliance may result in reputational damage, regulatory penalties, and loss of market access. Conversely, proactive ESG alignment offers strategic opportunities.</p> <p>Therefore, ESG compliance is not only a risk mitigation measure but also a strategic enabler of sustainable growth for the Company.</p>	<p>To address the identified ESG-related risks, the Company has adopted a structured and proactive approach, including:</p> <ol style="list-style-type: none"> <li><b>1. Policy Alignment:</b> Development and periodic review of internal policies aligned with global ESG standards such as ensuring compliance with SEBI's BRSR guidelines.</li> <li><b>2. Sustainable Operations:</b> Investment in energy-efficient equipment and green manufacturing practices Improved waste segregation and safe disposal of hazardous pharma waste Water conservation initiatives and effluent treatment systems</li> <li><b>3. Ethical and Inclusive Workforce Practices:</b> <ol style="list-style-type: none"> <li>Implementation of fair labour practices, POSH policy, and DEI (Diversity, Equity &amp; Inclusion) initiatives</li> <li>Periodic training on ethical business conduct, data privacy, and workplace safety</li> </ol> </li> <li><b>4. Stakeholder Engagement:</b> Regular engagement with investors, regulators, suppliers, and community stakeholders to address ESG expectations and disclosures transparently. Through these measures, the Company aims to mitigate ESG compliance risks, enhance operational resilience, and create long-term value for all stakeholders.</li> </ol>	<p><b>Positive: Access to ESG &amp; Sustainability-Linked Capital:</b> Strong ESG compliance can enable access to green bonds, sustainability-linked loans, and lower interest rates from ESG-focused investors and banks.</p> <p><b>Long-term Cost Efficiency:</b> Energy-efficient and sustainable manufacturing practices can reduce utility bills, waste disposal costs, and overall resource usage over time.</p> <p><b>Market Differentiation &amp; Brand Premium:</b> Strong ESG compliance enhances brand reputation, attracts ESG-conscious customers, and opens opportunities for export to regulated markets.</p> <p><b>Improved Investor &amp; Stakeholder Confidence:</b> Transparent ESG practices increase investor trust, employee satisfaction, and alignment with global supply chain ESG norms – potentially increasing firm valuation.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Regulatory compliance	Risk and opportunity	<p>The company operates in a highly regulated environment, governed by multiple national and international regulations. Failure to comply with such evolving and stringent regulatory frameworks can result in severe operational, financial, and reputational consequences such as product recalls, license suspensions, import bans, and loss of customer and investor trust.</p> <p>Conversely, proactive and robust compliance systems not only mitigate these risks but also present opportunities for enhanced global market access, long-term business sustainability, and stakeholder confidence.</p> <p>Hence, regulatory compliance is identified as both a critical risk and a strategic opportunity in the company's business and sustainability planning.</p>	<p>To effectively manage the risks associated with evolving regulatory landscapes, the company has adopted a proactive, multi-layered compliance strategy:</p> <p><b>Standard Operating Procedures (SOPs):</b> All operations are governed by well-documented SOPs aligned with Good Manufacturing Practices (GMP) and global quality standards. Regular updates are made based on regulatory revisions.</p> <p><b>Internal Audits and Mock Inspections:</b> Periodic internal audits are conducted to assess compliance readiness, identify gaps, and implement corrective actions.</p> <p><b>Training and Capacity Building:</b> Regular training sessions are held for all levels of staff—including production, R&amp;D, quality assurance, and compliance—on regulatory requirements, ESG mandates.</p>	<p><b>Positive &amp; Negative:</b></p> <p><b>Fines and Penalties:</b> Non-compliance with domestic regulations may result in hefty penalties, warning letters, or even suspension of licenses.</p> <p><b>Market Access Restrictions:</b> Regulatory violations can lead to import bans, product recalls, or delisting in critical export markets, leading to revenue losses and reputational damage.</p> <p><b>Increased Compliance Costs:</b> Delayed adaptation to changing regulations can lead to urgent remediation costs, legal expenses, and consultancy fees.</p> <p><b>Operational Disruptions:</b> Non-compliance may cause temporary plant shutdowns, delayed product approvals, or loss of key supply chain certifications affecting business continuity.</p> <p><b>Positive Implications</b></p> <p><b>Access to Global Markets:</b> Compliance with international regulatory standards enhances eligibility for exports to highly regulated markets boosting revenue.</p> <p><b>Investor Confidence:</b> Strong compliance records improve ESG ratings and stakeholder trust, attracting institutional investors and long-term capital.</p> <p><b>Reputation and Brand Value:</b> A robust compliance framework strengthens brand credibility and market position.</p> <p><b>Cost Optimization:</b> Proactive compliance helps avoid costly litigation, reputational loss, and remediation, resulting in better financial planning and risk-adjusted returns.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Changing global political and economic conditions	Risk	<p>The global political and economic environment plays a critical role in shaping the operations, market access, supply chain stability, and growth prospects of pharmaceutical companies. Given the sector's heavy dependence on international markets for both raw materials (APIs, intermediates) and finished goods exports, shifts in geopolitical dynamics and macroeconomic policies can significantly impact business sustainability.</p> <p><b>Risk Considerations:</b></p> <p>Trade barriers or sanctions in key export or import countries could disrupt the supply chain or restrict market access.</p> <p>Currency volatility, inflationary trends, or recessionary pressures in major markets (e.g., US, EU) can affect profitability and pricing strategies.</p> <p>Regulatory shifts in global jurisdictions may lead to re-certifications, delays in product approvals, or additional compliance costs.</p> <p>Geopolitical conflicts or instability, especially in countries with manufacturing bases or sourcing dependencies, could result in operational disruptions.</p>	<p><b>1. Reducing Supply Chain Diversification</b> dependency on single-country by diversifying suppliers across geographies. Establishing alternate vendors and strategic inventory buffers for critical APIs and raw materials.