Information Memorandum

Dated April 20, 2018

SOLARA ACTIVE PHARMA SCIENCES LIMITED

Solara Active Pharma Sciences Limited was originally incorporated on February 23, 2017 under the Companies Act, 2013 as SSL Pharma Sciences Limited with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**"). The name of the Company was changed to Solara Active Pharma Sciences Limited and a fresh certificate of incorporation was issued by the RoC on March 25, 2017. For details in relation to the change in name and registered office of our Company, please see the section titled "History and Certain Corporate Matters" on page 56.

Registered Office: 201, Devavrata, Sector 17, Vashi, Navi Mumbai, Mumbai 400 703, Maharashtra, India
Tel: +91 22 27892924; **Fax:** +91 22 27892942
Corporate Office: 'Batra Centre', No. 28, Sardar Patel Road, Post Box No. 2630, Guindy, Chennai 600 032
Tel: + 91 44 43446700, 22207500; **Fax:** +91 44 22350278
Email: investors@solara.co.in; **Website:** www.solara.co.in
Contact Person: S. Murali Krishna, Company Secretary and Compliance Officer
CIN: U24230MH2017PLC291636

INFORMATION MEMORANDUM

FOR LISTING OF 24,674,267 EQUITY SHARES OF ₹ 10 EACH
NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

OUR PROMOTERS: ARUN KUMAR, KR RAVISHANKAR AND PRONOMZ VENTURES LLP

GENERAL RISK

Investments in equity and equity related securities involve a degree of risk and investors should not invest in the equity shares of our Company unless they can afford to take the risk of losing part or all of their investment. Investors are advised to read the Risk Factors carefully before taking a decision to invest in the shares of our Company. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

COMPANY'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to our Company, which is material in the context of the issue of shares pursuant to the Scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. This Information Memorandum is filed pursuant to the Scheme, and is not an offer to the public at large.

LISTING

The Equity Shares of the Company are proposed to be listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). For the purpose of this listing, the Designated Stock Exchange is NSE.

The Company has submitted this Information Memorandum with BSE and NSE and the same has been made available on the Company's website, www.solara.co.in. The Information Memorandum would also be made available on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).

REGISTRAR AND SHARE TRANSFER AGENT

KARVY Computershare	**Karvy Computershare Private Limited** Karvy Selenium, Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 SEBI Registration No.: INR000000221	Tel: +91 40 6716 2222 Fax: +91 40 2342 0814 E-mail: einward.ris@karvy.com Investor grievance E-mail: einward.ris@karvy.com Website: http://www.karvycomputershare.com Contact Person: S V Raju

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SECTION I: GENERAL

DEFINITIONS, ABBREVIATIONS AND INDUSTRY RELATED TERMS

In this Information Memorandum, unless the context otherwise requires, the terms defined and abbreviations expanded herein below shall have the same meaning as stated in this section. References to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
"our Company", "the Company", "Solara", "Resulting Company" or "Resulting Entity"	Solara Active Pharma Sciences Limited (formerly known as SSL Pharma Sciences Limited), a company incorporated under the Companies Act, 2013 bearing CIN U24230MH2017PLC291636 and having its Registered Office at 201, Devavrata, Sector 17, Vashi, Navi Mumbai, Mumbai 400 703, Maharashtra, India
"We", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company Related Terms

Term	Description
Alivira	Alivira Animal Health Limited
Appointed Date/ Appointed Date for Demerger	October 1, 2017
Articles / Articles of Association / AOA	The Articles of Association of our Company, as amended from time to time
Auditor	The Statutory Auditors of our Company, namely, M/s. Deloitte Haskins & Sells LLP
Aurore	Aurore Life Sciences Private Limited
Board / Board of Directors	Board of Directors of the Company
Capital / Share capital	Share capital of the Company
CLPL	Chemsynth Laboratories Private Limited
Commodity API Business	The business of manufacturing, marketing and distributing active pharmaceuticals ingredients undertaken by Strides
Corporate Office	'Batra Centre', No. 28, Sardar Patel Road, Post Box No. 2630, Guindy, Chennai 600 032
Director(s)	Director(s) of the Company, unless otherwise specified
Demerged Company 1	Strides
Demerged Company 2	Sequent
Demerged Companies	Demerged Company 1 and Demerged Company 2
Demerged Undertaking 1	All the businesses, undertakings, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, forming part of the Commodity API Business as a going concern, and excluding the investment made by Demerged Company 1 and the shareholding acquired by Demerged Company 1 in Strides Chemicals Private Limited (formerly known as Perrigo API India Private Limited)
Demerged Undertaking 2	All the businesses, undertakings, activities, operations and properties, of whatsoever nature and kind and wheresoever situated, forming part of the Human API Business as a going concern
Demerged Undertakings	Demerged Undertaking 1 and Demerged Undertaking 2

Term	Description
Demerger	The demerger of the Demerged Undertakings post the effectiveness of the Scheme and subsequent transfer to our Company pursuant to the Scheme of Arrangement with effect from Effective Date
Designated Stock Exchange	NSE
Effective Date	March 31, 2018
Equity Share(s) or Share(s)	Equity shares of the Company having a face value of ₹10 each
Financial Year / Fiscal / Fiscal Year / fiscal year / FY	Any period of twelve months ended March 31 of that particular year, unless otherwise stated
First Demerger	Issue of Equity Shares by our Company to the shareholders of the Demerged Company 1
Human API Business	The business of manufacturing, marketing, distributing and developing active pharmaceuticals ingredients carried on by Sequent, other than active pharmaceuticals ingredients manufactured, marketed, distributed, developed or being developed purely or primarily for veterinary purposes
Information Memorandum/ IM	This Information Memorandum dated April 20, 2018 filed with the Stock Exchanges for listing of Equity Shares and referred to as the Information Memorandum or IM
Memorandum/ Memorandum of Association/ MOA	The Memorandum of Association of our Company, as amended
NCLT	National Company Law Tribunal, Mumbai Bench
Promoter(s)	The promoters of our Company, namely, Arun Kumar, KR Ravishankar and Pronomz Ventures LLP. For details, see section "Our Promoter, Promoter Group and Group Companies" on page 66
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see section "Our Promoter, Promoter Group and Group Companies" on page 66
Record Date/ Record Date of the Scheme	April 9, 2018
Registered Office	Registered office of the Company, i.e. 201, Devavrata, Sector 17, Vashi, Navi Mumbai, Mumbai 400703, Maharashtra
Registrar and Transfer Agent	Karvy Computershare Private Limited
Registrar of Companies/ RoC	Unless specified otherwise, the Registrar of Companies, Maharashtra at Mumbai
Scheme/ the Scheme/ this Scheme/ Scheme of Arrangement / Scheme of Arrangement for Demerger	Composite Scheme of Arrangement between Strides Shasun Limited, Sequent Scientific Limited and Solara Active Pharma Sciences Limited and their respective shareholders and creditors as approved by the National Company Law Tribunal, Mumbai Bench on March 9, 2018, and issued on March 22, 2018
Second Demerger	Issue of Equity Shares by our Company to the shareholders of the Demerged Company 2
Senior Management	Senior management means and includes certain key officers of the Company and Subsidiaries, as listed in the section "Our Management" on page 58
Sequent	Sequent Scientific Limited bearing CIN L99999MH1985PLC036685 and having its registered office at 301, Third Floor, Dosti Pinnacle, Plot No. E7, Road No.22, Wagle Industrial Estate, Thane (West) 400 604, Maharashtra
Share Certificate	The certificate in respect of the Equity Shares held in physical form and allotted to a folio
Shasun	Shasun Pharmaceuticals Limited
Sovizen	Sovizen Life Sciences Private Limited
SPPL	Sequent Penems Private Limited bearing CIN U24233KA2010PTC053548 and having its registered office at Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bangalore 560076, Karnataka

Term	Description
Stock Exchanges	BSE and NSE
Strides	Strides Shasun Limited bearing CIN L24230MH1990PLC057062 and having its registered office at 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400703
Subscription Shares	3,362,745 equity shares aggregating to 49% of the share capital of CLPL invested by Shasun Pharmaceuticals Limited into CLPL pursuant to the Investment Agreement dated May 15, 2013
Subsidiaries	The subsidiaries of our Company. For details see the section "Our Subsidiaries" on page 64
SUI	Shasun USA Inc.
Tenshi Active Pharma	Tenshi Active Pharma Sciences Private Limited
Tenshi Life Sciences	Tenshi Life Sciences Private Limited
Tenshi Kaizen	Tenshi Kaizen Private Limited

Technical/ Industry Related Terms/ Abbreviations

Term	Description
API	Active pharmaceutical ingredient
B2B	Buyer to buyer
B2C	Buyer to customer
CNS	Central nervous system
cGMP	current Good Manufacturing Practices
Chinese FDA	Chinese Food and Drug Association
CRAMS	Contract research and manufacturing services
DMF	Drug master file
EHS	Environment, health and safety
EU	European Union
GMP	Good manufacturing practises
ISO	International Organisation for Standardisation
NSAIDS	Non-steroidal Anti-inflammatory Drugs
PMDA	Pharmaceutical and medical devices agency
QMS	Quality management system
R&D	Research and development
WHO	World Health Organisation
WHO PQ	WHO post-prequalification procedures
USFDA	United States Food and Drug Association

Conventional and General Terms / Abbreviations

Term	Description
Act / Companies Act	The Companies Act, 1956 and / or Companies Act, 2013, and amendments thereto, as applicable
AS 18	Accounting Standard 18 issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CSR	Corporate social responsibility

Term	Description
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository Participant / DP	A depository participant as defined under the Depositories Act, 1996, as amended
DIN	Director Identification Number
DP ID	Depository Participant Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
FEMA	Foreign Exchange Management Act, 1999 including the regulations framed thereunder, as amended
FVCI	Foreign Venture Capital Investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI under applicable laws in India
GBP or £	British pound
GOI	Government of India
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
RBI	The Reserve Bank of India
Rs. / Rupees / INR / ₹	Indian Rupees
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Circular	SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, including any amendments thereof
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
USD/ US$	United States Dollar

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992, the Reserve Bank of India Act, 1934, the Depositories Act, 1996 and the rules and regulations made there under.

Notwithstanding the foregoing, terms in the sections titled “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, and “Financial Statements”, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL AND MARKET DATA

Certain Conventions

All references to "India" contained in this Information Memorandum are to the Republic of India.

Unless stated otherwise, all references to page numbers in the Information Memorandum are to the page numbers of the Information Memorandum.

Financial Data

Unless stated otherwise, the financial data in this Information Memorandum is derived from the audited consolidated financial information of our Company for the period commencing from the date of incorporation of the Company i.e., February 23, 2017 till December 31, 2017, prepared in accordance with Ind AS and the unaudited combined proforma financial information for the Financial Year ended March 31, 2017, quarter ended June 30, 2017 and quarter ended September 30, 2017.

In this Information Memorandum, any inconsistencies in any table between the aggregate and the totals of the sums recorded are because of rounding off. Certain figures in decimals have been rounded off and accordingly there may be consequential changes in the Information Memorandum.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled "Risk Factors" and "Our Business" on pages 7 and 48 respectively, and elsewhere in the Information Memorandum have been calculated on the basis of the audited consolidated financial information of our Company prepared in accordance with Ind AS and Generally Accepted Accounting Principles in India.

Currency and Units of Presentation

1. All references to "Rupees" or "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India;
2. All references to "GBP" or "£" are to British Pound, the official currency of the United Kingdom; and
3. All references to "USD" or "US$" are to the United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Information Memorandum in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Industry and Market Data

Unless stated otherwise, industry data used throughout this Information Memorandum have been obtained or derived from publicly available information as well as various industry publications and sources. Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Information Memorandum is reliable, it has not been independently verified.

FORWARD-LOOKING STATEMENTS

This Information Memorandum includes certain statements which contain words or phrases such as "will", "would", "aim", "aimed", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will achieve", "anticipate", "estimate", "estimating", "intend", "plan", "contemplate", "seek to", "seeking to", "trying to", "target", "propose to", "future", "objective", "goal", "project", "should", "can", "could", "may", "will pursue", or other words or phrases of similar import, that can be identified as "forward-looking statements". Our forward-looking statements contain information regarding, among other things, our financial condition, future plans, business strategies, objectives, prospects or goals. Forward-looking statements reflect the current views of our Company as of the date of the Information Memorandum and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, nor any of their affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

All forward looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- In ability of the Company to integrate and efficiently operate the consolidated business demerged from Strides and Sequent;
- Occurrence of any manufacturing or quality control problems which may damage our reputation and expose us to litigation or other liabilities;
- Occurrence of any delay in production at, or shutdown of, any of our manufacturing facilities or at any of the third party manufacturing facilities we use;
- Any failure on our part to comply with applicable regulations;
- Failure to successfully commercialize our products under development, or if the APIs and other products that we commercialize not performing as expected; or
- Our inability to compete effectively with our competitors.

For further discussion of factors that could cause our actual results to differ from the expectations, see the sections titled "Risk Factors" and "Our Business" on pages 7 and 48 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all of the information set forth in this Information Memorandum, particularly the financial statements on page 72 of this Information Memorandum and the risks and uncertainties described below, before making a decision to invest in the Equity Shares. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of the Equity Shares and the loss of all or part of an investment in the Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Information Memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. For further details, see "Forward-Looking Statements" on page 6 of the Information Memorandum. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer, including the merits and the risks involved.

Please note that our Company has been newly incorporated and has commenced business operations from the date of effectiveness of the Scheme. The business operations of our Company comprise of the Commodity API Business of Strides and the Human API Business of Sequent, which were transferred to our Company pursuant to the Scheme. While the following section includes material risks in relation to the business operations of our Company, post effectiveness of the Scheme, for complete details in relation to the Commodity API Business and the Human API Business, including the historical performance, previous milestones and risk factors, the disclosures in the section below should be read with the information available on the websites of the Stock Exchanges, and financial statements, investor presentations and corporate disclosures issued by Strides and Sequent, which are available on http://www.stridesarco.com/investor-annualreport.html and http://www.sequent.in/investor-relations.aspx.

1. ***The Company is newly incorporated and post-effectiveness of the Scheme, the Company may not be able to integrate and efficiently operate the consolidated business demerged out of Strides and Sequent. Further, the Company intends to divest or acquire manufacturing units, for operational efficiency, and it may not be successful in completing such transactions.***

The Company is a newly incorporated company and while post-effectiveness of the Scheme, experienced personnel of the Demerged Undertaking 1 and Demerged Undertaking 2 of the API business will be transferred to the Company, we may be unable to effectively integrate the API business, and efficiently operate the business of the Company, thereby adversely impacting our results of operations and profitability of the business. Additionally, upon completion of the Scheme, we will be required to effect transfer of, *inter alia*, properties, licenses and government approvals, employees and intellectual property of the Commodity API Business and Human API Business to our Company. Our inability to effect such transfers in a timely manner will materially impact the ability of our Company to commence and undertake our business operations, in compliance with applicable laws.

Further, the success of our API business will depend, in part, on our ability to realize the anticipated growth opportunities and synergies from combining the Demerged Undertaking 1 and Demerged Undertaking 2. Integrating business of such size and complexity will be a challenging task that will require substantial time, expense and effort from our management. If management's attention is diverted or there are any difficulties associated with integrating these businesses, our results of operations could be adversely affected. Even if we are able to successfully combine the business operations, it may not be possible to realize the full benefits of the integration opportunities, the synergies and other benefits that we currently expect to result from the Scheme, or realize these benefits within the time frame that we currently expect. Any failure to realize the anticipated benefits on time, or at all, could have an adverse effect on our business, results of operations, financial condition and cash flows.

Further, our Company intends to divest our existing manufacturing facilities or acquire manufacturing facilities with the aim of maximizing our operational efficiency, and ensuring supply chain security for our operations. For instance our Company has recently acquired a R&D facility located in Chennai, from Strides for our operations. For details see, "History and Certain Corporate Matters – Material Agreements" on page 57. We cannot assure you that we will receive the relevant approvals required for such acquisitions or divestments in a timely manner or at all. In the event that we are unable to obtain relevant approvals or are unable to successfully integrate or divest such units, or in the event that there are any disputes in relation to such acquisitions or divestments, there maybe an adverse impact on our results of operations, financial position and cash flows.

2. ***Any manufacturing or quality control problems may damage our reputation and expose us to litigation or other liabilities, which could adversely affect our business, results of operations and financial condition.***

We have 5 manufacturing facilities located in India. Our manufacturing facilities have received accreditations from, amongst others, the USFDA (United States), MHRA (United Kingdom), and TGA (Australia) and consequently we are required to comply with registration, manufacturing regulations and quality standards stipulated by domestic and international regulators. We are also required to meet quality standards and specifications for our customers, who are situated in over 40 countries (as on April 1, 2018), under our supply contracts. Furthermore, we are liable for the quality of our products for the entire duration of the shelf life of the product. After our products reach the market, certain developments could adversely affect demand for our products, including the regulatory review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell. Further, we may be subject to claims resulting from manufacturing defects or negligence in storage and handling of our APIs. Any loss of our reputation may lead to a loss of existing business contracts and affect our ability to enter into additional business contracts in the future, which may have an adverse effect on our business, results of operations and financial condition.

3. ***Any delay in production at, or shutdown of, any of our manufacturing facilities or at any of the third party manufacturing facilities we use, could adversely affect our business, results of operations and financial condition.***

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shutdown the affected manufacturing facility. During the last five years, there have been incidents involving outbreak of fire at our API facilities at Puducherry and Cuddalore on April 27, 2014 and November 16, 2015, respectively. The incident at Cuddalore resulted in the demise of one worker and injuries to another. While the Company takes measures to prevent the occurrence of such accidents, given the nature of the business of our Company, such instances may occur in future. Any such incident may result in severe damage to our facilities and/ or loss of life of our workers exposing us to monetary losses and liability. Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire, receipt of temporary closure orders from regulatory authorities or the failure of machinery, could reduce our ability to meet the conditions of our contracts and earnings for the affected period, which could affect our business, prospects, results of operations and financial condition.

Pursuant to the effectiveness of the scheme, as on April 1, 2018, Solara has 2,131 employees, who have previously been associated with Strides, Sequent and Shasun Pharmaceuticals Limited. During the last three years, there has been an illegal strike at our Puducherry facility on June 15, 2013, which was subsequently settled amicably. Further, as of April 1, 2018, we have a total of five trade unions, comprising of workers at our facilities in Puducherry, Cuddalore, Mangalore, Mysore and Mahad. We cannot assure you that we will not experience disruptions in work in the future due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in us being unable to manufacture a product for the duration of such shut down. Any such event may result in us being unable to comply with our contractual obligations, which will have an adverse effect on our business, results of operations and financial condition.

4. ***We operate in a highly regulated industry and any failure on our part to comply with applicable regulations may adversely affect our business, results of operations and financial condition.***

We operate in a highly regulated industry, and our operations are subject to extensive regulation in each market in which we do business. Regulatory authorities in many of these markets must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets. Applicable regulations have become increasingly stringent, a trend which may continue in the future. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our licenses and approvals and the imposition of fines and criminal sanctions in those jurisdictions.

Both before and after a product‘s commercial release, we have ongoing duties to regulatory authorities. Regulatory authorities may at any time reassess our manufacturing facilities or the safety and efficacy of our products based on newly developed scientific knowledge or other factors. Such reassessments could result in the amendment or withdrawal of existing approvals to market our products, which in turn could result in a loss of revenue.

Additionally, upon completion of the Scheme, we will be required to effect transfer of, licenses and government approvals of the Commodity API Business and Human API Business to our Company. If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Moreover, if we fail to comply with the conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products. In the United States and many of the international markets in which we sell our products, the approval process for a new product can be complex, lengthy and expensive. The time taken to obtain approvals varies by country but generally takes between six months and several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely manner or at all, our business, results of operations and financial condition may be adversely affected.

5. ***If we do not successfully commercialize our products under development, or if the APIs and other products that we commercialize do not perform as expected, our business, results of operations, financial condition and cash flows may be adversely affected.***

Our success depends significantly on our ability to successfully commercialize our products under development. The development and commercialization process is both time consuming and costly, and involves a high degree of business risk. During these periods, our competitors may be developing similar products of which we are unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new product and delays associated with regulatory approval process, we may invest resources in developing products that will face competition of which we are currently unaware. Such unforeseen competition may hinder our ability to effectively plan the timing of our product development, which could have an adverse impact on our financial condition, cash flows and results of operations.

Our products currently under development, if and when fully developed and tested, may not perform as we expect, or necessary regulatory approvals may not be obtained in a timely manner, or at all, and we may not be able to successfully and profitably produce and market such products. Even if we are successful in developing a new product, such product may become subject to litigation by other parties claiming that our product infringes on their patents or may be seized in transit by regulatory authorities for alleged infringement of third party intellectual property rights or may be otherwise unsuccessful in the market place due to the introduction of superior products by our competitors. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all. To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. Our investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

6. ***The pharmaceutical industry in intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.***

The pharmaceutical industry is a highly competitive market with several major pharmaceutical companies present, and therefore it is challenging to improve market share and profitability. Some of our competitors, especially major pharmaceutical companies, are increasing their capacity and targeting the same products as us. Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges or a stronger sales force. Our competitors may succeed in developing products that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations and financial condition. Any failure on our part to gain an advantage could adversely affect our profitability and results of operations.

In addition, pharmaceutical products are largely commodity products and their prices can fluctuate sharply over short periods of time due to changes in demand, the price of raw materials and manufacturing efficiencies. Price competition among suppliers is intense, with increasing competition from pharmaceutical companies in China and elsewhere that often price their products at lower rates than us. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected.

Further, our competitors may have greater financial, manufacturing, research and development, marketing and other resources, broader product ranges and larger, stronger sales forces, which may make them more competitive than us. Additionally, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier of a critical raw material or component, which may adversely affect our business, results of operations and financial condition.

7. Our international operations, and any expansion we undertake into new international markets, exposes us to complex management, legal, tax and economic risks, which could adversely affect our business, results of operations and financial condition.

We operate 5 manufacturing facilities, exporting to and selling our products to over 40 countries (as on April 1, 2018) in North America, Europe and Japan. As a result, we are subject to risks related to our international expansion strategy, including risks related to complying with several foreign laws, restrictions on the import and export of certain intermediates, drugs, technologies, multiple tax and cost structures, cultural and language factors. Further, regulatory requirements are still evolving in many markets and are subject to change and as a result may, at times, be unclear or inconsistent.

8. Our facilities and products are subject to a United States FDA auditing process, and if we receive a Warning Letter or sanctions as a result of such an audit, our ability to manufacture our products may be adversely affected.

Our manufacturing facilities and products are subject to audit by the United States FDA, and any of our facilities or products may be the subject of a Warning Letter or sanctions, which could result in the withholding of product approval or facility shut-down. As part of its auditing process, United States FDA field investigator may issue a Form 483 letter (Notice of Inspectional Observations) after an on-site inspection. If we receive a Form 483 letter, we must respond in a prompt manner to avoid receiving a subsequent United States FDA Warning Letter. As part of the Warning Letter process, we may be required, among other actions, to hire a third-party consultant to assist in the resolution of the findings, which could interrupt our manufacturing process and increase expense. We cannot assure you that we will not receive any 483 letters from the United States FDA for any of our facilities. Further, if we are unable to take corrective measures for observations stated in such 483 letter, we may receive a Warning Letter. If we receive a Warning Letter from the United States FDA or are subject to further sanctions, our ability to manufacture our products may be interrupted or prevented, which could have an adverse effect on our business, goodwill, financial condition and results of operations.

9. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely affected.

We are newly incorporated Company, and will operated the Commodity API Business and Human API Business, pursuant to the effectiveness of the Scheme. We intend to manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no other instances of inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

10. The improper handling of any hazardous materials used in our operations could result in accidents and subject us to significant liabilities, which may have an adverse effect on our business, reputation, results of operations and financial condition.

