

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF STRIDES EMERGING
MARKETS LIMITED IN ACCORDANCE WITH SECTION 232(2)(C) OF THE
COMPANIES ACT, 2013 READ WITH RULE 6(3)(VI) OF THE COMPANIES
(COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016
IN ITS MEETING HELD ON OCTOBER 25, 2019

ON THE SCHEME OF AMALGAMATION OF
ARROW REMEDIES PRIVATE LIMITED,
FAGRIS MEDICA PRIVATE LIMITED,
STRIDES EMERGING MARKETS LIMITED AND
STRIDES PHARMA SCIENCE LIMITED
AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

1. Background

- 1.1 A meeting of the Board of Directors ("Board") of Strides Emerging Markets Limited ("SEML" or "the Company" or "Transferor Company 3") was held on September 4, 2019 to consider and approve the proposed Scheme of Amalgamation in respect of the amalgamation of Arrow Remedies Private Limited (hereinafter referred to as "Arrow Remedies" or the "Transferor Company 1"), Fagris Medica Private Limited (hereinafter referred to as "Fagris Medica" or the "Transferor Company 2") and the Company (together hereinafter referred to as "Transferor Companies") with Strides Pharma Science Limited (hereinafter referred to as "SPSL" or the "Transferee Company") and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 ("the Scheme").
- 1.2 In terms of Section 232(2)(c) of the Companies Act, 2013 ("the Act"), a report adopted by the directors of the merging companies explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders is to be appended with the notice of the meeting of shareholders and creditors. Further, the said report has to specify any special valuation difficulties, if any, in the valuation.
- 1.3 This report is made by the Board after perusing, *inter-alia*, the following necessary documents ("the Documents"):
- a. Draft Scheme of Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company and their respective shareholders and creditors;



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(Formerly Strides Emerging Markets Private Limited)

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- b. Audited financial statements of the Transferor Companies and the Transferee Company for the year ended March 31, 2019 and provisional (unaudited) financial statements of the Transferor Companies and the Transferee Company for the period ending June 30, 2019.

2. Rationale of the Scheme

2.1 The Board of Directors of Transferor Company 3 envisage the following benefits pursuant to the amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3 into the Transferee Company:

1. Simplified management structure, leading to better administration and reduction in costs from more focused operational efforts, rationalization, standardization and simplification of business processes, elimination of duplication and optimize operational efficiency.
2. The amalgamation would lead to greater and efficient use of infrastructure facilities and optimum utilisation of the available resources.
3. Simplification of group structure by eliminating multiple companies within the group.

2.2 In view of the aforesaid, the Board of Directors of the Transferor Companies and the Transferee Company have considered the amalgamation of the Transferor Companies with and into the Transferee Company. Accordingly, the Board of Directors of the respective companies have formulated the Scheme for the transfer of the Transferor Companies with and into the Transferee Company, pursuant to the provisions of Sections 230 to 232 of the Act and other relevant provisions of the Companies Act, 2013, to the extent applicable and in compliance with the applicable provisions of the Income-tax Act, 1961.



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3. Impact on Key Stakeholders

#	Category of stakeholder of Transferor Company 3	Effect of the Scheme on the stakeholder
1	Shareholders, Promoters and Non-Promoter shareholders	<p>The entire paid-up share capital of the Company is held by Strides Pharma (Cyprus) Limited ("SPCL"), a company incorporated under the laws of Cyprus, an indirect wholly-owned subsidiary of the Transferee Company, and its nominees.</p> <p>The Scheme is expected to have several benefits for the Company as indicated in the Rationale to the Scheme and is expected to be in the best interest of the shareholders of the Company.</p> <p>As the proposed merger is of direct/ indirect wholly owned subsidiaries of the Transferee Company, upon the Scheme becoming effective, all the equity shares of the Company held by SPCL and its nominees, shall stand cancelled and extinguished; and no consideration shall pass to the shareholders of the Company.</p> <p>There is no other class of shareholders except for equity.</p> <p>Pursuant to the Scheme, investments in the share capital of Company, shall be cancelled without, any further application, act, instrument or deed, by the Transferee Company.</p>



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2	Key Managerial Personnel (KMPs) and Directors	KMPs and Directors of the Company shall not continue as KMPs and Directors of the Transferee Company, post the Scheme coming into effect, unless they are already KMPs and Directors of the Transferee Company, before effectiveness of the Scheme.
3	Employees	Employees of the Company shall become employees of the Transferee Company, post the Scheme becoming effective.
4	Creditors	Assets of the Transferee Company, post amalgamation, shall be sufficient to discharge the creditors of the Company, post the Scheme coming into effect. Therefore, the Scheme will not have any adverse effect on the Company's creditors.
5	Depositors, Debenture holders, Deposit Trustee and Debenture Trustee.	The Company has neither accepted any deposits from any person nor issued any debentures.

4. Valuation

The Transferor Companies are direct/ indirect wholly owned subsidiaries of the Transferee Company. Upon the Scheme becoming effective, all the equity shares as held by the Transferee Company or its subsidiary (i.e. SPCL) in the Transferor Companies either by itself or through its subsidiary / nominees shall stand cancelled and extinguished.

Therefore, there will be no issue and allotment of shares as consideration by the Transferee Company to the shareholders of the Transferor Companies upon coming into effect of the Scheme. Hence, there is no share exchange ratio contemplated under the Scheme.



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The investments in the shares of the Transferor Companies, appearing in the books of account of the Transferee Company or its subsidiary (i.e. SPCL) shall, without any further act or deed, stand cancelled. Consequently, no valuation report is required for the proposed amalgamation.

5. Adoption of the Report

The Board of Directors of the Company have adopted this report after noting and considering the information set forth in this report.

The Board or any person authorized by the Board is entitled to make relevant modifications to this report, if required, and such modifications and amendments shall be deemed to form part of this Report.

**For and on behalf of Board of Directors
Strides Emerging Markets Limited**



Umesh Pralhadrao Kale
Director
DIN: 07486080

Date: October 25, 2019
Place: Bengaluru



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