</p> <p><b>2. Regulatory Preparedness</b> Maintaining a dedicated Regulatory Affairs Team to monitor and comply with evolving global regulatory requirements. Engaging with consultants and experts for faster product registration and compliance</p> <p><b>3. Active participation in industry bodies and trade associations</b> to stay updated on policy changes and influence regulatory dialogue</p>	<p><b>Negative:</b> Geopolitical events like wars, internal conflict, changes in governments and policies can have effect the way we do our business in distribution and client deliveries and possibility in increase in costs</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Supply chain sustainability	Risk	<p>The Company operates in a highly regulated and sensitive ecosystem, where supply chain sustainability plays a pivotal role in ensuring uninterrupted manufacturing, quality assurance, and timely delivery of essential medicines.</p> <p>Given the increasing dependence on global supply networks, especially for Active Pharmaceutical Ingredients (APIs), excipients, and packaging materials, any disruption—whether due to geopolitical tensions, pandemics, trade barriers, environmental regulations, or supplier non-compliance—poses a significant operational and reputational risk.</p> <p>At the same time, strengthening and diversifying the supply chain in alignment with ESG criteria presents an opportunity to build long-term resilience, improve supplier collaboration, reduce carbon footprint, and meet evolving stakeholder and regulatory expectations. Sustainable sourcing, ethical labour practices, and transparency throughout the value chain are increasingly becoming key differentiators in the pharmaceutical sector.</p>	<p>The company has adopted a multi-pronged and proactive approach:</p> <p><b>Supplier Diversification &amp; Localization:</b> Reducing over-dependence on a supplier by identifying alternate sources, encouraging domestic sourcing, and leveraging government schemes.</p> <p><b>Inventory Buffering &amp; Critical Stocking:</b> Maintaining safety stock of critical raw materials to mitigate the impact of supply delays or quality issues.</p> <p>By implementing the above measures, the company aims to strengthen its supply chain continuity, ensure regulatory compliance, and advance long-term sustainability objectives.</p>	<p><b>Negative: Increased procurement costs</b> due to diversification of suppliers and ESG-compliant sourcing practices.</p> <p><b>Higher operational expenses</b> from inventory holding, real-time monitoring systems, supplier audits, and compliance training.</p> <p><b>Potential revenue loss</b> due to supply disruptions caused by geopolitical tensions, environmental factors, or non-compliant suppliers.</p>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Product and quality risk	Risk	<p>In the pharmaceutical sector, product and quality risk is a critical consideration due to its direct impact on patient safety, brand reputation, regulatory compliance, and market access. Strict regulatory environments demand consistent adherence to quality protocols and manufacturing standards. Any deviation or lapse in quality can result in product recalls, regulatory action, and loss of consumer trust.</p>	<p>To mitigate product and quality risks, the company has adopted a multi-layered quality assurance and compliance framework, which includes:</p> <p><b>Stringent Quality Control (QC) and Quality Assurance (QA) Systems</b></p> <p>Implementation of Good Manufacturing Practices (GMP) aligned with global standards. Use of validated and automated quality testing procedures to minimize human error.</p> <p>Robust Standard Operating Procedures (SOPs)</p> <p>Regular review and updating of SOPs across manufacturing, packaging, and storage.</p> <p>Continuous training programs for employees to ensure adherence.</p> <p><b>Regulatory Surveillance and Internal Audits</b></p> <p>Periodic internal audits and third-party inspections to proactively detect non-compliance.</p> <p>Monitoring of regulatory changes across all active markets.</p>	<p><b>Negative:</b></p> <p><b>Regulatory Fines &amp; Penalties:</b> Non-adherence to GMP or pharmacovigilance norms can attract substantial fines, warning letters, or import bans, impacting revenue.</p> <p><b>Market Access Loss:</b> Suspension of approvals in key markets (US/EU) disrupts sales, leading to lost contracts and revenue shortfalls.</p> <p><b>Reputational Damage:</b> Brand erosion following quality incidents can depress share price, reduce market share, and increase customer acquisition costs.</p>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	The policies have been approved by the Chairman and Managing Director and certain policies are approved by the Board Many of the policies are available on the website of the Company <a href="https://smspharma.com/company-announcements/downloads/">https://smspharma.com/company-announcements/downloads/</a> and the policies which are internal to the Company are available on the Intranet of the Company								
c. Web Link of the Policies, if available									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N	N	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P 2 = Y P3: The company has Environmental Management System Accreditation ISO 14001. P6: The company has Occupational Health and Safety Accreditation ISO 45001								
5. Specific commitments, goals and targets set by the entity with defined timelines if any.	SMS Pharmaceuticals Ltd. has planned to establish 1.3 MW rooftop solar in next financial year. This marks a key step in the company's commitment to: <ul style="list-style-type: none"> <li>Accelerating its renewable energy transition</li> <li>Reducing Scope 2 emissions and overall carbon footprint</li> <li>Enhancing energy self-reliance and operational sustainability.</li> </ul>								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	<ol style="list-style-type: none"> <li>During FY 2024–25, the unit commissioned 07 additional distillation columns to Solvent recovery block to further optimize solvent recovery performance and strengthen our environmental management efforts: To ensure environmental safety and pollution control, the facility has implemented: <ul style="list-style-type: none"> <li>VOC absorption media columns installed in both SRB-I and SRB-II</li> <li>All process vents are connected to these columns, which are placed at a height of 6 meters above rooftop level to ensure effective dispersion and capture</li> <li>VOC monitors are installed to track and control volatile organic compound emissions in real time.</li> </ul> </li> <li>As part of our commitment to reducing environmental impact and advancing sustainable production practices, we successfully eliminated the use of Tetrahydrofuran (THF) and Dichloromethane (DCM) from the Sitagliptin API synthesis process</li> </ol>								