We handle and use hazardous materials, chemicals, viruses and other explosive, toxic and combustible materials in our research and development and manufacturing activities. The improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Further, the increase in our operations and the consequent increase in our employee base, increases the risk of safety hazards. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience such accidents in the future.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of raw materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation or, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shutdown our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers. The occurrence of any such event could have an adverse effect on our business, results of operations and financial condition.

11. ***Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour laws. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our R&D and manufacturing activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience accidents in the future.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to litigation, which could lower our profits in the event we were found liable, and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shutdown our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

12. ***If we inadvertently infringe on the patents of others, we may be subject to legal action and our business, results of operations and financial condition may be adversely affected.***

We operate in an industry characterized by extensive patent litigation, including both litigation by innovator companies relating to purported infringement of innovative products and processes by generic pharmaceuticals and litigation by competitors or innovator companies to delay the entry of a product into the market. Patent litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others. Further, certain of our license agreements, pursuant to which we are permitted to manufacture certain of our products, contain provisions which permit the licensor to terminate the license agreement in the event we were to misappropriate a third party's intellectual property. The occurrence of any of these events could subject us to legal action and adversely affect our business, reputation, cash flows and results of operations.

13. ***We face foreign exchange risks that could adversely affect our results of operations and cash flows.***

We have certain foreign currency denominated borrowings and as such, we are exposed to fluctuations in exchange rates between the US Dollar and the Indian Rupee. Further, a significant portion of our total revenues is denominated in currencies other than Indian Rupees. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly. In addition, the policies of the Reserve Bank of India ("**RBI**") may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Any such losses on account of foreign exchange fluctuations may adversely affect our results of operations and cash flows.

14. Reforms in the health care industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products.

Increasing expenditures for health care have been the subject of considerable public attention in almost every jurisdiction where we conduct business. In many countries in which we currently operate, pharmaceutical prices are subject to regulation. A decrease in the prices of finished dosage pharmaceuticals, may create pricing pressure on our Company for our API products, which may result in a decrease in our profits.

While we cannot predict the nature of the measures that may be adopted by domestic or international governmental and private organizations or their impact on our business and revenues, the announcement or adoption of such proposals could increase our costs and reduce our profit margins. Further, if healthcare legislation or third party purchaser influence results in lower pharmaceutical prices, although the demand for our generic APIs may increase, our overall revenues may decrease and our profits could be adversely affected.

15. If products containing our APIs cause, or are perceived to cause, severe side effects, the sales of such products may decrease, which may have an adverse effect on our revenues and profitability.

The pharmaceutical products containing our APIs may cause severe side effects as a result of a number of factors, many of which are outside of our control. These factors, which may become evident only when such products are introduced into the marketplace, include potential side effects not revealed in clinical testing, unusual but severe side effects in isolated cases, defective products not detected by quality management systems or misuse of products by end-users. Our APIs contained in the products may also be perceived to cause severe side effects when a conclusive determination as to the cause of such severe side effects is not obtained or is unobtainable.

In addition, products containing our APIs may be perceived to cause severe side effects if other pharmaceutical companies' products containing the same or similar APIs, raw materials or delivery technologies as the products containing our APIs, cause or are perceived to have caused severe side effects, or if one or more regulators, such as the USFDA or an international institution, such as the WHO, determines that products containing the same or similar pharmaceutical ingredients as the products containing our APIs could cause or lead to severe side effects.

The occurrence of any such event may lead to a recall or withdrawal of our API products, damage to our reputations or a decline in the sales of products that use our APIs, which in turn may have an adverse effect on our business, results of operations, financial condition and cash flows.

16. We are susceptible to product liability claims that may result from a defect in our API products, which may have an adverse effect on our business, reputation, results of operations and financial condition.

We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits especially in the United States and Europe, stemming from any defect in our API products or any product recall of our API products. We may also be subject to claims resulting from manufacturing defects or negligence in storage or handling which may lead to the deterioration of our products, or from defects arising from deterioration in our quality controls. Product liability claims, regardless of their merits or the ultimate success of the defense against them, are costly. Although, post effectiveness of the Scheme, we have obtained product liability coverage, if any product liability claim sustained against us is not covered by insurance or exceeds the policy limits, we may be required to incur substantial expenditure.

A successful product liability claim that is excluded from coverage or exceeds our policy limits may require us to pay substantial sums and may adversely affect our financial position and results of operations. In addition, insurance coverage for product liability may become prohibitively expensive in the future. From time to time, the pharmaceutical industry has experienced difficulty in obtaining desired product liability insurance coverage. As a result, it is possible that, in the future, we may not be able to obtain the type and amount of coverage we desire at an acceptable cost and self-insurance may become the sole commercially reasonable means available for managing the product liability risks of our business.

17. Our inability to accurately forecast demand for our products, may have an adverse effect on our business, results of operations and financial condition.

We project demand for our products based on rolling projections, our understanding of anticipated customer spending and distribution inventory levels. If we overestimate demand, we may purchase more raw materials and manufacture more products than required. If we underestimate demand, we may manufacture less quantities of products than required, which could result in the loss of business. If we under stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could also adversely affect our goodwill and results of operations.

18. Any delay, interruption or reduction in the supply of raw materials and equipment to manufacture our products may adversely affect our business, results of operations, financial condition and cash flows.

We depend on third-party vendors and suppliers, with whom we place purchase orders from time to time, for the purchase of raw materials and equipment. We are currently sourcing a significant portion of our raw materials from multiple vendors except for a few materials which are sourced from a single vendor. We have faced supply disruptions in the past which led us to incur additional costs in procuring our raw materials. We cannot assure you that we will be able to continue to obtain adequate supplies of our raw materials, in a timely manner, in the future. Further, in the event of an increase in the price of raw materials, we cannot assure you that we will be able to correspondingly increase the price of our products. Any such reductions or interruptions in the supply of raw materials or equipment, and any inability on our part to find alternate sources for the procurement of such raw materials or equipment, may have an adverse effect on our ability to manufacture our products in a timely or cost effective manner and we may be in breach of our contractual obligations. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

19. Our ability to adopt new technology to respond to new and enhanced products poses a challenge in our business. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, results of operations, cash flows and financial condition.

The industry in which we operate is subject to significant technological changes, with the constant introduction of new and enhanced products. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our products less competitive or attractive. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we sell. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition.

20. Our success depends on our ability to develop and commercialize new products in a timely manner. If our R&D efforts do not succeed, the introduction of new products may be hindered, which could adversely affect our business, growth and financial condition.

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards our R&D activities and we have dedicated R&D centres in Bangalore and Chennai.

Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or the failure of a product to be successful at any stage and therefore not reach the market could adversely affect our business, our results of operations and our cash flows. We may or may not be able to take our R&D innovations through the different testing stages without repeating our R&D efforts, or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. The occurrence of any such event could affect the success of our R&D activities, which in turn could have an adverse effect on our business, growth, results of operations, cash flows and financial condition.

21. Our facilities are subject to client inspections and quality audits and any failure on our part to meet their expectations or to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and adversely affect our business, results of operations, financial condition and cash flows.

Pursuant to our contractual arrangements, certain of our clients have the right to regularly examine our manufacturing processes, quality control and procedures and registers of our manufacturing facilities after reasonable notice and at a reasonable time to ensure that our services are meeting their internal standards and regulatory requirements. Most of our clients routinely inspect and audit our facilities. Any failure on our part to meet the expectations of our clients and to comply with the quality standards set out in our contractual arrangements, could result in the termination of our contracts and our clients may choose to source their requirements from our competitors. We may also incur significant costs to upgrade our facilities and manufacturing processes. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition and cash flows.

22. ***Our ability to invest in our overseas or Indian subsidiary companies may be constrained by Indian and foreign laws, which could adversely affect our growth strategy and business prospects.***

We currently have a wholly-owned subsidiary, Shasun USA Inc., incorporated in the United States. Under Indian foreign investment laws, an Indian company is permitted to invest in overseas joint ventures or wholly owned subsidiaries, an amount not exceeding 400% of the Indian company's net worth as at the date of its last audited balance sheet (subject to certain exceptions), and any financial commitment exceeding USD 1.0 billion (or its equivalent) in a financial year will require prior approval of the RBI, even if the total financial commitment of the Indian company is within the aforementioned limit. This limitation also applies to any other form of financial commitment by the Indian company, including in terms of any loan, guarantee or counter guarantee issued by such Indian company. Further, there may be limitations stipulated in the host country for foreign investment.

Investment or financial commitment not complying with the stipulated requirements is permitted with prior approval of the RBI. There are also further requirements specified under the FEMA and Companies Act in relation to any acquisition that we propose to undertake in the future. These limitations on overseas direct investment could constrain our ability to acquire overseas entities as well as to provide other forms of financial assistance or support to such entities, which may adversely affect our growth strategy and business prospects.

23. ***If we are unable to raise additional capital, our business, results of operations, financial condition and cash flows could be adversely affected.***

We will continue to incur significant expenditure in maintaining and growing our existing infrastructure. We cannot assure you that we will have sufficient capital resources for our current operations or any future expansion plans that we may have. While we expect our cash on hand and cash flow from operations to be adequate to fund our existing commitments, our ability to incur any future borrowings is dependent upon the success of our operations. Additionally, the inability to obtain sufficient financing could adversely affect our ability to complete our growth and expansion plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any unfavourable change to terms of borrowings may adversely affect our cash flows, results of operations and financial conditions. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, financial condition and cash flows could be adversely affected.

24. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future.

25. ***Our management team and other key personnel, particularly in the area of research and development, are critical to our continued success and the loss of any such personnel could adversely affect our business.***

The management of Solara has been heading the respective divisions in Strides and Sequent, prior to the demerger and brings with them depth of experience in the business of Solara. Further, pursuant to the effectiveness of the scheme, As on April 1, 2018, Solara has 2,131 employees, who have previously been associated with Strides, Sequent and Shasun Pharmaceutical Limited. Our success significantly depends upon the continued service of our management team and other key personnel, and our research and development team. These executives possess technical and business capabilities that are difficult to replace. If we lose the services of any of these executives for any reason, we may be unable to replace them in a timely manner or at all, which may affect our ability to continue to manage and expand our business. We cannot assure you that any contingency plans which we may implement to replace these executives will be successful.

Further, the members of our management team and other key personnel are employed pursuant to customary employment agreements, which may not provide adequate incentives for them to remain with us or adequately protect us in the event of their departure or otherwise. If we lose the services of any member of our management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations. Further, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management and key research and development personnel. If we are unable to attract and retain qualified personnel, our business, results of operations and financial condition may be adversely affected.

26. If we are unable to patent new processes and protect our proprietary information or other intellectual property, our business may be adversely affected.

We rely on a combination of patents, non-disclosure agreements and non-competition agreements to protect our proprietary intellectual property. Due to the different regulatory bodies and varying requirements across the world, we may be unable to obtain intellectual property protection in those jurisdictions for certain aspects of our products or processes. Also, we have applied for but not yet obtained certain trademark registrations, including for our Company’s logo.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our patents, trade secrets or other agreements will adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. We cannot assure you that patents issued to or licensed by us in the past or in the future will not be challenged or circumvented by competitors or that such patents will be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all.

We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants and other parties to protect trade secrets and other proprietary rights that belong to us. We cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach or that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Any inability to patent new processes and protect our proprietary information or other intellectual property, could adversely affect our business.

27. Significant disruptions of information technology systems or breaches of data security could adversely affect our business.

Our business is dependent upon increasingly complex and interdependent information technology systems, including Internet-based systems, to support business processes as well as internal and external communications. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information and/or disruption of production and business processes, which could materially and adversely affect our business and results of operations.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, clinical trial patients, customers and others. Any such security breaches could have an adverse effect on our business, reputation, results of operations and financial condition.

28. Our insurance coverage may not be sufficient or may not adequately protect us against all material hazards, which may adversely affect our business, results of operations and financial condition.

We could be held liable for accidents that occur at our manufacturing facilities or otherwise arise out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. Our Company has obtained insurance policies for our operations including standard fire and special perils insurance, electronic equipment insurance, fidelity guarantee insurance, industrial all risk insurance, marine transit policy, stock storages policy, comprehensive general liability insurance, public liability insurance, group personal accident cover, directors and officers liability insurance and group term insurance policies. Our policies are subject to customary exclusions, including for terrorism in certain cases, and customary deductibles.

While we believe that the insurance coverage would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage shall expire from time to time. We intend to apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected.

29. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows.

Pursuant to effectiveness of the Scheme, as on the Appointed Date, the outstanding financing facilities of Demerged Undertaking 1 and Demerged Undertaking 2 stand transferred to our Company. As of December 31, 2017, our financial indebtedness was ₹5,348.47 million. As of the Appointed Date, Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Further, our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from our lenders for, among other things:

- effecting any change in the capital structure;
- undertaking any merger, de-merger, amalgamation, consolidation or corporate reconstruction;
- change the nature of the business of our relevant borrowing company;
- undertaking any new project or implementing any scheme of expansion or acquiring fixed assets or incurring major capital expenditure or incurring capital expenditure which is not in the ordinary course of business;
- prepaying loans;
- declaring dividends;
- investing, lending, extending advances or placing deposits with any other concern;
- entering into borrowing arrangements;
- creating any charges, lien or encumbrances over its assets;
- selling, assigning, mortgaging or disposing off any fixed assets charged to a lender;
- changing the ownership pattern or management structure of our Company; and
- making amendments to the Memorandum and Articles of Association.

Certain of the lenders may also have the right to, *inter-alia*, accelerate payment of loans in the event of a default and require us to maintain certain financial ratios such as debt to EBITDA ratio and debt service coverage ratio. In addition, certain of our financing arrangements contain cross default provisions which could automatically be triggered by defaults under other financing arrangements. We may be forced to sell some or all of our assets if we do not have sufficient funds or credit facilities to make repayments. Additionally, because some of our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment.

We cannot assure you that we will continue to comply with all conditions and restrictive covenants under our financing agreements in the future. Further, our future borrowings may also contain similar or additional restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could, *inter-alia*, impose penal and default interests, accelerate the maturity of our obligations and declare all amounts payable in respect of the facility to be due and payable immediately or otherwise on demand. In the event of any such acceleration, we may have to dedicate a substantial portion of our cashflow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates with more onerous covenants, which could further restrict our business operations. Additionally, third parties may also have concerns over our financial position and it may be difficult to market our financial products. Moreover, we cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings as required.

Any of these circumstances or other consequences could adversely affect our business, credit rating, prospects, financial condition and results of operations. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

30. Our contracts are governed by the laws of various countries and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.

Most of the contracts executed with our distributors and customers are governed by the laws of the country in which the distributor or customer is incorporated. Further, any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Any lawsuits with respect to such disputes must be instituted in a court having jurisdiction over the contract, which may cause difficulty for our Company to manage such suits and to obtain enforcement of awards and may also lead to greater costs for managing such litigation.

31. We do not own some of our manufacturing units, R&D units, corporate office and other premises from which we operate.

Some of our manufacturing facilities including in Cuddalore and Mahad, Corporate Office at Guindy, Chennai, office at Bangalore, guest house in Puducherry and R&D unit in Chennai are occupied by us on a leasehold basis. Further, lease deeds for our properties may not be adequately stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. The lease periods and rental amounts vary on the basis of their locations. For further details see "Our Business" on page 48.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations or shut down our manufacturing units during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations, cash flows and financial condition.

32. We are subject to the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws, which impose restrictions and may carry substantial penalties.

The U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. These laws may require not only accurate books and records, but also sufficient controls, policies and processes to ensure business is conducted without the influence of bribery and corruption. Our Company requires compliance, including by management and employees, with these anti-bribery laws, which often carry substantial penalties including fines, criminal prosecution and potential debarment from public procurement contracts. Failure to comply may also result in reputational damages. Given the high level of complexity of these laws, however, there is a risk that some provisions may be inadvertently breached, for example through fraudulent or negligent behavior of related parties, our failure to comply with certain formal documentation requirements or otherwise. Any violation of these laws or allegations of such violations, whether or not merited, could have an adverse effect on our reputation and could cause the trading price of our Equity Shares to decline.

In addition, in many less-developed markets, we rely heavily on third-party distributors and other agents for the marketing and distribution of our products. Many of these third parties do not have internal compliance resources comparable to ours. Business activities in many of these markets have historically been more susceptible to corruption. If our efforts to screen third-party agents and detect cases of potential misconduct fail, we could be held responsible for the noncompliance of these third parties under applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act, which may have an adverse effect on our reputation, our business, financial condition and results of operations.

Finally, we operate in certain jurisdictions that have experienced governmental corruption to some degree or are found to be low on the Transparency International Corruption Perceptions Index and, in some circumstances, anti-bribery laws may conflict with some local customs and practices. As a result of our policy to comply with the U.S. Foreign Corrupt Practices Act and similar anti-bribery laws, we may be at a competitive disadvantage to competitors that are not subject to, or do not comply with, such laws in jurisdictions that have experienced higher levels of bribery and corruption.

33. We are involved in certain legal proceedings that if decided against us may have a material adverse impact on our business operations, results of operations and financial conditions.

Our Company, its Promoters and Directors are involved in certain legal proceedings pending at different stages of adjudication before various courts and tribunals, appellate authorities and arbitrators. There can be no assurance that these legal proceedings will be decided in our favor. Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company or our Directors, or Promoters, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. Furthermore, we may also not be able to quantify all the claims in which we are involved. For details of litigations outstanding as on the date of this document, see "Outstanding Litigations and Material Developments" on page 134 of this Information Memorandum.

34. If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future governments will implement regarding tax incentives or excise duty benefits. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

35. Some of the entities promoted by our Promoters operate in the same line of business as us, which may lead to competition with such group entities.

Some of our Promoters are involved in ventures which are in the same line of business as our Company. We may hence have to compete with such companies for business, which may impact our business, financial condition and results of operations. The interests of our Promoters may also conflict in material aspects with our interests or the interests of our Shareholders.

36. Some promoters of the Demerged Undertaking 1 and Demerged Undertaking 2 shall not be the part of Promoters or Promoters Group of the Company, which may have an adverse impact on the Company.

Devendra Kumar S, Abhaya Kumar S and Vimal Kumar S, the promoters of Strides, shall not be part of the Promoters or the Promoter Group of the Company. We cannot assure you that it will not have any adverse impact on the business or the reputation of the Company.

37. We may enter into related party transactions which may potentially involve conflicts of interest with the equity shareholders.

We may enter into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Further, we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

38. Certain of our Directors and certain key management personnel hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their normal remuneration or benefits and reimbursement of expenses incurred.

Certain of our Directors and key management personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. We cannot assure you that our Directors and our key management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. For further details, see “Capital Structure” and “Our Management” on pages 33 and 58, respectively.

39. The trading price of our Equity Shares may be subject to volatility.

The trading prices of publicly traded securities may be highly volatile. Factors affecting the trading price of our Equity Shares include:

- variations in our operating results;
- announcements of new products, strategic alliances or agreements by us or by our competitors;
- increases and decreases in our customer base;
- recruitment or departure of key personnel;
- favorable or unfavorable reports by a section of the media concerning the pharmaceutical or healthcare industries in general, or in relation to our business and operations;
- misinformation campaigns by any disgruntled employees and management, whether presently on our rolls or not;
- changes in the estimates of our operating results or changes in recommendations by any securities analysts that elect to research and report on our Equity Shares;
- market conditions affecting the financial sector generally, or the pharmaceutical or healthcare industries in particular, and the economy as a whole; and
- adoption or modification of regulations, policies, procedures or programs applicable to our business.

In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the trading price of our Equity Shares.

40. Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future issuance of Equity Shares by us, such as a primary offering or pursuant to a preferential allotment, may dilute your shareholding in us, adversely affect the trading price of our Equity Shares and could affect our ability to raise capital through an issuance of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Additionally, the disposal of Equity Shares by any of our significant shareholders or our Promoters, any future issuance of Equity Shares by any of our significant shareholders or Promoters, any future issuance of Equity Shares by us or the perception that such issuances or sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that we will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

41. Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and cash flows.

We currently manufacture only in India and are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular. For instance, a recent notification issued by the Government withdrew the legal tender status of currency notes of ₹500 and ₹1,000, which may have an adverse effect on certain sectors of the Indian economy. Further, high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

42. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of the Equity Shares.

SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS

In this section "the Company", "our Company", "we", "us" and "our" refers to Solara Active Pharma Sciences Limited (formerly known as SSL Pharma Sciences Limited) and its Subsidiaries on a consolidated basis. Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements", "Our Business" and "Risk Factors" on pages 6, 48 and 7, respectively. Our financial statements included in this Information Memorandum have been prepared under Ind AS. References to all figures below are to our consolidated financial information prepared under Ind AS. All figures in this section are stated on a consolidated basis unless specified otherwise.

Please note that our Company has been newly incorporated and has commenced business operations from the date of effectiveness of the Scheme. The business operations of our Company comprise of the Commodity API Business of Strides and the Human API Business of Sequent, which were transferred to our Company pursuant to the Scheme. While the following section includes material details of the business operations of our Company, post effectiveness of the Scheme, for complete details in relation to the Commodity API Business and the Human API Business, including the historical performance, previous milestones and risk factors, the disclosures in the section below should be read with the information available on the websites of the Stock Exchanges, and financial statements, investor presentations and corporate disclosures issued by Strides and Sequent, which are available on http://www.stridesarco.com/investor-annualreport.html and http://www.sequent.in/investor-relations.aspx.

Overview

Our Company is a global, R&D focused, pure-play API company engaged in manufacturing and development of APIs and offering services, including CRAMS and contract manufacturing for APIs. Formed pursuant to the demerger of the commodity API business of Strides and the human API business of Sequent Scientific Limited ("**Sequent**"), our Company is young but backed with a significant pharma experience of over 30 years. With five globally compliant manufacturing facilities, a presence in over 40 countries, as on April 1, 2018, a basket of diversified, high-value products and established customer relationships, we are poised to create value in the B2B space of API manufacturing and development.

Our Company brings together the Demerged Undertakings of Strides and Sequent, with the aim of providing an inorganic thrust to the organic growth demonstrated by the companies in the last two decades. We intend to capitalise on the significant experience of Strides in therapeutic areas such as pain management, anti-malaria, tuberculosis and hyperphosphatemia and its niche portfolio of products in therapeutic categories such as chronic kidney disease, NSAIDS and CNS related products.

Our Company is involved in API manufacturing and contract manufacturing services for APIs, and has differentiated capabilities to create value for its varied customer base. We have extensive operations including in North America, parts of Latin America, Europe, along with deep roots in Japan, South Korea, India, the Middle East and North Africa. Our API business comprises of manufacture and development of generic and commercial APIs including in the anthelmintic, anti-malarial, anti-infective, antipsychotic, anti-infective and hyperkalemia categories. The other business of our Company comprises of CRAMS services for APIs, contract development, custom synthesis and contract manufacturing. Our Company also has the capabilities to provide analytical and regulatory support by capitalising on its global regulatory expertise.

Our Company has manufacturing infrastructure comprising of five, established, globally compliant API facilities located in Puducherry, Cuddalore, Mangalore, Mysore and Mahad. The facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. For details see, "Our Business – Manufacturing Facilities and Approvals" on page 53. Our well-established manufacturing facilities support our ability to cater to our customers. Our Company is committed to the highest levels of compliance, and the last USFDA audits at our facilities in Cuddalore and Puducherry have been cleared with zero 483s observations.

Our Company has a basket of diversified, high-value product offerings for the global market, with 40 APIs predominantly in the anthelmintic, anti-malaria and anti-infective categories, 32 APIs under development and over 70 DMFs filed with regulators across US, EU, Japan and Korea, as on April 1, 2018. Our Company identifies API products, early through a rigorous process, based on the value that our products would generate for our customers. The ability to identify such products early enables us to build intellectual property in a timely and successful manner. We believe that we will be successful in leveraging the experience of Strides and Sequent in managing our portfolio of intellectual property for our varied base of products. Further, our Company is focused on research and development and is consciously favouring value over volume in its product offerings. The dedicated R&D facility of our Company, located in Bangalore and the recently acquired R&D facility in Chennai enable us to focus on products characterized by complex formulations across diverse therapeutic categories as well as products developed specifically for our key markets. For details of the agreement for acquisition of the R&D facility in Chennai, see, "History and Certain Corporate Matters – Material Agreements" on page 57.

