

11th April 2021

To,

BSE Limited

Listing Department
1st Floor, New Trading Ring,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort, Mumbai - 400 001

National Stock Exchange of India Limited

Listing Department
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

Scrip code: 541540

Name of Scrip: SOLARA

Dear Sir,

Sub: Correction to the disclosure on the outcome of meeting of the Board of Directors of Solara Active Pharma Sciences Limited ("Company") held on 9 April 2021 and Press Release.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015, the Company submitted the outcome of the meeting of the Board of Directors ("**Board**") of Solara Active Pharma Sciences Limited ("**Solara**" or the "**Company**") held on 9 April 2021 in connection with a Composite Scheme of Amalgamation proposed to be undertaken by the Company (the "**Proposed Scheme**") (collectively "**Reg 30 Disclosure**") to the BSE Limited and the National Stock Exchange of India Limited on 9 April 2021 at 06.57 pm (NSE) 07.10 pm (BSE) I.S.T.

The Company had also issued a press release on 9 April 2021 in connection with the Proposed Scheme ("**Press Release**") and submitted the same to the BSE Limited and the National Stock Exchange of India Limited on 9 April 2021 at 07.13 pm (NSE) 07.16 pm (BSE) I.S.T.

We wish to inform you of the following corrections to the said Reg 30 Disclosure and the Press Release:

1. In the Reg 30 Disclosure, we wish to state that there was an error in post scheme shareholding pattern. The corrected table to reflected in sr. no. (f) of Annexure 1 to the Reg 30 Disclosure is as below:

Category	Pre-Scheme		Post Scheme	
	No. of shares	% share holding	No. of shares	% share holding
Promoter and Promoter Group	1,52,95,287	42.57%	2,71,47,878	55.15%
Public	2,06,34,480	57.43%	2,20,76,689	44.85%
Non-Promoter Non Public				
Total	3,59,29,767	100%	4,92,24,567	100%

Accordingly, please find attached the revised disclosure (Annexure -1).

2. On page 2 of the Press Release under the heading "Merger Scheme details" bullet point 3 will read as follows:

- Post-Merger, Promoter group holding shall be 55.15% and public holding shall be 44.85%

Accordingly, please find attached the Press Release (Annexure -2).

This is for your information and record.

Thanking you,
 Yours faithfully,
 For and on behalf of

Solara Active Pharma Sciences Limited



Mr. Murali Krishna
 Company Secretary
 Encl: A/a

Annexure – I

Disclosures regarding the proposed Composite Scheme of Amalgamation

Sr. No.	Particulars	Details															
a)	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover, etc	<p>This Scheme is a Composite Scheme of Amalgamation ("Scheme") involving:</p> <ol style="list-style-type: none"> Solara Active Pharma Sciences Limited ("Company" or "Solara" or "Amalgamated Company"). It is Listed on BSE and NSE; Aurore Life Science Private Limited ("Aurore Life Science" or "Amalgamating Company 1"); Empyrean Lifesciences Private Limited ("Empyrean" or "Amalgamating Company 2"); and Hydra Active Pharma Sciences Private Limited ("Hydra" or "Amalgamating Company 3"). <p>Set out below is the net-worth and total income for the 9 months period ended 31st December 2020 of the entities involved in the Scheme – (Amount in INR Crores)</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Total Income (Standalone)</th> <th>Net Worth (Standalone)</th> </tr> </thead> <tbody> <tr> <td>Solara*</td> <td>1,191.22</td> <td>1532.74</td> </tr> <tr> <td>Aurore Life Science*</td> <td>371.50</td> <td>189.47</td> </tr> <tr> <td>Empyrean*</td> <td>5.36</td> <td>(1.11)</td> </tr> <tr> <td>Hydra</td> <td>0.62</td> <td>77.37</td> </tr> </tbody> </table> <p>* Limited reviewed by the Auditor</p>	Particulars	Total Income (Standalone)	Net Worth (Standalone)	Solara*	1,191.22	1532.74	Aurore Life Science*	371.50	189.47	Empyrean*	5.36	(1.11)	Hydra	0.62	77.37
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Hydra	0.62	77.37															
b)	Whether the transaction would fall within the related transactions? If Yes, whether the same is done at "Arm's Length"	<p>The proposed Scheme does not fall within the purview of related party transactions in terms of exemption granted under General Circular No. 30/2014 dated 17th July 2014 issued by the Ministry of Corporate Affairs since the Scheme is under Sections 230 to 232 of the Companies Act, 2013 and is subject to the sanction of the National Company Law Tribunal and provisions of Section 188 of the Companies Act, 2013 are not applicable.</p> <p>The companies involved in the Scheme have following relationship with each other–</p> <ul style="list-style-type: none"> Karuna Business Solutions LLP is a common promoter in Solara and Hydra holding 7.83% and 27.40% stake in 															

