

April 20, 2018

The Manager Listing**BSE Limited**

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip code: 532531

The Manager Listing**The National Stock Exchange of India Limited**

Exchange Plaza, Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051

Scrip code: STAR

Dear Sir,

Sub: Apportionment of the Cost of Acquisition of equity shares

Ref: Composite Scheme of Arrangement between Strides Shasun Limited (the 'Company' or 'Strides'), SeQuent Scientific Limited ('SeQuent') and Solara Active Pharma Sciences Limited ('Solara') and their respective shareholders and creditors ('Composite Scheme') in terms of Sections 230-232 of the Companies Act, 2013

Please find attached guidance to the shareholders of the Company relating to post demerger cost of acquisition of the equity shares of the Company and Solara in terms of the provisions of the Income Tax Act, 1961.

Kindly note that this communication is merely for the general guidance of the shareholders and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer/appropriate appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance. Please note that if there is any change including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would be necessarily have to re-evaluated in light of the changes. Strides/Solara do not take the responsibility of updating this communication at any time in future.

The same is also being uploaded on the website of the Company i.e., www.stridesarco.com

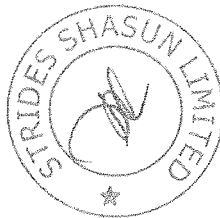
Request you to kindly take the same on record and oblige.

Thanks & Regards,

For Strides Shasun Limited



Manjula Ramamurthy
Company Secretary



Encl: As above

**FOR THE ATTENTION OF THE SHAREHOLDERS OF
STRIDES SHASUN LIMITED ('THE COMPANY')**

The National Company Law Tribunal, Mumbai Bench, vide its Order dated March 9, 2018 has approved the Composite Scheme of Arrangement between Strides Shasun Limited (the 'Company' or 'Strides'), SeQuent Scientific Limited ('SeQuent') and Solara Active Pharma Sciences Limited ('Solara') and their respective shareholders and creditors ('Composite Scheme') in terms of Sections 230-232 of the Companies Act, 2013.

The Composite Scheme, inter-alia, provides for the following:

(i) transfer by way of demerger of the commodity active pharmaceutical ingredients business of Strides ("**Commodity API Business**" or "**Demerged Undertaking 1**") to Solara in consideration for issuance of equity shares by Solara to the shareholders of Strides;

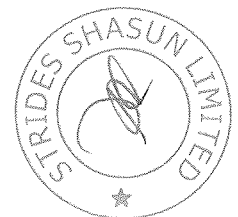
(ii) transfer by way of demerger of human active pharmaceutical ingredients business of SeQuent ("**Human API Business**" or "**Demerged Undertaking 2**") to Solara in consideration for issuance of shares by Solara to the shareholders of SeQuent;

(iii) the reduction of capital held by Strides in Solara;

(iv) the reduction of the securities premium account of Strides and SeQuent respectively to the extent as required under Clause 8.3 and 19.3 of the Scheme respectively and various other matters consequential or otherwise integrally connected therewith, including the reduction of the securities premium account of Strides, pursuant to the provisions of Sections 230 to 232 of the Act, and any other applicable provisions of the Act or Companies Act, 1956, as applicable (including any statutory modification(s) or re-enactment thereof), for the time being in force.

Strides had fixed April 9, 2018 as the Record Date to determine the eligibility of its equity shareholders who would be entitled to receive the equity shares of Solara, pursuant to the Composite Scheme. In terms of the Composite Scheme, Solara is required to issue and allot, to each shareholder of Strides whose name appears in the Register of Members of Strides and/ or in the Depositories as Equity Shareholder of the Strides on the Record Date, 1 (one) fully paid up equity share of Rs. 10/- each of Solara for every 6 (six) fully paid up equity share and held by such equity shareholder in Strides.

This communication is being issued for general guidance of the shareholders of Strides in relation to the method of calculation and appointment of the pre-demerger cost of acquisition of equity shares of Strides between the equity shares of Strides and the equity shares of Solara to be received pursuant to the Composite Scheme, as per the provisions of the Income Tax Act, 1961 ('Income Tax Act'). Since the equity shares of Solara are being allotted pursuant to demerger, their Cost of Acquisition is to be determined as per the provision of Section 49(2C) and 49(2D) of the Income Tax Act.



Applicable Statutory Provisions: Section 49(2C) and 49(2D) of the Income Tax Act:

Cost of Acquisition of Resulting Company/ Solara's Shares	Original Cost of acquisition * Net book value of assets transferred by the Demerged Company as on the Appointed Date ----- ----- Net-worth of the Demerger Company immediately before Demerger
Cost of Acquisition of Demerged Company/ Strides' Shares	Original cost of acquisition of equity shares of the Demerged Company Less Cost of Acquisition of Resulting Company's equity shares (as computed above)

As such, for the purpose of determining the post demerger cost of acquisition of the equity shares of Strides and the cost of equity shares of Solara under the Act, the eligible shareholders who hold equity shares of Strides as on the Record Date i.e., April 9, 2018, are advised to apportion their pre-demerger cost of acquisition of Strides in the following manner:

Name of the Company	% of Cost of Acquisition of Equity Shares of Strides*
Strides Shasun Limited	92.80 %
Solara Active Pharma Sciences Limited	7.20 %
Total	100.00 %

* the net book value of assets which relate to the Commodity API Business as on the Appointed Date i.e., October 1, 2017 was INR 1,971.57, whereas the network of Strides (paid up share capital and general reserves) immediately before such demerger was Rs. 27,364.86.

Thus, the proportion of net book value of assets of Strides transferred vis-à-vis the network of Strides immediately before such demerger will be 7.20 %.

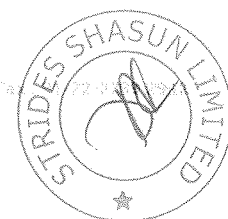
Accordingly, the cost of acquisition of the equity shares in Solara will be 7.20 % of the total cost of acquisition of the original equity shares in Strides, prior to the demerger.

For Example:

A shareholder holds 60 shares (having face value of Rs. 10/- each) in Strides before the Record Date i.e., April 9, 2018 at a price of Rs. 1,000/- per share. Total cost of acquisition of 60 shares is Rs. 60,000. Such shareholder will be allotted 10 fully paid up equity shares (having face value of Rs. 10/- each) of Solara for 60 shares held in Strides.

The proportionate cost of acquisition of 10 shares of Solara shall be Rs. 4,320 and that of 60 shares of Strides shall be Rs. 55,680/-

Further, according to the provisions of Section 47 (vi) (d) of the Income Tax Act, the issue of shares of the Resulting Company i.e., Solara to the equity shareholders of the Demerged



Company 1 i.e., Strides pursuant to the Composite Scheme is not a transfer and hence not taxable in the hands of the equity shareholders.

In respect of the equity shares to be issued by Solara, the date of acquisition of such equity shares, for the purpose of capital gains in the hands of the shareholder, will be the date of acquisition of the original shares of Strides for each shareholder, as per clause g in Explanation 1 to section 2 (42A) of the Act.

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**Thanks & Regards,
For Strides Shasun Limited**


**Manjula Ramamurthy
Company Secretary**