The management of our Company has been associated with the Commodity API Business of Strides and the Human API Business of Sequent, before the Demerger and brings with them the depth of experience in the business of our Company. Jitesh Devendra, the Managing Director of Solara, played a crucial role in establishing the API business of the erstwhile Shasun Pharmaceuticals Limited in the USA and has over 20 years of experience in managing API and formulations business. S. Hariharan, the Executive Director - Finance and Chief Financial Officer of our Company of our Company was associated with the erstwhile Shasun Pharmaceuticals Limited and has rich and varied experience of more than 30 years in the field of corporate finance, accounts and strategic planning. Our senior management team includes our chief operating officer, B Sreenivasa Reddy, our senior vice president, V Sundara Moorthy and our head of R&D Dr. TVSK Vittal, each of whom have over 20 years of experience in the pharmaceutical sector, and have previously been associated with Strides and/ or the erstwhile Shasun Pharmaceuticals Limited. Our chief people officer, Ranjit Kumar Singh, has more than 12 years of professional experience in varied industries, including the pharmaceuticals industry. Further, pursuant to the effectiveness of the Scheme, our Company has 2,131 employees, as on April 1, 2018, who have previously been associated with Strides, Sequent and Shasun Pharmaceutical Limited. We believe that our stable, senior management team will help us in successfully implementing our development and operating strategies over the years. Owing to the understanding of the industry trends, demands and market changes of our senior management team, we believe that we will be able to adapt and diversify our operating capabilities and take advantage of market opportunities over the period.

Based on the unaudited combined proforma financial information for the Financial Year ended March 31, 2017, quarter ended June 30, 2017 and quarter ended September 30, 2017, our revenue from operations was ₹9,412.78 million,₹2,585.22 and ₹2,983.40 million, respectively, and our profit after tax was ₹300.15 million, ₹158.17 million and ₹360.37 million respectively.

Our Strengths

Strong foundation and depth of experience, built on strong core values

Solara brings together the depth of experience of Strides and Sequent in the Commodity API business and Human API Business, respectively, with the goal of creating one of largest standalone API companies in India. The erstwhile Shasun Pharmaceuticals Limited had merged with Strides in November 2015 to integrate its formulations business and secure the API capabilities of Strides. The activities of the erstwhile Shasun Pharmaceuticals Limited have been successfully integrated into Strides and the business has expanded across the regulated markets. The Commodity API Business of Strides, which formed part of the erstwhile Shasun Pharmaceuticals Limited has now been demerged into our Company. The human API business of Sequent has developed organically over the last 10 years, and has now been demerged into our Company.

The strong foundation provided by the successful business operations of Strides and Sequent, over the last three decades has enabled our Company to leverage business relationships of Strides and Sequent, which are spread across over 40 countries, as on April 1, 2018. Further, our five established manufacturing facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. For details see, "Our Business – Manufacturing Facilities and Approvals" on page 53. Further, our Company has also inherited the culture of adopting and maintaining the best EHS practices of ensuring safety at our manufacturing units. Our manufacturing operations and service offerings are also supported by our R&D capabilities which provide us with the ability to develop up to 15 APIs and file between 10 to 15 DMF applications in a financial year. Our R&D operations are in-turn supported by our robust intellectual property assessment capabilities and strong global regulatory expertise.

Our business operations are operated by our energetic and young team, with innovation and entrepreneurship at its core, which is guided by experienced leaders, from Strides and Sequent. Jitesh Devendra, the Managing Director of Solara, has over 20 years of experience in managing API and formulations business, including 10 years spent in United States of America, focusing on expanding the API business and establishing the erstwhile Shasun Pharmaceuticals Limited as a key formulations player. S. Hariharan, the Executive Director - Finance and Chief Financial Officer of our Company of our Company was associated with the erstwhile Shasun Pharmaceuticals Limited and thereafter with Strides since August 2004, and has rich and varied experience of more than 30 years in the field of corporate finance, accounts and strategic planning. Our senior management team includes our chief operating officer, B Sreenivasa Reddy, our senior vice president, V Sundara Moorthy and our head of R&D Dr. TVSK Vittal, each of whom have over 20 years of experience in the pharmaceutical sector, and have previously been associated with Strides and/ or the erstwhile Shasun Pharmaceuticals Limited. Our chief people officer, Ranjit Kumar Singh, has more than 12 years of professional experience in varied industries, including the pharmaceuticals industry. Our senior management will be supported by a workforce of 2,131 employees, as on April 1, 2018. Our experienced management team and motivated and well-trained employees enable us to successfully establish a customer-oriented corporate culture, providing a foundation to maintain and enhance our long-term competitiveness.

Our business operations have been built on certain core business values, which are deeply entrenched in our business operations. Our legacy of maintaining strong customer relationships is backed by our culture of respecting all stakeholders and operating our business with transparency, integrity and efficiency. In the ever-changing business environment, we believe that one thing which will continue to be constant will be our integrity. We intend to continue to operate our business with the highest level of efficiency through a focused approach to customer centricity. The strong foundation and depth of experience in our business operations, together with the approach of conducting our operations based on our core values, puts us in a unique position to transform our young company, into a leader in the pure-play, B2B API business.

Varied product portfolio and rich pipeline of products

Our Company has a basket of diversified, high-value product offerings for the global market, with 40 APIs predominantly in the anthelmintic, anti-malaria and anti-infective categories, 32 APIs under development across anthelmintic, anti-malaria, beta blockers, muscle relaxants, novel oral anticoagulants and anti-infective segments, and over 70 DMFs filed with regulators across US, EU, Japan and Korea, as on April 1, 2018. We believe that we are one of the world's largest manufacturers of Ibuprofen, Praziquantel and Albendazole, and have a niche portfolio of products in therapeutic categories such as chronic kidney disease, NSAIDs and CNS related products. Further, our API offerings are varied with capabilities in complex product areas such as manufacturing APIs required for injectables. We also have complex chemistry capabilities to produce polymer-based products, handling of catalytic hydrogenation, hydride reductions and organometallic reactions, which supports our CRAMS offerings. Further, our Company has a pipeline of over 30 products under different stages of development. Our R&D facilities and experience with global regulators have enabled us to develop the ability to develop up to 15 APIs and 10 to 12 DMFs every financial year.

We have a rigorous process of selecting APIs for manufacturing, with the end customers in mind. We consciously favour value over volumes to limit the impact of pricing pressure in the long term and create capabilities after the demand for the product is assured. Further, our R&D capability, which includes advanced analytical equipment to meet latest standards of API development, has enabled us to develop over an entirely new cycle with new and better technologies at competitive costs. Our approach towards creation of intellectual properties is also directed towards the early identification of products of value which enables us to generate intellectual properties, in a timely manner. Our strong technical leadership has enabled us to develop high-quality pharmaceutical products with strategic value for customers, together with strong intellectual property assessment capabilities and global regulatory expertise.

Diversified business operations in key geographies

Our Company has widespread operations, and we have customers in over 40 countries, as on April 1, 2018, including North America, parts of Latin America, Europe, along with deep roots in Japan, South Korea, India, the Middle East and North Africa. Our business operations are undertaken through our local offices located in Japan, USA and South Korea. Our presence in key geographies of Japan, USA and Europe have been developed over the past three decades of operations of the erstwhile Shasun Pharmaceuticals Limited, Strides and Sequent.

For instance, the erstwhile Shasun Pharmaceuticals Limited commenced supply of its products in Japan in 1992. Being an early entrant, enables our Company to leverage this presence and cater to the large customer base in Japan, which is believed to be the third largest pharmaceutical market in the world after the USA and Europe. Similarly, our business operations have been present in Europe for over three decades, and our partnerships with key generic players provides us with a firm foundation to launch new products. USA is a key market for our Company and as on April 1, 2018, we have over 35 DMFs filed in the USA. We have a leadership position for products such as ibuprofen, gabapentin and ranitidine in the USA market. Further, we have a large customer base in the USA, where we serve both generic and innovator companies and supply commercial APIs as well as have contracts for contract research and manufacturing. Further, over the past few years, we have made inroads into markets such as Turkey, Iran other Asian and North African countries, through association with certain well-established players. We believe that these regions hold tremendous value for our business operations, given the populations and fast-growing incomes in these regions. Our diversified business operations enable us to service our customers through both, supply of APIs manufactured by us, and by providing research and contract manufacturing services. Our business operations are directed towards expanding our business presence in key geographies around the globe, by targeting potential customers with products offering great value.

Large scale, globally compliant infrastructure facilities

Our business operations are driven by our five globally compliant API facilities located in Puducherry, Cuddalore, Mangalore, Mysore and Mahad, and a R&D facility located in Bangalore. Our Company has also recently acquired a R&D facility located in Chennai, from Strides for our operations. For details see, "History and Certain Corporate Matters – Material Agreements" on page 57. Our manufacturing facilities include a highly flexible pilot plant and one of the largest Ibuprofen manufacturing facilities globally, in Puducherry, and a multi-purpose API manufacturing facility located in Cuddalore. Our manufacturing facility in Mangalore has capabilities to manufacture niche human APIs, large volume APIs and advanced drug intermediates. Our facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. We also have an integrated QMS from supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our facilities are regularly inspected for compliance with current Good Manufacturing Practices ("**cGMP**"), and the WHO and the USFDA. assess such compliance. We are committed to the highest levels of compliance, and the last USFDA audits at our facilities in Cuddalore and Puducherry have been cleared with zero 483s observations.

Our manufacturing facilities enable our Company to provide a backward integrated setup, ensuring timely supply to our customers. Our scalable infrastructure will also enable our Company to counter any supply chain oversight in the future. Further, our diversified manufacturing facilities provide our Company the ability to provide mirrored capabilities for production, and to mitigate regulatory risks. We are committed to consistently deliver high quality products that can be relied upon by both our customers and regulators.

Our Strategies

A sharper focus on the B2B oriented API business

Pursuant to the completion of the Scheme, we intend to expand the size and scope of our Company, to become one of the largest standalone API companies in India. We believe that post effectiveness of the Scheme, our Company will operate with a sharper focus on our B2B oriented API business through a differentiated strategy. We intend to better service our customers through the combined capabilities of the Commodity API Business and Human API Business, and leverage the revenue and cost synergies resulting from the combined operations. We believe that the Scheme would enable us to focus the experience of our management team towards developing and building a successful API company, with global operations.

Focused operations for offering novel API solutions

We intend to continue to select and develop APIs which add the most value to us and our customer, by identifying the key markets and segments in which we can introduce our products. For instance, we are focused on identification, development and manufacture of molecules for focus markets with limited competition. Our API selection is based on early development of products which are still under patent. Further, we intend to seek out API's where patents have expired, and where we would have an opportunity to offer API's at a better price to our customers. We also intend to continue to seek out APIs and leverage our relationships with existing customers, to seek out partners who could become the first generic players for a particular market. We believe that with our focused approach of developing high value APIs, we will be successful in establishing our Company as a leader in the API business.

Expand the size and scope of operations of our Company

Currently, we have widespread operations, and have customers in over 40 countries, as on April 1, 2018, including key markets of Japan, USA and Europe. Further, over the past few years, we have made inroads into markets such as Turkey, Iran other Asian and North African countries, through association with certain well established players. In line with our previous efforts to expand our business operations, we intend to continue to grow our business operations to new geographies, including through association with established players. We intend to expand our operations to Russia and China, which we believe are currently undergoing regulatory changes and are moving towards becoming well-regulated markets with clear guidelines from the Ministry of Health and the Chinese FDA.

Risk diversification with multiple manufacturing facilities

Our Company has five established manufacturing facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. Our manufacturing facilities which offer mirrored capabilities for production would enable us to minimize the regulatory risk inherent in the pharmaceutical manufacturing business. Further, we intend to leverage our mirrored manufacturing capabilities to counter any supply chain oversights which may arise during our operations. We also intend to divest our existing manufacturing facilities or acquire manufacturing facilities with the aim of maximizing our operational efficiency, and ensuring supply chain security for our operations.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the audited standalone and consolidated financial information of our Company for the period commencing from the date of incorporation of the Company i.e., February 23, 2017 till December 31, 2017, prepared in accordance with Ind AS.

The summary financial information presented below should be read in conjunction with the section "Financial Statements" on page 72.

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SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)

SPECIAL PURPOSE STANDALONE INTERIM IND AS BALANCE SHEET AS AT DECEMBER 31, 2017

Rs. in Millions

Particulars	Note No.	31-Dec-17
A ASSETS		
I Non-current assets		
(a) Property, Plant and Equipment	3	5,527.14
(b) Capital work in progress		571.05
(c) Investment property	4	59.83
(d) Goodwill	5	3,627.80
(e) Other Intangible assets	6	1,070.57
(f) Financial assets		
(i) Investments	7	177.59
(ii) Loans	8(i)	0.61
(iii) Other financial assets	9(i)	73.45
(g) Income tax assets (net)	10	29.99
(h) Other Non-current assets	11(i)	627.47
Total Non-current assets		**11,765.50**
II Current assets		
(a) Inventories	12	1,798.38
(b) Financial assets		
(i) Trade receivables	13	1,992.14
(ii) Cash and cash equivalents	14	197.71
(iii) Other balances with banks	15	10.56
(iv) Loans	8(ii)	29.48
(v) Other financials assets	9(ii)	123.22
(c) Other current assets	11(ii)	678.78
Total Current assets		**4,830.27**
Total Assets		**16,595.77**
B EQUITY AND LIABILITIES		
I Equity		
(a) Equity Share capital	16	246.74
(b) Other equity	17	7,392.91
Total Equity		**7,639.65**
II Liabilities		
1 Non-current liabilities		
(a) Financials Liabilities		
(i) Borrowings	18(i)	1,972.94
(b) Provisions	19(i)	103.36
(c) Deferred tax liabilities (net)	20	514.46
(d) Other non-current liabilities	21(i)	176.35
Total Non-current liabilities		**2,767.11**
2 Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	18(ii)	2,970.74
(ii) Trade payables	22	2,697.41
(iii) Other financial liabilities	23	450.31
(b) Other current liabilities	21(ii)	60.21
(c) Provisions	19(ii)	10.34
Total current liabilities		**6,189.01**
Total Equity and liabilities		**16,595.77**

See accompanying notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sathya P. Koushik
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
SPECIAL PURPOSE STANDALONE INTERIM IND AS STATEMENT OF PROFIT AND LOSS

Rs. in Millions

	Particulars	Note No.	For the period from 23-Feb-2017 to 31-Dec-2017
1	Revenue from operations	24	2,571.34
2	Other income	25	59.37
3	**Total Income (1+2)**		**2,630.71**
4	**Expenses**		
	(a) Cost of materials consumed	26	1,418.19
	(b) Changes in inventories of finished goods and work-in-progress	27	(34.18)
	(c) Employee benefits expenses	28	387.05
	(d) Finance costs	29	124.43
	(e) Depreciation and amortisation expense	30	175.47
	(f) Other expenses	31	625.33
	Total expenses		**2,696.29**
5	**Profit/(Loss) before tax (3-4)**		**(65.58)**
6	**Tax expense**		
	(a) Current tax	32	-
	(b) Deferred tax		(22.70)
7	**Profit/(Loss) for the period (5-6)**		**(42.88)**
8	**Other Comprehensive Income**		
	A) (i) Items that will not be reclassified to statement of profit and loss		1.29
	A) (ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(0.44)
	B) (i) Items that may be reclassified to statement of profit and loss		-
	B) (ii) Income tax relating to items that may be reclassified to statement of profit and loss		-
	Total Other comprehensive Income		**0.85**
9	**Total Comprehensive Income/(Loss) for the period (7+8)**		**(42.03)**
10	**Earnings per equity share (of Rs. 10/- each)**	34	
	- Basic (Rs.)		**(5.87)**
	- Diluted (Rs.)		**(5.87)**

See accompanying notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Sathya P. Koushik
Partner

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
SPECIAL PURPOSE CONSOLIDATED INTERIM IND AS BALANCE SHEET

Rs. in Millions

	Particulars	Note No.	31-Dec-17
A	**ASSETS**		
I	**Non-current assets**		
	(a) Property, Plant and Equipment	3	5,593.14
	(b) Capital Work in Progress		582.81
	(c) Investment Property	4	226.41
	(d) Goodwill	5	3,629.69
	(e) Other Intangible assets	6	1,070.57
	(f) Financial assets		
	(i) Investments	7	0.42
	(ii) Loans	8(i)	0.61
	(iii) Other financial assets	9(i)	81.67
	(g) Income tax assets (net)	10	30.45
	(h) Other Non-current assets	11(i)	607.74
	Total Non-current assets		**11,823.51**
II	**Current assets**		
	(a) Inventories	12	1,798.38
	(b) Financial assets		
	(i) Trade receivables	13	1,997.73
	(ii) Cash and cash equivalents	14	198.57
	(iii) Other balances with banks	15	10.56
	(iv) Loans	8(ii)	29.48
	(v) Other financials assets	9(ii)	124.00
	(c) Other current assets	11(ii)	681.84
	Total Current assets		**4,840.56**
	Total Assets		**16,664.07**
B	**EQUITY AND LIABILITIES**		
I	**Equity**		
	(a) Equity Share capital	16	246.74
	(b) Other equity	17	7,387.73
	Equity attributable to equity holders of the Company		**7,634.47**
	Non-controlling interest	18	45.27
	Total Equity		**7,679.74**
II	**Liabilities**		
1	**Non-current liabilities**		
	(a) Financials Liabilities		
	(i) Borrowings	19(i)	1,972.94
	(b) Provisions	20(i)	103.74
	(c) Deferred tax liabilities (Net)	21	514.43
	(d) Other non-current liabilities	22(i)	176.35
	Total Non-current liabilities		**2,767.46**
2	**Current liabilities**		
	(a) Financials Liabilities		
	(i) Borrowings	19(ii)	2,970.74
	(ii) Trade payables	23	2,701.15
	(iii) Other financial liabilities	24	474.17
	(b) Other current liabilities	22(ii)	60.46
	(c) Provisions	20(ii)	10.35
	Total current liabilities		**6,216.87**
	Total Equity and liabilities		**16,664.07**

See accompanying notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sathya P. Koushik
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
SPECIAL PURPOSE CONSOLIDATED INTERIM IND AS STATEMENT OF PROFIT AND LOSS

Rs. in Millions

	Particulars	Note No.	For the period from 23-Feb-2017 to 31-Dec-2017
1	Revenue from operations	25	2,571.34
2	Other income	26	60.94
3	**Total Income (1+2)**		**2,632.28**
4	**Expenses**		
	(a) Cost of materials consumed	27	1,418.19
	(b) Changes in inventories of finished goods and work-in-progress	28	(34.18)
	(c) Employee benefit expense	29	387.05
	(d) Finance costs	30	124.45
	(e) Depreciation and amortisation expense	31	176.25
	(f) Other expenses	32	625.59
	Total expenses		**2,697.35**
5	**Profit/(Loss) before tax (3-4)**		**(65.07)**
6	**Tax expense**		
	(a) Current tax	33	-
	(b) Deferred tax		(22.70)
7	**Profit/(Loss) for the period (5-6)**		**(42.37)**
8	**Other Comprehensive Income**		
	A) (i) Items that will not be reclassified to statement of profit and loss		1.29
	A) (ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(0.44)
	B) (i) Items that may be reclassified to statement of profit and loss		-
	B) (ii) Income tax relating to items that may be reclassified to statement of profit and loss		-
	Total Other comprehensive Income		**0.85**
9	**Total Comprehensive Income/(Loss) for the period (7+8)**		**(41.52)**
	Profit/(Loss) for the period attributable to:		
	- Equity shareholders of the Company		(42.43)
	- Non-controlling interests		0.06
			(42.37)
	Other Comprehensive income for the period:		
	- Equity shareholders of the Company		0.85
	- Non-controlling interests		-
			0.85
	Total Comprehensive income for the period:		
	- Equity shareholders of the Company		(41.58)
	- Non-controlling interests		0.06
			(41.52)
10	**Earnings per equity share (of Rs. 10/- each)**	35	
	- Basic		**(5.80)**
	- Diluted		**(5.80)**

See accompanying notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sathya P. Koushik
Partner

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS
BENGALURU

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

GENERAL INFORMATION

Solara Active Pharma Sciences Limited was originally incorporated on February 23, 2017 under the Companies Act, 2013 as SSL Pharma Sciences Limited with the RoC. The name of the Company was changed to Solara Active Pharma Sciences Limited and a fresh certificate of incorporation was issued by the RoC on March 25, 2017. For further details, please see the section titled "History and Certain Corporate Matters" on page 56.

Registered Office of our Company
201, Devavrata, Sector 17, Vashi
Navi Mumbai, Mumbai 400 703
Maharashtra, India
Tel: +91 22 27892924
Fax: +91 22 27892942

Corporate Office of our Company
'Batra Centre',
No. 28, Sardar Patel Road,
Post Box No. 2630, Guindy,
Chennai 600 032
Tel: + 91 44 43446700, 22207500
Fax: +91 44 22350278

Details	Registration/ Identification number
Registration Number	291636
Corporate Identification Number	U24230MH2017PLC291636

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai situated at the following address:

Registrar of Companies, Mumbai
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India
Tel: +91 22 22812627
Fax: +91 22 22811977

Board of Directors

The following table sets out the current details regarding our Board as on the date of filing of this Information Memorandum:

Name	DIN	Designation	Address
Deepak Vaidya	00337276	Chairman and Non-Executive Director	Suraj, 249 / 251, Walkeshwar Road Mumbai, 400006, Maharashtra, India
Jitesh Devendra	06469234	Managing Director	No. 2, Jagadeeswaran Street, T. Nagar, Chennai 600017, Tamil Nadu, India
Hariharan Subramaniam	05297969	Executive Director (Finance) and Chief Financial Officer	F1 Block 1, Jains Ashreya Phase II, K.K. Gardens, Ivembuli Amman Koil Street, West K.K. Nagar, Chennai 600078, Tamil Nadu, India
R. Ramakrishnan	00161542	Independent Director	Ayodhya, No. 63, Ravishankar-Kodigehalli, Bangalore Residency,

Name	DIN	Designation	Address
			Sanjiveeni Nagar, Bangalore – 560 092
Nirmal Pratap Bhogilal	00173168	Independent Director	26, B.G. Kher Marg, Malabar Hill Mumbai 400006, Maharashtra, India
Jagdish Vishwanath Dore	00298969	Independent Director	C-21, Darshan Apartment, Mount Pleasant Road, Malabar Hill, Mumbai – 400 006
Kausalya Santhanam	06999168	Independent Director	128/129, Phase-1 Royal Enclave, Srirampura, Bangalore 560064, Karnataka, India

For further details of the Board of Directors of our Company, please see the section titled "Our Management" on page 58.

Designated Stock Exchange

The designated stock exchange is NSE.

Demat Credit

Our Company has executed tripartite agreements with the Registrar and Share Transfer Agent and the Depositories i.e. NSDL and CDSL, respectively, for admitting our Company's Equity Shares in dematerialised form and has been allotted ISIN INE624Z01016.