		<p>respective companies.</p> <ul style="list-style-type: none"> Hydra holds 61.65% stake in Aurore Life Science. Empyrean is a wholly owned subsidiary of Aurore Life Science. <p>Pursuant to the scheme, Solara would issue consideration by way of equity shares as recommended by the Board relying on the Report on recommendation of fair share exchange ratio obtained from Niranjana Kumar, Registered Valuer – Securities or Financial Assets, a Registered Valuer and Fairness opinion on the said valuation report is obtained from ICICI Securities Limited.</p>										
c)	Area of Business of the entity(ies)	<table border="1"> <thead> <tr> <th>Company</th> <th>Business</th> </tr> </thead> <tbody> <tr> <td>Solara</td> <td>Solara is engaged in the business of manufacturing and development of Active Pharmaceutical Ingredients ('API') and also offers Contract Manufacturing and Development Services to the global companies.</td> </tr> <tr> <td>Aurore Life Science</td> <td>Aurore Life Science is engaged in the business of developing wide range of generic pharmaceutical products.</td> </tr> <tr> <td>Empyrean</td> <td>Empyrean is a wholly owned subsidiary of Aurore Life Science and is engaged in the pharmaceutical business.</td> </tr> <tr> <td>Hydra</td> <td>Hydra is engaged in pharmaceutical business through its subsidiary company Aurore Life Science where in it holds 61.65% stake.</td> </tr> </tbody> </table>	Company	Business	Solara	Solara is engaged in the business of manufacturing and development of Active Pharmaceutical Ingredients ('API') and also offers Contract Manufacturing and Development Services to the global companies.	Aurore Life Science	Aurore Life Science is engaged in the business of developing wide range of generic pharmaceutical products.	Empyrean	Empyrean is a wholly owned subsidiary of Aurore Life Science and is engaged in the pharmaceutical business.	Hydra	Hydra is engaged in pharmaceutical business through its subsidiary company Aurore Life Science where in it holds 61.65% stake.
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d)	Rationale for the Amalgamation/ Merger	<p>The Transferor Companies and the Transferee Company are engaged in similar lines of business and complement each other. With an intend to expand the business and achieve larger product portfolio, economies of scale, efficiency, optimisation of logistic and distribution network and other related economies by consolidating the business operations being managed by different management teams, the Board of Directors of the Transferor Companies and Transferee Company proposes to consolidate the business of Transferor Companies with the Transferee Company. The proposed amalgamation of Transferor Companies with Transferee Company would inter alia have the following benefits:</p> <ol style="list-style-type: none"> The amalgamation will enable the consolidation of the API business of the Transferor Companies with the Transferee 										

