



pharmaceuticals ltd.

Registered & Corporate Office :

Plot No. 19-111, Road No. 71,
Opp. Bharatiya Vidya Bhavan Public School,
Jubilee Hills Hyderabad - 500 096, Telangana, INDIA,
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Extract of the resolutions passed at the Adjourned Board Meeting of SMS Pharmaceuticals Limited (BM/02/FY/16-17) held on Saturday, 13th August, 2016 at 3:00 p.m. at the registered office of the Company at Plot No. 19 -III, Road No. 71, Opp. Bharatiya Vidya Bhavan Public School, Jubilee Hills, Hyderabad - 500 096, Telangana State.

The Chairman informed the Board that the Board in its meeting held on 6th February, 2015 constituted an Independent Committee to explore and evaluate various options for demerger of Semi Regulated Units of SMS Pharmaceuticals Limited to a separate Resulting Company so as to achieve optimum utilization of capabilities and to bring about dedicated management focus and business strategies. The Independent Committee had submitted its report on 30th March, 2016 to the Board and the Board has given in-principle approval to the process of demerger of semi regulated units and accordingly appointed various consultants.

The draft Scheme along with Valuation Report and Share Entitlement Ratio has been reviewed by the Audit Committee of the Company. The Audit Committee suggested few modifications for bifurcation of the Assets and Liabilities of SMS Pharmaceuticals Limited ("Demerged Company") based on the principle, and advised the independent valuers to present revised Report considering the changes suggested. The Board took note of the Audit Committee Report dated 8th August, 2016, recommending the Scheme to the Board. In addition to the foregoing, the Board also considered and noted the following documents:

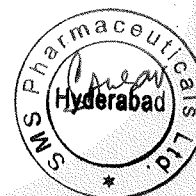
1. The Draft Scheme;
2. Audit Committee Report dated 8th August, 2016 recommending the draft scheme;
3. Revised Valuation Report dated 11.08.2016 from Raju and Prasad, Chartered Accountants;
4. Revised Report on Share Entitlement Ratio dated 11.08.2016 from Raju and Prasad, Chartered Accountants;
5. Networth Certificate dated 13.08.2016 from Raju and Prasad, Chartered Accountants;
6. Statutory Auditor's Certificate dated 13.08.2016 from Rambabu & Co., confirming the compliance of the accounting treatment etc., as per CG notified Accounting Standards and
7. Fairness Opinion dated 12.08.2016 from the Systematix Corporate Services Ltd., Merchant Banker.

After detailed examination of the recommendations of the Audit Committee, the Board considered and approved the same by passing the following resolutions:

"RESOLVED THAT pursuant to the provisions of Section 391 to 394 read with Sec. 100 to 103 of the Companies Act, 1956 including the applicable provisions of the Companies Act, 2013, if any, (including any statutory modification or re-enactment thereof) and subject to the requisite sanction of Hon'ble High Court and such other approvals as may be applicable to the draft Scheme of Arrangement, between SMS Pharmaceuticals Limited (Demerged Company) and SMS Lifesciences India Limited (Resulting Company) and their respective shareholders and creditors, providing for the demerger of semi regulated units of the Company (as mentioned in Draft Scheme of Arrangement) to wholly owned subsidiary SMS Lifesciences India Limited, the resulting company, as per the terms and conditions, mentioned in the draft Scheme, submitted to the Board and initialed by the chairman for the purpose of identification, be hereby approved.

RESOLVED FURTHER THAT the report from the Audit Committee dated 8th August, 2016, recommending the draft scheme as placed before the Board be hereby accepted and approved.

RESOLVED FURTHER THAT in the opinion of the Board the said Scheme of Arrangement, being advantageous and beneficial to the Company, its Members, the secured creditors and other stakeholders of the Company and the terms thereof being fair and reasonable the Scheme of Arrangement be hereby approved.



RESOLVED FURTHER THAT having considered the Valuation Report and Report on Share Entitlement Ratio dated 11th August, 2016 and Networth Certificate dated 13th August, 2016 from Raju and Prasad, Chartered Accountants, the report of the Audit Committee dated 08th August, 2016 and the fairness report dated 12th August, 2016 issued by Systematix Corporate Services Limited, Merchant Banker, the Board of Directors, be hereby approved the share entitlement ratio as follows:

For every 28 (Twenty Eight) Equity shares of face value of Re.1/- (Rupee One Only) each held by the members of the Demerged Company as on the Record Date (to be fixed), the Resulting Company shall issue 1 (one) no. of Equity shares of face value of Rs.10/- (Rupee Ten Only) each as credited as fully paid – up to the members of Demerged Company.

RESOLVED FURTHER THAT Mr. P. Ramesh Babu, Chairman & Managing Director, Mr. T.V.V.S.N. Murthy, Vice Chairman and Joint Managing Director and Mr. P. S. Rao, Director of the Company be and are hereby authorized severally to make such alterations and changes therein as may be expedient or necessary for complying the requirements or conditions imposed or to be imposed by the Hon'ble High Court and regulatory authorities.

RESOLVED FURTHER THAT the Board hereby appoints BSE Limited as the Designated Stock Exchange for the purpose of coordinating with Securities and Exchange Board of India ("SEBI") for the proposed Demerger.

RESOLVED FURTHER THAT Mr. P. Ramesh Babu, Chairman & Managing Director, Mr. T.V.V.S.N. Murthy, Vice Chairman and Joint Managing Director and Mr. P. S. Rao, Director and Mr. Saurav Roy, Company Secretary of the Company be and are hereby severally authorized:

- (a) to file applications/ affidavits to the Hon'ble High Court for directions to hold meetings of the shareholders and the creditors of the Company as may be concerned with the said scheme.
- (b) to file application, if any with the Central / State Government, the Reserve Bank of India, Stock Exchanges or any other authority or body to obtain permissions, consents, sanctions or approvals to any provisions of the scheme or for giving effect thereto.
- (c) to file petitions for confirmation of the Scheme of Arrangement by the Hon'ble High Court in accordance with the provisions of sections 391/394 of the Companies Act, 1956.
- (d) to file affidavits, petitions, pleadings, applications or proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage counsel, advocates, solicitors, Chartered accountants, Company Secretaries and other professionals and to sign and execute Vakalatnamas and wherever necessary to do all acts necessary or incidental to the said proceedings for obtaining confirmation by the Hon'ble High Court of the said scheme.
- (e) to take all the steps necessary or incidental and applications and petitions, and implementation of the orders passed thereon and generally for putting through the scheme of Arrangement and completing the same.
- (f) to do all acts, deeds, matters and things necessary and convenient in relation thereto and give effect for implementation of Scheme of Arrangement."

RESOLVED FURTHER THAT extract of the resolutions be furnished to concerned authorities from time to time duly certified by the above mentioned Directors or by the Company Secretary."

For SMS Pharmaceuticals Ltd.



Saurav Roy
Company Secretary