Company Secretary and Compliance Officer

S. Murali Krishna is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

'Batra Centre', No. 28, Sardar Patel Road
Post Box No. 2630, Guindy
Chennai 600 032
Tel: + 91 44 43446700, 22207500
Fax: +91 44 22350278
Email: muralikrishna@solara.co.in

Statutory Auditors

Deloitte Haskins & Sells LLP
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds,
Bengaluru - 560001, India
Tel: +91 80 6188 6000
Fax: +91 80 6188 6407
Email: skoushik@deloitte.com
Firm Registration Number: 117366W/W-100018

Registrar and Share Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium, Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2342 0814
Email: einward.ris@karvy.com
Investor Grievance Email: einward.ris@karvy.com

Website: http://www.karvycomputershare.com
Contact Person: S V Raju
SEBI Registration: INR000000221

Legal Advisor to the Company

Cyril Amarchand Mangaldas
201, Midford House, Midford Garden
Off M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

CAPITAL STRUCTURE

Share capital of our Company prior to the consummation of the Scheme is as set forth below:

Particulars	Amount (in ₹)
Authorised Share Capital	
10,000 Equity shares of ₹ 10/- each	100,000
Total	100,000
Issued, Subscribed and Paid-up Share Capital	
10,000 Equity Shares of ₹ 10/- each fully paid up	100,000
Securities Premium	Nil

Share capital of our Company upon consummation of the Scheme is as set forth below:

Particulars	Amount (in ₹)
Authorised Share Capital	
30,000,000 Equity shares of ₹ 10/- each	300,000,000
Total	300,000,000
Issued, Subscribed and Paid-up Share Capital *	
24,674,267[(1)] Equity Shares of ₹10/- each fully paid up	246,742,670
Securities Premium	7,434,840,000**

(1) *Pursuant to the Scheme, 24,674,267 Equity Shares of ₹ 10 each of the Company were issued and allotted to the shareholders of Strides and Sequent in the ratio of 1:6 and 1:25, respectively, on account of demerger under the Scheme, on April 11, 2018*

* *Pursuant to the Scheme, the 10,000 Equity Shares of ₹10 each issued by the Company prior to the consummation of the Scheme, were cancelled in accordance with the provisions of the Scheme*

** *As on December 31, 2017*

1. **Changes in the Authorised Capital**

Set out below are the changes in the authorised capital since the incorporation of our Company.

Effective Date	Particulars
March 31, 2018	Authorised share capital of ₹ 100,000 divided into 10,000 Equity Shares of ₹ 10 each was increased into ₹ 300,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each. (1)

(1) *The authorised share capital of our Company was increased pursuant to clause 26(1)(c) of the Scheme*

Notes to the Capital Structure

2. **Share Capital History of our Company**

a. The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face value (₹)	Premium (₹)	Issue Price per Equity Share (₹)	Consideration	Reason of Allotment	Cumulative No. of Equity Shares	Cumulative paid up capital (₹)
April 24, 2017[(1)]	10,000	10	-	10.00	Cash	Initial Subscribers to the Memorandum of Association[(2)]	10,000	100,000
April 11, 2018	24,674,267	10	-	Not applicable	Not Applicable	Pursuant to the Scheme	24,674,267	246,742,670

(1) *Allotment of 10,000 Equity Shares which were made prior to the Scheme were cancelled in accordance with the provisions of the Scheme*

(2) *One Equity Share each was allotted to Sathyanarayan P., Sormishta Ghosh, Vinodkumar Bhaskaran, Manjula Ramamurthy, Hariharan Subramaniam and Jitesh Devendra, all on behalf of the beneficial owner, Strides Shasun Limited*

3. **Issue of Shares for consideration other than cash**

a. Our Company has not issued any Equity Shares out of revaluation of reserves or unrealized profits.

b. Other than the allotment of Equity Shares pursuant to the Scheme, our Company has not issued Equity Shares for consideration other than cash as on date of this Information Memorandum:

4. **History of the Equity Share Capital held by our Promoter**

Upon consummation of the Scheme, our Promoters, i.e, Arun Kumar, KR Ravishankar and Pronomz Ventures LLP and our Promoter Group hold 8,835,270 Equity Shares, equivalent to 35.81% of the issued, subscribed and paid-up Equity Share capital of our Company.

a. Build-up of our Promoters' shareholding in our Company

Set forth below is the build-up of the shareholding of our Promoter since incorporation of our Company:

Name of the Promoter	Date of allotment/ Transfer	Nature of allotment	No. of Equity Shares	Nature of consideration	Face value per Equity Share	Issue price/ Transfer Price per Equity Share	Percentage of the pre-scheme capital (%)	Percentage of the post-scheme capital (%)
Arun Kumar	April 11, 2018	Allotment pursuant to the Scheme	1,168,463	Other than cash	10	N/A	-	4.74
KR Ravishankar	April 11, 2018	Allotment pursuant to the Scheme	1,325,260	Other than cash	10	N/A	-	5.37
Pronomz Ventures LLP	April 11, 2018	Allotment pursuant to the Scheme	3,190,831	Other than cash	10	N/A	-	12.93

b. Shareholding of our Promoters and Promoter Group

Upon consummation of the Scheme, the shareholding of our Promoter and Promoter Group in our Company is as follows:

Sr. no	Name of the Shareholder	No. of Equity Shares	% holding post-scheme
	Promoter		
1.	Pronomz Ventures LLP	3,190,831	12.93
2.	KR Ravishankar	1,325,260	5.37
3.	Arun Kumar	1,168,463	4.74
	Promoter Group		
1.	Agnus Capital LLP	849,635	3.44
2.	Chayadeep Ventures LLP	1,005,000	4.07
3.	Sequent Scientific Limited	552,083	2.24
4.	Chayadeep Properties Private Limited	275,730	1.12
5.	Agnus Holdings Private Limited	72,181	0.29
6.	Deepa Arun Kumar	53,500	0.22
7.	Aditya Arun Kumar	53,333	0.22
8.	Tarini Arun Kumar	53,333	0.22
9.	Vineetha Mohana Kumar Pillai	49,166	0.20
10.	Padma Kumar Karunakaran Pillai	48,580	0.20
11.	Sajitha Pillai	33,333	0.14
12.	Hemalatha Pillai	28,000	0.11
13.	Rajitha Gopala Krishnan	27,500	0.11
14.	K R Lakshmi	21,727	0.09
15.	Rajeswari Amma	15,626	0.06
16.	Yalavarthy Usha Rani	6,000	0.02
17.	Triumph Venture Holdings LLP	5,989	0.02
	TOTAL (A)	**8,835,270**	**35.81**

c. Details of Lock-in

The shareholding of our Promoters and shareholders of our Company is exempt from lock-in prescribed under paragraph (III)(A)(3) of Annexure 1 of the SEBI Circular as amended by SEBI circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018, since, the shareholding of our Company post effectiveness of the Scheme is exactly similar to the shareholding pattern of Strides and Sequent, respectively.

The Equity Shares of our Company issued in respect of any equity shares of Strides and Sequent that are subject to lock-in under applicable law, if any, will also be subject to a lock-in for the remainder of the period for which such shares of Strides and Sequent are subject to lock-in.

5. **Employee Stock Options**

As on the date of this Information Memorandum, our Company does not have any employee stock option scheme.

6. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as on the date of this Information Memorandum:

Category code	Category of Shareholder	Number of Share-holders	Post-Arrangement				Number of locked in shares		Shares pledged or otherwise encumbered	
			Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares					
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage (VIII=VII/III*100)	Number of Shares	As a percentage (X=IX/III*100)
	(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)
(A)	**Shareholding of Promoter and Promoter Group**									
1	Indian									
(a)	Individuals/Hindu Undivided Family	13	2,883,821	2,883,821	11.69	11.69	-	-	220,000	7.63
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate (including nominees)	7	5,951,449	5,951,449	24.12	24.12	1,220,000	20.50	1,228,000	20.63
(d)	Financial institutions/Banks	-	-	-	0.00	0.00	-	-	-	-
(e)	Any others (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A) (1)	**20**	**8,835,270**	**8,835,270**	**35.81**	**35.81**	**1,220,000**	**13.81**	**14,480,000**	**16.39**
2	Foreign	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Residents Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate (through GDRs)	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Any others (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	**0**	**0**	**0**	**0.00**	**0.00**	**0**	**0**	**0**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**20**	**8,835,270**	**8,835,270**	**35.81**	**35.81**	**12,220,000**	**13.81**	**14,480,000**	**16.39**
(B)	**Public Shareholding**	**75,522**	**15,838,997**	**15,766,846**	**64.19**	**64.19**	**151,546**	**0.96**	**0**	**0**
1	**Institutions**									
(a)	Mutual Funds	10	2,884,215	2,884,215	11.69	11.69	-	-	-	-
(b)	Foreign Portfolio Investors	130	5,869,234	5,869,234	23.79	23.79	-	-	-	-
(c)	Financial Institutions/Banks	11	84,050	83,880	0.34	0.34	-	-	-	-
(d)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholder	Number of Share-holders	Post-Arrangement				Number of locked in shares		Shares pledged or otherwise encumbered	
			Total number of shares	Number of shares held in Dematerialized form	Total shareholding as a percentage of total number of shares					
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of Shares	As a percentage (VIII=VII/III*100)	Number of Shares	As a percentage (X=IX/III*100)
(f)	Insurance Companies	1	14,202	14,202	0.06	0.06	-	-	-	-
(g)	Foreign Venture Capital Investors	1	94,051	94,051	0.38	0.38	-	-	-	-
(h)	Foreign Bodies-DR	-	-	-	-	-	-	-	-	-
(i)	Overseas Corporate Bodies	1	3,500	3,500	0.01	0.01	-	-	-	-
(j)	Alternate Investment Funds	2	114,987	114,987	0.47	0.47	-	-	-	-
(k)	Any other (specify)	-								
	Sub-Total (B)(1)	**156**	**9,064,239**	**9,064,069**	**36.74**	**36.74**	-	-	-	-
2	**Non-Institutions**									
(a)	Individuals									
I	Individual shareholders holding nominal share capital up to ₹ 2 lakhs	70,552	2,448,520	2,412,443	9.92	9.92	-	-	-	-
II	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	17	971,129	971,129	3.94	3.94	-	-	-	-
(b)	NBFCs Registered with RBI	11	6,160	6,160	0.02	0.02	-	-	-	-
(c)	Overseas depositories (Holding GDRs)	-	-	-	-	-	-	-	-	-
(d)	Any other								-	-
	Trusts	12	92,300	58,325	0.37	0.37	-	-	-	-
	Non-Resident Indians	1,201	609,293	607,733	2.47	2.47	-	-	-	-
	Clearing Members	126	36,524	36,524	0.15	0.15	-	-	-	-
	NRI Non- Repatriation	449	23,529	23,529	0.10	0.10	-	-	-	-
	Bodies Corporate	923	2,449,092	2,448,723	9.93	9.93	151,546	6.19	-	-
	HUF	2,069	112,577	112,577	0.46	0.46	-	-	-	-
	Foreign Nationals	5	16,694	16,694	0.07	0.07	-	-	-	-
	Investor Education and Protection Fund	1	8,940	8,940	0.04	0.04	-	-	-	-
	Sub Total (B) (2)	**75,366**	**6,774,758**	**6,702,777**	27.46	27.46	151,546	2.24	-	-
1.	**Total Public Shareholding (B) = (B)(1)+ (B)(2)**	**75,522**	**15,838,997**	**15,766,846**	**64.19**	**64.19**	**151,546**	**0.96**	-	-
(C)	**Non-Promoter Non-Public**	-	-	-	-	-			-	-
2.	**Total Shareholding (A+B+C)**	**75542**	**24,674,267**	**24,602,116**	**100.00**	**100.00**	**1,371,546**	**5.56**	**1,448,000**	**16.39**

7. The list of top 10 shareholders of our Company and the number of Equity Shares held by them as on the date of this Information Memorandum, 10 days before the date of this Information Memorandum, and the shareholders as of one year prior the date of this Information Memorandum are set forth below:

1. The top 10 shareholders as on the date of the Information Memorandum are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the paid up share capital (%)
1.	Pronomz Ventures LLP	3,190,831	12.93
2.	SBI Magnum Taxgain Scheme	1,628,786	6.60
3.	KR Ravishankar	1,325,260	5.37
4.	Arun Kumar	1,168,463	4.74
5.	Chayadeep Ventures LLP	1,005,000	4.07
6.	Agnus Capital LLP	849,635	3.44
7.	TIMF Holdings	751,788	3.05
8.	Unit Trust of India Investment Advisory Services	565,535	2.29
9.	Sequent Scientific Limited	552,083	2.24
10.	Satpal Khattar	544,893	2.21
	Total	**11,582,274**	**46.94**

2. The top 10 shareholders ten days prior to the Information Memorandum are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the paid up share capital (%)
1.	Strides Shasun Limited	9,994	99.99
2.	Jitesh Devendra	1	0.01
3.	Hariharan Subramaniam	1	0.01
4.	Dr. Sathyanarayanan P	1	0.01
5.	Sormistha Ghosh	1	0.01
6.	Vinodkumar Bhaskaran	1	0.01
7.	Manjula Ramamurthy	1	0.01
	Total	**10,000**	**100.00**

* *Strides was the beneficial owner of shares held by Sathyanarayan P., Sormishta Ghosh, Vinodkumar Bhaskaran, Manjula Ramamurthy, Hariharan Subramaniam and Jitesh Devendra.*

3. The shareholders one year prior to the date of this Information Memorandum are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the paid up share capital (%)
1.	Strides Shasun Limited	9,994	99.99
2.	Jitesh Devendra	1	0.01
3.	Hariharan Subramaniam	1	0.01
4.	Dr. Sathyanarayanan P	1	0.01
5.	Sormistha Ghosh	1	0.01
6.	Vinodkumar Bhaskaran	1	0.01
7.	Manjula Ramamurthy	1	0.01
	Total	**10,000**	**100.00**

* *Since our Company was incorporated on February 23, 2017, details of top shareholders one year prior to the date of this Information memorandum have been included. Strides was the beneficial owner of shares held by Sathyanarayan P., Sormishta Ghosh, Vinodkumar Bhaskaran, Manjula Ramamurthy, Hariharan Subramaniam and Jitesh Devendra.*

8. **Details of the Equity Shares held by our Directors:** None of our Directors hold any Equity Shares in the Company except as set forth in the table below:

Name of Director	Designation	Number of Equity Shares Held
Jitesh Devendra	Managing Director	60,687
Deepak Vaidya	Chairman & Non-Executive Director	29,948
Hariharan Subramaniam	Executive Director - Finance	1,641
Nirmal Pratap Bhogilal	Independent director	758

9. As on the date of the Information Memorandum, our Company has allotted 24,674,267 Equity Shares to equity shareholders of Strides and Sequent pursuant to the Scheme approved by the NCLT under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made there under (to the extent notified and applicable).

10. As of the date of the filing of this Information Memorandum, the total number of shareholders of our Company is 75,542.

11. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Information Memorandum.

12. At least 25% of the post-Scheme paid up share capital of our Company comprises of Equity Shares allotted to public shareholders.

13. There shall be only be one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

COMPOSITE SCHEME OF ARRANGEMENT

A composite Scheme of Arrangement (the "**Scheme**"), pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder between Strides (the "**Demerged Company 1**"), Sequent (the "**Demerged Company 2**") and Solara ("**our Company**") and their respective shareholders and creditors, was approved by the Board pursuant to its resolution dated March 20, 2017. The Scheme was approved by our shareholders at a meeting convened by the NCLT on December 27, 2017.

The Scheme provided for the demerger of the commodity API business of Strides (the **"Demerged Undertaking 1"**) and the human API business of Sequent (the "**Demerged Undertaking 2**"), and transfer of the same to our Company pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (the "**Demerger**") and provided for (i) the transfer by way of a demerger of the Demerged Undertaking 1 of the Demerged Company 1 to our Company; (ii) the consequent issue of Equity Shares by our Company to the shareholders of the Demerged Company 1 ("**First Demerger**"); (iii) the transfer by way of a demerger of the Demerged Undertaking 2 of the Demerged Company 2 to our Company; (iv) the consequent issue of Equity Shares by our Company to the shareholders of the Demerged Company 2 ("**Second Demerger**"); and (v) various other matters consequential or integrally connected with the above, including the reorganisation of the share capital of our Company.

Pursuant to the Scheme and with effect from Effective Date, Demerged Undertakings 1 and 2 stood transferred to our Company as a going concern. The Scheme was sanctioned by the NCLT by an order dated March 9, 2018 and issued on March 22, 2018.

Rationale for the Scheme

The rationale for the Scheme, is as follows:

- The Demerged Undertaking 1 and Demerged Undertaking 2, being "B2B" businesses, require a differentiated strategy and direction to grow and deliver value.
- Segregation of the Demerged Undertaking 1 from the other core "B2C" businesses of Strides would allow concentrated focus by the management of our Company on the Demerged Undertaking 1 and the Strides management on its other core B2C businesses.
- Segregation of the Demerged Undertaking 2 from the animal healthcare business of Sequent will allow concentrated focus by the management of our Company on the Demerged Undertaking 2 and Sequent management on the animal healthcare business.
- The unbundling of Demerged Undertaking 1 and Demerged Undertaking 2 and consolidation into our Company would create an active pharmaceutical ingredients company in India with critical size, and is expected to unlock value by enabling the business activities to be carried out with greater focus and specialization for sustained growth.
- The demergers are expected to enhance shareholder value for shareholders of both Strides and Sequent and the Scheme is expected to be in the best interests of the shareholders, employees and creditors of each of Strides, Sequent and our Company.

Salient Features of the Scheme

Appointed Date

The appointed date for demergers of the Demerged Undertaking 1 and the Demerged Undertaking 2 from Demerged Company 1 and Demerged Company 2, respectively into our Company pursuant to the Scheme is October 1, 2017 ("**Appointed Date**").

Transfer and vesting of Demerged Undertaking 1 and Demerged Undertaking 2 of Demerged Company 1 and Demerged Company 2, respectively, into our Company

Subject to the implementation of Part C and Part D of the Scheme and pursuant to Section 232 of the Companies Act, 2013, with effect from the Appointed Date, the Demerged Undertaking 1 demerged from the Demerged Company 1, and the Demerged Undertaking 2 demerged from the Demerged Company 2 and stood transferred to and vested in our Company on a going concern basis, in accordance with the provisions of this Scheme.

Upon coming into effect of the Scheme and with effect from the Appointed Date, all debts, duties, obligations, and liabilities of Demerged Company 1 and Demerged Company 2 forming part of the Demerged Undertaking 1 and Demerged

Undertaking 2, respectively, stood transferred to our Company to the extent that they were outstanding as on the Effective Date.

In consideration of vesting of the Demerged Undertaking 1 in our Company, pursuant to the provisions of the Scheme, our Company issued and allotted to members of Demerged Company 1, whose names were recorded in the register of members of Demerged Company 1 on the Record Date, one Equity Share of ₹ 10 each of our Company credited as fully paid up for every six equity shares of ₹ 10 each held by such members in Demerged Company 1.

Further, in consideration of vesting of the Demerged Undertaking 2 of Demerged Company 2 into our Company pursuant to the provisions of the Scheme, our Company issued and allotted to members of Demerged Company 2, whose names were recorded in the register of members of Demerged Company 2 on the Record Date of the Scheme, one Equity Share of ₹ 10 each of our Company credited as fully paid up for every twenty five equity shares of ₹ 2 each held by such members in Demerged Company 2.

Pursuant to provisions of Section 230 to 232 of the Companies Act, 2013, and Clauses 7.1 of the Scheme, the existing shareholding of Demerged Company 1 in our Company stood cancelled following the issuance of Equity Shares by our Company to the members of Demerged Company 1 and Demerged Company 2.

All permanent employees of Demerged Company 1 engaged in the Demerged Undertaking 1 and permanent employees of Demerged Company 2 engaged in the Demerged Undertaking 2 in service on the Effective Date were deemed to have become employees of our Company with effect from the Appointed Date or their respective joining date, whichever was later.

Further, all legal or other proceedings initiated by or against Demerged Company 1 in relation to Demerger Undertaking 1 and Demerged Company 2 in relation to Demerged Undertaking 2 referred to in Clauses 11.1 and 22.1, respectively of the Scheme may be continued, prosecuted and enforced by or against our Company and our Company shall have all such legal or other proceedings transferred to its name as soon as is reasonably possible after the Effective Date.

Upon coming into effect of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments, forming part of the Demerged Undertaking 1 and Demerged Undertaking 2 to which Demerged Company 1 or Demerged Company 2, respectively are a party or to the benefit of which Demerged Company 1 or Demerged Company 2 are eligible and which were subsisting or having effect on the Effective Date, shall continue in full force and effect against or in favour of our Company and may be enforced by or against our Company as fully and effectually as if, instead of Demerged Company 1 or Demerged Company 2, as the case maybe, our Company had been a party thereto.

With effect from the Appointed Date, all taxes (including sales tax, excise duty, custom duty, service tax, sales tax, value added tax, etc.), duties, cess received/ receivable/ paid/ payable by Demerged Company 1 and Demerged Company 2 relating to the Demerged Undertaking 1 and demerged Undertaking 2, respectively, including all or any refunds/ input credit/ claims/ tax losses/ unabsorbed depreciation relating thereto are treated as the asset/ liability or refunds/ input credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of our Company.

Approvals for the Scheme

The NCLT, *vide* its order dated March 9, 2018 and issued on March 22, 2018 has approved the Composite Scheme of Arrangement.

Corporate Approvals

The proposed Scheme was placed before the audit committee of Strides at its meeting held on March 20, 2017. On the basis of its evaluation and independent judgment and consideration of the joint valuation report dated March 20, 2017 submitted by S. R. Batliboi & Co. LLP, Chartered Accountants and Price Waterhouse & Co., LLP, Chartered Accountants (the "**Strides Valuation Report**") and the fairness opinion dated March 20, 2017 issued by Axis Capital Limited, a SEBI registered merchant banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio, the audit committee of Strides approved and recommended the Scheme to the board of directors of Strides.

The board of directors of Strides, at their meeting dated March 20, 2017, took into account the Strides Valuation Reports and the independent recommendations of the audit committee of Strides and on the basis of their independent judgment, approved the Scheme. Further, pursuant to queries received from the Stock Exchanges and circular number LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE and circular number NSE/CML/2017/12 dated June 1, 2017 issued by NSE, S. R. Batliboi & Co. LLP, Chartered Accountants have issued supplements to the Strides Valuation

Report dated April 17, 2017 and June 21, 2017 describing *inter alia* the methodology adopted by them in arriving at the valuation of the Commodity API Business.

The shareholders of Strides (including the public shareholders of Strides), at their meeting dated December 27, 2017 approved the Scheme with the requisite majority prescribed under the Companies Act and the SEBI Circular.

The proposed Scheme was placed before the audit committee of Sequent at its meeting held on March 20, 2017. On the basis of its evaluation and independent judgment and consideration of the (i) joint valuation report dated March 20, 2017 submitted by S. R. Batliboi & Co. LLP, Chartered Accountants and Price Waterhouse & Co., LLP, Chartered Accountants (the "**Sequent Valuation Report**"); and (ii) the fairness opinion dated March 20, 2017 issued by Keynote Capital Services Limited, a SEBI registered merchant banker, explaining the rationale for its opinion as to the fairness of the share entitlement ratio, the audit committee of Sequent approved and recommended the Scheme to the board of directors of Sequent. Further, pursuant to queries received from the Stock Exchanges and circular number LIST/COMP/02/2017-18 dated May 29, 2017 issued by the BSE and circular number NSE/CML/2017/12 dated June 1, 2017 issued by NSE, Price Waterhouse & Co., LLP, Chartered Accountants have issued supplements to the Sequent Valuation Reports dated April 25, 2017 and June 20, 2017 describing *inter alia* the methodology adopted by them in arriving at the valuation of the Human API Business.

The board of directors of Sequent, at their meeting dated March 20, 2017, took into account the Sequent Valuation Reports and the independent recommendations of the audit committee of Sequent and on the basis of their independent judgment, approved the Scheme.

The shareholders of Sequent (including the public shareholders of Sequent), at their meeting dated December 26, 2017 approved the Scheme with the requisite majority prescribed under the Companies Act and the SEBI Circular.

Other Approvals in relation to the Scheme

NSE has been appointed as the Designated Stock Exchange by Strides and Sequent for the purpose of coordinating with the SEBI, pursuant to the SEBI Circular. Strides has received observation letters regarding the Scheme from BSE on August 7, 2017 and from NSE on August 4, 2017. Sequent has received observation letters regarding the Scheme from BSE on August 8, 2017 and from NSE on August 8, 2017. In terms of the observation letters of BSE and NSE, issued to Strides and Sequent, BSE and NSE, *inter alia*, conveyed their no adverse observations/no objection for filing the Scheme with the NCLT, subject to fulfilment of the conditions stated in these observation letters.