		<p>Company and would create one of the largest API players in the industry and will facilitate in focused growth, operational efficiency, integration synergies and better supervision of the business.</p> <ol style="list-style-type: none"> 2. The amalgamation would enable to enhance business potential and increased capability to offer a wider portfolio of products with a diversified resource base and deeper client relationships. 3. The amalgamation will significantly de-risk operations with the combined entity having eight manufacturing facilities, three Research & Development Centers and footprint in 75 + countries enabling a wider market reach and customer offerings. 4. Would have improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry. 5. Would enable greater access to different market segments in conduct of its business and addition of new products in the portfolio would improve the competitive position of the combined entity. 6. The amalgamation would add new Research and Development capabilities, new products pipeline and capabilities and would also bring in large Contract Research and Manufacturing ('CRAMS') business innovator relationship. 7. The proposed consolidation would result in financial resources being efficiently merged and pooled leading to more effective and centralized management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads. 8. Further, the synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and enhancement in earnings and cash flow would optimize the value of the Transferee Company and enhance the shareholder's value. 9. Moreover, the amalgamation of Transferor Companies with the Transferee Company is expected to increase the long-term value for all the shareholders. Further, the public shareholders of the Transferee Company will have an opportunity to participate in the profit and growth of the
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		businesses of Transferor Companies which are currently unlisted.																													
e)	In case of cash consideration - amount or otherwise share exchange ratio;	<p>There is no cash consideration involved in the Scheme.</p> <p><u>To the shareholders of Transferor Company 1:</u> 1,298 (One Thousand Two Hundred and Ninety Eight) equity shares of Transferee Company having face value of INR 10 (Ten) each fully paid up for every 10,000 (Ten Thousand) equity shares held in Transferor Company 1 having face value of INR 10 (Ten) each fully paid up</p> <p><u>To the shareholders of Transferor Company 2:</u> Since the entire share capital of Transferor Company 2 shall be held by the Company upon amalgamation of Transferor Company 1 with the Company, no shares shall be issued pursuant to amalgamation of Transferor Company 2 with the Company</p> <p><u>To the shareholders of Transferor Company 3:</u> 884 (Eight Hundred and Eighty Four) equity shares of Transferee Company having face value of INR 10 (Ten) each fully paid up for every 10,000 (Ten Thousand) equity shares held in Transferor Company 3 having face value of INR 10 (Ten) each fully paid up</p>																													
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p><u>Change in shareholding of Solara:</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No. of shares</th> <th>% share holding</th> <th>No. of shares</th> <th>% share holding</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>1,52,95,287</td> <td>42.57%</td> <td>2,71,47,878</td> <td>55.15%</td> </tr> <tr> <td>Public</td> <td>2,06,34,480*</td> <td>57.43%</td> <td>2,20,76,689</td> <td>44.85%</td> </tr> <tr> <td>Non-Promoter Non Public</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>3,59,29,767</td> <td>100%</td> <td>4,92,24,567</td> <td>100%</td> </tr> </tbody> </table> <p>*Application filed with Stock exchanges for reclassification of share holding of Sequent Scientific Limited from Promoter group to Public category, awaiting approval the holdings are shown in public category.</p>	Category	Pre-Scheme		Post-Scheme		No. of shares	% share holding	No. of shares	% share holding	Promoter and Promoter Group	1,52,95,287	42.57%	2,71,47,878	55.15%	Public	2,06,34,480*	57.43%	2,20,76,689	44.85%	Non-Promoter Non Public					Total	3,59,29,767	100%	4,92,24,567	100%
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Solara Active Pharma (Solara) and Aurore Life Sciences Limited (Aurore) combine to create second largest Pure Play API / CRAMs company in India

- » **Aurore to merge with Solara in an all-stock transaction**
- » **Aurore Shareholders shall have 27% Equity holding in Solara Merged entity**
- » **Merger is EPS accretive from FY22 and enhances key financial ratios**

Mumbai, India – April 9, 2021: The Board of Directors of Solara Active Pharma Sciences Limited (“Solara”) today accepted the recommendations of the Committee of Independent Directors and Audit Committee and approved the amalgamation of Aurore, Empyrean and Hydra with Solara. The combination creates a pure play API company of scale with strong presence in Regulated Markets, Emerging Markets, a broad product portfolio, robust operations infrastructure, excellent R&D capabilities and clear synergies to further accelerate growth for the combined entity.

The merger is EPS accretive to Solara and will enhance other important financial ratios for Solara. The merger is in line with Solara’s strategy of accelerating growth via appropriate inorganic actions. The combined entity will have the scale of market presence and product portfolio combined with robust manufacturing and R&D infrastructure to grow into a leading global pure play API and CRAMS company.

Strategic Rationale of the Merger:

- The combination significantly enhances the product portfolio of the combined entity
- Addition of 2 sites (one of them USFDA approved) will enable creation of additional sourcing locations for key products for our customers, further underlining reliability of supply
- Merged entity will leverage the strong R&D investments bringing more products to market with improved time to market
- The merger will add scale and capabilities to the existing CRAMS business of Solara and will aid in accelerated growth of this business
- The merger will lead to significant synergistic opportunities in operations and cost savings through economies of scale
- The merger creates a leading pure play API player with a global market presence, diverse product portfolio and strong customer relationships

Commenting on the performance, **Bharath Sesha**, the MD & CEO of Solara stated

“As Solara continues its journey towards accelerated growth, the combination with Aurore is a significant boost. The two entities complement each other on product portfolio, geographical presence and customers while amplifying the strengths on world class quality systems, strong R&D capabilities and robust manufacturing infrastructure. The combination will provide a compelling value proposition for both our generic API s and CRAMS customers and exciting opportunities for the talented teams to grow with the company. I am excited to leverage the entrepreneurial growth mindset that Raj and his team bring to further add to the significant strengths that Solara has. I welcome the entire Aurore team and look forward to working together to create a customer focused organization with passionate and engaged employees”.