	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No, the Company internally reviews the working of the above-mentioned policies. The working of the policy is also ensured by the various department heads / director / wherever applicable								
12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:									

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	-	-	-	-

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership." While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors and Key Managerial Personnel (KMP)	2	Familiarisation programs for the Board of Directors/ KMPs of the Company are done periodically. Presentations given to Board of Directors and KMP regarding the updates on Companies Act, SEBI Regulations. Further few Directors and KMPs attended various programs conducted by various bodies the programmes include business and industry updates, risk management, environmental, social and governance parameters, and compliances of various statutory requirements, updating on various Codes/ Policies of the Company, etc.,	100
Employees other than BoD and KMPs and workers	177	Employees undergo various training programs throughout the year based on their roles. These include technical training, functional SOP training, safety training, on-the-job training, and health, safety, and environmental training.	100

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed one entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	BSE Limited & National Stock Exchange of India Limited	352000/-	Non-compliance of Regulation 19(1)(c) of SEBI LODR, with the requirements 'at least two-thirds of the Directors shall be Independent Directors' pertaining to the composition of Nomination and Remuneration Committee of the Board for the period from 12 <sup>th</sup> August, 2024 to 07 <sup>th</sup> November, 2024.	No
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases were monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available provide a web-link to the policy.**

No Company does not have an independent anti-bribery policy but Our employees and those representing us, including agents and intermediaries, shall not, directly, or indirectly, offer or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favors for the conduct of our business. The Company has zero tolerance approach towards corruption and bribery.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2024-25	FY 2023-24
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-		-	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-		-	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
No. of days of accounts payable	85	127

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25	FY 2023-24
<b>Concentration of Purchases</b>	a. Purchases from trading houses as % of the total purchases	27.36%	27.96%
	b. Number of trading houses where purchases are made from	617	550
	c. Purchases from top 10 trading houses as %of total purchases from trading houses	47.31%	50.31%
<b>Concentration of sales</b>	a. Sales to dealers/ distributors as %of total sales	11.13%	16.42%
	b. Number of dealers / distributors to whom sales are made	24	29
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	58.07%	57.68%
<b>Share of RPTs in</b>	• Purchases (Purchases with related parties / total purchases)	7.51%	3.12%
	• Sales (sales to related parties / total sales)	5.06%	3.17%
	• Loans & advances (Loans & Advances given to related parties / Total Loans & Advances)	0.00	0.00
	• Investments (Investments in related parties / Total investments made)	99.78%	99.78%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total Number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (By value of Business done with such partners) under the awareness programmes
0	0	0

**2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**

Yes, SMS Pharma has policy on Code of Conduct in place and expects all its Personnel (Members of the Board) to refrain from engaging in any activity or having a personal interest that presents a conflict of interest. The Company ensures that all its Board Members and Senior Management adhere to the code of conduct to avoid situations of conflict of interest. <https://smspharma.com/wp-content/uploads/2024/06/Code-of-business-conduct-and-ethics-for-Directors-Sr-Mgt-Personnel-New.pdf>

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
R&D	0	0	Reduced number of process steps to reduce the carbon footprint and reduce production process life cycle
Capex	69%	57%	

**2 a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) b. If yes, what percentage of inputs were sourced sustainably?**

No

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

SMS Pharmaceuticals Ltd, Unit-VII implements a comprehensive hazardous waste & other wastes management system across all departments and production blocks. Each department maintains a dedicated waste storage area, where waste is segregated into Separate containers based on type and source of generation.

Hazardous waste is generated primarily from:

- Process operations
- Filter press sludge's
- Stripper and ATFD (Agitated Thin Film Dryer) systems
- Distillation columns in the Solvent Recovery Block

All hazardous wastes are securely stored in a waste storage area with appropriate labelling, containment, and safety precautions. Waste is disposed in compliance with Hazardous Waste Management Rules:

- Sent to APEMC-authorized TSDFs (Treatment, Storage and Disposal Facilities), co-processing units, or cement industries
- Disposal is conducted within 90 days, as per regulatory norms
- Transport is tracked through online manifests and GPS-enabled vehicles, ensuring transparency and traceability
- SMS Pharma also conducts regular internal audits and ensures CPCB and APPCB compliance in handling, storage, and disposal.

During FY 2024–25, the company continued to strengthen its waste management practices to align with environmental regulations and reduce its ecological footprint. Key initiatives and improvements include:

- **Segregation at Source:** Implementation of strict protocols to ensure systematic segregation of hazardous and non-hazardous waste at source for appropriate disposal or recycling.
- **Recycling and Reuse:** Enhanced efforts to recycle packaging materials, scrap, and other industrial waste. Where feasible, non-hazardous waste was reused internally or sent to authorized recyclers.
- **Hazardous Waste Handling:** Hazardous waste was stored, labeled, and transported in compliance with the Hazardous Waste Management Rules. The company continued working with authorized handlers for safe treatment and disposal.



b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	297	236	79.46	297	100	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>297</b>	<b>236</b>	<b>79.46</b>	<b>297</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent workers</b>											
Male	363	363	100	363	100	0	0	0	0	0	0
Female	33	33	100	33	100	33	100	0	0	0	0
<b>Total</b>	<b>396</b>	<b>396</b>	<b>100</b>	<b>363</b>	<b>100</b>	<b>33</b>	<b>8.33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2024-25	FY 2023-24
Cost incurred on well- being measures as a % of the total revenue of the Company	0.32%	0.34%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % Of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100.00%	100.00%	Y	100.00%	100.00%	Y
Gratuity	100.00%	100.00%	Y	100.00%	100.00%	Y
ESI	26.08%	79.46%	Y	39.07%	97.63%	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

For differently abled employees, the infrastructure facilities across the offices and manufacturing and R&D facilities adhere to accessibility standards wherever it is required.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

While the Company has no a formal written policy in place, it is firmly committed to the principles of equal opportunity and inclusive employment practices. The Company is dedicated to fostering a work environment that is respectful, supportive, and free from all forms of discrimination.

SMS Pharma values diversity and strives to create an inclusive culture where all individuals are treated with dignity and respect. No employee or candidate will be treated less favorably on the basis of race, sex, religion or beliefs, disability, marital or civil partnership status, age, sexual orientation, gender identity or expression, caregiving responsibilities, or any other characteristic protected under applicable laws.