Our Company had applied to the Competition Commission of India under the provisions of Section 6(2) of the Competition Act, 2002 for approval of the Scheme on May 9, 2017. Thereafter, the Competition Commission of India *vide* letter dated August 4, 2017 has communicated the order dated June 28, 2017 approving the Scheme under Section 31(1) of the Competition Act, 2002.

Strides, Sequent and our Company had applied to the NCLT under the provisions of Sections 230-232 of the Companies Act for approval of the Scheme and the NCLT vide order dated March 9, 2018 and issued on March 22, 2018 sanctioned the Scheme under Sections 230-232 and other applicable provisions of the Companies Act.

STATEMENT OF TAX BENEFITS

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STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To,

Solara Active Pharma Sciences Limited
The Board of Directors
201, Devarata, Sector 17,Vashi, Navi Mumbai – 400 703, India

Dear Sirs,

Sub: Statement of possible special tax benefits available to Solara Active Pharma Sciences Limited and its shareholders under the Indian tax laws.

We refer to the proposed listing of equity shares of **Solara Active Pharma Sciences Limited** (the "Company") and enclose the statement showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Income-tax Act, 1961 (the "Act") for inclusion in the information memorandum for proposed listing of Equity Shares of the Company.

This statement is provided for general information purposes only and each investor is advised to consult its own tax consultant with respect to specific income tax implications arising out of participation in the issue.

Unless otherwise specified, sections referred below are sections of the Act. The benefits set out below are subject to conditions specified therein read with the Income Tax Rules, 1962, as amended from time to time, presently in force.

The benefits outlined in the enclosed statement based on the information and particulars provided by the Company are neither exhaustive nor conclusive.

We do not express any opinion or provide any assurance as to whether:

a) the Company or its shareholders will continue to obtain these benefits in future;
b) the conditions prescribed for availing the benefits have been/would be met with; and
c) the revenue authorities/courts will concur with the views expressed herein.

Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

Deloitte
Haskins & Sells LLP

We hereby give our consent to include the enclosed statement regarding special tax benefits available to the Company and to its shareholders in the information memorandum for the proposed listing of equity shares, which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchange(s).

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility / claims towards the investors / third party who may or may not invest in the proposed issue relying on the statement. This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offerings).The views are exclusively for the use of **Solara Active Pharma Sciences Limited** and shall not, without our prior written consent, be disclosed to any other person.

Yours faithfully,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

K. Subramanian
Partner
(Membership No. 206440)

Place: Bangalore
Date: April 14, 2018

Statement of special tax benefits available to Solara Active Pharma Sciences Limited (the "Company") and its shareholders

I. Special tax benefits available to the Company

1. Claim for additional depreciation under section 32 of the Act

    - The Company is eligible for additional depreciation at the rate of 20 percent of the actual cost of specified machinery or plant acquired and installed during the respective year over and above the normal depreciation.

2. Expenditure on scientific research under section 35 of the Act

    - As per section 35(2AB) of the Act, the Company would be entitled to weighted deduction of a sum equal to one and one half times of any expenditure incurred (other than the expenditure incurred on the acquisition of any land or building) for scientific research related to the business of the Company, to the extent of expenditure incurred on in-house research and development facilities as approved by Department of Scientific and Industrial Research ('DSIR'). The above-mentioned weighted deduction will be available till the assessment year 2020-21.

    - The Company would be entitled for deduction under section 35(1) (i)/35(1) (iv), if the expenditure is incurred for scientific research which is not approved by DSIR.

3. Amortisation of expenditure in case of demerger under Section 35DD of the Act

    - The Company would be entitled to claim any expenditure incurred wholly and exclusively for the purpose of demerger of an undertaking of an amount equal to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the demerger takes place.

4. Carry forward of losses under section 72A of the Act

    - The Company would be entitled to carry forward the accumulated loss and unabsorbed depreciation of a demerged undertakings transferred to the Company and set off against its profits provided in accordance with the requirements of Section 72A(4) of the Act.

5. Deduction under section 80JJAA of the Act

    - The Company would be entitled for deduction under section 80JJAA of the Act, of an amount equal to thirty percent of the additional employee cost incurred in the course of the business in the previous year subject to the satisfaction of conditions specified therein.

- The said deduction is allowed to an entity for a period of three assessment years beginning from the year of employment of such additional employees.

6. Minimum Alternate Tax ('MAT') credit under section 115JAA of the Act

- The Company would be entitled to claim credit for MAT paid under section 115JB of the Act in an earlier year. The amount of credit available would be the difference between the tax payable as per the normal provisions of the Act and the tax paid under section 115JB of the Act for that assessment year. MAT credit is to be allowed for set-off for subsequent assessment year to the extent of difference between MAT paid in an earlier year and the amount of tax payable as per the provisions of the Act.

- MAT credit is eligible for carry forward and set-off for upto 15 years succeeding the assessment year in which the MAT credit arises

II. Special tax benefits available to shareholders of the Company

There are no special tax benefits available to the shareholders of the Company.

Notes:

1. The above statement of special tax benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax law presently in force in India.

2. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

3. We have not commented on the taxation aspect under any law for the time being in force, as applicable, of any country other than India. Each investor is advised to consult its own tax consultant for taxation in any country other than India.

SECTION IV: ABOUT OUR COMPANY

OUR BUSINESS

In this section "the Company", "our Company", "we", "us" and "our" refers to Solara Active Pharma Sciences Limited (formerly known as SSL Pharma Sciences Limited) and its Subsidiaries on a consolidated basis. Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. This section should be read in conjunction with the sections "Forward Looking Statements" and "Risk Factors" on pages 6 and 7, respectively. Our financial statements included in this Information Memorandum have been prepared under Ind AS. References to all figures below are to our consolidated financial information prepared under Ind AS. All figures in this section are stated on a consolidated basis unless specified otherwise.

Please note that our Company has been newly incorporated and has commenced business operations from the date of effectiveness of the Scheme. The business operations of our Company comprise of the Commodity API Business of Strides and the Human API Business of Sequent, which were transferred to our Company pursuant to the Scheme. While the following section includes material details of the business operations of our Company, post effectiveness of the Scheme, for complete details in relation to the Commodity API Business and the Human API Business, including the historical performance, previous milestones and risk factors, the disclosures in the section below should be read with the information available on the websites of the Stock Exchanges, and financial statements, investor presentations and corporate disclosures issued by Strides and Sequent, which are available on http://www.stridesarco.com/investor-annualreport.html and http://www.sequent.in/investor-relations.aspx.

Overview

Our Company is a global, R&D focused, pure-play API company engaged in manufacturing and development of APIs and offering services, including CRAMS and contract manufacturing for APIs. Formed pursuant to the demerger of the commodity API business of Strides and the human API business of Sequent Scientific Limited ("**Sequent**"), our Company is young but backed with a significant pharma experience of over 30 years. With five globally compliant manufacturing facilities, a presence in over 40 countries, as on April 1, 2018, a basket of diversified, high-value products and established customer relationships, we are poised to create value in the B2B space of API manufacturing and development.

Our Company brings together the Demerged Undertakings of Strides and Sequent, with the aim of providing an inorganic thrust to the organic growth demonstrated by the companies in the last two decades. We intend to capitalise on the significant experience of Strides in therapeutic areas such as pain management, anti-malaria, tuberculosis and hyperphosphatemia and its niche portfolio of products in therapeutic categories such as chronic kidney disease, NSAIDS and CNS related products.

Our Company is involved in API manufacturing and contract manufacturing services for APIs, and has differentiated capabilities to create value for its varied customer base. We have extensive operations including in North America, parts of Latin America, Europe, along with deep roots in Japan, South Korea, India, the Middle East and North Africa. Our API business comprises of manufacture and development of generic and commercial APIs including in the anthelmintic, anti-malarial, anti-infective, antipsychotic, anti-infective and hyperkalemia categories. The other business of our Company comprises of CRAMS services for APIs, contract development, custom synthesis and contract manufacturing. Our Company also has the capabilities to provide analytical and regulatory support by capitalising on its global regulatory expertise.

Our Company has manufacturing infrastructure comprising of five, established, globally compliant API facilities located in Puducherry, Cuddalore, Mangalore, Mysore and Mahad. The facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. For details see, "Our Business – Manufacturing Facilities and Approvals" on page 53. Our well-established manufacturing facilities support our ability to cater to our customers. Our Company is committed to the highest levels of compliance, and the last USFDA audits at our facilities in Cuddalore and Puducherry have been cleared with zero 483s observations.

Our Company has a basket of diversified, high-value product offerings for the global market, with 40 APIs predominantly in the anthelmintic, anti-malaria and anti-infective categories, 32 APIs under development and over 70 DMFs filed with regulators across US, EU, Japan and Korea, as on April 1, 2018. Our Company identifies API products, early through a rigorous process, based on the value that our products would generate for our customers. The ability to identify such products early enables us to build intellectual property in a timely and successful manner. We believe that we will be successful in leveraging the experience of Strides and Sequent in managing our portfolio of intellectual property for our varied base of products. Further, our Company is focused on research and development and is consciously favouring value over volume in its product offerings. The dedicated R&D facility of our Company, located in Bangalore and the recently acquired R&D facility in Chennai enable us to focus on products characterized by complex formulations across diverse therapeutic categories as well as products developed specifically for our key markets. For details of the agreement for acquisition of the R&D facility in Chennai, see, "History and Certain Corporate Matters – Material Agreements" on page 57.

The management of our Company has been associated with the Commodity API Business of Strides and the Human API Business of Sequent, before the Demerger and brings with them the depth of experience in the business of our Company. Jitesh Devendra, the Managing Director of Solara, played a crucial role in establishing the API business of the erstwhile Shasun Pharmaceuticals Limited in the USA and has over 20 years of experience in managing API and formulations business. S. Hariharan, the Executive Director - Finance and Chief Financial Officer of our Company of our Company was associated with the erstwhile Shasun Pharmaceuticals Limited and has rich and varied experience of more than 30 years in the field of corporate finance, accounts and strategic planning. Our senior management team includes our chief operating officer, B Sreenivasa Reddy, our senior vice president, V Sundara Moorthy and our head of R&D Dr. TVSK Vittal, each of whom have over 20 years of experience in the pharmaceutical sector, and have previously been associated with Strides and/ or the erstwhile Shasun Pharmaceuticals Limited. Our chief people officer, Ranjit Kumar Singh, has more than 12 years of professional experience in varied industries, including the pharmaceuticals industry. Further, pursuant to the effectiveness of the Scheme, our Company has 2,131 employees, as on April 1, 2018, who have previously been associated with Strides, Sequent and Shasun Pharmaceutical Limited. We believe that our stable, senior management team will help us in successfully implementing our development and operating strategies over the years. Owing to the understanding of the industry trends, demands and market changes of our senior management team, we believe that we will be able to adapt and diversify our operating capabilities and take advantage of market opportunities over the period.

Based on the unaudited combined proforma financial information for the Financial Year ended March 31, 2017, quarter ended June 30, 2017 and quarter ended September 30, 2017, our revenue from operations was ₹9,412.78 million,₹2,585.22 and ₹2,983.40 million, respectively, and our profit after tax was ₹300.15 million, ₹158.17 million and ₹360.37 million respectively.

Our Strengths

Strong foundation and depth of experience, built on strong core values

Solara brings together the depth of experience of Strides and Sequent in the Commodity API business and Human API Business, respectively, with the goal of creating one of largest standalone API companies in India. The erstwhile Shasun Pharmaceuticals Limited had merged with Strides in November 2015 to integrate its formulations business and secure the API capabilities of Strides. The activities of the erstwhile Shasun Pharmaceuticals Limited have been successfully integrated into Strides and the business has expanded across the regulated markets. The Commodity API Business of Strides, which formed part of the erstwhile Shasun Pharmaceuticals Limited has now been demerged into our Company. The human API business of Sequent has developed organically over the last 10 years, and has now been demerged into our Company.

The strong foundation provided by the successful business operations of Strides and Sequent, over the last three decades has enabled our Company to leverage business relationships of Strides and Sequent, which are spread across over 40 countries, as on April 1, 2018. Further, our five established manufacturing facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. For details see, "Our Business – Manufacturing Facilities and Approvals" on page 53. Further, our Company has also inherited the culture of adopting and maintaining the best EHS practices of ensuring safety at our manufacturing units. Our manufacturing operations and service offerings are also supported by our R&D capabilities which provide us with the ability to develop up to 15 APIs and file between 10 to 15 DMF applications in a financial year. Our R&D operations are in-turn supported by our robust intellectual property assessment capabilities and strong global regulatory expertise.

Our business operations are operated by our energetic and young team, with innovation and entrepreneurship at its core, which is guided by experienced leaders, from Strides and Sequent. Jitesh Devendra, the Managing Director of Solara, has over 20 years of experience in managing API and formulations business, including 10 years spent in United States of America, focusing on expanding the API business and establishing the erstwhile Shasun Pharmaceuticals Limited as a key formulations player. S. Hariharan, the Executive Director - Finance and Chief Financial Officer of our Company of our Company was associated with the erstwhile Shasun Pharmaceuticals Limited and thereafter with Strides since August 2004, and has rich and varied experience of more than 30 years in the field of corporate finance, accounts and strategic planning. Our senior management team includes our chief operating officer, B Sreenivasa Reddy, our senior vice president, V Sundara Moorthy and our head of R&D Dr. TVSK Vittal, each of whom have over 20 years of experience in the pharmaceutical sector, and have previously been associated with Strides and/ or the erstwhile Shasun Pharmaceuticals Limited. Our chief people officer, Ranjit Kumar Singh, has more than 12 years of professional experience in varied industries, including the pharmaceuticals industry. Our senior management will be supported by a workforce of 2,131 employees, as on April 1, 2018. Our experienced management team and motivated and well-trained employees enable us to successfully establish a customer-oriented corporate culture, providing a foundation to maintain and enhance our long-term competitiveness.

Our business operations have been built on certain core business values, which are deeply entrenched in our business operations. Our legacy of maintaining strong customer relationships is backed by our culture of respecting all stakeholders and operating our business with transparency, integrity and efficiency. In the ever-changing business environment, we believe that one thing which will continue to be constant will be our integrity. We intend to continue to operate our business with the highest level of efficiency through a focused approach to customer centricity. The strong foundation and depth of experience in our business operations, together with the approach of conducting our operations based on our core values, puts us in a unique position to transform our young company, into a leader in the pure-play, B2B API business.

Varied product portfolio and rich pipeline of products

Our Company has a basket of diversified, high-value product offerings for the global market, with 40 APIs predominantly in the anthelmintic, anti-malaria and anti-infective categories, 32 APIs under development across anthelmintic, anti-malaria, beta blockers, muscle relaxants, novel oral anticoagulants and anti-infective segments, and over 70 DMFs filed with regulators across US, EU, Japan and Korea, as on April 1, 2018. We believe that we are one of the world's largest manufacturers of Ibuprofen, Praziquantel and Albendazole, and have a niche portfolio of products in therapeutic categories such as chronic kidney disease, NSAIDs and CNS related products. Further, our API offerings are varied with capabilities in complex product areas such as manufacturing APIs required for injectables. We also have complex chemistry capabilities to produce polymer-based products, handling of catalytic hydrogenation, hydride reductions and organometallic reactions, which supports our CRAMS offerings. Further, our Company has a pipeline of over 30 products under different stages of development. Our R&D facilities and experience with global regulators have enabled us to develop the ability to develop up to 15 APIs and 10 to 12 DMFs every financial year.

We have a rigorous process of selecting APIs for manufacturing, with the end customers in mind. We consciously favour value over volumes to limit the impact of pricing pressure in the long term and create capabilities after the demand for the product is assured. Further, our R&D capability, which includes advanced analytical equipment to meet latest standards of API development, has enabled us to develop over an entirely new cycle with new and better technologies at competitive costs. Our approach towards creation of intellectual properties is also directed towards the early identification of products of value which enables us to generate intellectual properties, in a timely manner. Our strong technical leadership has enabled us to develop high-quality pharmaceutical products with strategic value for customers, together with strong intellectual property assessment capabilities and global regulatory expertise.

Diversified business operations in key geographies

Our Company has widespread operations, and we have customers in over 40 countries, as on April 1, 2018, including North America, parts of Latin America, Europe, along with deep roots in Japan, South Korea, India, the Middle East and North Africa. Our business operations are undertaken through our local offices located in Japan, USA and South Korea. Our presence in key geographies of Japan, USA and Europe have been developed over the past three decades of operations of the erstwhile Shasun Pharmaceuticals Limited, Strides and Sequent.

For instance, the erstwhile Shasun Pharmaceuticals Limited commenced supply of its products in Japan in 1992. Being an early entrant, enables our Company to leverage this presence and cater to the large customer base in Japan, which is believed to be the third largest pharmaceutical market in the world after the USA and Europe. Similarly, our business operations have been present in Europe for over three decades, and our partnerships with key generic players provides us with a firm foundation to launch new products. USA is a key market for our Company and as on April 1, 2018, we have over 35 DMFs filed in the USA. We have a leadership position for products such as ibuprofen, gabapentin and ranitidine in the USA market. Further, we have a large customer base in the USA, where we serve both generic and innovator companies and supply commercial APIs as well as have contracts for contract research and manufacturing. Further, over the past few years, we have made inroads into markets such as Turkey, Iran other Asian and North African countries, through association with certain well-established players. We believe that these regions hold tremendous value for our business operations, given the populations and fast-growing incomes in these regions. Our diversified business operations enable us to service our customers through both, supply of APIs manufactured by us, and by providing research and contract manufacturing services. Our business operations are directed towards expanding our business presence in key geographies around the globe, by targeting potential customers with products offering great value.

Large scale, globally compliant infrastructure facilities

Our business operations are driven by our five globally compliant API facilities located in Puducherry, Cuddalore, Mangalore, Mysore and Mahad, and a R&D facility located in Bangalore. Our Company has also recently acquired a R&D facility located in Chennai, from Strides for our operations. For details see, "History and Certain Corporate Matters – Material Agreements" on page 57. Our manufacturing facilities include a highly flexible pilot plant and one of the largest Ibuprofen manufacturing facilities globally, in Puducherry, and a multi-purpose API manufacturing facility located in Cuddalore. Our manufacturing facility in Mangalore has capabilities to manufacture niche human APIs, large volume APIs and advanced drug intermediates. Our facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. We also have an integrated QMS from supply chain to product delivery to ensure consistent quality, efficacy and safety of products. Our facilities are regularly inspected for compliance with current Good Manufacturing Practices ("**cGMP**"), and the WHO and the USFDA. assess such compliance. We are committed to the highest levels of compliance, and the last USFDA audits at our facilities in Cuddalore and Puducherry have been cleared with zero 483s observations.

Our manufacturing facilities enable our Company to provide a backward integrated setup, ensuring timely supply to our customers. Our scalable infrastructure will also enable our Company to counter any supply chain oversight in the future. Further, our diversified manufacturing facilities provide our Company the ability to provide mirrored capabilities for production, and to mitigate regulatory risks. We are committed to consistently deliver high quality products that can be relied upon by both our customers and regulators.

Our Strategies

A sharper focus on the B2B oriented API business

Pursuant to the completion of the Scheme, we intend to expand the size and scope of our Company, to become one of the largest standalone API companies in India. We believe that post effectiveness of the Scheme, our Company will operate with a sharper focus on our B2B oriented API business through a differentiated strategy. We intend to better service our customers through the combined capabilities of the Commodity API Business and Human API Business, and leverage the revenue and cost synergies resulting from the combined operations. We believe that the Scheme would enable us to focus the experience of our management team towards developing and building a successful API company, with global operations.

Focused operations for offering novel API solutions

We intend to continue to select and develop APIs which add the most value to us and our customer, by identifying the key markets and segments in which we can introduce our products. For instance, we are focused on identification, development and manufacture of molecules for focus markets with limited competition. Our API selection is based on early development of products which are still under patent. Further, we intend to seek out API's where patents have expired, and where we would have an opportunity to offer API's at a better price to our customers. We also intend to continue to seek out APIs and leverage our relationships with existing customers, to seek out partners who could become the first generic players for a particular market. We believe that with our focused approach of developing high value APIs, we will be successful in establishing our Company as a leader in the API business.

Expand the size and scope of operations of our Company

Currently, we have widespread operations, and have customers in over 40 countries, as on April 1, 2018, including key markets of Japan, USA and Europe. Further, over the past few years, we have made inroads into markets such as Turkey, Iran other Asian and North African countries, through association with certain well established players. In line with our previous efforts to expand our business operations, we intend to continue to grow our business operations to new geographies, including through association with established players. We intend to expand our operations to Russia and China, which we believe are currently undergoing regulatory changes and are moving towards becoming well-regulated markets with clear guidelines from the Ministry of Health and the Chinese FDA.

Risk diversification with multiple manufacturing facilities

Our Company has five established manufacturing facilities are compliant with global manufacturing standards and certain of our manufacturing facilities have valid certifications from USFDA, EU and PMDA. Our manufacturing facilities which offer mirrored capabilities for production would enable us to minimize the regulatory risk inherent in the pharmaceutical manufacturing business. Further, we intend to leverage our mirrored manufacturing capabilities to counter any supply chain oversights which may arise during our operations. We also intend to divest our existing manufacturing facilities or acquire manufacturing facilities with the aim of maximizing our operational efficiency, and ensuring supply chain security for our operations.

Description of our business

We are a global, R&D focused, pure-play API company engaged in manufacturing and development of APIs and offering services, including CRAMS and contract manufacturing for APIs. Pursuant to the effectiveness of the Scheme, the Demerged Undertaking 1 of Strides and the Demerged Undertaking 2 of Sequent stood transferred to us, on a going concern basis. We currently have three subsidiaries and operate five manufacturing facilities and two R&D centres. Our manufacturing facilities are situated in Puducherry, Cuddalore, Mangalore, Mysore and Mahad, while one of our R&D facilities is situated in Bangalore. Our Company has also recently acquired a R&D facility located in Chennai, from Strides for our operations. For details see, “History and Certain Corporate Matters – Material Agreements” on page 57.

We primarily focus on developing high value APIs for manufacturers of generic pharmaceuticals. We believe that we are one of the world’s largest manufacturers of Ibuprofen, Praziquantel and Albendazole. We are involved in the business of API manufacturing and CRAMS. While our API manufacturing business is focused on manufacturing and developing commercial and generic APIs, our CRAMS business is focused on contract research and development of new chemical entities, contract manufacturing, analytical services, impurity synthesis and profiling. Our business models are focused on providing differentiated capabilities for varied customers.

API Manufacturing Business

Our API manufacturing business primarily comprises of regulated markets and certain emerging markets. We export and sell our products to over 40 countries, as on April 1, 2018, including North America, parts of Latin America, Europe, along with deep roots in Japan, South Korea, India and Middle East and North Africa.

Our API business comprises of manufacture and development of generic and commercial APIs including in the anthelmintic, anti-malarias, anti-infective, anti-psychotic, anti-infective and hyperkalemia categories. Further, our API offerings are varied with capabilities in complex product areas such as manufacturing APIs required for injectables. Our strong foundation of business operations over the last three decades together with our approach of selectively introducing high value products in key geographies, has enabled us to have a large customer base, with a significant market share, in Japan, USA and Japan.

CRAMS Business

As a part of the CRAMS business of our Company, we provide differentiated services for APIs, including contract development, custom synthesis, contract manufacturing, analytical services, impurity synthesis and profiling to our customers. Our Company also has the capabilities to provide analytical and regulatory support by capitalising on its global regulatory expertise.

Our service offerings are designed to support the business of manufacturers, at different stages of production. We offer chemistry services, which include lead synthesis and lead optimization and pre-clinical services, which include synthesis and purification. We also offer services for products in phase I, II and III, which require process optimization and cGMP production. Further, we also have capabilities to assist our customers in the commercialisation phase of their products.

