



SOLARA ACTIVE PHARMA SCIENCES LIMITED

(formerly SSL Pharma Sciences Limited)

CIN: U24230MH2017PLC291636

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NOTICE OF POSTAL BALLOT AND E-VOTING

Dear Member (s),

Notice pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014

Notice is hereby given that, pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with Companies (Management and Administration) Rules, 2014 (the "Rules"), Solara Active Pharma Sciences Limited (the "Company") is seeking consent of its Members for the Special Business to be transacted through Postal Ballot, which includes voting by electronic means for the following items:

Item 1: Investment in Strides Chemicals Private Limited

Item 2: Increasing the FPI Shareholding limit under Foreign Exchange Management Act, 1999

Item 3: Increasing the NRI / OCI Shareholding limit under Foreign Exchange Management Act, 1999

Scrutinizer for conducting the Postal Ballot

The Board of Directors in their meeting held on May 19, 2018 have appointed Mr. Soy Joseph (Membership No. ACS: 13852 and CP: 5612), Partner of M/s. JM & Associates, Company Secretaries as Scrutinizer for conducting the Postal Ballot/ e-voting process in a fair and transparent manner.

Member(s) are requested to carefully read the instructions printed on the Form, record your assent (for) or dissent (against) therein and return the Form, in original, duly completed in all respects, in the enclosed self-addressed, postage pre-paid envelope (if posted in India) so as to reach the Scrutinizer on or before Wednesday, August 8, 2018 by 5.00 p.m.

E-voting

The Company has engaged Karvy Computershare Pvt Ltd., Hyderabad ('Karvy') for providing the e-voting facility through its platform.

The process and manner for e-voting is provided in the notice. In case a member votes through e-voting facility, he/she is not required to vote through Postal Ballot Form. In case a member votes through e-voting facility as well as sends his/ her vote through Postal Ballot Form, the vote cast through e-voting shall be considered and the voting through Postal Ballot Form shall not be considered by the Scrutinizer.

The e-voting will commence on Tuesday, July 10, 2018 at 9.00 a.m. and will end on Wednesday, August 8, 2018 at 5.00 p.m.

The results, together with the Scrutinizer's Report, will be announced latest by Friday, August 10, 2018 at the registered office and at the corporate office of the Company and will be displayed on the website of the Company i.e., [www:solara.co.in](http://www.solara.co.in) and also on the website of Karvy i.e., <https://evoting.karvy.com>, besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

The Resolution will be deemed to have been passed on the date of declaration of the results of the postal ballot, if approved, by the requisite majority.

RESOLUTION PUT THROUGH POSTAL BALLOT

Item 1: Investment in Strides Chemicals Private Limited

To consider and if thought fit, to assent/ dissent to the following as an Ordinary Resolution:

RESOLVED that pursuant to the provisions of Section 186 and Section 188 of the Companies Act, 2013, read with relevant rules (including any statutory modifications or re-enactment thereof for the time being in force) and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum and Articles of Association of the Company and subject to other requisite approvals, if any, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to acquire the entire shareholding in Strides Chemicals Private Limited, which is a wholly owned subsidiary of Strides Shasun Limited, for a consideration not exceeding Rs.135,00,00,000 (Rupees One Hundred Thirty Five Crores only) and on such other terms and conditions as may be mutually agreed between the parties.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things and to execute all documents and to take all steps and give directions as may be required, necessary, expedient or desirable for giving effect to this resolution.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and are hereby severally authorized to sign a copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.

Item 2: Increasing the FPI investment limit under Foreign Exchange Management Act, 1999

To consider and if thought fit, to assent/ dissent to the following as a Special Resolution:

RESOLVED that pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 ("FEMA"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, the Consolidated FDI Policy (effective from August 28, 2017), the Companies Act, 2013 and all applicable rules, regulations, circulars, notifications, guidelines and laws (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions, sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company, including any committee which the Board of Directors has constituted or will constitute, consent of the members of the Company be and is hereby accorded for increase in the aggregate limit of total holding of all Foreign Portfolio Investors ("FPI"), as defined in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, including their sub-accounts, in the Company, from 24% (Twenty Four Percent) to 49% (Forty Nine Percent) of the total Paid Up Equity Share Capital on a fully diluted basis, provided that the individual holding of each FPI does not exceed 10% (Ten Percent) of the Paid Up Equity Share Capital on a fully diluted basis or such other limit as may be prescribed, from time to time, under applicable laws.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any Committee of Directors or any Director or Officer of the Company.