5 Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

		Yes/No (If yes, then give details of the mechanism in brief)
1	Permanent Workers	The Company has always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR or the members of the senior management as part of the Whistleblower Policy, the Company provides a grievance redressal mechanism and encourages its employees and workers to bring to attention any instances of unethical behavior, incidents, frauds or violation. The Company has a policy on prevention, prohibition, and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company's policy on the same is placed on the Company's website.
2	Other than Permanent Workers	Yes, the non-permanent employees and workers communicate their grievances through their respective supervisors. The grievances are further communicated to the Company for necessary action and resolution of the grievances.
3	Permanent Employees	A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances.  The Company has formulated Whistle Blower Policy for redressing grievances. The Policy can be accessed from <a href="https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf">https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf</a>
4	Other than Permanent Employees	A Grievance Redressal Mechanism has been constituted to hear and redress individual grievances.  The Company has formulated Whistle Blower Policy for redressing grievances. The Policy can be accessed from <a href="https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf">https://smspharma.com/wp-content/uploads/2022/08/Whistel-Blower-Protection-Policy.pdf</a>

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The Company does not have any employee associations. The Company, however, recognizes the right to freedom of association.

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	1107	1037	93.68	1093	98.74	973	942	96.81	246	25.28
Female	66	52	78.79	52	78.79	54	44	81.48	35	64.81
<b>Total</b>	<b>1173</b>	<b>1089</b>	<b>92.84</b>	<b>1145</b>	<b>97.61</b>	<b>1027</b>	<b>986</b>	<b>96.01</b>	<b>281</b>	<b>27.36</b>
<b>Workers</b>										
Male	297	187	62.96	286	96.29	170	170	100	170	100
Female	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>297</b>	<b>187</b>	<b>62.96</b>	<b>286</b>	<b>96.29</b>	<b>170</b>	<b>170</b>	<b>100</b>	<b>170</b>	<b>100</b>

9. Details of performance and career development reviews of employees and Workers

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1107	865	78.14	973	0	0
Female	66	35	53.03	54	0	0
<b>Total</b>	<b>1173</b>	<b>900</b>	<b>76.72</b>	<b>1027</b>	<b>0</b>	<b>0</b>
<b>Workers</b>						
Male	297	152	51.18	170	0	0
Female	0	0	0	0	0	0
<b>Total</b>	<b>297</b>	<b>152</b>	<b>51.18</b>	<b>170</b>	<b>0</b>	<b>0</b>

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, all manufacturing locations under the entity have an Occupational Health and Safety management system in place, in accordance with the guidelines provided by OHSAS IS 14489 & ISO45001 :2018 standards and the legal requirements such as Factories Act, Indian Boilers Act, Environment Protection Act.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company undertakes periodic internal and external audits to ensure the compliance of Occupational Health and Safety management system within the manufacturing operation. The EHS trainings, audits and inspections are carried out as per the guidelines of OHSAS IS 14489 & ISO45001 :2018 standard. The Company's Process Safety Management system facilitates the implementation of best safety practices.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, The Company has well-established Standard Operating Procedures (SOP) for employees and workers to identify and report on work-related hazards and the subsequent steps to mitigate them. In addition, the Company trains all its employees and workers with occupational health and safety.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides non-occupational medical and healthcare services to its employees and workers. Further, the Company ensures the provision of medical insurance to all its employees and workers and option is given to employees and permanent workers either to avail medical insurance or choose their own service provider.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

We have implemented strong health and safety systems at all our plants. These systems are guided and driven by our established policies and procedures. Periodic assessments are conducted to evaluate the effectiveness of the systems implemented and appropriate measures are taken to further improve our H&S performance continually

13. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NIL	0	0	NIL
Health & Safety	0	0	NIL	0	0	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All safety related accidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents.

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No (the company has accidental death insurance PA)

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company collects proof of deposit for statutory dues, such as payment challans etc., from its service value chain partners prior to releasing their payments. This process ensures that the required statutory deductions have been made and deposited by the value chain partners with the relevant authorities. The Company also ensures that all statutory dues applicable to its transactions are duly deducted and deposited in compliance with prevailing regulations.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable Employment	
	FY 2024 -25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company periodically provides skill-upgradation training programs to all its employees during their employment to enable the employees to pursue employment post-retirement or termination.

5. Details on assessment of value chain partners:

The value chain partners are expected to adhere to the principles of Health and safety practices, working conditions as per extant regulations. However, no independent assessment is carried out.

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

There were no significant risks/concerns identified during the supplier assessments.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Identifying key stakeholders is critical to align the business's sustainability efforts with stakeholder expectations regulatory requirements. The following approach is followed by the company to identify, engage with, and prioritize stakeholders:

- Influence on the company (regulatory, operational, reputational, financial)
- Dependence on the company (economic, social, or product dependence)
- Impact of business operations on the stakeholder
- Stakeholder expectations and concerns

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investor/ Shareholder	No	Email, newspaper advertisement, website, Annual General Meetings, intimation to stock exchanges, annual/ quarterly financials and investor meetings/ conferences	Need based	To update on the key developments and changes in the company.
Regulator & Government	No	one-on-one meetings, conferences	Need Based	In keeping with the latest and highest standards of compliance. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry
Supplier/ vendor/ third party manufacturer	No	Multiple channels – physical and digital	Frequent and need based	For seamless supply of raw materials and maintaining healthy business relationship
NGO /Community	No	Multiple channels – physical and digital	Frequent and need based	As part of Corporate social responsibility and for development and wellbeing of society through our business functioning and Support socially projects, Community Development

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customer B2B	No	Multiple channels – physical and digital	Frequent	We engage with our customers to ensure regular supply of the products, keep them informed about new products. Helps to increase reach and enhance business
Employees	No	Direct & other communication mechanisms	Quarterly	For promoting safe and inclusive workplace for its employees. Aim to provide employees inclusive workplace.

### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Energy Conservation continues to receive priority within the Company and the Company is continuously monitoring energy Consumptions across various locations, has resulted in improvement in maintenance systems and reduction in Distribution losses.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

The Company continuously monitors its energy usage, regulates the emissions released and waste generated, and makes sure it follows responsible water consumption practices. Our focus on environmental protection and occupational health and safety is enshrined in our policies

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company through its CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons, for further details <https://smspharma.com/wp-content/uploads/2025/02/Corporate-Social-Responsibility-Policy.pdf>

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. employees' workers covered (B)	% (B / A)	Total (C)	No. employees' workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1173	1173	100	1027	1027	100
Other than permanent	0	0		0	0	0
<b>Total Employees</b>	<b>1173</b>	<b>1173</b>	<b>100</b>	<b>1027</b>	<b>1027</b>	<b>100</b>
<b>Workers</b>						
Permanent	297	297	100	170	170	100
Other than permanent	396	396	100	558	558	100
<b>Total Workers</b>	<b>693</b>	<b>693</b>	<b>100</b>	<b>728</b>	<b>728</b>	<b>100</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	1173	180	15.35	993	84.65	1027	100	9.74	927	90.26
Male	1107	145	13.10	962	86.90	973	95	9.76	878	90.24
Female	66	35	53.03	31	46.97	54	5	9.26	49	90.74
<b>Other than Permanent</b>	0	0	0	0	0	0	0	0	0	0
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Workers</b>										
<b>Permanent</b>	297	195	65.66	102	34.34	170	148	87.06	22	12.94
Male	297	195	65.66	102	34.34	170	148	87.06	22	12.94
Female	0	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>	396	244	61.62	152	38.38	558	454	81.36	104	18.64
Male	363	215	59.23	148	40.77	522	418	80.08	104	19.92
Female	33	29	87.88	4	12.12	36	36	100.00	-	-

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration salary/wages of respective category
Board of Directors (BoD)	8	2,22,500	2	3,72,500
Key Managerial Personnel	2	32,50,000	0	0
Employees other than BoD and KMP	1103	4,09,000	66	3,50,000
Workers	297	1,80,000	0	0

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	3.78%	3.17%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

HR Head along with the other Sr. executives are responsible for addressing any human rights issues caused or contributed by the business.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

SMS Pharmaceuticals Ltd. does not tolerate retaliation. We consider acts of retaliation to be misconduct. The Company regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed, we have a Grievance redressal mechanism for its employees in the form of Whistle blower policy and a formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation.

Refer to <https://smspharma.com/wp-content/uploads/2024/06/Code-of-business-conduct-and-ethics-for-Directors-Sr-Mgt-Personnel-New.pdf>

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Refer to: <https://smspharma.com/wp-content/uploads/2024/06/Code-of-business-conduct-and-ethics-for-Directors-Sr-Mgt-Personnel-New.pdf>

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

YES

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0%
Forced/involuntary labour	0%
Sexual harassment	0%
Discrimination at workplace	0%
Wages	0%
Others – please specify	0%

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

**Leadership Indicators**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

There were no such grievances/complaints in the Company.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

No such third-party due diligence was conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The premises/ offices of the Company, including the registered offices and plants have ramps or have elevators and relevant infrastructure for differently abled individuals where ever it is required based on the job location

## 4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	The Company expects its value chain partners to adhere to the same values, principles and business ethics as upheld by the Group in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain elements covered in annual review of processes and controls.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

## 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment****Essential Indicators**

## 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25	FY 2023-24
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumption from renewable sources (A+B+C)</b>	-	-
<b>From non-renewable sources</b>		
Total electricity consumption (A)	199227	158920
Total fuel consumption (B)	363713.47	388395.59
Energy consumption through other sources (C)	0	0
<b>Total energy consumption from non-renewable sources (A+B+C)</b>	562940.47	547315.59
<b>Energy intensity per rupee of turnover</b> (Total energy consumption/ turnover in rupees)	0.0000719185	0.000076685
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity PPP</b> (Total energy consumption / revenue from operations adjusted for PPP)	0.001481520	0.001717744
Energy Intensity in terms of physical output	181.76GJ/M.Tonne	243.48GJ/M.Tonne
<b>Energy intensity (optional)</b> – the relevant metric may be selected by the entity		

@ conversion factor for purchasing power parity PPP) taken is 20.66 for the year 2024-25 and 22.4 for FY 2023-24

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, we have done assessment internal only, not engaged any external agency.

## 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, the Company does not have any sites/facilities identified as designated consumer under the Performance Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	Nil	Nil
(ii) Groundwater	248666	87626
(iii) Third party water	3184.39	3183
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	44726.56	75064
<b>Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)</b>	<b>296576.95</b>	<b>165873</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>296576.95</b>	<b>165873</b>
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.000037889	0.0000232405
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity PPP</b> (Total Water consumption / Revenue from operations adjusted for PPP)	0.0007805174	0.000520587
Water intensity in terms of physical output	95.76KL/M.Tonne	73.79KL/M.Tonne
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity		

# Intensity in terms of physical output has been calculated on the basis of MT of APIs and their Intermediates produced for the relevant year.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

4. Provide the following details related to water discharged.

	FY 2024-25	FY 2023-24
<b>Water discharge by destination and level of treatment (in kiloliters)</b>		
i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
iii) To Seawater	13297.31	6512.29
- No treatment	0	0
- With treatment – please specify level of treatment1	13297.31	6512.29
iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment1	0	0
<b>Total water discharged (in kiloliters)</b>	<b>13297.31</b>	<b>6512.29</b>

**Note:** Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At SMS Pharma, we view water through the interconnected lenses of effective usage and conservation. We have to improve water conservation by recycling / condensate water and streamlining processes.