We have capabilities for contract development on a full-time equivalent basis for lead analogues, building blocks and reference studies and custom synthesis for pilot campaigns and clinical supply. Our contract manufacturing services are primarily directed towards manufacturing of APIs and advanced intermediates.

Our service offerings are undertaken with a focus on timely performance and responsiveness to the requirements of our customers. Our highly dedicated and well-qualified team project management team drives project execution and responds to the needs of our customers. We also ensure confidentiality in our operations, and our employees execute standard non-disclosure agreements to ensure the protection of client information. High level of transparency in our activities, together with an approach of continuously monitoring customer feedback ensures that we drive our improvement and ensures open communication between our customers and us.

Manufacturing Facilities and Approvals

Our manufacturing footprint is spread across India with five facilities. Some of our manufacturing facilities have received accreditations from, amongst others, the USFDA (United States) and EU compliant. The following is a summary of our manufacturing facilities, as of April 1, 2018:

Sr. No.	Manufacturing Facility	Accreditation
1.	Puducherry	USFDA, PMDA, EU, cGMP compliant
2.	Cuddalore	USFDA, PMDA, EU, cGMP compliant
3.	Mangalore	TGA, USFDA, EU, ISO 14001, WHO PQ
4.	Mysore	cGMP compliant
5.	Mahad	EU GMP compliant

Our Company is proposing to execute an operating arrangement for our manufacturing unit situated in Mahad with Sequent. Pursuant to the proposed agreement, Sequent shall continue operations at the Mahad manufacturing unit, on behalf of our Company, for a consideration payable by our Company. This agreement would continue till we identify a suitable purchaser to sell the said facility. Further, our Company is proposing to acquire a subsidiary of Strides, which operates an API manufacturing facility in Ambernath. Both these transactions are proposed to be completed, subject to receipt of all necessary approvals under laws applicable to our Company, Sequent and Strides. See "Risk Factors - The Company is newly incorporated and post-effectiveness of the Scheme, the Company may not be able to integrate and efficiently operate the consolidated business demerged out of Strides and Sequent or the manufacturing units proposed to be acquired or divested by it" on page 7.

Marketing and Selling Arrangements

Our Company operates with an approach towards ensuring ensure smooth process flows internally and the best experience for the customers. We have 3 segregated teams which work in an integrated manner.

Our business development team is geared to identify high-value APIs and market opportunities which are untapped and are aligned with our strategy of developing and manufacturing select APIs which promise better returns for our Company. The business development team works in close association with our 'Go to Market Team', and provides them with deep insights on the untapped markets and plans for introducing new APIs in such markets.

The 'Go to Market Team' is responsible for the growth of the operations of our Company in the select areas identified by our business development team, by promoting and enabling our Company to commence business operations for new API products in untapped markets.

Once the 'Go to Market Team' facilitates the commencement of our business operations in new markets, with new customers, our customer centricity team (Emptor) ensures a great customer experience. They operate with a focused approach on receiving and responding to the needs of our customers, and integrating valuable customer feedback in our operations.

We sell our pharmaceutical products to over 40 countries.

Quality Control and Quality Assurance

We believe that the provision of high-quality products with reliability and assurance is critical to our continued success and the maintenance of long-term relationships with our customers. We are dedicated to providing high-quality pharmaceutical products to our customers, and we have devised and implemented a range of quality assurance procedures to achieve this objective.

Our facilities are regularly inspected for compliance with cGMP, and the WHO and the USFDA assess such compliance. Our audit procedures are also regularly updated to comply with any changes in international regulatory requirements, such as those of the USFDA. Some of our manufacturing facilities have received accreditations from, amongst others, the US FDA, EU and PMDA. Our Company is committed to the highest levels of compliance, and the last USFDA audits at our facilities in Cuddalore and Puducherry have been cleared with zero 483s observations.

Our quality control department ensures that materials received from our approved lists of vendors also comply with our internal standards and specifications, which are designed to satisfy the requirements set forth by the various regulatory agencies, and customers that monitor our products and services.

Competition

We operate in the global pharmaceutical industry which can be generally divided into emerging and developed markets. The emerging markets have low barriers to entry regarding regulatory requirements, concerning the qualification process and intellectual property rights. The developed markets such as the United States, Europe and Japan, by contrast have higher barriers to entry as a result of more stringent regulatory practices. As a result, products may be sold in developed countries at a premium due to the costs associated with quality and regulatory compliance. The developed markets also exhibit greater stability for both volume and prices as compared to emerging markets.

We compete with large multinational pharmaceutical companies and smaller regionally based competitors. Some of our competitors are larger than us and have greater financial, manufacturing, R&D and other resources. Consequently, our competitors may possess more extensive product ranges, larger sales teams, greater intellectual property resources and broader appeal across various divisions.

Intellectual Property

Our Company has a basket of diversified, high-value product offerings for the global market, with 40 APIs predominantly in the anthelmintic, anti-malaria and anti-infective categories, 32 APIs under development and over 70 DMFs filed with regulators across US, EU, Japan and Korea, as on April 1, 2018. Our Company has executed a license agreement with Sequent permitting use of certain patents which were transferred to our Company by Sequent, as a part of the Demerged Undertaking pursuant to the Scheme. The terms of the license are in accordance with applicable laws.

Regulatory and Environmental Matters

Our products sold in developed markets are subject to regulation by their respective government entities, including the USFDA and the European Medicines Agency. To varying degrees, each of these agencies requires us to adhere to laws and regulations governing the development, testing, manufacturing, labelling, marketing and distribution of our products, in their respective regions.

We develop and implement work safety measures and standards to ensure a safe working environment at our manufacturing facilities and seek to ensure that the work we undertake does not pose any danger to our employees or the general public. We comply with applicable health and safety regulations. We implement efforts to educate our employees in occupational, health and safety procedures.

We are also subject to significant national and state environmental laws and regulations regarding the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or produced from our operations at our facilities. Failure to comply with the applicable laws and regulations may subject us to penalties and may also result in the closure of our facilities. We are currently in the process of having the licenses and approvals in relation to the Demerged Undertakings transferred in the name of our Company.

Insurance

Company has obtained is in the process of having insurance policies for our operations including standard fire and special perils insurance, electronic equipment insurance, fidelity guarantee insurance, industrial all risk insurance, marine transit policy, stock storages policy burglary insurance and money insurance transferred in its name, and obtaining, directors and officers liability insurance, comprehensive general liability insurance, directors and officers liability insurance and public liability insurance, group personal accident cover and group term insurance policies. Our policies are subject to customary exclusions and customary deductibles. We believe our insurance coverage is adequate and consistent with industry standards for a company of our size.

Employees

As of April 1, 2018, we employed a total of 2,131 permanent employees. The breakdown of our permanent employees, is set forth in the table below:

Business Department	Number of employees
Facilities and engineering	51
Finance and legal	56
General management	9
Human resources	67
Information technology	20
Manufacturing	1,293
Quality	386
R&D	185
Sales and Marketing	8
Stores/ warehouse	26
Supply chain management	30
Total	**2,131**

We believe that we maintain good relationships with our employees. As of April 1, 2018, we have a total of five trade unions, comprising of workers at our facilities in Puducherry, Cuddalore, Mangalore, Mysore and Mahad.

Properties

Our registered office and our corporate office which are located in Mumbai and Chennai, respectively, are occupied by us on a leasehold basis. Further, the land and building of our recently acquired R&D facility located in Chennai is occupied by us on a leasehold basis. Our other properties are used for the manufacturing of products, R&D activities, sales and marketing offices or administrative offices. See, “Risk Factors - We do not own some of our manufacturing units, corporate office and other premises from which we operate.” on page 17.

Corporate and Social Responsibility

Our corporate and social responsibility (“**CSR**”) initiatives focus on inclusive development, and we have carried out activities such as running dispensaries in Puducherry, Cuddalore and supplying drinking water in villages near our facilities in Cuddalore and Puducherry. Further, we collaborate with various organisations for our CSR initiatives. Some other CSR initiatives which our Company proposes to undertake include, conducting health camps, supporting the community with requisite physical and learning infrastructure, and undertaking programs to improve learning and motivational levels of specific sections of students in existing schools. We also intend to undertake community development by sponsoring students to pursue technical education, developing and sponsoring add-on modules to existing courses and providing vocational training to the youth, school students and for women.

HISTORY AND CERTAIN CORPORATE MATTERS

Corporate Profile and Brief History

Our Company was originally incorporated on February 23, 2017 under the Companies Act, 2013 as SSL Pharma Sciences Limited with the RoC. The name of the Company was changed to Solara Active Pharma Sciences Limited and a fresh certificate of incorporation was issued by the RoC on March 25, 2017.

Changes in Registered Office

There has been no change in the registered office of our Company since its incorporation.

Our Main Objects

The main objects for which our Company has been established and as contained in the Memorandum of Association are set out hereunder:

"*1. To carry on business in India and outside India as manufacturers, producers, processors, formulators, sellers, importers, exporters, merchants, distributors, traders and dealers in proprietary medicine, common medical preparations, active pharmaceutical ingredients, intermediates, synthetic drugs, vitamins, antibiotics, biological products, food stuffs for human & animal use, topicals, injections, tablets, capsules, pharmaceutical drugs and medicines, patent and proprietary medicines, hormones, liver extract, biological and non-biological pharmaceutical tablets and capsules, tranquilizers, ayurvedic products, medicated powders, re-packed drugs, analgesics and antipyretic preparations, anti-diarrhoeal preparations, anti-cholinergic preparations, anti-asthmatic preparations as defined under the Drugs Act and Rules in all its branches.*

2. To carry on the business of preparing for sale or otherwise the formula and formulations for the manufacture in respect of one or more of the above products.

3. To carry on scientific and industrial research and development in respect of one or more of the above products.

4. To carry on contract research and contract manufacturing activities in the field of pharmaceuticals, chemicals, bulk drugs and intermediates.

5. To develop and/ or acquire, the technology design, manufacture, construct, erect, operate and maintain the plant, machinery equipment and works capable of producing the aforesaid items; and to establish well equipped laboratory/ R&D Centre and carry on analytical experiments, Research & Development and other work."

Amendments to our Memorandum of Association

Effective Date	Particulars
March 31, 2018	Authorised share capital of ₹ 100,000 divided into 10,000 Equity Shares of ₹ 10 each was increased into ₹ 300,000,000 divided into 30,000,000 Equity Shares of ₹ 10 each.*

* *The authorised share capital of our Company was increased pursuant to clause 26(1)(c) of the Scheme*

Changes in the activities of our Company during the preceding five years

There have been no changes in the activities of our Company since date of its incorporation.

Injunctions or restraining orders against our Company

There are no significant or material orders passed by any Regulators or Tribunals or Hon'ble Courts against our Company.

Subsidiary Companies

As of the date of this Information Memorandum, our Company has 3 Subsidiaries. Please see the section entitled "Our Subsidiaries" on page 64 for details in relation to the Subsidiaries.

Holding Company

Prior to the effectiveness of the Scheme, our Company was a wholly owned subsidiary of Strides. Post the effectiveness of the Scheme, our Company does not have a holding company as on the date of this Information Memorandum.

Material Agreements

Investment Agreement dated May 15, 2013 between Shasun Pharmaceuticals Limited and Chemsynth Laboratories Private Limited ("CLPL") (the "*Investment Agreement*")

The Investment Agreement dated May 15, 2013 ("**Agreement Date**") was entered into between Shasun Pharmaceuticals Limited ("**Investor**") and CLPL in relation to Shasun Pharmaceuticals Limtied's investment in CLPL on terms and conditions as laid down in the Investment Agreement. Subsequently, Shasun Pharmaceuticals Limited merged with Strides Shasun Limited (formerly known as Strides Arcolab Limited, at the time of merger) on November 19, 2015 pursuant to a scheme of amalgamation under provisions of Sections 391 to 394 of the Companies Act, 1956 and the Companies Act, 2013 ("**Scheme of Amalgamation**"). Pursuant to the Scheme of Amalgamation, the Investment Agreement was transferred to Strides Shasun Limited.

Pursuant to the Investment Agreement, the Investor agreed to invest ₹33,627,450 by way of subscribing to 3,362,745 equity shares ("**Subscription Shares**") aggregating to 49% of the share capital of CLPL.

Further, pursuant to the Investment Agreement, the Investor has the following rights: (i) the right of first refusal in the event any shareholder of CLPL wishes to sell all or part of its shares in CLPL, the Investor shall have the right to buy such shares; (ii) in the event any shareholder of CLPL wishes to sell all or part of its shares in CLPL to a third party, the Investor has the right to sell all or part of its shareholding in CLPL to such third party on the same terms and conditions; (iii) at any time after the expiry of one year from Agreement Date, the Investor has the right to sell his shareholding in CLPL to a third party and has the right to cause CLPL to transfer any number of its shares as the Investor may require; (iv) the Investor is entitled to exercise the option of buy-back the shares of CLPL by providing a notice to CLPL; (v) the Investor has the right to require CLPL to convert the dividend payable to it into additional redeemable, optionally convertible, cumulative, preference shares or equity shares of CLPL at the same valuation at which the Subscription Shares were issued under the Investment Agreement; and (vi) in the event of a liquidation event (*as defined in the Investment Agreement*), the Investor is entitled to receive a preferential payment from the assets, cash or other property of CLPL before any distribution is made upon any share capital of CLPL or otherwise to any shareholder of CLPL.

During the term of the Investment Agreement, CLPL is not permitted to alter the enhanced share capital post investment by the Investor, which may affect 49% of the share capital held by the Investor. Additionally, the Investment Agreement binds and benefits the respective affiliates, successors and permitted assignees of the parties. However, neither CLPL nor the Investor may assign any of its rights or obligations under the Investment Agreement without the prior written consent of the other party, as applicable.

Pursuant to letter dated October 25, 2017, CLPL agreed to assignment of the rights and obligations of Strides in CLPL to our Company, and recognised our Company as a shareholder of CLPL with effect from the Appointed Date.

Business purchase agreement dated April 20, 2018 between our Company and Strides ("BPA")

Our Company has executed a business purchase agreement with Strides, pursuant to which our Company has agreed to purchase from Strides, the business of R&D of APIs including assets (excluding land and building), inventory, stock, product information, drug master files, and marketing rights thereto as carried on by Strides at 27, Vandalur – Kelambakkam Road, Keezhakottaiyur Village, Chennai 600048, Tamil Nadu (the "**Business**") and the fixed assets, moveable assets and all rights and assets (as set out in the BPA) of the Business (excluding land, building and trademarks) (the "**Assets**"), as a going concern, with effect from April 1, 2018. Our Company shall pay to Strides an amount of ₹357.28 million for acquisition of the Business and the Assets and a consideration of ₹8.26 million for the estimated net working capital of the Business on April 20, 2018 (collectively, the "**Purchase Price**"). The Purchase Price shall be paid by our Company on or before May 30, 2018. Further, the BPA also sets out certain Purchase Price adjustment provisions. Accordingly, in the event that the net working capital of the Business on or before May 30, 2018 ("**Final NWC**"), post adjustment as per the terms of the BPA is higher than the estimated NWC net working capital of the Business as on April 20, 2018 ("**Estimated NWC**"), our Company shall pay to Strides the difference between the Final NWC and the Estimated NWC, and if the Estimated NWC is lower than the Final NWC, Strides shall pay the difference between the Estimated NWC and the Final NWC to our Company. Further, our Company has leased the land and building for the R&D facility purchased pursuant to the BPA, through a rental agreement dated April 20, 2018 executed with Strides.

Strategic Partners

Our Company does not have any strategic partners as on the date of this Information Memorandum.

OUR MANAGEMENT

As per our Articles of Association, our Company is required to have not less than three and not more than fifteen Directors. As on the date of this Information Memorandum, our Company has seven Directors out of which four are Independent Directors.

The following table sets forth details of our Board of Directors as on the date of this Information Memorandum:

Name, Designation, Address, Nationality, Term and DIN	Age (in years)	Other Directorships
Deepak Vaidya ***Designation:*** Chairman and Non-Executive Director ***Address:*** 249/251, Suraj, Walkeshwar Road, Mumbai, 400 006, Maharashtra, India ***Nationality:*** Indian ***Term:*** Liable to retire by rotation ***DIN:*** 00337276	73	***Indian companies*** Apollo Gleneagles Hospital Limited Apollo Hospitals Enterprise Limited Arc Advisory Services Private Limited Capricorn Securities India Private Limited Indraprastha Medical Corporation Limited Marudhar Hotels Private Limited PPN Power Generating Company Private Limited Stelis Biopharma Private Limited Strides Shasun Limited Suntec Business Solutions Private Limited UTI Capital Private Limited ***Foreign companies*** Sterling Pharma Solutions Ltd.
Jitesh Devendra ***Designation:*** Managing Director ***Address:*** No. 2, Jagadeeswaran Street, T. Nagar, Chennai 600 017, Tamil Nadu, India ***Nationality:*** Indian ***Term:*** Three years from April 11, 2018 ***DIN:*** 06469234	40	***Indian companies*** Sajdev Sushraj Investments Private Limited
Hariharan Subramaniam ***Designation:*** Executive Director (Finance) and Chief Financial Officer ***Address:*** F1, Block 1, Jains Ashreya Phase II, K.K. Gardens, Ivembuli Amman Koil Street, West K.K. Nagar, Chennai 600 078, Tamil Nadu, India ***Nationality:*** Indian ***Term:*** Three years from April 11, 2018 ***DIN:*** 05297969	61	Nil
Nirmal Pratap Bhogilal ***Designation:*** Independent Director ***Address:*** 26, B.G. Kher Marg, Malabar Hill, Mumbai 400 006, Maharashtra, India ***Nationality:*** Indian ***Term:*** 5 years from April 11, 2018 ***DIN:*** 00173168	68	***Indian companies*** Batliboi enXco Private Limited Batliboi Limited Bhagmal Investments Private Limited Bhogilal Trusteeship Private Limited Chowgule Industries Private Limited Delish Gourmet Private Limited Eimco Elecon India Limited Hitco Investments Private Limited Imperial College India Foundation Indian Machine Tools Manufacturer's Association

Name, Designation, Address, Nationality, Term and DIN	Age (in years)	Other Directorships
		International Wine and Food Society Nirbhag Investments Private Limited Pramaya Shares and Securities Private Limited
R Ramakrishnan ***Designation:*** Independent Director ***Address:*** Ayodhya, No. 63,Ravishankar-Kodigehalli Bangalore Residency, Sanjiveeni Nagar, Bangalore 560 092, Karnataka, India ***Nationality:*** Indian ***Term:*** 5 years from April 11, 2018 ***DIN:*** 00161542	65	***Indian companies*** Karaikal Port Private Limited Multivision Software Solutions Private Limited Murudeshwar Décor Private Limited Smart Cities India Foundation
Jagdish Vishwanath Dore **Designation**: Independent Director **Address**: C-21, Darshan Apartment, Mount Pleasant Road, Malabar Hill, Mumbai 400 006, Maharashtra, India **Nationality**: Indian **Term**: 5 years from April 11, 2018 **DIN**: 00298969	67	***Indian companies*** International Biotech Park Limited Metta Lifesciences Private Limited Siamed Healthcare Private Limited Sidvim Lifesciences Private Limited
Kausalya Santhanam ***Designation:*** Independent Director ***Address:*** 128/129, Phase 1, Royal Enclave, Srirampura, Bangalore 560 064, Karnataka, India ***Nationality:*** Indian ***Term:*** 5 years from April 11, 2018 ***DIN:*** 06999168	50	***Indian companies*** SeQuent Scientific Limited

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Deepak Vaidya

Deepak Vaidya is the Chairman and Non-Executive Director of our Company. He is a fellow member of the Institute of Chartered Accountants in England and Wales. He is experienced in the field of corporate financial services. In the past, he has served as the country head of India of Schroder Capital Partners (Asia) Pte. Ltd. for over 12 years. He currently holds directorships in several reputed companies including Apollo Hospitals Enterprise Limited, Indraprastha Medical Corporation Limited, Apollo Gleneagles Hospital Limited, Capricorn Securities India Private Limited, PPN Power Generating Company Private Limited, Suntec Business Solutions Private Limited, Arc Advisory Services Private Limited, UTI Capital Private Limited, Marudhar Hotels Private Limited and Stelis Biopharma Private Limited.

Jitesh Devendra

Jitesh Devendra is the Managing Director of our Company. He holds a bachelor's degree in commerce from the University of Madras, Loyola College, Chennai. He holds a master's degree in business administration with specialisation in international business and buyer behaviour. He also holds a holds a diploma in sales and marketing from National Institute of Sales, Chennai. He has over 20 years of experience in managing API and formulation business. He has spent 10 years in the United States of America focusing on expanding the API business as well as establishing the erstwhile Shasun Pharmaceuticals Limited as a key formulations player, which subsequently merged with Strides. His efforts led Shasun Pharmaceuticals Limited into new markets; enabling forging of business relationships and introduction of new products for out-licensing and partnership. Post the merger of Shasun Pharmaceuticals Limited with Strides, he has been responsible for profit and loss business for North America and Europe in the field of Finished Dosage Form (Regulated Markets - Region 1) and is overall responsible for API business profit and loss in Strides Shasun Limited.

S. Hariharan

S. Hariharan is the Executive Director - Finance and Chief Financial Officer of our Company. He is a cost accountant with rich and varied experience of more than 30 years in field of corporate finance, accounts and strategic planning. He played a very important role in the merger process of Shasun Pharmaceuticals Ltd. with Strides during calendar years 2014 and 2015. He has been responsible for finance, accounts, secretarial, taxation, legal and information technology functions.

Nirmal Pratap Bhogilal

Nirmal Bhogilal an Independent Director of our Company. He currently serves as the chairman of the Batliboi Group. He is currently a committee member of and has served as the president of the Indian Machine Tool Manufacturers Association. He has also been the chairman of various committees in the Confederation of Indian Industry (CII) in its western region. He is currently a member of the CII National Council. He is currently a committee member of and has served as the president of the Indo-German Chamber of Commerce. He is also a committee member of the Forum of Free Enterprise and is a member of the World President's Organization. He has previously been a non-executive director of Chowgule Industries Limited, Eimco Elecon (I) Limited and the Imperial College India Foundation.

R. Ramakrishnan

R Ramakrishnan is an Independent Director of our Company. He holds a bachelor's degree in law from the Bangalore University. He is also a fellow member of the Institute of Chartered Accounts of India. He is currently practicing as a chartered accountant and a management consultant in Bangalore, and has an experience of over 36 years in direct tax matters, audit and assurances. He was nominated by Karnataka State Industrial and Industrial Development Corporation Limited as its nominee director for certain listed companies and currently holds directorships in certain reputed companies. He is also the managing trustee for the RRK Foundation, a foundation which provides financial support to more than 100 students for their higher secondary schooling. He also acts as a trustee for a few philanthropic organizations.

Jagdish Vishwanath Dore

Jagdish Vishwanath Dore is an Independent Director of our Company. He holds a bachelor's degree in engineering from Indian Institute of Technology, Madras and a masters degree in management from the Xavier School of Management, Jamshedpur. He is the promoter and managing director of Sidvim Life Sciences Private Limited, Mumbai, which deals in specialised consultancy services across all functional areas of the pharmaceutical industry. Previously, he was the chief executive officer and managing director of Matrix Laboratories Limited (now Mylan).

Dr. Kausalya Santhanam

Dr. Kausalya Santhanam is an Independent Director of our Company. She is the founder of SciVista IP & Communication (www.scivistaip.com), is a patent attorney registered with the US Patent and Trademark Office and Indian Patent Office. She has a Ph. D in cell biology and immunology from the Post Graduate Institute of Medical Education and Research (PGIMER) Chandigarh and a law degree from University of Mumbai. Her postdoctoral research work include stints at the Center for Cellular and Molecular Biology (CCMB), NRC fellowship at Walter Reed Army Institute of Research, Washington DC and associateship at the Albert Einstein College of Medicine, New York. She also worked as an in-house counsel at CuraGen Corporation, a biopharmaceutical company at Connecticut, USA. Kausalya currently advises biotech, pharma, nutraceuticals, agriculture, nanotechnology and biopharma companies in the area of intellectual property.