Item 3: Increasing the NRI / OCI investment limit under Foreign Exchange Management Act, 1999

To consider and if thought fit, to assent/ dissent to the following as a Special Resolution:

RESOLVED that pursuant to the applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, the Consolidated FDI Policy (effective from August 28, 2017), the Companies Act, 2013 and all applicable rules, regulations, circulars, notifications, guidelines and laws (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions, sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions which may be agreed to by the Board of Directors of the Company, including any committee which the Board of Directors has constituted or will constitute, consent of the members of the Company be and is hereby accorded for increase in the aggregate limit of total holding of all Non-Resident Indians (“NRIs”) and Overseas Citizen of India (“OCIs”), in the Company, from 10% (Ten Percent) to 24% (Twenty Four Percent) of the total Paid Up Equity Share Capital on a fully diluted basis, provided that the individual holding of each NRI or OCI does not exceed 5% (Five Percent) of the Paid Up Equity Share Capital on a fully diluted basis or such other limit as may be prescribed, from time to time, under applicable laws.

RESOLVED FURTHER that any Director or Company Secretary of the Company be and is hereby severally authorised to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto including delegating all or any of the powers conferred herein to any Committee of Directors or any Director or Officer of the Company.

**By Order of the Board
For Solara Active Pharma Sciences Limited
Sd/-
S. Murali Krishna
Company Secretary**

**Place: Chennai
Date: July 6, 2018**

Notes:

1. The Explanatory Statement as required under Section 102 of the Companies Act, 2013 is annexed hereto.
2. The Notice, together with the documents accompanying the same, is being sent to all the members by email/ registered post/ courier whose names appear in the Register of Members/ list of Beneficial Owners as received from the National Securities Depository Services Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) or Registrar and Share Transfer Agent (‘Karvy’) as at Saturday, June 30, 2018 at their respective registered/ last known address. The Notice will be displayed on the website of the Company (www.solara.co.in) and of Karvy (<https://evoting.karvy.com>).
3. Members have the option either to vote through the e-voting process or through the postal ballot form.

4. A postal ballot form along with self-addressed postage pre-paid envelope is also enclosed. Members who have received the postal ballot notice by e-mail and who wish to vote through postal ballot form, can download the postal ballot form from the Company's website (www.solara.co.in) or seek duplicate postal ballot form from the Company or Karvy.
5. Incomplete, unsigned, improperly or incorrectly tick marked postal ballot forms will be rejected. There will be only 1 (one) postal ballot form for every registered folio /client ID irrespective of the number of joint members.
6. The postal ballot form should be completed and signed by the Member (as per specimen signature registered with the Karvy and/or furnished to NSDL/ CDSL). In case, shares are jointly held, this form should be completed and signed by the first named member and, in his/her absence, by the next named member. Holder(s) of Power of Attorney ('PoA') on behalf of a Member may vote on the postal ballot mentioning the registration number of the PoA with the Company or enclosing a copy of the PoA authenticated by a notary. In case of shares held by companies, societies etc., the duly completed postal ballot form should be accompanied by a certified copy of the board resolution/ authorization giving the requisite authority to the person voting on the postal ballot form.
7. In compliance with provisions of Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Company is pleased to offer e-voting facility to its Members holding equity shares as at Saturday, June 30, 2018 (being the cut-off date), to exercise their right to vote electronically on the above resolution. For this purpose, the Company has signed an agreement with Karvy for facilitating e-voting.
8. The instructions for the Members for voting electronically are as under:
 - (i) To use the following URL for e-voting:
<https://evoting.karvy.com/>
 - (ii) Enter the login credentials i.e., user id and password mentioned below this communication. Your Folio No/ DP ID/ Client ID will be your user ID.

