

SMS PHARMACEUTICALS LIMITED

Minutes of the meeting of the 23rd Annual General Meeting of the Company held on Friday the 30th day of September, 2011 at 11.00 A.M. at the Jubilee Hills International Centre, Jubilee Hills, Hyderabad-500 033.

Present :

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| 1. | Mr. P. Ramesh Babu | .. | Chairman & Managing Director |
| 2. | Mr. TVVSN Murthy | .. | Vice-Chairman & Joint Managing |
| 3. | Mr. K.S. Rao | .. | Director |
| 4. | Mr. A.P. Rao | .. | Director and |

And

91 Members present in person and
42 Members present by Proxy

In Present : Mr. N. Rajendra Prasad .. Chief Financial Officer

Mr. N. Rajendra Prasad, Chief Financial Officer informed that the required quorum was present to conduct the business. The Chief Financial Officer requested the Chairman of the Company to occupy the Chair.

Shri P. Ramesh Babu, Chairman of the Company took the Chair and informed the shareholders that all the statutory registers are kept open for inspection. The Chief Financial Officer requested the Chairman to deliver the speech. The Chairman has delivered the Speech by mentioning about the present and future prospects of the Company in brief.

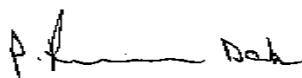
After few discussions, the Chairman asked the Chief Financial Officer to read the Notice together with reports of Directors' and Auditors' for the year 2010-11. The Chief Financial Officer taken as read the notice together with reports of Directors' and Auditors' with the permission of the Members. After few clarifications, the business conducted in order.

ORDINARY BUSINESS:**1. Annual Accounts for the year 2010-11:**

The Chairman asked the Chief Financial Officer to read the resolution pertaining to the Annual Accounts for the year 2010-11. The Chief Financial Officer read the same then the Chairman put the following motion for members' approval.

"RESOLVED that the Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date along with the Report of Directors' and Auditors' thereon as laid down before this meeting be and are hereby adopted."

Mr. Praful Chavda (Client ID No.IN30023910144803) proposed the motion and seconded by Mr. Kamal Kishore (Client ID No.1203070000031491).

x  Praful Chavda

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Then the Chairman asked members for their queries and clarifications. The queries were properly replied by the Chairman and declared that said motion was unanimously passed.

2. Declaration of Dividend for the year 2010-11.

The Chairman informed the members that the Board of Directors at its meeting held on 05.08.2011 have recommended dividend of Rs.1-50 per Equity Share ie. 10% on the paid-up share capital of the Company. Later the Chairman asked the Chief Financial Officer to read the motion pertaining to the Dividend for the year 2010-11. The Chief Financial Officer read the same then the Chairman put the following motion for the members' approval.

"RESOLVED that Dividend of Rs.1-50 per Equity Share as recommended by the Board of Directors of the Company on the paid up share capital of Rs.10/- each for the year ended 31st March, 2011 be and is hereby approved and that the Dividend be distributed to the shareholders whose names appear in the Register of Members as on 24th September, 2011."

Mr. C. Sudhir Babu (Client ID No. IN30131320229611) proposed the motion and seconded by Mr. A. Venkateswara Rao (Client ID No. IN30102220923315). Then the Chairman declared that the said motion was passed unanimously.

3. Re-appointment of Dr. Mihir K. Chaudhuri.

The Chairman asked the Chief Financial Officer to read the resolution pertaining to the re-appointment of Dr. Mihir K. Chaudhuri, as Director of the Company. The Chief Financial Officer read the same then the Chairman put the following motion for members' approval.

"RESOLVED that Dr. Mihir K. Chaudhuri, be and is hereby re-appointed as a Director of the Company. "

Mr. Sarat Babu Kakarala (Folio No.5190) proposed the motion and seconded by Mr. Kamal Kishore (Client ID No.1203070000031491). Then the Chairman declared that the said motion was passed unanimously.

4. Re-appointment of Dr. Ayman Sahli.

The Chairman asked the Chief Financial Officer to read the resolution pertaining to the re-appointment of Dr. Ayman Sahli, as Director of the Company. The Chief Financial Officer read the same then the Chairman put the following motion for members' approval.

"RESOLVED that Dr. Ayman Sahli, be and is hereby re-appointed as a Director of the Company. "

Mr. P. Suresh Babu (Client ID No. IN30102221499186) proposed the motion and seconded by Mr. P.S.R. Brahman (Client ID No.1204340000038159). Then the Chairman declared that the said motion was passed unanimously.

5. Re-appointment of Statutory Auditors.

The Chairman informed the members that the said Statutory Auditors are retiring in this Annual General Meeting and eligible for re-appointment as Statutory Auditors from the conclusion of

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this Annual General Meeting to the next Annual General Meeting of the Company. Later, the Chairman asked the Chief Financial Officer read the motion to be passed. The Chief Financial Officer read the following motion and the Chairman put for the members' approval.

"RESOLVED that M/s. Rambabu & Co., Chartered Accountants and M/s. P. Murali & Co., Chartered Accountants, Hyderabad be and are hereby re-appointed as Joint Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at such remuneration as may be determined by the Board of Directors of the company."

Mr. G. Yuvakishore (Client ID No.IN30048411669703) proposed the motion and seconded by Mr. A.V. Murali Krishna (Folio No.51551).

Then the Chairman asked the members for their queries and clarifications. Later the Chairman declared that said motion was unanimously passed.

Vote of thanks:

As there was no other business to be transacted, the meeting concluded with a vote of thanks by Sri TVVSN Murthy, Vice-Chairman and Joint Managing Director of the Company.

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CHAIRMAN

Dated: 30.09.2011