

“SMS Lifesciences India Limited 15th Annual General Meeting”

Held on September 30, 2021 at 3.00 pm

PARTICIPANTS:

Sl No.	Name	Designation	Mode of Attending
Directors			
1.	Mr. P. Sarath Kumar	Chairman & Independent Director	Physically present at the venue and participated through VC.
2.	Mr. TVVSN Murthy	Managing Director	
3.	Mr. TV Praveen	Executive Director	
4.	Mr. Shravan K	Independent Director	
5.	Mr. Venkatasubbarao Potluri	Independent Director	Participated through VC
In attendance			
6.	Mr. N. Rajendra Prasad	Chief Financial officer	Physically present at the venue and participated through VC.
7.	Mr. Trupti Ranjan Mohanty	Company Secretary	
Statutory Auditors and Scrutinizer			
8.	Mr. GVL Prasad	Statutory Auditor	Participated through VC from respective location in Hyderabad
9.	Mr. A. Venkateswara Rao	Internal Auditor	
10.	Mr. C Sudhir Babu	Secretarial Auditor and Scrutinizers	Physically present at the venue and participated through VC.

Moderator

⇒ Dear members, Good Afternoon and a warm welcome to all of you to the 15th Annual General Meeting of SMS Lifesciences India Limited held through video conferencing facility or other audio-visual means. I hand over the proceedings to Mr. Trupti Ranjan, Company Secretary of the Company. Over to you, sir

**Trupti Ranjan Mohanty
[Company Secretary]**

⇒ Good afternoon to all

I Trupti Ranjan Mohanty, Company Secretary, heartily welcome all the members to the 15th Annual General Meeting of your Company, which is being held through video Conference mode, due to the ongoing pandemic, in compliance with the latest circulars issued by the MCA and SEBI.

I extend my hearty welcome to;

- Mr. TVVSN Murthy, Managing Director
- Mr. TV Praveen, Executive Director
- Mr. P Sarath Kumar, Independent Director & Chairman of Audit Committee.
- Mr. Venkatasubbarao Potluri, Independent Director and Chairman of Nomination & Remuneration Committee and Stakeholders relationship committee.
- Mr. Shravan Kudaravalli, Independent Director
- CA GVL Prasad, Statutory Auditor
- CA A. Venkateswara Rao, Internal Auditor
- Mr. C Sudhir Babu, secretarial Auditor and Scrutinizer for the 15th AGM.
- Mr. N Rajendra Prasad, CFO

Mr. Venkatasubbarao Potluri, Independent Director and CA Venkateswara Rao, Internal Auditor are attending this meeting from their respective remote locations, whereas all other panelists for this AGM are physically present in the registered office of the Company.

I would like to inform you that in accordance with the Articles of Association of the Company and with the consent of all the Board members, Sarath Kumar Sir has been elected as the Chairman of the Meeting and shall conduct the proceedings of the meeting.

Currently, we have 42 members attending this AGM.

As the requisite quorum is present, the meeting can be called in order and I request Chairman Sir to commence the proceedings of the Meeting and address the shareholders of the Company.

Mr. P Sarath Kumar
[Chairman]

⇒ Thank you CS,

Warm welcome all the shareholders, my fellow board members and panelists to the 15th Annual General Meeting. As the requisite Quorum is present, I call the meeting to order.

I would thank all the members for joining in the meeting and sincerely hope that all family members are safe and in good health.

Before going on to discuss the highlights of the year 2020-21, I would like to apprise you about the financial performance of your Company during the year. During the year under review, your company has manufactured 12,26,765 Kgs of API's as against 13,64,631 kgs in the last year.

Total revenue of the Company was Rs. 261.58 Crores as against Rs. 258.80 Crores in the previous year.

Your Company continues to have a stable turnover from operations; the net profit for the current year has grown by 45.11%, irrespective of the challenging scenarios like covid pandemic, logistics hiccups due to phased lockdowns, Ranitidine Nitrosamine guidelines.

In respect of Ranitidine, one of the molecules your Company manufactures, has faced some difficulties on account of NDMA impurities during the last couple of years.

In this regards I would like update the members that your Company is currently providing this molecule within prescribed impurity Limits at release to formulators.

Now, Ranitidine business has stabilized at current levels.

However, Ranitidine being a low margin business; added with some good sales figures of other existing products; the top-line was stable but the profitability has improved significantly.

Considering the performance of the Company during the year 2020-21, the Board has proposed to declare 15% dividend to the shareholders, this dividend will be subject to TDS, as applicable.

The Company is very confident of maintaining a sustainable revenue stream.

Your Company has started exploring further steps to improve the revenue and working on generating revenues from new products and new customers.

Going forward, your Company will be able to place itself in a strong position by expanding strategically, increasing its manufacturing capacities and enhancing capacities across the organization. We are looking at different opportunities in untapped markets and also across the value chain.

Further, your Company is also planning to set up contracts with business associates in the global market, in order to boost the selective existing products, New APIs/ intermediates, Contract manufacturing and manufacturing collaborations.

Bottom-line, the demography of your Company is going to improve further in coming years.

Talking of new products, it would be a pleasure to inform you that during the year your Company's in-house Research and development unit has received recognition from the Department of Scientific and Industrial Research that comes under the Ministry of Science and Technology, Government of India.

Moving forward, the Strategic Acquisition of Mahi Drugs Private Limited, Vizag as a wholly owned subsidiary not only added value to the Company but also provides flexibility in terms of supporting intermediates to the group and also consolidating its own products.

The subsidiary company has forged a contract manufacturing business with a generic firm for intermediates of HIV API. It is enhancing capacity in intermediates and also adding new API's line for its future growth.

On the CSR front, your Company has recently set up an oxygen plant in Gandhi hospital, Hyderabad, in order to cater the storage of oxygen caused due to sudden surge in covid cases during the second wave.

Few pictures of which can be viewed on the last page of the annual report.

Talking about this pandemic, at SMS Lifesciences, we were quick to respond to the challenges and adapt to the new normal. We have adopted a multi-pronged approach to overcome the challenges of the pandemic; I would like to highlight few of the major steps taken by the Company.

Your Company has provided Health insurance for all its employees against Covid19 under "Corona Kavach policy".

Your Company has also arranged vaccination drives for the employees and their families; now, 100% of employees of the Company are fully vaccinated.

I would like to take this opportunity and place on record my sincere appreciation for the unstinted support that your Company continues to receive from all its employees, especially during this pandemic times.

I am really grateful to our dedicated employees who have put in extraordinary efforts during the past year to ensure business continuity.

I am also grateful to the fellow Board members for their able guidance and support and also like to thank all our other stakeholders including our customers, vendors, Bankers, Financial institutions, business partners and various regulators for their constant support.

Last but not the least, I would like to thank all our shareholders and we hope that you will continue to extend your confidence in us.

Thank you very much.

Now, I handover the proceedings to Company Secretary.

Trupti Ranjan Mohanty
[Company Secretary]

⇒ Thank you chairman sir.

Now, I would like inform that the notice of the 15th AGM dated 2nd September, 2021 along with the Audited Financial Statements, Reports of the Board of Directors, the Statutory Auditors and the Secretarial Auditors were circulated online to all the eligible shareholders as per the provisions of the Companies Act and the SEBI Listing Regulations.

Please note that the resolution nos. 1 to 4 are mandatorily required to be passed at an AGM under Section 102(2) of the Companies Act, 2013 and resolution no. 5 to 10 is a special business, considered as important and unavoidable by the Board and hence are proposed at this AGM.

Special business includes, appointment of Mrs. Sudeepthi Gopineedi as whole-time Director of the Company, she is immediate relative of MD Sir and reappointment of Mr. Venkatasubbarao Potluri sir as Independent Director for the Second term.

Other agenda items are, approval of remuneration payable to cost auditors, ratification of material related party transactions and reclassification of Mr. Suresh Babu Potluri and Mr. Hari Kishore Potluri from promoter group category to public category.

With the permission of the Chairman and all the members I hereby take the notice of the AGM as read.

Furthermore I hereby inform that there were no qualifications, observations, comments or any other remarks in the reports of the Statutory Auditors and the Secretarial Auditors, which may have any adverse effect on the functioning of the Company.

I would also like to inform the shareholders that the register of Directors, KMP and their shareholding, the register of contracts in which directors are interested and other documents have been made available for inspection in the website of the Company under the head "AGM Documents" in investor relations tab.

Now, I would request chairman sir to brief the shareholders of the voting procedure.

Mr. P Sarath Kumar
[Chairman]

⇒ Okay !

As all of you must be aware that, as per the Companies Act and the SEBI Listing Regulations, the Company had provided the remote e-voting facility to all the eligible shareholders to vote from 9 AM of September 27, 2021 to 5 PM of September 29, 2021.

You may also note that e-voting facility for those who have not casted their vote earlier has been provided throughout the duration of this meeting. I request all the shareholders to make use of this facility in case they had not casted their vote earlier.

The Company has appointed Mr. C Sudhir Babu, Practicing Company Secretary as Scrutinizer for the remote e-voting process and e-voting during the AGM.

On behalf of the Board, Company Secretary, is authorized to receive and countersign the Scrutinizer's Report and to announce the results of the voting thereof.

Trupti Ranjan Mohanty
[Company Secretary]

⇒ Thank You Sir.

Now, I request the members who had pre-registered as speakers to ask queries, if any

Also in the interest of time, may I request members to kindly restrict their speech or comments to three minutes.

I now please request the moderator to unmute the first speaker shareholder i.e. Mr. P D Gupta.

Thereafter, the moderator unmuted the speakers registered with to Company to share their views.

Query was responded by the panelist to the satisfaction of the members.

Trupti Ranjan Mohanty
[Company Secretary]

⇒ Thank You Sir. Since there is no other business to be transacted, I request Murthy Sir to propose the vote of thanks.

TVVSN Murthy
[Managing Director]

⇒ Good afternoon and warm welcome to all the shareholders.

I would like to thank the members of the Board for their vision, and the experience they bring to Company. I would like to place on record my sincere appreciation to the employees and business associates of the Company for the continued commitment that they demonstrate, and the hard work that they put in all the time, especially during this tough time of covid19, with a sense of purpose and pride.

Let us hope that the pandemic will be behind us soon, and we will have the opportunity to meet again face to face.

Lastly, I sincerely thank one and all those who have attended this meeting and participated in conducting this meeting smoothly. Once again I thank all the shareholders for their continuous support and encouragement.

My best wishes for you and your family members for their health and safety. Please continue to follow the covid related safety precautions.

Thank You.

Trupti Ranjan Mohanty
[Company Secretary]

⇒ Members may please note that the voting on the CDSL platform will continue to be available for the next 15 minutes and Members, who have not cast their vote yet, are requested to do so.

Thank you, everyone.

Have a nice day.