The Company adheres to environmental regulations and ensures the same regulations are followed by its suppliers as well. The Company has also introduced Zero Liquid Discharge plants across all our facilities

We efficiently convert by-products from production into valuable materials and operate as a Zero Liquid Discharge (ZLD) unit at Hyderabad, employing advanced water recycling technologies in both the units

In keeping with our commitment to reducing our water footprint, we have established a Zero Liquid Discharge (ZLD) unit. Additionally, we have implemented a Multiple Effect Evaporator (MEE) system to separate solids from liquid effluents, along with a reverse osmosis (RO) system and biological treatment. The water recovered from this process is reused after condensation, furthering our commitment to resource efficiency

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	Tons	5.59	5.08
SOx	Tons	7.36	6.97
Particulate matter (PM)	Tons	8.19	8.24
Persistent organic pollutants (POP)	Tons	NA	NA
Volatile organic compounds (VOC)	PPM	12.95	10.78
Hazardous air pollutants (HAP)	Tons	NA	NA
Others– please specify	Tons	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

YES, it was carried out SV ENVIRO LABS & CONSULTANTS, Environmental Engineers & Consultants in Pollution Control at unit-7

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25	FY 2023-24
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes ofCO2 equivalent	37300.11	37382.48
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes ofCO2equivalent	52416.47	42378.97
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent	0.0000114617	0.0000059377
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		0.000236120	0.000133004
Total Scope 1 and Scope 2 emissions in terms of physical output.		28.97 MT eqCO2	35.48 MT eqCO2
<b>Total Scope 1 and Scope 2</b> emission intensity (optional)– the relevant metric may be selected by the entity			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NO

**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes, various initiatives are implemented to reduce the Green House Gas emissions (GHG).

Key initiatives taken to reduce GHG emissions are:

- As part of our commitment to reducing environmental impact and advancing sustainable production practices, we successfully eliminated the use of Tetrahydrofuran (THF) and Dichloromethane (DCM) from the Sitagliptin API synthesis process.
- Emission Control using AOD Pumps
- Introduced degassing receivers followed by dump tanks for controlled hydrogen release.
- Transitioned DIPEA charging from drum-based manual handling to a permanent pipeline system.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-24
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	42.07	21.74
E-waste (B)	0.01	0.23
Bio-medical waste (C)	0.56	0.51
Construction and demolition waste (D)	1.52	0.09
Battery waste (E)	0.98	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	2720.99	1667.88
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	32.68	40.94
<b>Total (A+B + C + D + E + F + G+ H)</b>	<b>2799.81</b>	<b>1731.40</b>
<b>Waste intensity per rupee of turnover</b> (Total Waste generated /Revenue from operation)	0.000000358	0.000000244
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity PPP</b> (Total Waste generated /Revenue from operations adjusted for PPP)	0.000007368	0.000004980
Waste intensity in terms of physical output	0.90 MT/MT	0.77 MT/MT
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	44494.66	75064
(ii) Re-used	29.75	67.60
(iii) Other recovery operations	Nil	Nil
<b>Total</b>	<b>44524.41</b>	<b>75131.60</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	Nil	Nil
(ii) Landfilling	39.26	35.15
(iii) Other disposal operations	2790.57	1616.18
<b>Total</b>	<b>2829.83</b>	<b>1651.33</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

NO

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

During FY 2024–25, the company continued to strengthen its waste management practices to align with environmental regulations and reduce its ecological footprint. Key initiatives and improvements include:

- **Segregation at Source:** Implementation of strict protocols to ensure systematic segregation of hazardous and non-hazardous waste at source for appropriate disposal or recycling.
- **Recycling and Reuse:** Enhanced efforts to recycle packaging materials, scrap, and other industrial waste. Where feasible, non-hazardous waste was reused internally or sent to authorized recyclers.
- **Disposal Practices:** Hazardous and solid wastes are sent to authorized TSDFs, co-processors, or cement industries for disposal or resource recovery

All hazardous waste is handled with strict safety and regulatory protocols, including:

- Timely disposal within 90 days
- Online waste manifest tracking
- GPS-enabled transport systems for transparency and traceability
- **Process Waste Optimization:** Process modifications were undertaken to reduce the generation of by-products and improve raw material utilization efficiency.
- **Training and Awareness:** Regular training programs for employees and contractors were conducted to build awareness around safe waste handling and sustainable practices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations /offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Kandivalasa Village, Vizianagaram (D)	Bulk Drug Manufacturing (API)	Yes

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No environmental impact assessments were undertaken in FY 2024-25

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

All the manufacturing operations and R&D centers under the entity are in compliance with the applicable environmental laws/ regulations and guidelines as per the national and state level mandates

**Leadership Indicators**

1. Water withdrawal, consumption, and discharge in areas of water stress (in kiloliters):

Not Applicable. Our facilities are not located in areas of water stress.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format.

Parameter	Unit	FY 2024-25	FY 2023-24
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	179.86	200.61
Total Scope 3 emissions per rupee of turnover		0.0000000230	0.0000000283
<b>Total Scope 3 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

NO

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

SMS Pharma adopts a robust and environmentally responsible approach to wastewater treatment, ensuring compliance with applicable standards while promoting resource conservation and safe discharge practices. Waste management is approached through an integrated strategy that prioritizes waste reduction, segregation, recycling, and safe disposal, supporting the organization's commitment to sustainable development.

SMS Pharma also conducts regular internal audits and ensures CPCB and APCCB compliance in handling, storage, and disposal.

We operate two dedicated Solvent Recovery Blocks (SRB-I and SRB-II), comprising a total of 22 distillation columns integrated with vent condensers. These systems are designed to enhance solvent recovery efficiency while significantly reducing atmospheric emissions.

- 4 **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	<p><b>Waste Management Practices</b></p> <p>During FY 2024–25, waste management is approached through an integrated strategy that prioritizes waste reduction, segregation, recycling, and safe disposal, supporting the organization’s commitment to sustainable development. SMS Pharma adopts a robust and environmentally responsible approach to wastewater treatment, ensuring compliance with applicable standards while promoting resource conservation and safe discharge practices.</p> <ul style="list-style-type: none"> <li>● <b>Segregation at Source:</b> Implementation of strict protocols to ensure systematic segregation of hazardous and non-hazardous waste at source for appropriate disposal or recycling.</li> <li>● <b>Recycling and Reuse:</b> Enhanced efforts to recycle packaging materials, scrap, and other industrial waste. Where feasible, non-hazardous waste was reused internally or sent to authorized recyclers.</li> <li>● <b>Disposal Practices:</b> Hazardous and solid wastes are sent to authorized TSDFs, co-processors, or cement industries for disposal or resource recovery</li> </ul> <p>All hazardous waste is handled with strict safety and regulatory protocols, including:</p> <ul style="list-style-type: none"> <li>● Timely disposal within 90 days</li> <li>● Online waste manifest tracking</li> <li>● GPS-enabled transport systems for transparency and traceability</li> </ul> <ul style="list-style-type: none"> <li>● <b>Process Waste Optimization:</b> Process modifications were undertaken to reduce the generation of by-products and improve raw material utilization efficiency.</li> <li>● <b>Training and Awareness:</b> Regular training programs for employees and contractors were conducted to build awareness around safe waste handling and sustainable practices.</li> </ul>		recycled and reused 43,238 KL of treated water.