Shareholding of Directors in our Company

None of our Directors hold any Equity Shares in the Company except as set forth in the table below:

Name of Director	Designation	Number of Equity Shares Held
Jitesh Devendra	Managing Director	60,687
Deepak Vaidya	Chairman & Non-Executive Director	29,948
Hariharan Subramaniam	Executive Director - Finance	1,641
Nirmal Pratap Bhogilal	Independent director	758

Our Articles of Association do not require our Directors to hold any qualification shares.

Changes in our Board in the last three years

Name	Date of appointment/ change/ cessation	Reason
Deepak Vaidya	April 11, 2018	Appointment as Chairman and Non-Executive Director
R Ramakrishnan	April 11, 2018	Appointment as Independent Director
Nirmal Pratap Bhogilal	April 11, 2018	Appointment as Independent Director
Jagdish Vishwanath Dore	April 11, 2018	Appointment as Independent Director
Kausalya Santhanam	April 11, 2018	Appointment as Independent Director
Jitesh Devendra	April 11, 2018	Change in designation to Managing Director
Hariharan Subramaniam	April 11, 2018	Change in designation to Executive Director (Finance) and Chief Financial Officer
Sathyanarayan Papnna	April 11, 2018	Cessation as a director
Jitesh Devendra	February 23, 2017	Appointed as a Director
Hariharan Subramaniam	February 23, 2017	Appointed as a Director
Sathyanarayan Papnna	February 23, 2017	Appointed as a Director

Borrowing Powers of Board

Pursuant to a resolution dated March 5, 2018 passed by the members of our Company, subject to the provisions of the Companies Act, 2013 and rules made thereunder, the consent of the Company has been accorded to our Board to borrow from time to time, any sum or sums of money notwithstanding the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in its ordinary course of business) exceeding aggregate of its paid up share capital and free reserves, up to a limit not exceeding in the aggregate ₹10,000,000,000.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. In respect of corporate governance, we are in compliance with the requirements of the applicable laws including the SEBI Listing Regulations and the Companies Act, and the rules made thereunder. The corporate governance framework of our Company is based on an effective and independent Board, separation of the Board's supervisory role from the executive management team, and constitution of the Board Committees, as required under applicable laws.

Our Board has been constituted in compliance with the SEBI Listing Regulations and the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions. The scope and function of our audit committee, nomination, remuneration and compensation committee, corporate social responsibility committee and stakeholders relationship committee are in accordance with the provisions of the Companies and the SEBI Listing Regulations, as amended from time to time. Further, our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has seven Directors, with a Non-Executive Chairman and four Independent Directors (including one woman Director) and two Executive Directors and we are in compliance with the SEBI Listing Regulations.

Committees of the Board

In addition to the committees of the Board detailed below, our Board of Directors may, from time to time, constitute committees for various functions.

Audit Committee

The members of our Audit Committee are:

Name of the Member	Status	Date of Appointment
R. Ramakrishnan	Chairman	April 11, 2018
Jagdish Dore	Member	April 11, 2018
Kausalya Santhanam	Member	April 11, 2018
Deepak C Vaidya	Member	April 11, 2018
Nirmal Pratap Bhogilal	Member	April 11, 2018

Nomination, Remuneration and Compensation Committee

The members of our Nomination, Remuneration and Compensation Committee are:

Name of the member	Status	Date of Appointment
Jagdish Dore	Chairman	April 11, 2018
Deepak C Vaidya	Member	April 11, 2018
R. Ramakrishnan	Member	April 11, 2018

Corporate Social Responsibility Committee

The members of our Corporate Social Responsibility Committee are:

Name of the member	Status	Date of Appointment
Kausalya Santhanam	Chairman	April 11, 2018
Jagdish Dore	Member	April 11, 2018
Jitesh Devendra	Member	April 11, 2018

Stakeholders Relationship Committee

The members of our Stakeholders Relationship Committee are:

Name of the member	Status	Date of Appointment
Nirmal Pratap Bhogilal	Chairperson	April 11, 2018
Kausalya Santhanam	Member	April 11, 2018
Jitesh Devendra	Member	April 11, 2018

Our Senior Management

Brief Biographies of our Senior Management

B Sreenivasa Reddy

Sreenivasa Reddy is the Chief Operating Officer of our Company. He holds a masters degree in pharmaceutical management from Kasturba Medical College, Manipal University. He has also completed a specialization program in energy conservation and optimization of operating cost in pharmaceutical industries under the guidance of Tata Energy and Research Institute. He has over 24 years of experience in pharmaceutical manufacturing, technology transfer, project management in setting up facilities, quality assurance, plant operations and sales and marketing. He has worked with Dr. Reddys, Strides Pharmaceuticals, Murty Pharma Inc., Medreich and Shasun Pharmaceuticals at various disciplines before Shasun Pharmaceuticals Limited merged with Strides Shasun Limited.

V Sundara Moorthy

Sundara Moorthy is the Senior Vice President and heads the Quality Management and Regulatory Affairs functions of our Company. He has completed his post-graduation in organic chemistry from Annamalai University. He has rich and diversified experience of over 23 years in the field of quality management, regulatory affairs and compliance functions. Prior to joining our Company, he has worked with major pharmaceutical organisations including Shasun Pharmaceuticals Limited, Ranbaxy Laboratories Limited, Actavis Pharma Manufacturing Private Limited, Neuland Laboratories Limited and Strides Shasun Limited.

Dr. TVSK Vittal

Dr. TVSK Vittal is the Head of Research & Development of our Company. He completed his master's in chemistry from University of Hyderabad in 1991. He completed his doctor of philosophy in Synthetic Organic Chemistry from Indian Institute of Chemical Technology Hyderabad in 1996. He has a research experience of 26 years in both academics and industry. He also has extensive experience in the total synthesis of natural products involving complex chemistry. He also has extensive experience for more than two decades in the field of chemical development of new chemical entities and active pharma ingredients for filing Investigational New Drugs, New Drug Applications and Drug Master Files. He has around 6 research publications in reputed journals and filed several patents. Prior to joining our Company, he was associated with Aurobindo Pharma Limited, Dr. Reddy’s Laboratories Limited, Sai Life Sciences, Shasun Chemicals and Drugs Limited and AVRA Laboratories Limited.

Ranjit Kumar Singh

Ranjit Kumar Singh is the Chief People Officer of our Company. He holds a bachelor degree in mathematics from St. Xavier College and received his master’s in business administration from Xavier Institute of Social Service. He has more than 12 years of professional experience in varied industries such as pharmaceuticals, information technology and infrastructure. He has also held leadership and managerial positions with Allergan India Private Limited, Sapient Consulting, Oracle Corporation – India Development Center and the GMR Group. He also has international experiences in areas of talent management, talent development and change management. He has strong credentials in various international psychometric and developmental tools like insight discovery, certification in thomas profiling by Thomas International and situational leadership – II by Ken Blanchard. He is also a DDI certified facilitator and DDI Certified “Targeted Selection Trainer”. Prior to joining our Company, he served as the head human resources for Allergan India Private Limited.

OUR SUBSIDIARIES

Unless otherwise specified, all information in this section is as of the date of the filing of the Information Memorandum.

Our Company has the following Subsidiaries:

1. Chemsynth Laboratories Private Limited
2. Shasun USA Inc.
3. Sequent Penems Private Limited

Details of the Subsidiaries

1. ***Chemsynth Laboratories Private Limited*** ("**CLPL**")

Corporate Information

CLPL was incorporated on September 9, 2009 as a private limited company under the Companies Act, 1956 with the corporate identity number U24297AP2009PTC064991. It has its registered office at H. No. 1-4-94/502, Lokeshwari Residency Street no. 8, Habsiguda, Hyderabad, Telangana 500007.

CLPL is authorised to engage in the business of, *inter alia*, manufacturing, producing, formulating, selling, importing, exporting, distributing, trading, and dealing in prescription medicine, proprietary medicine, over the counter drugs, nutraceuticals, cosmeceuticals, functional foods, common medicinal preparations, drugs, chemicals, allied solvents and dyes.

Capital Structure

The authorised share capital of CLPL is ₹70,000,000 divided into 7,000,000 equity shares of ₹10 each.

Shareholding

Sr. No	Name of Equity Shareholders	No. of Shares	Percentage of total holding (%)
1.	Our Company	3,362,745	49.00
2.	M. Vijender	1,567,500	22.84
3.	E. Mohan Reddy	966,250	14.08
4.	P. Giridhar Gopal	966,250	14.08
TOTAL		**6,862,745**	**100.00**

2. **Shasun USA Inc.** ("**SUI**")

Corporate Information

SUI was incorporated on June 19, 1996 as a corporation under the laws of United States with the corporate identity number 22-3452995. It has its registered office at 197, Rt 18 South, Suite 102, East Brunswick, NJ 08816, USA.

Capital Structure

The authorised share capital of SUI is 15,000 fully paid non-accessable shares.

Shareholding

Sr. No	Name of Equity Shareholders	No. of Shares	Percentage of total holding (%)
1.	Our Company	15,000	100

3. **Sequent Penems Private Limited ("SPPL")**

Corporate Information

SPPL was incorporated on May 10, 2010 as a private limited company under the Companies Act, 1956 with the corporate identity number U24233KA2010PTC053548. It has its registered office at Star II, Opp. IIM, Bilekahalli, Bannerghatta Road, Bangalore 560076, Karnataka.

Capital Structure

The authorised share capital of SPPL is ₹100,000,000 divided into 10,000,000 equity shares of ₹10 each.

Shareholding

Sr. No	**Name of Equity Shareholders**	**No. of Shares**	**Percentage of total holding (%)**
1.	Our Company	4,038,326	89.23
2.	Sequent Speciality Chemicals Private Limited	10,000	0,22
3.	Arun Kumar Pillai	13,750	0.30
4.	K.R. Ravishankar	13,750	0.30
5.	Chayadeep Properties Private Limited	450,000	9.95
Total		**4,525,826**	**100.00**

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

Our Promoters

Arun Kumar, KR Ravishankar and Pronomz Ventures LLP are the Promoters of our Company.

Details of our Promoters

Arun Kumar

Arun Kumar is the founder and non-executive chairman of Strides and is also the promoter of Sequent. He holds a degree in Commerce. He has been on the board of Strides since the inception of Strides in 1990. He was earlier the General Manager of British Pharmaceuticals Limited. He has over 30 years of experience in the pharmaceutical sector.

K. R. Ravishankar

K. R. Ravishankar is a common promoter of Strides since 2000; and Sequent since 2007.

Pronomz Ventures LLP

Pronomz Ventures LLP is a Limited Liability Partnership firm incorporated on February 9, 2011 under the under the Limited Liability Partnership Act, 2008 with LLP ID AAA-3757. It is registered with Registrar of Companies, Bangalore. Pronomz Ventures LLP engages in the business of financial consultancy and advisory services including financial solutions and investment solutions, fund syndication and advisory service in the field of capital market. Its capital is ₹250,000.

Registered Office of Pronomz Ventures LLP

Star – 2, Opp IIMB Bilkehalli, Bannerghatta Road
Bangalore 560076, Karnataka, India
Tel: +91 22 46570300
Fax: +91 22 46570400
E-mail: ramaprasad.js@agnus.in
Website: Nil

Partners of Pronomz Ventures LLP

The following table sets forth details of the partners of Pronomz Ventures LLP as on the date of this Information Memorandum:

S. No.	Name of the Director	Designation
1.	Kannan Pudhucode Radhakrishnan	Partner
2.	Ramprasad Jyothinagaravyasha Sriraman	Partner

Our Promoter Group

Entities forming part of our promoter group in accordance with SEBI ICDR Regulations are:

S. No.	Name
1.	Aditya Arun Kumar
2.	Agnus Capital LLP
3.	Agnus Holdings Private Limited
4.	Arun Kumar
5.	Chayadeep Properties Private Limited
6.	Chayadeep Ventures LLP
7.	Deepa Arun Kumar
8.	Hemalatha Pillai
9.	K R Lakshmi
10.	KR Ravishankar
11.	Padma Kumar Karunakaran Pillai
12.	Pronomz Ventures LLP
13.	Rajeswari Amma
14.	Rajitha GopalaKrishnan
15.	Sajitha Pillai
16.	Sequent Scientific Limited

S. No.	Name
17.	Tarini Arun Kumar
18.	Triumph Venture Holdings LLP
19.	Vineetha MohanKumar Pillai
20.	Yalavarthy Usha Rani

Group Companies

In accordance with the SEBI ICDR Regulations and the applicable accounting standard, i.e., Ind AS 24 issued by the Institute of Chartered Accountants of India, the following companies are our Group Companies:

1. Our listed group companies

(i) Strides Shasun Limited

Business Overview

Strides Shasun Limited, listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR), is a vertically integrated global pharmaceutical company headquartered in Bangalore. Strides has three business verticals, viz., regulated markets, emerging markets and active pharmaceutical ingredients. Strides has a global manufacturing foot print with nine manufacturing facilities spread across three continents including seven USFDA approved facilities and two facilities for the emerging markets. The Company has two dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 100 countries. Additional information is available at the Company's website at www.stridesarco.com.

Capital Structure

The authorized equity share capital of Strides is ₹ 1,767,500,000 divided into 176,750,000 equity shares of ₹ 10 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Strides is ₹ 895,489,130 divided into 89,548,913 equity shares of ₹ 10 per share.

Shareholding Pattern

The shareholding pattern of Strides as on March 31, 2018 is as follows:

Description	Number of Equity Shares	Percentage of shareholding
Promoter and promoter group	28,068,384	31.36
Public	61,431,651	68.64
Total	**89,500,035**	**100.00**

Financial Information

The operating results of Strides for the last three fiscal years are as follows:

(in ₹ million, except per share data)

Particulars	Financial Year ended		
	March 31, 2017*	March 31, 2016*	March 31, 2015
Equity capital	894.23	893.46	596.16
Reserves and surplus (excluding revaluation reserve)/ Other equity	26,210.22	25,685.22	10,853.06
Sales and Other Income	36,520.01	29,542.86	12,344.16
Profit/(Loss) after tax (before non-controlling interest)	3,997.49	1,085.24	8,444.13
Profit/(Loss) after tax (after non-controlling interest)	4,459.47	949.97	8,449.99
Book Value per share (₹)	303.10	297.48	192.05

**Based on IndAS financial statements*

(ii) Sequent Scientific Limited

Business Overview

SeQuent Scientific Limited (BSE-512529, NSE-SEQUENT) headquartered in Mumbai, India with a global footprint, operates in the domains of animal health (Alivira) and analytical services. SeQuent has seven manufacturing facilities based in India, Spain, Germany, Brazil and Turkey with approvals from global regulatory bodies including USFDA, EUGMP, WHO, TGA among others. It's API facility at Vizag is India's first and only USFDA approved facility for veterinary APIs.

Capital Structure

The authorized equity share capital of Sequent is ₹50,000,000 divided into 250,000,000 equity shares of ₹ 2 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Sequent is ₹487,472,390 divided into 243,736,195 equity shares of ₹2 per share.

Shareholding Pattern

The shareholding pattern of Sequent as on March 31, 2018 is as follows:

Description	Number of Equity Shares	Percentage of shareholding
Promoter and promoter group	139,602,830	57.28
Public	102,688,165	42.13
Non promoter - Non public	14,45,200	0.59
Total	**243,736,195**	**100.00**

Financial Information

The operating results of Sequent for the last three fiscal years are as follows:

(in ₹ million, except per share data)

Particulars	Financial Year ended		
	March 31, 2017*	March 31, 2016*	March 31, 2015
Equity capital	487.47	476.47	304.85
Reserves and surplus (excluding revaluation reserve)/ Other equity	9,280.44	8,980.58	968.97
Sales and Other Income	9,261.56	6,347.03	4,531.80
Profit/(Loss) after tax	(163.87)	(163.88)	(117.61)
Book Value per share (₹)	40.08	39.70	41.78

**Based on IndAS financial statements*

2. Our unlisted group companies

(i) Alivira Animal Health Limited ("**Alivira**")

Business Overview

Alivira Animal Health Limited, a wholly owned subsidiary of SeQuent, is India's first global integrated animal health company specialising in the manufacturing of active pharmaceutical ingredients and finished dosage formulations. It has presence in over 95 countries across the North America, European Union, Latin America, India, Turkey, Africa, Middle East and South East Asia with six manufacturing facilities and four R&D centres. Additional information is available at the website of Alivira at www.alivira.co.

Capital Structure

The authorized equity share capital of Alivira is ₹1,580,000,000 divided into 158,000,000 equity shares of ₹10 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Alivira is ₹414,062,740 divided into 41,406,274 equity shares of ₹10 per share.

(ii) Sequent Research Limited ("**SRL**")

Business Overview

Sequent Research Limited is a leading contract research organization that specializes in analytical and bio analytical services to support the API, pharmaceutical, personal care, institutional and nutraceutical companies. It is a GLP compliant facility, certified and approved by the USFDA, WHO and TGA. Additional information is available at the SRL's website at www.sequent.in.

Capital Structure

The authorized equity share capital of Sequent Research Limited is ₹47,000,000 divided into 4,700,000 equity shares of ₹10 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of SRL is ₹44,100,000 divided into 4,410,000 equity shares of ₹10 per share.

(iii) Aurore Life Sciences Private Limited ("**Aurore**")

Business Overview

Aurore Life Sciences Private Limited, a private limited company, is involved in the business of production, processing, preparation and allied applications of pharmaceuticals and chemical products. Additional information is available at Aurore's website at www.aurorels.com.

Capital Structure

The authorized equity share capital of Aurore is ₹1,000,000,000 divided into 100,000,000 equity shares of ₹10 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Aurore is ₹879,001,870 divided into 87,900,187 equity shares of ₹10 per share.

(iv) Tenshi Kaizen Private Limited ("**Tenshi Kaizen**")

Business Overview

Tenshi Kaizen Private Limited (formerly known as Higher Pharmatech Private Limited), a private limited company, is involved in the business of designing, developing, programming, manufacture of various generic pharmaceutical and nutraceutical products; and to develop and commercialize product and processes for various pharmaceutical natural extracts and nutraceutical product. Additional information is available at the Tenshi Kaizen's website at www.tenshi.co.in.

Capital Structure

The authorized equity share capital of Tenshi Kaizen is ₹90,000,000 divided into 6,000,000 equity shares of ₹10 each and 3,000,000 compulsorily convertible preference shares of ₹10 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Tenshi Kaizen is ₹38,041,750 divided into 1,749,980 equity shares of ₹10 per share and 2,054,195 compulsorily convertible preference shares of ₹10 each.

(v) Sovizen Life Sciences Private Limited ("**Sovizen**")

Business Overview

Sovizen Life Sciences Private Limited, a private limited company, is involved in the business of research and development, manufacture, production, sale, import, export, distribution, trade and dealing otherwise in all kinds of pharmaceutical drugs and medicines in India or elsewhere in the world.

Capital Structure

The authorized equity share capital of Sovizen is ₹219,000,000 divided into 3,600,000 equity shares of ₹10 each and 183,000, 6% redeemable cumulative preference shares of ₹1,000 each. As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Sovizen is ₹ 213,585,200 divided into 31,463,200 equity shares of ₹ 10 per share and 182,122, 6% redeemable cumulative preference shares of ₹1,000 each.

(vi) Sterling Pharma Solutions Limited ("**Sterling Pharma**")

Business Overview

Sterling Pharma Solutions Limited, is incorporated under the laws of the United Kingdom. It is involved in the business of providing contract research, custom synthesis and contract manufacturing services (CRAMS) for APIs and intermediaries for the pharmaceutical industry. Sterling Pharma is a subsidiary of Sovizen Life Sciences Private Limited. Additional information is available at Sterling Pharma's website at www.sterlingpharmasolutions.com.

Capital Structure

As on the date of this Information Memorandum, the issued, subscribed and paid-up equity share capital of Sterling Pharma is £6,473,336 divided into 6,473,336 equity shares of £1 per share.

DIVIDENDS

Our Company is a newly incorporated company and hence has not paid any dividend since its incorporation.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and applicable law, including Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the following:

- stability of earnings of our Company;
- cash flow position from our operations;
- future capital expenditure, inorganic growth plans and reinvestment opportunities of our Company;
- industry outlook and stage of business cycle for our underlying businesses;
- leverage profile and capital adequacy metrics;
- overall economic and regulatory environment;
- contingent liabilities of our Company; and
- capital requirements of our Subsidiaries.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to fund requirements for our business activities.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Deloitte Haskins & Sells LLP

Chartered Accountants
Prestige Trade Tower, Level 19
46, Palace Road, High Grounds
Bengaluru - 560 001
Karnataka, India

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE STANDALONE INTERIM IND AS FINANCIAL STATEMENTS

To the Board of Directors of Solara Active Pharma Sciences Limited (formerly known as SSL Pharma Sciences Limited)

Report on the Special Purpose Standalone Interim Ind AS Financial Statements

1. We have audited the accompanying Special Purpose Standalone Interim Ind AS Financial Statements of **Solara Active Pharma Sciences Limited**, ("the Company"), which comprise the Standalone Balance Sheet as at December 31, 2017 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income) for the period February 23, 2017 to December 31, 2017, and a summary of the significant accounting policies and other explanatory information (collectively, the "Special Purpose Standalone Interim IND AS Financial Statements"). The Special Purpose Standalone Interim Ind AS Financial Statements have been prepared by the management on the basis and purpose stated in Note 2.1 of the Special Purpose Standalone Interim Ind AS Financial Statements.

Management's Responsibility for the Special Purpose Standalone Interim Ind AS Financial Statements

2. The preparation of the Special Purpose Standalone Interim Ind AS Financial Statements is the responsibility of the Management of the Company in accordance with the basis stated in Note 2.1 of the Special Purpose Standalone Interim Ind AS Financial Statements for the purpose set out in paragraph 5 below. The Management's responsibility includes preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Standalone Interim Ind AS Financial Statements.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Special Purpose Standalone Interim Ind AS Financial Statements based on our audit.

   We conducted our audit of the Special Purpose Standalone Interim Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Standalone Interim Ind AS Financial Statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Standalone Interim Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Standalone Interim Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Special Purpose Standalone Interim Ind AS Financial Statements that give a true and fair view in order to design audit

W/

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Special Purpose Standalone Interim Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Standalone Interim Ind AS Financial Statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Standalone Interim Ind AS Financial Statements are prepared, in all material respects, in accordance with the basis and purpose set out in Note 2.1 of the Special Purpose Standalone Interim Ind AS Financial Statements.