Commenting on the performance, **Rajender Rao Juvvadi**, the MD of Aurore, stated

“In a very short span of time Aurore has reached critical size and an inflection point and needs additional capacity and capital to grow to the next level being an important API player. The merger with Solara creates an opportunity to meet these aspirations and helps in achieving the desire of being one of the most dominant API players. The merged entity provides a platform to combine the advantages of scale with a lean and cost-efficient unique product development ability. Aurore’s R&D ability and speed of validations, filings and continuing product portfolio creation would enable the merged entity substantially scale up and underpin its pure play presence. The merger will enhance customer confidence in the ability of the combined entity to deliver the product range under backing of quality infrastructure and enable a broader global customer footprint. The combined impact on aggregation of strengths would significantly enhance shareholder value”.

Merger Scheme details

- Shareholders of Aurore Life Sciences Private Limited and Hydra Active Pharma Sciences Private Limited shall be issued 1,32,94,800 equity shares of Solara Active Pharma Sciences Limited. Pursuant to which, the shareholders of the Transferor Companies would have 27% stake in Solara Active Pharma Sciences Limited.
- With this merger, Aurore Life Science Private Limited, Emphyrean Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited shall be merged into Solara Active Pharma Sciences Limited and post-merger, Solara will hold 67% stake in Aurore Pharmaceuticals Private Limited.
- Post-Merger, Promoter group holding shall be 55.15% and public holding shall be 44.85%
- The Appointed Date for the merger would be 1st April, 2021 and the merger process is expected to be completed in Q4 FY 2021-22.
- The merger is subject to certain conditions including approvals from stock exchanges, SEBI, shareholders, creditors, jurisdictional National Company Law Tribunal and other applicable statutory authorities.

Advisors for the proposed Transaction

Project Manager and Transaction Advisor - Transaction Square LLP, Share Exchange Ratio Report - Niranjana Kumar, Registered Valuer – Financial Securities or Assets (affiliate of Transaction Square LLP)

Fairness Opinion on the Share Exchange Ratio Report – ICICI Securities Limited Legal Advisors – DSK Legal and Anagram Partners Finance Due Diligence - Ernst and Young Tax Due Diligence - Transaction Square LLP Legal Due Diligence - J Sagar Associates

Solara and Aurore will be hosting an investor / analyst meet at **9.00 A.M. on Monday April 12, 2021** to discuss the transaction. Investor presentation shall be uploaded in company website before the call.

About Solara Active Pharma Sciences Limited:

Solara Active Pharma Sciences is a young, dynamic, entrepreneurial and customer-oriented API manufacturer. It has a legacy of over three decades and trace its origins to the API expertise of Strides Shasun Ltd. and the technical know-how of human API business from Sequent Scientific Ltd.

It aims at delivering value-based products while maintaining focus on customer needs. It has 140+ scientists working at two R&D centers and 6 API manufacturing facilities armed with global approvals and 2 dedicated R&D facilities. It stands by its vision to respect our partners by maintaining Integrity and operational transparency, which we intend to achieve through developing utmost efficiency across the organization.

About Aurore Life Science Private Limited:

Aurore Life Science is a private limited company incorporated on 26th September 2016 with Corporate Identification Number: U74999TG2016PTC112170. Aurore Life Science is engaged in the business of developing wide range of generic pharmaceutical products. It has one R&D center and 2 API manufacturing facilities. Aurore Life Science Pvt Ltd holds 100% of share capital of Emphyrean Life Sciences Pvt Ltd and also hold 67% stake in Aurore Pharmaceuticals Private Limited which also develops and manufactures wide range of generic pharmaceutical products.

About Emphyrean Lifesciences Private Limited:

Emphyrean is a private limited company incorporated on 19th June 2014 with Corporate Identification Number: U24232TG2014PTC094543. Emphyrean is a wholly owned subsidiary of Aurore Life Science and is engaged in the pharmaceutical business. Emphyrean is also engaged in the research and development of pharmaceutical products.

About Hydra Active Pharma Sciences Private Limited:

Hydra is a private limited company incorporated on 6th December 2016 with Corporate Identification Number: U74999KA2016PTC098276. Hydra is engaged in pharmaceutical business through its subsidiary company Aurore Life Science Pvt Ltd where in it holds 61.65% stake.

Investor / Analyst contact

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Statutory and corporate affairs

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☎ +91 44 4344 6700

Disclaimer: Certain statements in this document that are not historical facts and are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Solara Active Pharma Sciences Ltd will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.