User - ID	For Members holding shares in Demat Form
	a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
	b) For CDSL : 16 digits beneficiary ID
	For Members holding shares in Physical Form
	Event No. followed by Folio Number registered with the Company
Password	In case of Members who have not registered their e-mail addresses, their User-Id and Password is printed below.
Captcha	Enter the verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) After entering the details appropriately click on LOGIN.
- (iv) Password change menu will appear. Change the password with a new password of your choice. The new password has to be a minimum of 8 (eight) characters consisting of at least 1 (one) upper case (A-Z), 1 (one) lower case (a-z), 1 (one) numeric value (0-9) and a special character.

Kindly note that this password can be used by the Demat holders for voting on any resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through Karvy e-voting platform.

The system will prompt you to change your password and update any contact details like mobile no., email ID etc., on first login. You may also enter the 'Secret Question' and answer of your choice to retrieve your password in case you forget it.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (v) Login again with the new credentials.
 - (vi) On successful login, system will prompt to select the 'EVENT' (E-voting Event Number) i.e., the Company's name 'Solara Active Pharma Sciences Limited'.
 - (vii) On the voting page, you will see the 'Resolution Description' and against the same the option 'FOR/ AGAINST/ ABSTAIN' from voting.
 - (viii) Enter the number of shares (which represents number of votes) under 'FOR/ AGAINST/ ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/ AGAINST' taken together should not exceed your total shareholding. If the member does not want to cast his vote, select 'ABSTAIN'.
 - (ix) Members holding multiple folios/ demat account shall choose the voting process separately for each folios/ demat account.
 - (x) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on 'CANCEL' and accordingly modify your vote.
 - (xi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
 - (xii) Corporate/ Institutional Members (Corporate/ FIs/ FIIs/ Trust/ Mutual Funds/ Banks etc.) are required to send scan (PDF format) of the relevant board resolution to the Scrutinizer through e-mail to soy@saspartners.com with a copy to evoting@karvy.com.
 - (xiii) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of <https://evoting.karvy.com> or contact Mr. Raju S V of Karvy at +91 40 6716 2222 or at 1800 345 4001 (toll free).
 - (xiv) Members are eligible to cast vote electronically only if they are holding shares as on Saturday, June 30, 2018.
 - (xv) The voting period shall commence at 9.00 a.m. on Tuesday, July 10, 2018 and will end at 5.00 p.m. on Wednesday, August 8, 2018. The e-voting module shall be disabled by Karvy at 5.00 p.m. on Wednesday, August 8, 2018.
9. Members have the option to vote either through e-voting or through physical postal ballot form. If a Member has opted for e-voting, then he/she should not vote by physical postal ballot form also and *vice-versa*. However, in case Members cast their vote both *via* physical postal ballot form and e-voting, then voting through e-voting shall prevail and voting done by postal ballot shall be treated as invalid.
10. The Scrutinizer will submit his report to the Chairman of the Board after completion of the scrutiny of the postal ballots including e-votes submitted. The Scrutinizer's decision on the validity of the vote (including e-votes) shall be final. The results of the postal ballot including e-voting will be announced latest by Friday, August 10, 2018.
11. The results, together with the Scrutinizer's report, will be displayed at the registered office of the Company and on the website of the Company (www.solara.co.in) and also on the website of Karvy (<https://evoting.karvy.com>) besides being communicated to BSE Limited and the National Stock Exchange of India Limited on which the shares of the Company are listed.

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

Item 1 - Investment in Strides Chemicals Private Limited

Background

About Solara

Solara Active Pharma Sciences Limited (“Solara”) is a Company incorporated under the Companies Act, 2013 and having its Registered Office at No.201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703.

Solara is a global R&D focussed, pure-play API Company engaged in manufacturing and development of APIs and offering services, including CRAMS and contract manufacturing of APIs.

