

October 04, 2019

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

The National Stock Exchange of India Limited
Exchange Plaza , Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051

Scrip code: 532531

Scrip code: STAR

Dear Sirs,

Sub: Update on Encumbrance by Promoters

We refer to the recent circular of SEBI bearing reference SEBI/ HO/ CFD/ DCR1/ CIR/ P/ 2019/ 90 dated August 07, 2019 prescribing additional disclosures on reasons for encumbrance by Promoters of Listed Companies.

We now attach the following as received from the Founders/ Promoter Group of the Company:

- a) Detailed Update from the Founders/ Promoters on the Pledge/ Encumbrance.
- b) Disclosure as mandated under SEBI Circular SEBI/ HO/ CFD/ DCR1/ CIR/ P/ 2019/ 90 dated August 07, 2019

We request you to take the above on record.

Thanks & Regards,

For Strides Pharma Science Limited



Manjula Ramamurthy
Company Secretary



Encl: As Above

Strides Pharma Science Limited

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

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Update from the Founders/Promoter Group of Strides

For the benefit of investors of Strides Pharma Science Limited(Strides) and as an abundance of clarity, the promoters and promoter group(Collectively referred as "Promoters") would like to provide the following updates:

The Promoters have made all necessary disclosures to the Stock Exchanges and the Company with respect to the Negative Lien or Non-Disposal Undertakings on the loans availed by the family office of promoters. These disclosures are mandated by the Securities and Exchange Board of India (SEBI) vice circular no. SEBI / HO / CFD / DCR1 / CIR / P/ 2019 /90 dated August 07, 2019.

Promoters Background

The Promoters ownership of Strides primarily constitute the ownerships of the founders of Strides- Arun Kumar and co-promoter KR Ravishankar(Collectively referred to as " Founders"). The promoter group also includes the holdings of Shasun family included as promoters pursuant to the merger of Shasun Pharmaceuticals Limited with Strides in November 2015. The two groups collectively own 31.28% of Strides, and the details of their shareholding are as below:

GROUP	NO OF SHARES	%
Founders	20,694,826	23.11%
Shasun Family	7,315,255	8.17%
TOTAL	28,010,081	31.28%

Status of Shares pledged as of September 30th, 2019 and disclosed to Stock Exchanges and Strides

GROUP	NO OF SHARES HELD	NO OF SHARES PLEDGED	% OF SHARES PLEDGED TO HOLDING	% OF SHARES PLEDGED TO TOTAL CAPITAL
Founders	20,694,826	1,603,500	7.75%	1.79%
Shasun Family	7,315,255	1,752,600	23.96%	1.96%
TOTAL	28,010,081	3,356,100	11.98%	3.75%

The Shasun family has significantly reduced its pledged shares from 6.04% of total capital in September 2018 to 1.96% in September 2019. It is also pertinent to note that **the Founders have not issued any personal guarantees on the loans availed by Strides, neither have they issued any non-disposal undertakings.** Strides has a strong balance sheet and its debt to equity ratio is amongst the best in the peer group. The aforementioned shares were pledged by the founders for **personal capital needs.**

Founders investment in Listed Companies

Outside of Strides, the founders are also classified as promoters in **two listed companies** viz. Solara Active Pharma Sciences(Pure-play active pharmaceutical ingredients manufacturing company) and SeQuent Scientific Limited(India's largest fully integrated animal health company) .

The founders are not involved in the operations of these companies, and they also have **no representation on the Board of Directors and management.** The founders consider themselves as pure financial investors for these companies.

Background on Negative Lien or Non-Disposal Undertakings made as per above SEBI Circular

In today's disclosure, the founders have informed the Stock exchanges and the Company about the negative lien and non-disposal undertakings for an additional 11,010,393 shares held by founders which is 12.30% of Company's total capital

These negative liens and non-disposal undertakings are on the loans availed by the Founders for their family office investments which is a professionally managed family office. The family office was set up in 2004 to manage sector agnostic investments with a theme around "high capital long gestation" businesses with scarcity value.

The family office has an invested capital of \$200m and has investments in several privately held companies and early-stage startups. Its capital pool is a combination of \$100m equity from the founders and ~\$100m line of credit from a debt syndicate mainly led by KKR India Financial Services Private Limited (KKR) where the Founders have also signed up for non-disposal undertakings on the portion of their ownership in the aforementioned listed companies including Strides. This practice is in line with the standard procedures which the lenders have in the normal course of their lending business.

The Family Office has cash flows to meet all future obligation, and since its inception in 2004, it has met all of its financial and lending obligations.

The above statement is issued by the Founders for better clarity and for the benefit of Strides and its investors.

Strides Pharma Science Limited
Annexure - II

Format for disclosure of reasons for encumbrance


(In addition to Annexure - I prescribed by way of circular dated August 05, 2015)

Name of listed company	Strides Pharma Science Limited
Name of the recognised stock exchanges where the shares of the company are listed	The National Stock Exchange of India Limited BSE Limited
Name of the promoter(s) / PACs whose shares have been encumbered	Pronomz Ventures LLP Karuna Business Solutions LLP Chayadeep Properties Private Limited Arun Kumar Pillai Karuna Ventures Private Limited Devendra Estates LLP Devendra Estates Pvt Ltd Shasun Leasing and Finance (P) Ltd Vimal Kumar S - HUF Vimal Kumar S Lifecell International Pvt Ltd
Total promoter shareholding in the listed company	No. of shares – 2,80,10,081 % of total share capital - 31.28%
Encumbered shares as a % of promoter shareholding	51.29%
Whether encumbered share is 50% or more of promoter shareholding	YES/NO
Whether encumbered share is 20% or more of total share capital	YES/NO

Details of all the existing events/ agreements pertaining to encumbrance - Refer Annexure 1

		Encumbrance 1 (Date of creation of encumbrance: _____)	Remarks
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)			Refer Annexure 1
No. and % of shares encumbered		No. of shares: % of total share capital:	Refer Annexure 1
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)		Refer Annexure 1
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES?NO	Refer Annexure 1
	Names of all other entities in the agreement	Listed company and its group companies (if any) – 1. 2. Other entities (if any) – 1. 2.	Refer Annexure 1
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	YES / NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument	Refer Annexure 1
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)		Refer Annexure 1
	Amount involved (against which shares have been encumbered) (B)		Refer Annexure 1
	Ratio of A / B		Refer Annexure 1
End use of money	Borrowed amount to be utilized for what purpose – (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason (please specify)		Refer Annexure 1

For Agnus Capital LLP (on behalf of the promoter group)


Kannan P R
Designated Partner
DPIN:03435209

Place: Bangalore
Date: 04/10/2019

Strides Pharma Science Limited
Annexure 1
Details of all the existing events/ agreements pertaining to encumbrance

S. No.	Name of the Promoter/PAC whose shares have been encumbered	Type of encumbrance	No. of shares encumbered	% of Total share capital	Date of Encumbrance	Specific details about the encumbrance				Security Cover / Asset Cover			End use of money (a) Personal use by promoters and PACs (b) For the benefit of listed company (c) Any other reason (please specify)
						Name of the entity in whose favour shares encumbered (X)	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company?	Names of all other entities in the agreement	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.?	Value of shares on the date of event / agreement (A)	Amount involved (against which shares have been encumbered) (B)	Ratio of A / B	
1	Pronomz Ventures LLP	Pledge	1,000,000	1.12%	14.12.2018	Kotak Mahindra Investments Ltd.	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Chayadeep Properties Private Limited 2. Pronomz Ventures LLP; 3. Mr. Arun Kumar Pillai; and 4. Karuna Ventures Private Limited.	No	463,500,000	780,000,000	0.98	(a) Personal use by promoters and PACs
2	Karuna Business Solutions LLP	Pledge	603,500	0.67%	27.11.2018	JM Financial	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Chayadeep Properties Private Limited 2. Mr. Arun Kumar Pillai; 3. Karuna Business Solutions LLP.	No	269,613,625	369,351,385	3.31	(a) Personal use by promoters and PACs
3	Devendra Estates LLP	Pledge	222,000	0.25%	30.03.2018	Bajaj Finance Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Shasun Leasing & Finance (P) Ltd., 2. Devendra Kumar 3. Abhaya Kumar 4. Vimal Kumar 5. Ambematha Securities	No	148,518,000	Rs 742.50 lakhs * amount outstanding as on 3.10.2019 is Rs 27 lakhs	2.00	Personal use by promoters for the firm Devendra Estates LLP
4	Vimal Kumar S - HUF	Pledge	1,600	0.00%	23.05.2018	L&T Finance Holdings Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Armugam Mahendran	No	644,800	300,000	2.15	Third party guarantee
5	Shasun Leasing & Finance (P) Ltd	Pledge	2,000	0.00%	23.09.2016	L&T Finance Holdings Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Devendra Estates LLP 2. Devendra Kumar 3. Abhaya Kumar 4. Vimal Kumar and family members of all three	No	2,060,000	1,030,000	2.00	Personal use by promoters for the Co.
6	Vimal Kumar S	Pledge	95,000	0.11%	06.04.2017	L&T Finance Holdings Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Armugam Mahendran	No	190,000	95,000	2.00	Third party guarantee
			5,000	0.01%	25.05.17	L&T Finance Holdings Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Armugam Mahendran	No	10,000	5,000	2.00	Third party guarantee
			26,500	0.03%	10.01.2018	L&T Finance Holdings Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Armugam Mahendran	No	53,000	26,500	2.00	Third party guarantee
7	Lifecell International Pvt Ltd	Pledge	400,000	0.45%	29.09.2018	Axis Finance Limited	Yes	NA	No	196,280,000	4,000,000	49.07	For availing overdraft facility
			1,000,000	1.12%	01.03.2019	Axis Finance Limited	Yes	NA	No	420,500,000	1,000,000	420.50	Rupee term loan facility
8	Devendra Estates Pvt Ltd	Pledge	500	0.00%	23.09.2016	L&T Finance Holdings Ltd	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Shasun Leasing & Finance (P) Ltd., 2. Devendra Estates LLP 3. Devendra Kumar 4. Abhaya Kumar 5. Vimal Kumar and family members of all three	No	515,000	257,500	2.00	Personal use by Devendra Estates LLP
9	Chayadeep Properties Private Limited	Negative Lien	161,060	0.18%	25.10.2017	JM Financial	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Chayadeep Properties Private Limited 2. Mr. Arun Kumar Pillai; 3. Karuna Business Solutions LLP.	No	136,023,223	369,351,385 [Same as above - JM Financial]	3.31	(a) Personal use by promoters and PACs
10	Arun Kumar Pillai	Negative Lien	967,497	1.08%	25.10.2017	JM Financial	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Chayadeep Properties Private Limited 2. Mr. Arun Kumar Pillai; 3. Karuna Business Solutions LLP.	No	817,099,591	369,351,385 [Same as above - JM Financial]	3.31	(a) Personal use by promoters and PACs
		Negative Lien	200,000	0.22%	03.12.2015	Kotak Mahindra Investments Ltd.	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Chayadeep Properties Private Limited 2. Pronomz Ventures LLP; 3. Mr. Arun Kumar Pillai; and 4. Karuna Ventures Private Limited.	No	272,080,000	780,000,000 [Same as above - Kotak]	0.98	(a) Personal use by promoters and PACs

11	Karuna Ventures Private Limited	Negative Lien	20,000	0.02%	03.12.2015	Kotak Mahindra Investments Ltd.	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Chayadeep Properties Private Limited 2. Pronomz Ventures LLP; 3. Mr. Arun Kumar Pillai; and 4. Karuna Ventures Private Limited.	No	27,208,000	780,000,000 [Same as above - Kotak]	0.98	(a) Personal use by promoters and PACs
12	Pronomz Ventures LLP	Non-disposal undertaking	9,661,836	10.79%	27.12.2016	Vistra ITCL (India) Limited	Yes	Listed Entities: NIL Other Entities: Listed Below 1. Karuna Business Solutions LLP; 2. Karuna Healthcare Private Limited; 3. Agnus Capital LLP; 4. Agnus Holdings Private Limited; 5. Chayadeep Properties Private Limited; 6. Chayadeep Ventures LLP; 7. Pronomz Ventures LLP; 8. Mr. Arun Kumar Pillai; and 9. Trinity Mobility Private Limited; 10. Vistra ITCL (India) Limited; 11. Atma Enterprises LLP; 12. Agnus Ventures LLP; 13. Karuna Ventures Private Limited; and 14. Skanray Healthcare Partners LLP.	Yes, Please refer Annexure 2 for details	10,058,937,460	5,044,117,647	1.99	(a) Personal use by promoters and PACs



Strides Pharma Science Limited
Annexure 2

Details of encumbrance relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.

Name of the issuer	Name of the debenture holder	Amount o/s	No. of debentures	Details of the debt instrument	Listed (Yes/No)	Credit Rating	ISIN
Karuna Healthcare Private Limited	KKR India Financial Services Private Limited	1,750,000,000	17,500	4.5% NCDs, Unrated	No	NA	INE466X07030
Karuna Healthcare Private Limited	KKR India Debt Opportunities Fund II	500,000,000	5,000	4.5% NCDs, Rated	No	IVR BBB+ (Credit Enhancement)/Stable Outlook	INE466X07014
Karuna Healthcare Private Limited	KKR India Debt Opportunities Fund II	168,400,000	1,684	4.5% NCDs, Unrated	No	NA	INE466X07014
Karuna Healthcare Private Limited	BOI AXA Conservative Hybrid Fund	104,500,000	1,045	4.5% NCDs, Rated	No	IVR BBB+ (Credit Enhancement)/Stable Outlook	INE466X07014
Karuna Healthcare Private Limited	Bank of India	370,000,000	3,700	4.5% NCDs, Rated	No	IVR BBB+ (Credit Enhancement)/Stable Outlook	INE466X07014
Karuna Healthcare Private Limited	Aditya Birla Finance limited	258,800,000	2,588	4.5% NCDs, Unrated	No	NA	INE466X07014
Karuna Healthcare Private Limited	Aditya Birla Finance limited	750,000,000	7,500	4.5% NCDs, Unrated	No	NA	INE466X07030