

November 11, 2021

To,

The Board of Directors
Solara Active Pharma Sciences Limited,
3rd & 4th Floor, Batra Centre
No. 28, Sardar Patel Road
Guindy, Chennai - 600 032
Tamil Nadu, India

Background, Purpose and Use of this Report

We understand that the Board of Directors of Solara Active Pharma Sciences Limited (“SAPSL” or “Resulting Company”) is considering a Composite Scheme Of Amalgamation (Merger By Absorption) And Arrangement amongst Hydra Active Pharma Sciences Private Limited And Aurore Life Science Private Limited And Empyrean Lifesciences Private Limited And Solara Active Pharma Sciences Limited And Their Respective Shareholders under Section 230 To 232 and Section 66 and other applicable provisions of the Companies Act, 2013 (“the Scheme”).

The Scheme envisages, inter-alia, demerger of API Business Undertaking (as defined under the Scheme) from Aurore Life Science Private Limited (‘ALSPL’ or ‘Demerged Company’) into SAPSL followed by merger of Empyrean Life Sciences Private Limited (“ELPL”) with SAPSL as per terms and conditions more fully set forth in the Scheme to be placed before the Board for their approval.

In this connection, pursuant to the requirements of SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, we have been requested by the Board of Directors of the Resulting Company to render our professional services by way of a Fairness Opinion as of date hereof, as to the fairness of the Share Entitlement Ratio provided by Niranjana Kumar, being the Registered Valuer appointed for this purpose.

Rationale of the Scheme

In the Rationale of the Scheme, it has been provided that, the Resulting Company and the Demerged Company are engaged in similar lines of business and would complement each other. Consolidating the business operations would help achieve a larger product portfolio, economies of scale, efficiency, optimization of logistic and distribution network and other related economies. The demerger will 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. Combined entity would have a wider portfolio of products with a diversified resource base and deeper client relationships. It will also significantly de-risk the business operations with the combined entity having seven manufacturing

facilities, two Research & Development Centres and footprint in 75 + countries enabling a wider market reach and customer offerings.

The demerger would Improve 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. The combined entity would have greater access to different market segments and the addition of new products in the portfolio would improve the competitive position of the combined entity.

The Consolidation would add new Research and Development capabilities, new products pipeline and capabilities and would also bring in large Contract Research and Manufacturing business innovator relationship. It will also 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.

Finally, 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 shareholders' value.

Limitation of Scope & Review

Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our opinion and analysis is limited to the extent of review of documents as provided to us by the Resulting Company and Demerged Company Demerged Company, including the Share Entitlement Ratio prepared by Niranjana Kumar, Registered Valuer and a draft of the Scheme. In addition to the documents shared, we have also obtained such other information and explanations, which were considered relevant for the purpose of our analysis. Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to the Resulting Company and /or Demerged Company Demerged Company. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report.

Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio for the Scheme, it may not be valid for any other purpose or if provided on behalf of any other entity. In particular, we do not express any opinion as to the value of any asset of the Resulting Company and Demerged Company Demerged Company, whether at the current prices or in the future.

Our analysis and results are also specific to the date of this report and based on information till date hereof. This report is issued on the understanding that the Resulting Company and/or Demerged Company have drawn our attention to all the matters, which they are aware of concerning the financial position of the Resulting Company and /or Demerged Company, their businesses, and any other matter, which may have an impact on our opinion, on the Share Entitlement Ratio for the Proposed Scheme, including any significant changes that have taken place or are likely to take place in the financial position of the

Resulting Company and/or Demerged Company or subsequently. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided by the Resulting Company and /or Demerged Company without detailed inquiry. We have also been given to understand by the management of the respective Resulting Company and /or Demerged Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the Resulting Company and /or Demerged Company and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the Resulting Company and /or Demerged Company underlying its decision to the effect the Scheme or as to how the shareholders of equity shares or secured or unsecured creditors of the Resulting Company and /or Demerged Company should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the Scheme.

We also express no opinion and accordingly accept no responsibility or as to the prices at which the equity shares of Resulting Company and /or Demerged Company will trade at any time, including subsequent to the date of this opinion.

Our report is not and should not be construed as our opining or certifying the compliance of the Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Scheme.

