



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,  
Tel : +91-40-6628 8888, Fax : +91-40-2355 1401  
CIN : L24239AP1987PLC008066  
Email : info@smspharma.com, www.smspharma.com

Date: 16<sup>th</sup> August, 2016

To,  
The Managers,  
Corporate Filings Department,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

The Managers,  
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**

**Subject: Regulation 30 of SEBI (LODR) Regulations, 2015**

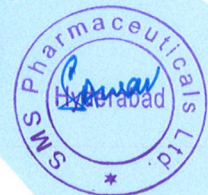
**Ref : Scheme of Arrangement in nature of Demerger between SMS Pharmaceuticals Limited (Demerged Company) & SMS Lifesciences India Limited (Resulting Company) and their respective Shareholders and Creditors under Section 391 - 394 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 and Companies Act, 2013. ("Scheme")**

Dear Sir/Madam,

This is further to our letter dated 13<sup>th</sup> August, 2016, whereby we have informed you that, the Board of Directors of the Company at its meeting held on dated 13<sup>th</sup> August, 2016 after considering the Audit Committee Report of the Company; has considered and approved the scheme of arrangement in nature of Demerger.

Pursuant to the scheme, demerged company shall transfer its Semi-Regulated Units and other assets as mentioned in this scheme to the Resulting Company. The Board of Directors of both the companies in their respective meetings held on 13<sup>th</sup> August, 2016 have also approved the scheme. The scheme shall be subject to the approval of the Members, Creditors, Stock Exchanges, High Court, Regulators and other authorities, as may be required under applicable law.

In terms of the Listing Regulations read with SEBI Circular No. CI/CFD/CMD/4/2015 dated 9-9-2015, the required details are mentioned below:



(Contd....2)

**Brief Details of the Division(s) to be demerged:**

This Scheme of Arrangement (“Demerger”) provides for the demerger of the **Semi Regulated Units** No. I, IV and V along with premises situated at Industrial Estate, Santhnagar, Hyderabad; Industrial Development Area, Jeedimetla, Hyderabad ; Premises bearing Flat No.417, Nilgiri, Aditya Enclave, Ameerpet, Hyderabad; vacant land admeasuring Ac 19.00 cents situated at Pharma City, Parawada, Visakhapatnam and Investments relating to Semi Regulated Units (“Demerged Undertaking”) of SMS Pharmaceuticals Limited, the “Demerged Company” into SMS Lifesciences India Limited, the “Resulting Company”, pursuant to provisions of Sections 391-394, read with Sections 100-103 of the Companies Act, 1956, and other applicable provisions of the Companies Act, 2013, and

**Turnover of the demerged Semi Regulated Units**

Turnover and Net worth of the Demerged Division as percentage of the Total turnover and Total Networkth of the Listed entity based on the Audited financials of the last Financial Year.

**Financial Year 2015-16**

**(Rs. in Lakhs)**

Particulars	Net worth	% to the total	Turnover	% to the total
Demerged division i.e. Semi Regulated Units of SMS Pharmaceuticals Ltd.	6,818.35	23	20,657.85	36
Other divisions i.e. Regulated Units of SMS Pharmaceuticals Ltd.	22,617.80	77	37,352.91	64
<b>Total</b>	<b>29,436.15</b>	<b>100</b>	<b>58,010.76</b>	<b>100</b>

**Rationale for the Demerger**

1. The nature of risk and return involved in the business of Semi-Regulated units is distinct from the Regulated Units of the Demerged Company. Hence, transfer of all the Semi-Regulated units under one umbrella would enable these Units to run independently and in a more cohesive manner so as to run more profitably and attract potential collaborators for future growth and development of business by the Resulting Company, without impacting the Demerged Company.
2. The transfer and vesting of the de-merged undertaking of the Demerged Company to the Resulting Company through this Scheme is with a view to unlock the economic value of both the Companies.
3. The said transfer of Undertaking would provide greater flexibility and visibility on the operational and financial performance of the semi-regulated units and would provide higher degree of independence as well as accountability.
4. The Board of Directors of the Demerged Company is of the opinion that the Scheme of Arrangement would benefit the shareholders, creditors, employees and other stakeholders of both the Companies.

**Share Exchange Ratio and Discharge of Consideration**

“One (1) fully paid up equity share of Rs.10/- each of SMS Lifesciences India Limited (Resulting company) shall be issued and allotted for every twenty eight (28) fully paid equity shares of Re.1/- each held by the members of SMS Pharmaceuticals Limited (Demerged company).”



**Brief Details of Changes in Shareholding Pattern:**

SMS Pharmaceuticals Ltd.

Summary Statement holding of specified securities (Pre- Demerger)				
Category (i)	Category of shareholder (ii)	No. of share holders (iii)	No. of fully paid up equity shares held (iv)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)(Viii) As a % of (A+B+C2)
(A)	Promoter & Promoter Group	16	54072850	63.88
(B)	Public	14840	30579180	36.12
	<b>Institutions</b>			
	Mutual Funds	1	178385	0.21
	Financial Institutions/ Banks	2	99438	0.12
	<i>Sub Total</i>	3	277823	0.33
	<b>Non-institutions</b>			
	Individuals -	14286	15958589	18.85
	NBFCs registered with RBI	2	15550	0.02
	Any Other (specify)	549	14327218	16.88
	<i>Sub Total</i>	14837	30301357	35.79
	<b>Total Public</b>	<b>14840</b>	<b>30579180</b>	<b>36.12</b>
	<b>Total Holding</b>	<b>14856</b>	<b>84652030</b>	<b>100</b>

Note:

- There shall be no change in the share capital of SMS Pharmaceuticals Limited pursuant to the Scheme of Demerger
- The Shareholding pattern is on the basis of benpose as on 05-08-2016

SMS Lifesciences India Ltd.

Shareholding pattern of the Resulting Company				
	Pre- Demerger		Post Demerger	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Promoter</b>	10000	100%	19,31,276	63.88 %
<b>Public</b>	Nil	Nil	10,92,011	36.12 %
<b>Custodian</b>	Nil	Nil	Nil	Nil
<b>TOTAL</b>	10000	100%	30,23,287	100%

**Whether there is any cash consideration given under the Scheme**

No cash consideration is being given under the Scheme. Consideration will be in the form of allotment of shares by the resulting Company according to the share entitlement ratio as mentioned above.

**Whether listing would be sought for the Resulting Company**

Yes, SMS Lifesciences India Limited (Resulting Company) would seek listing on BSE and NSE, consequent upon effectiveness of the Scheme.

The above for your information and record.

Thanking You

Yours Faithfully

For SMS Pharmaceuticals Ltd.

  
Saurav Roy  
Company Secretary