

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF STRIDES PHARMA
SCIENCE 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 Pharma Science Limited ("SPSL" or "the Company" or "the Transferee Company") was held on July 29, 2019 to consider and approve the proposed Scheme of Amalgamation in respect of the amalgamation of Arrow Remedies Private Limited (hereinafter referred to as "ARPL" or the "Transferor Company 1"), Fagris Medica Private Limited (hereinafter referred to as "Fagris Medica" or the "Transferor Company 2"), Strides Emerging Markets Limited (hereinafter referred to as "SEML" or the "Transferor Company 3") (together hereinafter referred to as "Transferor Companies") with the 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, 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.



Strides Pharma Science Limited
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CIN: L24230MH1990PLC057062

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- 1.3 Statutory Auditor's Certificate issued by BSR & Co. LLP, Chartered Accountants, the statutory auditors of the Company, as required under Proviso to Section 232(3) of the Companies Act, 2013 certifying the accounting treatment in the draft Scheme is in accordance with the accounting standards prescribed under Section 133 of the Companies Act, 2013.
- 1.4 This report is made by the Board after perusing, *inter-alia*, the following necessary documents ("the Documents"):
- Draft Scheme of Amalgamation of Transferor Company 1, Transferor Company 2, Transferor Company 3 and Transferee Company and their respective shareholders and creditors;
 - 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 the Transferee Company envisage the following benefits pursuant to the amalgamation of the Transferor Company 1, Transferor Company 2, Transferor Company 3 into the Transferee Company:
- 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.
 - The amalgamation would lead to greater and efficient use of infrastructure facilities and optimum utilisation of the available resources.
 - Simplification of group structure by eliminating multiple companies within the group.



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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 Companies Act, 2013 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.

3. Impact on Key Stakeholders

#	Category of stakeholder of the Transferee Company	Effect of the Scheme on the stakeholder
1	Shareholders, Promoters and Non-Promoter shareholders	<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 all the shareholders of the Company.</p> <p>As the proposed merger is of wholly owned subsidiaries of the Company, upon the Scheme becoming effective, all the equity shares held by the Company (directly/ indirectly) in the Transferor Companies shall stand cancelled and extinguished; and no consideration shall pass from the Company.</p> <p>There is no other class of shareholders except for equity.</p> <p>There will not be any change in the paid-up share capital of the Company pursuant to the Scheme.</p>



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2	Key Managerial Personnel (KMP) and Directors	<p>KMP and Directors of the Company shall continue as KMP and Directors post effectiveness of the Scheme as well.</p> <p>Such KMP and Directors who are shareholders of the Company will continue to remain as shareholders.</p> <p>Please refer to point 1 above for details regarding impact on shareholders.</p>
3	Employees	<p>Employees of the Company shall continue to act as employees post effectiveness of the Scheme.</p> <p>Such employees who are shareholders of the Company will continue to remain as shareholders.</p> <p>Please refer to point 1 above for details regarding impact on shareholders.</p>
4	Creditors	<p>Assets of the Company shall be sufficient to discharge its creditors post the Scheme comes into effect.</p> <p>Therefore, the Scheme will not have any adverse effect on the Company's creditors.</p>
5	Depositors, Debenture holders, Deposit Trustee and Debenture Trustee.	<p>The Company has neither accepted any deposits from any person nor issued any debentures.</p>



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4. Compliance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Scheme solely provides for amalgamation of the Transferor Company 1, the Transferor Company 2, the Transferor Company 3 with and into the Transferee Company. The Transferor Companies are, directly or indirectly, wholly-owned by the Transferee Company or its nominees.

Pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 as amended by SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and, as amended by SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, **there is no requirement to obtain** a no-objection letter from the stock exchanges, valuation report from an independent Chartered Accountant, Audit Committee report, fairness opinion by a SEBI registered Merchant Banker, report on complaints, etc.

The Scheme shall be filed with the Stock Exchanges, (i.e., the BSE Limited and the National Stock Exchange of India Limited) for the purpose of disclosure only.

5. 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 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.

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



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6. 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 duly authorized Committee or Person 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 Pharma Science Limited**



**Date: October 25, 2019
Place: Bengaluru**

**Badree Komandur
Executive Director - Finance & Group CFO**