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
2	<p><b>Solvent Distillation System</b></p> <ul style="list-style-type: none"> <li>Advanced recovery systems for solvents and Neo-Pentyl Glycol were commissioned, contributing to cost efficiency and sustainability through effective solvent reuse and waste reduction.</li> <li>During FY 2024–25, the unit commissioned 07 additional distillation columns to Solvent recovery block to further optimize solvent recovery performance and strengthen our environmental management efforts</li> <li>All solvent handling and recovery operations continued to follow strict safety standards and regulatory requirements related to VOC emissions, storage, and waste disposal.</li> <li>Recovered solvents were reused in applicable manufacturing processes, contributing to circular economy principles and reducing procurement costs.</li> </ul>		
3	<p><b>Water Conservation Measures taken:</b></p> <ul style="list-style-type: none"> <li>Reduced water consumption from 5 KL to 2.5 KL per batch</li> <li>Implemented catalyst filter enabling 5% PDC recycling.</li> <li>The facility maintains structured rainwater harvesting pits and a storm water collection tank to capture natural runoff.</li> <li>Groundwater levels are tracked daily using calibrated measurement systems to ensure responsible extraction and recharge</li> <li>During FY 2024–25, the unit successfully recycled and reused 43,238 KL of water through in-house treatment processes.</li> </ul> <p><b>Initiatives Undertaken to Improve Resource Efficiency and Reduce Emissions</b></p> <ul style="list-style-type: none"> <li>Implementation of process optimization techniques to reduce raw material consumption</li> <li>Adoption of closed-loop systems to minimize waste and maximize resource utilization</li> <li>Recovery and reuse of solvents, steam, and water in manufacturing processes</li> <li>Employee training programs focused on sustainability and responsible resource usage</li> </ul>		<p>Savings: 720 KL per year</p> <p>Savings: 144 KL annually</p> <p>recycled and reused 43,238 KL of water</p>

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	<p><b>Enhanced Recovery Controls</b></p> <ul style="list-style-type: none"> <li>Solvent Recovery Enhancement in Production Blocks.</li> <li>De-scaling of condensers and installation of vent condensers increased MDC recovery rate from 70% to 75%.</li> <li>Implemented catalyst filter enabling 5% PDC recycling.</li> <li>During FY 2024–25, the unit commissioned 07 additional distillation columns to Solvent recovery block to further optimize solvent recovery performance and strengthen our environmental management efforts</li> </ul>		<p>Solvent savings achieved: 90,000 L annually.</p> <p>Reduced fresh PDC usage from 2880 kg/year to 120 kg/year</p>
	<p><b>Energy Conservation Measures.</b></p> <ul style="list-style-type: none"> <li>Dedicated feeder Facility created to minimize the power Failures and purchase power through open access during the power holiday time to avoid the running of diesel generator sets and reduce the HSD consumption.</li> <li>Units Purchased through Open Access in Kwh</li> <li>Installed Common header for compressed air circuit for optimum utilization of air compressor So Saving in Power.</li> <li>Installed Steam Condensate Recovery Pumps (Pressure Powered Pump) Steam Condensate Water pumping purpose, so there are centrifugal pumps are replaced with Pressure Powered Pump, so there are power Saving in Units.</li> <li>Installed online tube cleaning systems (ECO MAX) for Chilling plants condensers tube cleaning purpose and improve the Condenser Heat Transfer Area and Reduce the discharge pressures and Maintain the Standard of KW/TR.</li> <li>Installed Steam Condensate Recovery System so as to achieve increased efficiency of the boilers &amp; reduce the fuel consumption</li> </ul>		<p>73586 Liters of Diesel saved PA and Rs.71.5 lakhs saved.</p> <p>Saved in cost Rs.56.10 lakhs.</p> <p>Saved 5760 KW/ Month</p> <p>Saved 5184 KW/ Month</p> <p>Saved 10800 KW/Month</p> <p>Saved Rs.6.28/- Laksh/Month</p>
	<p><b>Steps Taken Towards the Adoption of Alternative Energy Sources</b></p> <ul style="list-style-type: none"> <li>Evaluation and pilot trials of biofuel alternatives for thermal energy generation</li> <li>Participation in state and national renewable energy initiatives and incentives</li> <li>Inclusion of renewable energy targets in the sustainability strategy and roadmap.</li> </ul>		
	<p><b>Efforts Made Towards Absorption of New Technologies</b></p> <ul style="list-style-type: none"> <li>Adoption of advanced process automation and control systems to enhance operational efficiency and safety</li> <li>Training and upskilling programs for employees to adapt to new technologies and digital platforms.</li> </ul>		

