

Ref: NSE/LIST/90233

October 14, 2016

The Company Secretary
SMS Pharmaceuticals Limited,
Plot No. 19-III, Opp.
Bharatiya Vidya Bhavan Public
Road No. 71, Jubilee Hills
Hyderabad - 500096

Kind Attn.: Mr.P Prabhakara Rao

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement (under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and other provisions of the Companies Act, 2013 as applicable) in the nature of De-merger and transfer of De-merged undertaking between SMS Pharmaceuticals Limited (Demerged Company) and SMS Lifesciences India Limited (Resulting Company) and their respective shareholders and creditors.

This has reference to draft Scheme of Arrangement (under section 391 to 394 read with section 100 to 103 of the Companies Act, 1956 and other provisions of the Companies Act, 2013 as applicable) in the nature of De-merger and transfer of de-merged undertaking between SMS Pharmaceuticals Limited (demerged company) and SMS Lifesciences India Limited (resulting company) and their respective shareholders and creditors vide letter dated August 17, 2016.

Based on our letter reference no Ref: NSE/LIST/85988 submitted to SEBI and pursuant to SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated October 13, 2016 has given following comments on the draft Scheme of Amalgamation:

“a. The Company shall duly comply with various provisions of the Circulars.”

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our “No-objection” in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon’ble High Court.

However, the listing of equity shares of SMS Lifescience India Limited on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, SMS Lifescience India Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of SMS Lifescience India Limited is at the discretion of the Exchange.

The listing of SMS Lifescience India Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1.



1. To submit the Information Memorandum containing all the information about SMS Lifescience India Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about SMS Lifescience India Limited in line with the details required as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about SMS Lifescience India Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - (b) “There shall be no change in the shareholding pattern or control in SMS Lifescience India Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from October 14, 2016 within which the Scheme shall be submitted to the Hon’ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon’ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm