



## STRIDES PHARMA SCIENCE LIMITED

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703

Tel No.: +91 22 2789 2924, Fax No.: +91 22 2789 2942

Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076

Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700

Website: www.strides.com; Email: investors@strides.com

NOTICE is hereby given that the Twenty-Seventh Annual General Meeting (AGM) of the Members of the Company will be held on Monday, September 24, 2018 at 12:15 hrs at Hotel Four Points by Sheraton, Plot No. 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701 to transact the following business:

### ORDINARY BUSINESS

#### Item 1: Adoption of financial statements for the year ended March 31, 2018

To receive, consider, approve and adopt:

- the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2018 together with Reports of the Board of Directors and the Auditors thereon.
- the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2018 and the Report of Auditors thereon.

#### Item 2: Declaration of Dividend

To declare a Dividend of ₹ 2/- per equity share of face value ₹ 10/- each for the FY 2017-18.

#### Item 3: Appointment of a Director in place of Mr. Badree Komandur, retiring director

To appoint a director in place of Mr. Badree Komandur (DIN: 07803242), Executive Director - Finance, who retires by rotation, and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### Item 4: Appointment of Mr. Arun Kumar as Executive Director of the Company

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable provisions of the Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to other statutory/ regulatory approvals, as may be necessary, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Arun Kumar (DIN: 00084845) as Executive Director of the Company, liable to retire by rotation, for a period of three (3) years with effect from April 1, 2018 upon the following terms and conditions:

- Maximum fixed salary of ₹ 4 Crores per annum (inclusive of all allowances and perquisites except chauffeur driven car for use on Company's business and telephone facility at residence);
- Bonus/ Performance based pay out of upto 50% of the fixed salary as may be approved by the Board of Directors;
- Encashment of un-availed leave as per the rules of the Company;
- Other facility to include one club membership;
- Annual increment in fixed salary not exceeding 30% of the immediately preceding annual fixed salary as may be approved by the Board of Directors.

**RESOLVED FURTHER** that in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the payment of salary, perquisites and other allowances shall be governed by the provisions of the Companies Act, 2013 including any statutory modification or re-enactment thereof.

**RESOLVED FURTHER** that pursuant to provisions of Section 196 and 203 of the Companies Act, 2013 read with relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded to designate Mr. Arun Kumar as Group CEO & Managing Director with effect from May 18, 2018 for a period of three (3) years.

**RESOLVED FURTHER** that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution."

**Item 5: Approval for continuation of Mr. Homi Rustam Khusrokhani as an Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to Regulation 17 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 consent of the Members of the Company be and is hereby accorded for Mr. Homi Rustam Khusrokhani (DIN: 00005085), who will attain the age of seventy-five years before the next Annual General Meeting, to continue as an Independent Director of the Company to complete his current term of appointment i.e., upto May 17, 2022.

**RESOLVED FURTHER** that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution."

**Item 6: Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the FY 2017-18**

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"**RESOLVED** that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Rao, Murthy & Associates, Cost Accountants (Firm Registration No.: 000065), appointed as Cost Auditors by the Board of Directors to audit the cost records of the Company for the FY 2017-18, be paid a remuneration of ₹ 2.25 Lakhs (Rupees Two Lakhs and Twenty Five Thousand only) plus applicable taxes.

**RESOLVED FURTHER** that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents for the purpose of giving effect to the aforesaid resolution."

**Item 7: Approval for grant of loan and continuing of guarantee/ security provided to Stelis Biopharma Private Limited, an Associate Company**

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

"**RESOLVED** that pursuant to the provisions of Section 185 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Members of the Company be and is hereby accorded to take on record and approve:

- 1) grant of loan for an amount of ₹ 25 Crores to 'Stelis Biopharma Private Limited' ("Stelis"), an Associate Company, for a period not exceeding 12 months from the date of disbursement, at an interest rate of 10.00% per annum.
- 2) to continue the following guarantee/ security provided by the Company to ICICI Bank Limited in February 2016 in relation to the credit facilities availed by Stelis in the form of External Commercial Borrowing of USD 47 Million and Rupee Term Loan of ₹ 75 Crores ("Credit Facilities"):
  - a) Corporate Guarantee for the Credit Facilities availed; and
  - b) Pledge of shares held by Strides in Stelis equivalent to 30% of the paid up share capital of Stelis from time to time.

**RESOLVED FURTHER** that any Director or Company Secretary of the Company and/or any person authorized by the Board from time to time be and is hereby severally authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to execute and deliver all such necessary documents as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

By Order of the Board

**For Strides Pharma Science Limited**

Place : Bengaluru  
Dated: August 21, 2018

Sd/-  
**Manjula Ramamurthy**  
Company Secretary

## NOTES

- 1) The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy should be duly completed and must be deposited at the Company's Registered Office/ Corporate Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the Meeting. The proxy form for the AGM is enclosed.

A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent (10%) of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent (10%) of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

Members/ Proxy are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for identification.

- 3) Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution of the Company, authorizing their representative to attend and vote on their behalf at the meeting.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 15, 2018 to Monday, September 24, 2018 (both days inclusive) for the purpose of payment of the final dividend for the financial year ended March 31, 2018 and the AGM.
- 5) Subject to the provisions of Companies Act, 2013, Final Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration, to those members whose names appear on the Register of Members as on Friday, September 14, 2018. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on Friday, September 14, 2018, as per the details furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL).

- 6) The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/ send the following at the earliest:

- Any change in their address/ mandate/ bank details;
- Particulars of their bank account, in case the same have not been sent earlier, to the Company's Registrar and Transfer Agent at:

**Karvy Computershare Private Limited,**

Unit - Strides Pharma Science Limited,  
Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Seriligampally Mandal, Hyderabad - 500032;  
Email id: einward.ris@karvy.com  
Contact Persons: Mr. S.V. Raju / Mr. Mohan Kumar  
Contact Number: 040-6716 2222.

- 7) Members holding shares in the electronic form are requested to inform any changes in address/ bank mandate directly to their respective Depository Participants. The address/ bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
- 8) Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
- 9) The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
- 10) Electronic copy of the Notice convening the Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form is being sent to the members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for hard copy of the same.

For members who have not registered their e-mail addresses, physical copies of the Notice convening the Annual General Meeting of the Company, along with the Annual Report, the process of e-voting, Attendance slip and the Proxy form is being sent in the permitted mode.

Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode.

Members may also note that the Notice convening the Annual General Meeting of the Company and the Annual Report along with the process of e-voting and the Attendance slip and Proxy form will be available on Company's website – [www.strides.com](http://www.strides.com)

The physical copies of the inspection documents will be available at Company's Registered Office for inspection between 11.00 a.m. to 4.00 p.m. on all the working days till the date of AGM i.e., September 24, 2018.

Members who require communication in physical form in addition to e-communication, or have any other queries may write to us at [investors@strides.com](mailto:investors@strides.com)

In compliance with Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company has provided the facility to the members to exercise their vote electronically through the electronic voting service facility arranged by Karvy Computershare Private Limited, Hyderabad ("Karvy").

The facility for voting through Ballot Paper will also be made available at the AGM and the members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their vote at the AGM through Ballot Paper.

Members who have cast their vote through remote e-voting prior to the AGM may attend the AGM but shall not cast their votes again. However, in case Members cast their vote both via physical ballot at the AGM and remote e-voting, then voting through remote e-voting shall prevail and voting done through ballot shall be treated as invalid. Instructions for e-voting are annexed to the Notice.

- 11) This Notice is dispatched/ emailed to Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, August 24, 2018.

However, the Members, whose names appear in the Register of Members/ list of Beneficial Owners as on Friday, September 14, 2018 are entitled to vote on the

Resolutions set forth in this Notice. The e-voting period will commence at 9.00 a.m. on Monday, September 17, 2018 and will end at 5.00 p.m. on Sunday, September 23, 2018.

Members are eligible to cast vote electronically only if they are holding shares as on that date. Members who have acquired shares after the dispatch of the Annual Report and before the cut-off date may approach the Registrar for issuance of the User ID and Password for exercising their right to vote by electronic means.

- 12) M/s. Nilesh Shah and Associates, Practicing Company Secretaries, represented by Mr. Nilesh Shah (having Membership No. FCS-4554) or failing him, Ms. Hetal Shah (having Membership No. FCS-8063) or failing her Mr. Mahesh Darji (having Membership No. FCS-7175) have been appointed as the Scrutinizer to scrutinize the e-voting process and voting done through physical ballot paper at the AGM in a fair and transparent manner.
- 13) At the AGM, at the end of the discussion on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
- 14) The Scrutinizer shall, after the conclusion of voting at the general meeting, count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company.
- 15) The result along with the Scrutinizer's report will be placed on the Company's website and on the website of Karvy after the result is declared by the Chairman/ any other person authorized by the him, and the same shall be communicated to the stock exchanges where the shares of the Company are listed.

The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in Favor or Against, not later than forty-eight hours after the conclusion of AGM to the Chairman of the Company. The Chairman or any other person authorized by the him, shall declare the results of voting forthwith.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under Item No. 4 to 7 of the Notice:

### Item 4: Appointment of Mr. Arun Kumar as Executive Director of the Company

Mr. Arun Kumar is the Founder and Promoter Director of the Company and is on the Board of the Company since its inception.

On May 18, 2017, Arun moved from Executive position to Non-Executive position and was appointed as Chairperson of the Board.

Owing to the recent transformational changes in the pharmaceutical business and its potential impact on the performance of Strides, the Board felt Arun's experience in the industry would be of immense value to the Company. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on March 12, 2018 requested Arun to return to the Executive position w.e.f April 1, 2018.

Consequently, Board of Directors of the Company have appointed Arun as Executive Director with effect from April 1, 2018 for a period of 3 years, liable to retire by rotation, subject to approval of the Members and other statutory approvals, as may be required.

Further based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in their meeting held on May 18, 2018 re-designated Arun as the Group CEO & Managing Director of the Company with effect from May 18, 2018 on the existing terms and conditions.

Approval of the Members is sought to appoint Arun as Group CEO & Managing Director on the terms and conditions including remuneration as stated in the resolutions, pursuant to the provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) and amended provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The information as required under Schedule V of the Companies Act, 2013 is provided below:

### I. General Information

1. <b>Nature of Industry</b>	Pharmaceutical Industry
2. <b>Date or expected date of commencement of commercial production</b>	Not applicable, as the Company is an existing Company
3. <b>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</b>	Not applicable, as the Company is an existing Company
4. <b>Financial performance based on given indicators</b>	

Particulars	₹ in Million		
	2017-18 (12 Month Period)	2016-17 (12 Month Period)	2015-16 (12 Month Period)
<b>Total Revenue</b>	20,390.20	22,859.35	23,305.14
<b>Total Expense (excluding exception items)</b>	19,364.21	20,693.45	21,570.77
<b>Profit/Loss After Tax</b>	8,915.91	1,085.37	1,302.00
Dividend per share			
<b>Final</b>	₹ 2.00 per share	₹ 4.50 per share	₹ 4.00 per share

5. <b>Foreign investments or collaborations, if any</b>	<ul style="list-style-type: none"> <li>● The Company is listed on the BSE Limited and National Stock Exchange of India Limited.</li> <li>● As at March 31, 2018, the Foreign Holding in the Company was at 33.70%.</li> <li>● There are no Foreign Collaborations.</li> </ul>
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### II. Information about the Appointee

#### 1) Background details, Past Remuneration, Recognition/Awards, Job Profile and Suitability to the role

Mr. Arun Kumar is the Founder and Promoter Director of the Company and is a Board Member since its inception. He is currently the Group CEO & Managing Director.

Arun founded Strides in the year 1990 and has since led the Company in building its global reputation. Post

modest beginnings, Arun's leadership has ensured that Strides remains ahead of the curve in the business with its differentiated model, high end infrastructure and best in class operating practices. He has also been instrumental in carving a niche for Strides with his intellect of picking "difficult to operate" domains with high scarcity value.

Arun graduated in Commerce, before founding Strides, he began his career in the exports department



of Bombay Drug House Limited, one of the earliest exporters of pharmaceuticals products from India in the early 80s and was soon promoted to head their international division. He later worked as General Manager-Exports with British Pharmaceuticals Limited, a Mumbai based Company.

Arun is a recipient of E&Y Entrepreneur of the year award in the Healthcare sector in 2000. He has also been awarded the Business Today "India Best CEO Award (Mid-Sized Companies Category)" and the "Best CEO in the Pharma & Healthcare Industry" in 2014.

#### Past Remuneration

In FY 2017-18 as Non-Executive Director of the Company Arun was paid sitting fees of ₹ 7 lakhs.

During FY 2017-18, Arun was also associated with a promoter group company, Tenshi Life Sciences Private Limited and was paid a remuneration of ₹ 1.50 Crores.

#### 2) Remuneration proposed

As mentioned in the Resolution.

#### 3) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

Arun's skill set and his experience places him in a correspondingly equal position to major pharmaceutical companies in India. Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.

#### 4) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any

Arun has pecuniary relationship with the Company in his capacity as Founder and Promoter Director.

### III Other information

#### Reasons of loss or inadequate profits, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms

The Company has earned profits during the last 3 financial years. Further, the Company has taken appropriate steps to ensure profitability in future.

In terms of the provisions of the Companies Act, 2013, in the event of loss or inadequacy of profits in any financial year, the payment of remuneration to Executive Directors is governed by the provisions of the Companies Act, 2013 or any amendment thereof.

This is an enabling provision for payment of remuneration in the unlikely scenario of loss/inadequacy of profits.

### IV Disclosure as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- 1) A brief resume of the Director and nature of his expertise in specific functional areas  
As mentioned in Section II of point number 1.

#### 2) Disclosure of relationships between Directors inter-se

Arun is not related to any of the Directors of the Company.

#### 3) Names of the listed entities in which the Director holdings directorship and the membership of Committees of the Board

Arun is not a Director in any other listed entity. Details of Directorships and Committee Memberships held by him forms part of the 'Corporate Governance Report' (Annexure CG 1 – Profile of Directors).

#### 4) Shareholding of the director in the Company

As at date of this notice, Arun holds 13,70,797 equity shares representing 1.53% directly and 1,78,99,619 equity shares representing 19.99% indirectly of the paid-up share capital of the Company.

A copy of memorandum of terms of appointment of Arun is available for inspection at the Registered Office of the Company between 11.00 a.m. to 4.00 p.m. on all the working days till the date of the AGM.

Except Arun and his relatives, none of the other Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item 4 as Special Resolution and requests your approval for the same.

#### Item 5: Approval for continuation of Mr. Homi Rustam Khusrokhani as an Independent Director of the Company

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy-five years.

Mr. Homi Khusrokhani, was appointed as Independent Director of the Company at the AGM held on September 15, 2017 for a period of five years with effect from May 18, 2017. Homi will attain the age of seventy-five years in December 2018.

The Board of Directors of the Company in its meeting held on August 8, 2018, based on the recommendation of Nomination and Remuneration Committee, proposed to seek consent of members of the Company for continuation of Mr. Homi Khusrokhani as an Independent Director of the Company till the completion of his present term i.e., upto May 17, 2022 in line with requirements of SEBI Listing Regulations.

Homi is a qualified Chartered Accountant from ICAI since 1966. He studied at the Sydenham College of Commerce and Economics and obtained a B. Com (honours) from the University of Mumbai in 1963. He also holds an M.Sc. in Economics, Accounting and Finance from the London School of Economics and Political Science.

He has over 40 years' experience in the corporate sector and a wide experience and knowledge in modern management and accounting techniques.

He has earlier been the Managing Director of Tata Tea Limited, Tata Chemicals Limited and Glaxo & Burroughs Wellcome in India and also served as a Director of LIC Mutual Fund Trustee Private Limited. He was also an Independent Director on the Board of ICICI Bank Limited.

Homi has experience and expertise in pharmaceuticals, agriculture related businesses, international business and mergers & acquisitions. He retired from the Tata Group in 2008 and is now a Senior Advisor to Tata Capital's Private Equity Funds. He is also on the Board of The Anglo Scottish Education Society.

The Board feels that Homi's vast experience of over 40 years in top corporate will augur well for the Company's growth. His guidance and expertise will be of immense value to the Company and hence recommends his continuation as an Independent Director till the completion of his current term.

As at the date of this notice, Homi does not hold any equity shares in the Company and is not related to any other Director of the Company

A brief profile along with Details of Directorships and Committee Memberships held by Homi forms part of the 'Corporate Governance Report' (Annexure CG 1 – Profile of Directors).

Except Homi none of the Promoters, other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item 5 as Special Resolution and requests your approval for the same.

**Item 6: Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the FY 2017-18**

The Board of Directors of the Company, on the recommendation of Audit Committee, had appointed M/s. Rao, Murthy & Associates, Cost Accountants, (Firm Registration No.: 000065) as Cost Auditors to audit the cost records of the Company for the FY 2017-18. Further, post audit, a remuneration of ₹ 2.25 Lakhs (Rupees Two Lakhs and Twenty-Five Thousand only) plus applicable taxes was approved by the Board.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for FY 2017-18.

None of the Promoters, Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item 6 as an Ordinary Resolution and requests your approval for the same.

**Item 7: Approval for grant of loan and continuing of guarantee/security provided to Stelis Biopharma Private Limited, an Associate Company**

**Background to the proposed transaction**

- 1) Stelis Biopharma Private Limited ("Stelis", formerly known as Inbiopro Solutions Private Limited) is a company incorporated in 2007 and is focused on developing a portfolio of 'biosimilars' with a strategy to make them available at affordable prices globally.
- 2) Stelis was acquired by Strides through one of its subsidiary in 2010. In 2013 Stelis became a wholly-owned subsidiary of Strides. In 2015, GMS Pharma (Singapore) Pte Ltd ("GMS"), a strategic partner, entered into a shareholders and share subscription agreement with Strides and Stelis, to subscribe 25.10% stake in Stelis. GMS' first tranche investment of USD 8.49 Million came at a 50% premium to the corresponding investment made by Strides in Stelis. All subsequent investments by Strides and GMS are in proportion to their shareholdings at similar valuation.
- 3) The total funding in Stelis as of March 2017 was USD 32.30 Million, of which Strides had invested USD 22.10 Million while GMS had invested USD 10.20 Million. Corresponding to these investments, Strides owned a stake of 74.90% while GMS owned 25.10% in Stelis.
- 4) With the stated intent of Strides to focus on front-end facing B2C businesses, Strides decided not to have any further investments in any B2B businesses. Accordingly, Strides sought Members' approval to cap its investments in Stelis at USD 22.10 Million and to allow further investments in Stelis by a promoter group company. Members of the Company approved the proposal on March 22, 2017 through postal ballot. Consequently, from March 31, 2017 Stelis is considered as an 'Associate Company' by Strides.
- 5) Pursuant to the above, Tenshi Life Sciences Private Limited ("Tenshi"), a promoter group company, stepped into the position of Strides and agreed to invest further in Stelis. Accordingly, Tenshi entered into a shareholders agreement with Strides, GMS and Stelis to make investment in Stelis by subscribing to its equity shares and warrants (convertible into equity shares). Pursuant to the aforesaid agreement the management and control of Stelis has been vested with Tenshi.
- 6) Since then, Stelis has received further investment of USD 31.80 Million towards setting up of its manufacturing facility and R&D by way of issue of shares and warrants from GMS and Tenshi.

7) Shareholding of Stelis as at the date of this proposal and on a diluted basis is as under:

Particulars	March 31, 2017		August 21, 2018		Fully diluted on conversion of warrants	
	No. of Shares	%	No. of Shares	%	No. of shares	%
Strides Pharma Science Limited	2,51,527	74.90	2,51,527	43.69	2,51,527	36.25%
GMS Pharma (Singapore) Pte Limited	84,290	25.10	1,59,328	27.67	2,18,394	31.47%
Tenshi Life Sciences Private Limited	-	-	1,64,903	28.64	2,23,969	32.28%
<b>Total</b>	<b>3,35,817</b>	<b>100.00</b>	<b>5,75,758</b>	<b>100.00</b>	<b>6,93,890</b>	<b>100.00%</b>

8) It may be noted that, dilution in Strides' shareholding over a period of time is on account of Strides not making any further investments in Stelis.

9) Stelis has set up a state of art manufacturing facility at Doddaballapur, Bangalore and is expected to derive its income initially from contract development and manufacturing operations and product licensing till the time it commercializes its own products.

10) Mr. Arun Kumar, Group CEO & Managing Director and Mr. Deepak Vaidya, Non-Executive Director of the Company are the common directors in Strides and Stelis. Further, Mr. Arun Kumar indirectly controls more than 25% of the voting power in Stelis through his shareholding in Tenshi. Also, Mr. Deepak Vaidya indirectly holds a minority stake in Tenshi. Therefore, Mr. Arun Kumar and Mr. Deepak Vaidya are interested in Stelis.

ensure pledge of its shares equivalent to 30% of the issued and paid up share capital of Stelis, from time to time.

The guarantee was given when Stelis was a subsidiary of the Company and the said transaction was a permitted transaction under the erstwhile provisions of Section 185 of the Companies Act, 2013. There is no change in the terms of the corporate guarantee and the pledge arrangement with ICICI Bank. Accordingly, in terms of Section 185 continuation of the existing arrangement does not require Member's approval.

However, the Board of Directors, keeping in view the good governance practice has decided to seek Members' approval for continuing the corporate guarantee/ security given to ICICI Bank on behalf of Stelis.

#### Current Proposals

##### 1) Loan of ₹ 25 Crores

Stelis had approached the Company for borrowing an amount of ₹ 25 Crores by way of loan to fund its operations falling within the principal business activities till the time they secure additional borrowing from banks/ financial institution.

In terms of Section 185 and other applicable provisions of the Companies Act, 2013 and relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), a company may advance any loan including any loan represented by a book debt or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested, subject to approval of members of the said company.

##### 2) Continuation of the existing corporate guarantee/ security provided for the borrowing of Stelis

Stelis has availed (i) an external commercial borrowing of USD 47 Million on February 3, 2016 ("ECB"); and (ii) a term loan of ₹ 750 Million on March 30, 2016 ("Term Loan"), from ICICI Bank Limited ("ICICI Bank"). The ECB and Term Loan are collectively referred to as the "Credit Facilities".

Strides had, when Stelis was a subsidiary of Strides, provided a corporate guarantee to ICICI Bank, guaranteeing the Credit Facilities and further pledged its shares to secure the Credit Facilities. As per the pledge arrangement the Company is required to

The Board of Directors at their meeting held on August 21, 2018, based on the recommendation of Audit Committee, approved the following, subject to approval of the Members of the Company:

a) Grant of loan of ₹ 25 Crores to Stelis for a period not exceeding 12 months from the date of disbursement at an interest rate of 10.00% per annum (which is higher than the rate of prevailing yield of Government security closest to the tenor of the loan);

b) Continuing the Corporate Guarantee and Pledge Arrangement for the existing Credit Facilities with ICICI Bank.

Except Arun and Deepak, none of the other Promoters, other Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise, in this resolution except to the extent of their shareholding as Members.

The Board recommends passing of the proposed resolution stated in Item 7 as Special Resolution and requests your approval for the same.

By Order of the Board

**For Strides Pharma Science Limited**

Sd/-  
**Manjula Ramamurthy**  
Company Secretary

Place : Bengaluru  
Dated: August 21, 2018



## Attendance Slip



### STRIDES PHARMA SCIENCE LIMITED

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

Regd. Office: 201, 'Devavrata', Sector – 17, Vashi, Navi Mumbai – 400 703

Tel No.: +91 22 2789 2924, Fax No.: +91 22 2789 2942

Corp. Office: 'Strides House', Bilekahalli, Bannerghatta Road, Bengaluru – 560 076

Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700

Website: www.strides.com; Email: investors@strides.com



## Annual General Meeting – September 24, 2018

Please complete this Attendance Slip and hand over at the entrance of the Meeting Hall.

Name of the Member :

Folio / DP & Client ID No. :

No. of shares held :

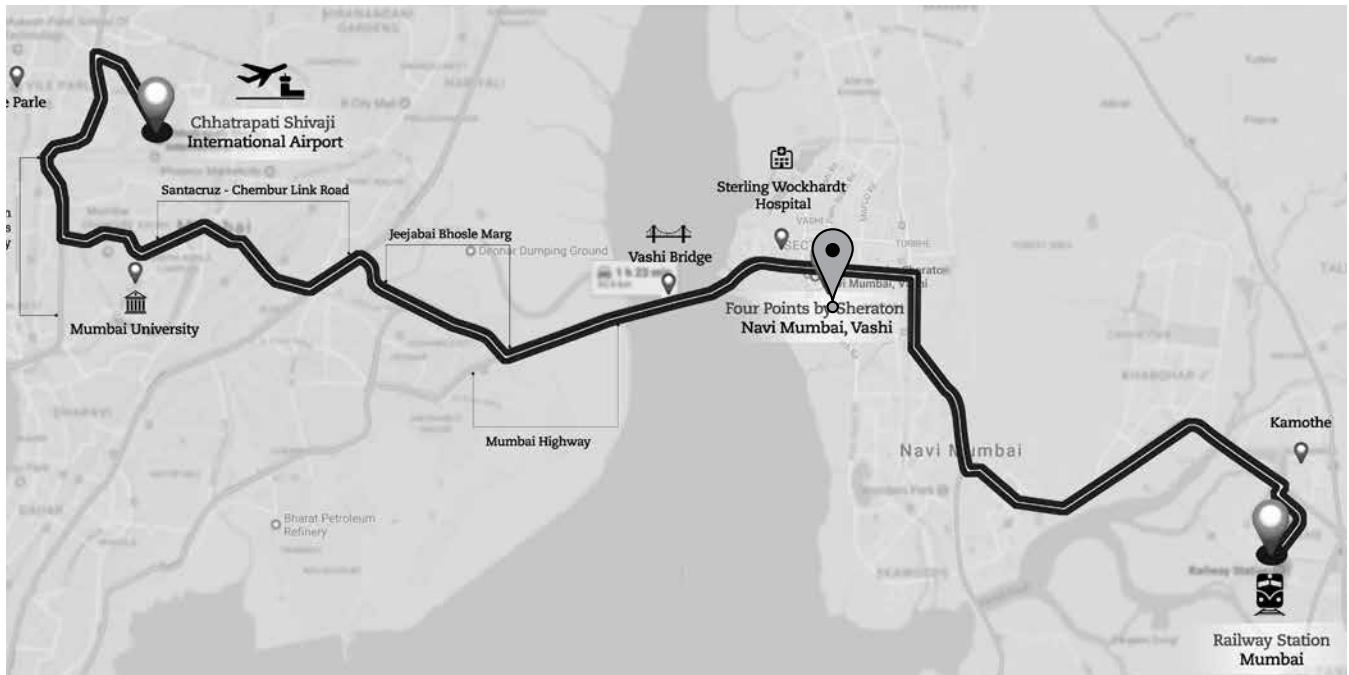
I certify that I am a member/ proxy of the member of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company, held at 12:15 hrs at Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701 on Monday, September 24, 2018.

Name of the attending Member/ Proxy  
(In BLOCK Letters)

Signature of the attending Member/ Proxy

## ROUTE MAP



### **Hotel Four Points by Sheraton**

Plot No. 39/1, 6 to 15  
Sector 30A, Vashi  
Navi Mumbai – 400 701

# Proxy Form – Form MGT-11



## STRIDES PHARMA SCIENCE LIMITED

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

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Tel No.: +91 80 6784 0000/ 6784 0290, Fax No.: +91 80 6784 0700

Website: www.strides.com; Email: investors@strides.com

### Annual General Meeting – September 24, 2018

Name of the member(s) :

Registered Address :

Email :

Folio No. / Client ID :

DP ID :

I/ We, being a member/ members of ..... shares of the above named Company, hereby appoint:

1) Name:.....

Address: .....

.....

E-mail Id:..... Signature..... or failing him/her

2) Name:.....

Address: .....

.....

E-mail Id:..... Signature..... or failing him/her

3) Name:.....

Address: .....

.....

E-mail Id:..... Signature.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the ANNUAL GENERAL MEETING of the Company, to be held on Monday, September 24, 2018 at 12:15 hrs at Hotel Four Points by Sheraton, Plot No. – 39/1, 6 to 15, Sector 30A, Vashi, Navi Mumbai – 400 701 and at any adjournment thereof in respect of such resolutions as are indicated in the next page:

Item Number	Resolutions	Type of Resolution
<b>Ordinary Business</b>		
1.	Adoption of financial statements for the year ended March 31, 2018: a) the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2018 together with Reports of the Board of Directors and the Auditors thereon. b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2018 and the Report of Auditors thereon.	Ordinary Resolution
2	Declaration of Dividend	Ordinary Resolution
3	Appointment of Director in place of Mr. Badree Komandur, retiring director	Ordinary Resolution
<b>Special Business</b>		
4	Appointment of Mr. Arun Kumar as Executive Director of the Company	Special Resolution
5	Approval for continuation of Mr. Homi Rustam Khusrokhan as an Independent Director of the Company	Special Resolution
6	Ratification of remuneration payable to M/s. Rao, Murthy & Associates, Cost Auditors of the Company for the FY 2017-18	Ordinary Resolution
7	Approval for grant of loan and continuing of guarantee/security provided to Stelis Biopharma Private Limited, an Associate Company	Special Resolution

Affix  
revenue  
stamp

Signed this ..... day of ..... 2018

\_\_\_\_\_  
Signature of the Member

\_\_\_\_\_  
Signature of the Proxy

Note:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) The proxy to be effective should be duly completed and deposited at the Registered Office/ Corporate Office of the Company not less than 48 hours before the commencement of the Meeting.