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	<p><b>Upgraded Effluent Treatment Plants &amp; Deployed Emission Control Systems.</b></p> <p>Upgraded effluent treatment plants (ETP) and wastewater recycling units to enhance water recovery and meet regulatory standards</p> <ol style="list-style-type: none"> <li>1. Installed: 350 KLD × 1 and 150 KLD × 1 of <b>Multiple Effect Evaporators (MEE) with Stripper.</b></li> <li>2. Installed: 37 KLD × 2 and 26 KLD × 1 of <b>Agitated Thin Film Dryer (ATFD)</b></li> <li>3. Installed: 300 KLD × 1 and 60 KLD × 1 of <b>Biological Treatment Units</b></li> <li>4. Deployed emission control systems such as scrubbers and bag filters to ensure compliance with environmental norms. have installed double-stage scrubbers-14 units in total across all production blocks. This initiative is part of our commitment to maintaining environmental compliance and improving air quality within the facility.</li> <li>5. We have installed SPM Analysers to 3TPH,6TPH, and 16 TPH Boilers and connected to online APPCB Server to measure and monitor SPM Parameters.</li> <li>6. As part of our commitment to reducing environmental impact and advancing sustainable production practices, we successfully eliminated the use of Tetrahydrofuran (THF) and Dichloromethane (DCM) from the Sitagliptin API synthesis process</li> </ol>		<p>Reduces effluent volume and enhances recovery.</p> <p>Converts liquid waste into disposable solid waste (MEE Salts)</p> <p>Reduces BOD and COD levels in low TDS effluent.</p>
	<p><b>Third-Party Environmental Monitoring:</b> We are conducting monthly environmental monitoring through an accredited third-party agency. The monitoring reports are regularly submitted to the Andhra Pradesh Pollution Control Board (APPCB) in compliance with regulatory requirements.</p>		
	<p><b>Ambient Air Quality Monitoring System (AAQMS):</b> An Ambient Air Quality Monitoring Station (AAQMS) has been installed to continuously monitor ambient air quality parameters and also 04 no's of VOC Analysers installed. The system is integrated with the APPCB server, enabling real-time data transmission and live monitoring by regulatory authorities.</p>		

**5 Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

SMS Pharmaceuticals Ltd have prepared and maintained Onsite Emergency plan and submitted to Factories department. The plan will be revised as and when major changes / product changes and also in case of major accident occurrence. Plan will be periodically reviewed and updated as per recommendation of mock drill observations to bridge the gap. It reduces loss of life and property. It ensures a coordinated and efficient response to emergencies, protecting the safety and well-being of public.

**6 Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not applicable

**7 Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

In the reporting period, the Company did not evaluate any of its value chain partners.

## PRINCIPLE 7 Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

4

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Bulk Drug Manufacturers Association	State
3	FTCCI	State
4	Pharmexcil	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

For the reporting year, there were no cases issued against the Company.

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

SMS is an active member of various trade and industry chambers, associations, and councils. We proactively participate in discussions and contribute to policy resolutions within these forums. The Company maintains strong, ongoing collaboration with trade and industry bodies, ensuring consistent engagement with government agencies and regulatory authorities. SMS is committed to providing timely, accurate information, constructive feedback on draft policies, and well-informed suggestions and recommendations to support effective decision-making.

## PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

In the reporting year, the Company did not undertake any Social Impact Assessment

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

In the reporting year, the Company did not undertake any ongoing Rehabilitation and Resettlement (R&R) project.

3. Describe the mechanisms to receive and redress grievances of the community.

The communities can raise their grievances as per the mechanism provided in our Code of Conduct available on our website of the Company

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/ small producers	1	6
Sourced directly from within the district and neighboring districts	41	39

**5. Jobs creations in small towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non- permanent / on contract basis) in the following locations , as % of total wage cost**

(place to be categorized as per RBI Classification system – rural/ semi-urban/ urban / metropolitan)

Location	FY 2024-25	FY 2023-24
Rural	59.85	57.14
Semi- Urban	16.58	17.19
Urban	9.24	9.35
Metropolitan	14.33	16.32

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

In FY 2024-25, no Social Impact Assessments conducted

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent Lakhs (In INR)
1	Andhra Pradesh	Vizianagaram	5.40
2	Telangana	Hyderabad	10.00
3	Andhra Pradesh	Vijayawada	100.00

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

We encourage to procure raw materials and other material for operations from small-scale units and other sections of the society closely located in and around our plant location to help them grow and develop a viable eco systems for overall development of all sections of the society. Majority of daily services are executed through engaging neighborhood communities. We continuously strive to build local alternate vendors for other materials

**(b) From which marginalized /vulnerable groups do you procure?**

Not identifiable

**(c) What percentage of total procurement (by value) does it constitute?**

NA

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

The Company does not derive any benefits from intellectual properties owned or acquired based on traditional knowledge

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not applicable.

## 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Support 'Campus Challenge' (Association of Saikorian), an organization dedicated to working with disadvantaged children, particularly in the Coastal and Tribal regions of Andhra Pradesh. The primary objective of the initiative is to build capacity and empower individuals with disabilities, enabling them to lead independent and dignified lives. Organization located Konada Junction (On NH- 16), Kotha Kopperla (PO), Singavaram (SO), Vizianagaram Dist-5352 13.	5	100%
2	Continuing Support to poor people crippled with heart, lung and vascular diseases, through Dr. Alla Gopala Krishna Gokhale, Sahrudaya Health, Medical and Educational Trust	5	100%
3	Amount spent towards, donation to Andhra Pradesh State Disaster Management Authority (APSDMA). The contribution has been effectively utilized to provide essential aid and support the people affected by water floods in the state of Andhra Pradesh.	5000	80%

## PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Communication received through Mail and same escalated concern team to solve the issue and proper CAPA

#### 2. Turnover of products and/ services as a percentage of turnover from all products /service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	-
Safe and responsible usage	15
Recycling and/or safe disposal	10

#### 3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

No

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There are no complaints received for issues pertaining to delivery of essential services, advertising, cyber security and data privacy of customers;

During the year one product recall was happened due to the project delay from customer end. Hence the material was recalled, after retesting and repacking of material has been diverted to another customer other than that no other recalled happened.

A Fine amount of Rs. 2000/- per day by each stock exchange i.e., was levied by BSE Limited and National Stock Exchange of India Limited due to non-compliance of Regulation 19(1)(c) of SEBI LODR, with the requirements 'at least two-thirds of the Directors shall be Independent Directors' pertaining to the composition of Nomination and Remuneration Committee of the Board for the period from 12<sup>th</sup> August, 2024 to 07<sup>th</sup> November, 2024. The Company has immediately taken the corrective action and fines paid.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact - **NIL**
- b. Percentage of data breaches involving personally identifiable information of customers - **NIL**

#### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (Provide web link, if available).

<https://smspharma.com/api/>

<https://smspharma.com/central-laboratory-analytical-services/>

<https://smspharma.com/crams/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

Product information on Safety Data Sheet and Certificate of Analysis is enclosed during Transit

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No