Through a Composite scheme of arrangement between Strides Shasun Limited (Strides), Sequent Scientific Limited (SeQuent) and Solara Active Pharma Sciences Limited (Solara) and their respective shareholders and creditors in terms of Section 230-232 of the Companies Act, 2013 Commodity API business of Strides Shasun Limited (Strides) and Human API business of SeQuent Scientific Limited (SeQuent) was demerged to Solara effective March 31, 2018.

The Company’s shares are listed on BSE Limited and National Stock Exchange of India Limited effective June 27, 2018.

About Strides Chemicals

Strides Chemicals Private Limited (“Strides Chemicals”) (formerly ‘Perrigo API India Private Limited’) is a private limited company incorporated under the provisions of the Companies Act, 1956 in the year 2003.

Strides Chemicals is into the business of manufacturing of Active Pharmaceutical Ingredients (APIs) and has an USFDA approved API facility located in Ambernath Industrial Zone, Thane, Maharashtra.

Strides Shasun Limited (“Strides”) acquired 100% equity stake in Strides Chemicals in April 2017 from Perrigo Netherlands (Perrigo Israel Holdings II BV, Netherlands and Perrigo Netherlands BV, Netherlands).

Financials of Strides Chemicals for FY 2017-18 is as under:

Particulars	Amount in Rs. Mn.
Revenue From Operations	290.28
Profit/(Loss) on operations before exceptional items	(169.61)
<u>Exceptional items gain / (loss) (net):</u>	
Reversal of Provision for impairment created in earlier years*	509.36
Profit After Tax	339.75
Other Comprehensive Income	(0.09)
Total Comprehensive income	339.84

* Reversal of provision for impairment created in earlier years due to acquisition by Strides

Rationale for the Proposed Transaction

Strides is proposing to exit API business by divesting their entire shareholding in Strides Chemicals and the Management feels that this USFDA approved facility can be used to expand the capacity of the Company. Basis the review, Management contemplated to invest in Strides Chemicals and Strides has consented to the same, subject to statutory/ regulatory approvals, as may be required, including approval of the shareholders of both the Companies. As part of the proposed understanding, Strides has requested for a 'Most Favoured Customer' status for all the DMF's required for the integrated formulations portfolio in view of the long-term development and manufacturing arrangement and the Company has consented to the same.

Additional Information under Companies Act, 2013

(a)	Name of the related party	Strides Shasun Limited
(b)	Name of the director or key managerial personnel who is related, if any	Mr. Arun Kumar, Promoter of Strides and Solara and Group CEO & Managing Director of Strides;
(c)	Nature of relationship	Mr. Jitesh Devendra, Managing Director of Solara & part of promoter group of Strides; Mr. Deepak Vaidya, Non-Executive Director of Strides and Solara
(d)	Nature, material terms, monetary value and particulars of the contract or arrangement	Based on the valuation, the fair value of 100% equity stake of Strides Chemicals, is in the range of ~INR 127 crores to ~INR 135 crores.
(e)	Any other information relevant or important for the members to take a decision on the proposed resolution	Strides Shasun Limited has requested for a 'Most Favoured Customer' status for all the DMF's required for the integrated formulations portfolio in view of the long-term development and manufacturing arrangement.

Consideration for the Proposed Transaction

The consideration of an amount not exceeding Rs.135 Crores was arrived based on an independent valuation carried out by M/s. Saffron Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker. Based on the valuation, the fair value of 100% equity stake of Strides Chemicals, is in the range of ~INR 127 crores to ~INR 135 crores. *(Copy of the valuation report is available on the website of the Company at www.solara.co.in).*

Regulatory Requirement

The proposed transaction is covered under Section 186 of the Companies Act, 2013 ("the Act"), which relates to investment by company. However, does not qualify for prior approval of shareholders under the section as it is within the threshold limits prescribed thereunder.

The proposed transaction is also deemed to be a Related Party Transaction in terms of Section 188 of the Act, as Mr. Arun Kumar is Promoter of the Company and also Promoter and the Group CEO & Managing Director of Strides. Mr. Jitesh Devendra, Managing Director of Solara and also part of the Promoter Group of Strides. As the proposed transaction exceeds the prescribed limits under section 188 of the Companies Act, 2013, prior approval of shareholders of the Company is being sought.