This report is intended only for the sole use and benefit of the Board of Directors of the Resulting Company in connection with its consideration of the Scheme for the purpose of obtaining judicial and regulatory approvals and may not be relied upon by any other person and may not be used or disclosed for any other purpose without obtaining our prior written consent. We are not responsible in any way to any other person/party for any decision of such person or party based on this report. Any person / party intending to provide finance/invest in the shares/business of any of the Resulting Company and /or Demerged Company or their subsidiaries/joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the Scheme as aforesaid can be done only with our prior permission in writing. We acknowledge that this report will be shared to the extent as may be required, with the relevant stock exchanges, advisors of the Resulting Company and/or Demerged Company in relation to the Scheme, as well as with the statutory authorities.

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otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

Our Recommendation

As stated in the Share Entitlement Report by Niranjana Kumar, Registered Valuer, the following Share Entitlement Ratio has been recommended:

1. To the equity shareholders of ALSPL

1,122 equity shares of SAPSL having face value of INR 10 each fully paid up shall be issued for every 10,000 equity shares held in ALSPL having face value of INR 10 each fully paid up.

2. To the equity shareholders of ELPL

ELPL is a wholly owned subsidiary of ALSPL. Upon Part IV of the Scheme becoming effective whereby API Business Undertaking of ALSPL together with investment held by ALSPL in ELPL shall demerge into SAPSL, ELPL shall become a wholly owned subsidiary of SAPSL. Therefore, the shares held by SAPSL (post effectiveness of Part IV of the Scheme) in ELPL would get cancelled and no equity shares would be required to be issued to the equity shareholders of ELPL (i.e. SAPSL) for the proposed amalgamation as defined under Part V of the Scheme.

The equity shares to be issued by the Resulting Company to the shareholders of the Demerged Company will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Resulting Company are listed.

The aforesaid restructuring shall be pursuant to the Scheme and shall be subject to receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory approvals as may be required. We have issued the Fairness Opinion with the understanding that the Scheme provided to us shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Arrangement alters the transaction.

As per the Scheme, having regard to all relevant factors and on the basis of information and explanations given to us, including the Share Entitlement Ratio Report, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by Niranjana Kumar, the Registered Valuer is fair to the equity shareholders of Resulting Company.

Yours faithfully,
For ICICI Securities Limited,



Name : Raghavan Subramanian
Designation : Senior Vice President

Date: 25 November 2021

To,
The Board of Directors
Solara Active Pharma Sciences Limited,
3rd & 4th Floor, Batra Centre
No. 28, Sardar Patel Road
Guindy, Chennai – 600 032
Tamil Nadu, India

Subject: Addendum to the fairness opinion report dated 11 November 2021, as to the fairness of the Share Entitlement Ratio recommended by Niranjn Kumar, Registered Valuer – Securities or Financial Assets, for the transaction involving inter-alia proposed demerger of API business undertaking from Aurore Life Sciences Private Limited into Solara Active Pharma Sciences Limited followed by merger of Empyrean Life Sciences Private Limited with Solara Active Pharma Sciences Limited

Dear Sir/ Madam,

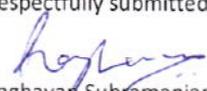
This is an addendum to the report previously issued by us dated 11 November 2021, as to the fairness of the Share Entitlement Ratio recommended by Niranjn Kumar, Registered Valuer – Securities or Financial Assets, for the proposed scheme involving inter-alia demerger of API business undertaking from Aurore Life Sciences Private Limited ('ALSPL') into Solara Active Pharma Sciences Limited ('SAPSL') followed by merger of Empyrean Life Sciences Private Limited ('ELPL') with SAPSL.

We have reviewed the addendum to the Share Entitlement Ratio report dated 25 November 2021 provided by Niranjn Kumar, Registered Valuer – Securities or Financial Assets considering the audited financial statements of the unlisted transferor companies as at 30 September 2021. They have acknowledged in the addendum to the Share Entitlement Ratio report dated 25 November 2021 that there is no change in the unaudited accounts vis-à-vis the audited accounts of unlisted transferor companies for six-month ended 30 September 2021. Please find below our opinion with respect to the same:

Our Recommendation

Considering the fact that there is no change in the Share Entitlement Ratio provided by Niranjn Kumar, Registered Valuer – Securities or Financial Assets in the original report dated 11 November 2021 vis-à-vis addendum to the report dated 25 November 2021, we are of the opinion on the date hereof, that the proposed Share Entitlement Ratio as recommended by Niranjn Kumar, the Registered Valuer is fair to the equity shareholders of the Resulting Company.

Respectfully submitted,


Raghavan Subramanian
Head - Structured Products
ICICI Securities Limited



Member of National Stock Exchange of India Ltd, BSE Ltd and Multi Commodity Exchange of India Ltd.

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