Approval of the Members is sought by way of an ordinary resolution for 100% investment in Strides Chemicals Private Limited.

In terms of Section 188 of the Act and Regulation 23 of SEBI LODR, all the related parties of the Company will abstain from voting on this resolution.

Except Mr. Arun Kumar, who is also a promoter of Strides and Solara, Mr. Jitesh Devendra, Managing Director of Solara, who is also part of the Promoter group of Strides, Mr. Deepak Vaidya, who is also a non-executive director

of Strides and Solara, and common promoters of Strides and Solara, none of the other Promoters/ Directors/ Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution except to the extent of their shareholding as Members, if any.

The Board recommends the resolution as set out in Item No. 1 of the notice for approval of Members as Ordinary Resolution.

Item 2 and 3 - Increasing the FPI and NRI / OCI shareholding limit under Foreign Exchange Management Act, 1999

Solara Active Pharma Sciences Limited (“Company”) was incorporated on February 23, 2017 and recently, through a composite scheme of arrangement between Strides Shasun Limited, Sequent Scientific Limited, the Company and their respective shareholders and creditors in terms of Section 230-232 of the Companies Act, 2013, the Commodity API business of Strides and Human API business of Sequent were demerged from Strides and Sequent respectively and transferred to the Company. The Company is also listed on BSE Limited and National Stock Exchange of India Limited.

As per the Consolidated FDI Policy of the Government of India effective from August 28, 2017, Foreign Investment in Pharmaceutical Sector (Brown field) is allowed upto 74% of the Company’s paid up share capital under the automatic route.

However, in terms of Foreign Exchange Management Act, 1999 (“FEMA”) and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 (“Regulations”), the ceiling for total holdings of all Foreign Portfolio Investors (“FPIs”, as defined in the Regulations) put together in the Company shall not exceed 24% of the paid up equity share capital of the Company on a fully diluted basis. The aggregate limit of 24% for FPI investment can be raised upto the lower of (i) 49% of the paid-up equity share capital on a fully diluted basis or (ii) the sectoral cap / statutory ceiling, as applicable, subject to approval of the Board of Directors and the members of the company by passing a Special Resolution to that effect. Since the sectoral cap for foreign investment in the Company is 74%, the aggregate FPI shareholding in the Company may be increased upto 49% (being the lower of the sectoral cap and 49% of the paid-up equity share capital) of its total paid up capital on a fully diluted basis with prior approval of the Board of Directors and approval of the shareholders by way of special resolution.

Similarly, in terms of FEMA and the Regulations, the ceiling for total holdings of all Non-Resident Indians (“NRIs”) and Overseas Citizens of India (“OCIs”) put together in the Company shall not exceed 10% of the paid up equity share capital of the Company on a fully diluted basis. The aggregate limit of 10% for NRI/OCI investment can be raised upto 24% of the paid-up equity share capital on a fully diluted basis, subject to approval of the members of the company by passing a Special Resolution to that effect.

Accordingly, the Board of Directors on May 19, 2018 approved the increase in the limit of investment by FPIs and NRI / OCI in the share capital of the Company upto 49% and 24% respectively of the paid-up capital of the Company on a fully diluted basis, subject to the approval of shareholders and any other statutory / regulatory authorities as may be required.

The resolution set out in the Notice will enable the FPIs and NRIs/ OCIs to acquire shares of the Company in a manner permitted under FEMA and the Regulations within the revised ceiling as specified under the resolutions.

The Board recommends the resolutions as set out in Item No. 2 and 3 of the notice for approval of Members as Special Resolutions.

None of the Directors, Promoters, Key Managerial Personnel and their relatives are in any way concerned or interested in this resolution.

**By Order of the Board
For Solara Active Pharma Sciences Limited
Sd/-**

**S. Murali Krishna
Company Secretary**

**Place: Chennai
Date: July 6, 2018**