Basis of Preparation and Restriction on Distribution and Use

5. Without modifying our opinion, we draw attention to Note 2.1 of the Special Purpose Standalone Interim Ind AS Financial Statements, which describes the basis and purpose of the preparation of the Special Purpose Standalone Interim Ind AS Financial Statements. As a result, the Special Purpose Standalone Interim Ind AS Financial Statements do not include all the information required for full annual financial statements which will be prepared in accordance with Ind AS. Our report on the Special Purpose Standalone Interim Ind AS Financial Statements is intended solely for the Company, for the purpose of inclusion in the Information Memorandum to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the listing of its equity shares, and should not be distributed to or used for any other purpose.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P. Koushik
Partner
Membership No. 206920

BENGALURU, April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)

SPECIAL PURPOSE STANDALONE INTERIM IND AS BALANCE SHEET AS AT DECEMBER 31, 2017

Rs. in Millions

Particulars	Note No.	31-Dec-17
A ASSETS		
I Non-current assets		
(a) Property, Plant and Equipment	3	5,527.14
(b) Capital work in progress		571.05
(c) Investment property	4	59.83
(d) Goodwill	5	3,627.80
(e) Other Intangible assets	6	1,070.57
(f) Financial assets		
(i) Investments	7	177.59
(ii) Loans	8(i)	0.61
(iii) Other financial assets	9(i)	73.45
(g) Income tax assets (net)	10	29.99
(h) Other Non-current assets	11(i)	627.47
Total Non-current assets		**11,765.50**
II Current assets		
(a) Inventories	12	1,798.38
(b) Financial assets		
(i) Trade receivables	13	1,992.14
(ii) Cash and cash equivalents	14	197.71
(iii) Other balances with banks	15	10.56
(iv) Loans	8(ii)	29.48
(v) Other financials assets	9(ii)	123.22
(c) Other current assets	11(ii)	678.78
Total Current assets		**4,830.27**
Total Assets		**16,595.77**
B EQUITY AND LIABILITIES		
I Equity		
(a) Equity Share capital	16	246.74
(b) Other equity	17	7,392.91
Total Equity		**7,639.65**
II Liabilities		
1 Non-current liabilities		
(a) Financials Liabilities		
(i) Borrowings	18(i)	1,972.94
(b) Provisions	19(i)	103.36
(c) Deferred tax liabilities (net)	20	514.46
(d) Other non-current liabilities	21(i)	176.35
Total Non-current liabilities		**2,767.11**
2 Current liabilities		
(a) Financials Liabilities		
(i) Borrowings	18(ii)	2,970.74
(ii) Trade payables	22	2,697.41
(iii) Other financial liabilities	23	450.31
(b) Other current liabilities	21(ii)	60.21
(c) Provisions	19(ii)	10.34
Total current liabilities		**6,189.01**
Total Equity and liabilities		**16,595.77**

See accompanying notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sathya P. Koushik
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
SPECIAL PURPOSE STANDALONE INTERIM IND AS STATEMENT OF PROFIT AND LOSS

Rs. in Millions

	Particulars	Note No.	For the period from 23-Feb-2017 to 31-Dec-2017
1	Revenue from operations	24	2,571.34
2	Other income	25	59.37
3	**Total Income (1+2)**		**2,630.71**
4	**Expenses**		
	(a) Cost of materials consumed	26	1,418.19
	(b) Changes in inventories of finished goods and work-in-progress	27	(34.18)
	(c) Employee benefits expenses	28	387.05
	(d) Finance costs	29	124.43
	(e) Depreciation and amortisation expense	30	175.47
	(f) Other expenses	31	625.33
	Total expenses		**2,696.29**
5	**Profit/(Loss) before tax (3-4)**		**(65.58)**
6	**Tax expense**		
	(a) Current tax	32	-
	(b) Deferred tax		(22.70)
7	**Profit/(Loss) for the period (5-6)**		**(42.88)**
8	**Other Comprehensive Income**		
	A) (i) Items that will not be reclassified to statement of profit and loss		1.29
	A) (ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(0.44)
	B) (i) Items that may be reclassified to statement of profit and loss		-
	B) (ii) Income tax relating to items that may be reclassified to statement of profit and loss		-
	Total Other comprehensive Income		**0.85**
9	**Total Comprehensive Income/(Loss) for the period (7+8)**		**(42.03)**
10	**Earnings per equity share (of Rs. 10/- each)**	34	
	- Basic (Rs.)		**(5.87)**
	- Diluted (Rs.)		**(5.87)**

See accompanying notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Sathya P. Koushik
Partner

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

1 Background

Solara Active Pharma Sciences Limited, formerly known as SSL Pharma Sciences Limited, (hereinafter referred as "the Company") is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703. Also, refer note 33 on Composite Scheme of Arrangement.

The Company would prepare the first financial statements under the Companies Act, 2013 for the period from the date of incorporation until March 31, 2018. These financial statements comprise the Standalone Balance sheet of the Company as at December 31, 2017, a Standalone Statement of Profit and Loss (including Other Comprehensive Income) for the period February 23, 2017 to December 31, 2017, and significant accounting policies and other explanatory information (together the "Special Purpose Standalone Interim Ind AS Financial Statements).

2.1 Basis and Purpose of preparation of the Special Purpose Standalone Interim Ind AS Financial Statements

Basis of Preparation

The Special Purpose Standalone Interim Ind AS Financial Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Accordingly, all the disclosures as required under Ind AS have not been furnished in these Special Purpose Standalone Interim Ind AS Financial Statements. The significant accounting policies followed in preparation of these financial statements are given in Note 2.2 below. Refer Note 33 for details of accounting for the Composite Scheme of Arrangement approved by National Company Law Tribunal.

Purpose of Preparation

The Special Purpose Standalone Interim Ind AS Financial Statements have been prepared for the purpose of inclusion in the Information Memorandum to be filed with Securities and Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited in connection with the listing of the equity shares issued by the Company.

Since the Company was incorporated only in February 2017 and that the Company is preparing these financial information for the first time, these Special Purpose Standalone Interim Ind AS Financial Statements cover the period from inception until December 31, 2017.

2.2 Significant accounting policies

Basis of measurement

The Special Purpose Standalone Interim Ind AS Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

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Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognised when the following conditions are satisfied:
• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods to the buyer as per the terms of arrangement with buyer;
• the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Company; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale to Distributors
The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Price Variations / Incentives
Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue.
However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

Rendering of services
Revenue from product development services:
(i) In respect of contracts where the Company undertakes to develop products for its customers (on an end-to end basis), revenues are recognised based on technical estimates of the stage of work completed under the contracts.
(ii) In respect of other contracts where the Company performs specifically identified services in the development of the products, revenues are recognised on the basis of the performance milestones provided in the contract.

Revenue from contract manufacturing is recognised based on the services rendered in accordance with the terms of the contract.

Income from rendering advisory / support services is recognised based on contractual terms.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives
Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

Leasing
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.
Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies transactions and translation

The functional currency of the Company is the Indian Rupee (Rs.).

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Borrowing costs

Borrowing costs include:

(i) interest expense calculated using the effective interest rate method,

(ii) finance charges in respect of finance leases, and

(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

Employee benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the standalone balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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Defined contribution plan

Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Special Purpose Standalone Interim Ind AS Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the period

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.
Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

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Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.
Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Dies and moulds	: 4 years
Mobiles phone	: 3 years
Vehicles	: 5 years

Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase.
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Investment property
Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Intangible assets

Intangible assets acquired separately
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).
Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets
An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets
Intangible assets are amortised over their estimated useful life on straight line method as follows:

Product portfolio	: 10 years
Software Licenses	: 3 - 5 years

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Impairment of assets

Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Impairment of investment in subsidiaries

The Company reviews its carrying value of investments in subsidiaries at cost, annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Impairment of goodwill

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:

Raw materials, packing materials and consumables: weighted average basis

Work-in progress: at material cost and an appropriate share of production overheads

Finished goods: material cost and an appropriate share of production overheads

Stock-in trade: weighted average basis

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Financial instruments
Investment in subsidiaries
The Company has accounted for its investments in subsidiaries at cost less impairment.

Other financial assets and financial liabilities
Other financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.

Initial recognition and measurement:
Other financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.
Subsequent measurement:
Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Operating Cycle
Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

Key sources of estimation uncertainty
In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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Impairment of goodwill and other non-financial assets
Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Useful lives of property, plant and equipment
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

Litigations
The Company is a party to certain indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
Notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

Note No. 3 Property, Plant and equipment

Rs. In Million

Particulars	Gross block					Accumulated depreciation				Net block	
	As at 23-Feb-17	Additions pursuant to the Scheme (Refer Note 33)	Additions	Disposals	As at 31-Dec-17	As at 23-Feb-17	Depreciation expense for the period	Eliminated on disposal of assets	As at 31-Dec-17	As at 31-Dec-17	As at 23-Feb-17
Land:											
- Freehold	-	542.80	-	-	542.80	-	-	-	-	542.80	-
- Leasehold	-	12.12	-	-	12.12	-	1.01	-	1.01	11.11	-
Buildings	-	1,535.72	58.91	-	1,594.63	-	18.82	-	18.82	1,575.81	-
Plant and Machinery	-	3,249.11	134.92	-	3,384.03	-	111.58	-	111.58	3,272.45	-
Furniture and fixtures	-	30.92	0.04	-	30.96	-	1.17	-	1.17	29.79	-
Vehicles	-	7.84	-	-	7.84	-	0.71	-	0.71	7.13	-
Office equipments	-	98.77	7.09	7.86	98.00	-	10.47	0.52	9.95	88.05	-
Total	-	**5,477.28**	**200.96**	**7.86**	**5,670.38**	-	**143.76**	**0.52**	**143.24**	**5,527.14**	-

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
Notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

Note No. 4 Investment Property

Rs. In Million

Particulars	Gross block					Accumulated depreciation				Net block	
	As at 23-Feb-17	Additions pursuant to the Scheme (Refer Note 33)	Additions	Disposals	As at 31-Dec-17	As at 23-Feb-17	Depreciation expense for the period	Eliminated on disposal of assets	As at 31-Dec-17	As at 31-Dec-17	As at 23-Feb-17
Land	-	1.97	-	-	1.97	-	-	-	-	1.97	-
Building	-	58.33	-	-	58.33	-	0.47	-	0.47	57.86	-
Total	-	**60.30**	-	-	**60.30**	-	**0.47**	-	**0.47**	**59.83**	-

Note No. 5 Goodwill

Rs. In Million

Particulars	As at Feb 23, 2017	Additions pursuant to the Scheme (Refer Note 33)	Impairment loss recognised in the year	As at December 31, 2017
Goodwill	-	3,627.80	-	3,627.80
Total	-	**3,627.80**	-	**3,627.80**

The Company has identified Human API business acquired from Sequent as a Cash Generating Units (CGU) and the goodwill from acquisition of this business as explained in Note 33 has been allocated to this CGU for the purpose of impairment testing. This goodwill is tested for impairment at least on an annual basis or or more frequently when there is an indication for impairment. As of the interim period ended December 31, 2017, considering that the fair value of this business acquisition has been determined very recently and that there were no indicators for imapirment in the assessment of the Directors of the Company, there is no requirement for impairment of this goodwill.

Note No. 6 Other intangible assets

Rs. In Million

Particulars	Gross block					Accumulated amortisation				Net block	
	As at 23-Feb-17	Additions pursuant to the Scheme (Refer Note 33)	Additions	Disposals	As at 31-Dec-17	As at 23-Feb-17	Amortisation expense for the period	Eliminated on disposal of assets	As at 31-Dec-17	As at 31-Dec-17	As at 23-Feb-17
Product portfolio	-	1,055.00	-	-	1,055.00	-	25.08	-	25.08	1,029.92	-
Software licenses	-	46.44	0.37	-	46.81	-	6.16	-	6.16	40.65	-
Total	-	**1,101.44**	**0.37**	-	**1,101.81**	-	**31.24**	-	**31.24**	**1,070.57**	-

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BENGALURU

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Note No.

Rs. In Million

7 Investments

Particulars	31-Dec-17
(A) Investments in subsidiaries (carried at cost less provision other than temporary diminution in value unless otherwise stated):	
Equity shares, unquoted	
Shasun USA Inc., USA	
- 15,000 shares of USD 1 each fully paid up	0.54
Sequent Penems Private Limited, India	
- 4,038,436 shares of Rs 10 each fully paid up	143.00
Chemsynth Laboratories Private Limited, India	
- 3,362,745 shares of Rs 10 each fully paid up	33.63
Total [A]	177.17
(B) Other investments (carried at amortised cost):	
Equity shares, unquoted	
SIPCOT Industrial Common Utilities Limited, India	
- 4,242 shares of Rs. 100/- each, fully paid up	0.42
Total [B]	0.42
Total [A+B]	**177.59**
Aggregate amount of unquoted investments	177.59
Aggregate amount financial assets carried at cost	177.17
Aggregate amount financial assets carried at amortised cost	0.42

8 Loans

(i) Non-current loans

Particulars	31-Dec-17
Unsecured, considered good:	
- Receivable from Employees	0.61
Total	**0.61**

(ii) Current loans

Particulars	31-Dec-17
Unsecured, considered good:	
- Receivable from Employees	29.48
Total	**29.48**

9 Other financial assets

(i) Non-current financial assets

Particulars	31-Dec-17
Unsecured, considered good:	
- Security deposits	73.45
Total	**73.45**

(ii) Current financial assets

Particulars	31-Dec-17
Unsecured, considered good:	
Interest accrued on deposit	1.38
Others:	
- Incentives receivables	113.76
- Insurance claim receivable	8.08
Total	**123.22**

10 Income tax assets (net)

Particulars	31-Dec-17
Advance income tax (net of provisions)	29.99
Total	**29.99**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Note No.

Rs. In Million

11 Other assets

(i) Other non-current assets

Particulars	31-Dec-17
Unsecured, considered good:	
- Capital advances	446.38
- Advances to related parties	23.15
- Advances to other parties	75.50
- Prepaid expenses	81.20
Balances with government authorities	
- Taxes paid under protest	1.24
Total	**627.47**

(ii) Other current assets

Particulars	31-Dec-17
Unsecured, considered good:	
Advances to suppliers of materials	73.90
Advances to employees	0.95
Advances to related parties	83.96
Prepaid expenses	46.01
Balances with government authorities:	
- GST credit & other receivable	473.96
Total	**678.78**

12 Inventories

Particulars	31-Dec-17
Raw materials	798.47
- Goods-in-transit	72.53
Work-in-progress	618.98
Finished goods	268.50
Stores and spares	39.90
Total	**1,798.38**

13 Trade receivables

Particulars	31-Dec-17
Unsecured	
Considered good	1,992.14
Considered doubtful	25.60
	2,017.74
Less: Provision for doubtful receivables	(25.60)
Total	**1,992.14**

14 Cash and cash equivalents

Particulars	31-Dec-17
Cash on hand	1.69
Balance with banks:	
- In current account	196.02
Total	**197.71**

15 Other balances with banks

Particulars	31-Dec-17
Balance held as margin money	
- against working capital facilities with banks	1.36
- against borrowings facilities with banks	9.20
Total	**10.56**

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
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Notes forming part of the Special Purpose Standalone Interim Ind AS financial statements

Note No.

Rs. in Million

16 **Equity share capital**

Particulars	31-Dec-17
Authorised	
30,000,000 Equity shares of Rs. 10/- each with voting rights	300.00
	300.00
Issued, subscribed and fully paid-up *	
24,674,267 Equity shares of Rs.10/- each with voting rights	246.74
Total	**246.74**

* As explained in note 33, in accordance with the requirements of the Scheme, the equity shares are issued on April 11, 2018. However, solely for the purpose of compliance with the accounting treatment specified in the Scheme, the effect for issue of these shares has been given on the appointed date of the Scheme being October 1, 2017 and hence recorded as share capital although such shares were pending allotment.

(i) **Reconciliation of number of shares and amount outstanding**

Particulars	31-Dec-17	
	No. of shares	Rs. In Million
Equity share capital		
Equity share of Rs. 10/- each		
Opening balance	-	-
Issue of shares during the period	10,000	0.10
Issue of shares pursuant to the scheme (refer note 33)	24,674,267	246.74
Cancellaltion of shares pursuant to the scheme (refer note 33)	(10,000)	(0.10)
Balance as at 31-Dec-17	**24,674,267**	**246.74**

(ii) **Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of Rs. 10/- each:**

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) **Details of equity shares held by each shareholder holding more than 5% of shares:**

Particulars	31-Dec-17	
	No. of Shares	%
Pronomz Ventures LLP	3,190,831	12.93%
SBI Magnum Multiplier Fund	1,628,786	6.60%
K R Ravishankar	1,325,260	5.37%

(iv) All the equity shares as at December 31, 2017 have been issued for consideration other than cash, pursuant to the Scheme as explained in note 33.

17 **Other equity**

Particulars	Notes	31-Dec-17
Capital reserve	17 (i)	0.10
Securities premium account	17 (ii)	7,434.84
Retained earnings	17 (iii)	(42.88)
Remeasurement of the defined benefit liabilities / (assets)	17 (iv)	0.85
Total		**7,392.91**

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS * BENGALURU *

SOLARA ACTIVE PHARMA SCIENCES LIMITED
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Note No.

Rs. in Million

Particulars	31-Dec-17
(A) Reserves and surplus	
(i) Capital reserve	
Opening balance	-
Add: Pursuant to the scheme	0.10
Closing balance	**0.10**
(ii) Securities premium account	
Opening balance	-
Add: Pursuant to the scheme (Refer note 33)	7,434.84
Closing balance	**7,434.84**
(iii) Retained earnings	
Opening balance	-
Add: Profit\(loss) for the period	(42.88)
Closing balance	**(42.88)**
Total Reserves and surplus (A)	**7,392.06**
(B) Items of other comprehensive income	
(iv) Remeasurement of the defined benefit liabilities / (assets)	
Opening balance	-
Add / (Less): Movement during the year (net of tax)	0.85
Closing balance	**0.85**
Total items of other comprehensive income (B)	**0.85**
Other equity [(A) + (B)]	**7,392.91**

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BENGALURU

Note No.

Rs. In Million

18 Borrowings

(i) Non-current borrowings

Particulars	31-Dec-17
Secured	
- Term loans from banks	1,289.68
- Term loans from others	683.26
Total	**1,972.94**

Details of security and terms of repayment of long term borrowings

Terms of repayment and security	31-Dec-17
(i) Term loan from banks: Loan 1	
Long-term loan	40.29
Current maturities of long-term loan	79.81
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 4.49% to 5%p.a	
Repayment terms: Repayable in 16 equal quarterly instalments of USD 0.312 million.	
(ii) Term loan from banks: Loan 2	
Long-term loan	479.13
Current maturities of long-term loan	12.50
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: - 10.25% p.a	
Repayment terms: Repayable in Quarterly instalments of Rs 12.50 Million and increase by Rs 12.50 Million every year after an initial moratorium period of 15 months.	
(iii) Term loan from banks: Loan 3	
Long-term loan	712.48
Current maturities of long-term loan	18.75
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: - 10.% p.a	
Repayment terms: Repayable in Quarterly instalments of starting 18.75 Million and increase by 18.75 Million every year after an initial moratorium period of 15 months.	
(iv) Term loans from others : Loan 4	
Long-term loan	683.26
Current maturities of long-term loan	200.00
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 10.25% p.a	
Repayment terms: Repayable in 14 quarterly instalments -First six instalments 50 Million, 7 to 10 Instalment 75 Million and 11 to 14 instalments 10 Million	

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BENGALURU

Note No.

Rs. In Million

(v) Term loans from bank : Loan 5	
Long-term loan	-
Current maturities of long-term loan	60.11
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 11.20% p.a	
Repayment terms: Repayable in 9 quarterly instalments -First three instalments 13.26 Million, 4 to 6 Instalment 15.03 Million	

(vi) Term loans from bank : Loan 6	
Long-term loan	57.78
Current maturities of long-term loan	33.62
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 11.20% p.a	
Repayment terms: Repayable in 14 quarterly instalments of Rs. 8.40 Million	

Particulars	31-Dec-17
Disclosed under long term borrowings	1,972.94
Disclosed under other current financial liabilities :	
-Current maturities of long-term loans	404.79

(ii) Current borrowings

Particulars	31-Dec-17
Secured loans repayable on demand from banks:	
- Working capital loans	2,970.74
Total	**2,970.74**

19 Provisions

(i) Non-current provisions

Particulars	31-Dec-17
Provision for employee benefits:	
- Compensated absences	103.36
Total	**103.36**

(ii) Current provisions

Particulars	31-Dec-17
Provision for employee benefits:	
- Compensated absences	10.34
Total	**10.34**

20 Deferred tax liabilities

Particulars	31-Dec-17
Tax effect on items constituting deferred tax liability:	
Depreciation and amortization of fixed assets	617.04
	617.04
Tax effect on items constituting deferred tax asset:	
Provision for employee benefits and others	102.58
	102.58
Deferred tax liabilities	**514.46**

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Note No.

Rs. In Million

21 **Other liabilities**

(i) **Other non-current liabilities**

Particulars	31-Dec-17
Others:	
- Gratuity	176.35
Total	**176.35**

(ii) **Other current liabilities**

Particulars	31-Dec-17
Other payables:	
- Advance from customers	31.95
- Statutory remittances	28.26
Total	**60.21**

22 **Trade payables**

Particulars	31-Dec-17
Trade payables:	
- Total outstanding dues of micro enterprises and small enterprises	6.90
- Total outstanding dues of creditors other than micro and small enterprises	2,690.51
Total	**2,697.41**

23 **Other Current financial liabilities**

Particulars	31-Dec-17
Current maturities of long-term loans	404.79
Interest accrued but not due on borrowings	0.53
Other payables:	
- Payables on purchase of fixed assets	44.99
Total	**450.31**

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BENGALURU

Note No. | Rs. in Million

24 **Revenue from operations**

Particulars	31-Dec-17
Sale of products	2,463.34
Sale of services	27.11
Other operating revenues	80.89
Total	**2,571.34**

25 **Other income**

Particulars	31-Dec-17
Interest income	1.86
Exchange fluctuation gain (net)	46.87
Other non-operating income	
- Liabilities / provisions no longer required written back	7.15
- Profit on sale of property, plant and equipment (net)	1.08
- Others	2.41
Total	**59.37**

26 **Cost of materials consumed**

Particulars	31-Dec-17
Opening stock	
Pursuant to the Scheme as at October 1, 2017 (refer note 33)	760.04
Add: Purchases during October 1, 2017 to December 31, 2017	1,529.15
Less: closing stock	(871.00)
Cost of materials consumed	**1,418.19**

27 **Changes in inventories of finished goods and work-in-progress**

Particulars	31-Dec-17
Inventories at the end of the year:	
- Finished goods	268.50
- Work-in-progress	618.98
	887.48
Inventories transferred to the Company pursuant to the Scheme	
- Finished goods	322.15
- Work-in-progress	531.15
	853.30
Net (increase) / decrease	**(34.18)**

28 **Employee benefits expenses**

Particulars	31-Dec-17
Salaries and wages	328.20
Contribution to provident and other funds	24.94
Expense on employee share based payments offered by other party	0.88
Staff welfare expenses	33.03
Total	**387.05**

29 **Finance costs** Rs. in Million

Particulars	31-Dec-17
Interest expense on:	
- Borrowings	114.69
Other finance cost	9.74
Total	**124.43**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Note No. Rs. in Million

30 Depreciation and amortisation expense

Particulars	31-Dec-17
Depreciation on Property, plant and equipment (Refer note 3)	143.76
Depreciation on Investment property (Refer note 4)	0.47
Amortisation on Intangible asset (Refer note 6)	31.24
Total	**175.47**

31 Other Expenses

Particulars	31-Dec-17
Subcontracting	61.92
Power and fuel	152.26
Water	2.58
Rent including lease rentals	8.42
Repairs and maintenance:	
- Buildings	7.68
- Machinery	33.13
- Others	17.20
Insurance	23.01
Communication	3.31
Travelling and conveyance	13.83
Printing and stationery	2.49
Freight and forwarding	94.77
Sales commission	7.28
Business promotion	1.40
Donations and contributions	1.07
Expenditure on Corporate Social Responsibility	0.56
Legal and professional fees	49.47
Payments to auditors	0.97
Consumables	53.04
Research & Development (R&D) expense	52.67
Miscellaneous expenses	38.27
Total	**625.33**

32 Tax expenses

Particulars	31-Dec-17
Current tax	
Current tax expenses	-
Deferred tax benefit	
Deferred tax (credit) / expenses	(22.70)
Total	**(22.70)**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Note No.

33 Composite Scheme of Arrangement between the Company, Strides Shasun Limited and Sequent Scientific Limited:

In accordance with the terms of the Composite Scheme of Arrangement (the 'Scheme') between the Company, Strides Shasun Limited ("Strides") and Sequent Scientific Limited ("Sequent"), as approved by the National Company Law Tribunal on March 9, 2018 and became effective on March 31, 2018 pursuant to completion of all the requirements under the Companies Act, 2013 and as per the Scheme, the Commodity API business of Strides and the Human API business of Sequent were demerged from respective Companies and transferred into the Company with the appointed date of October 1, 2017 ("the appointed date") for a consideration of equity shares to be issued by the Company to the equity shareholders of Strides and Sequent in the proportion of agreed share entitlement ratio. Although the effective date of the Scheme is after the Balance Sheet date, this subsequent event is considered as an adjusting event for the purpose of these Special Purpose Standalone Interim Ind AS Financial Statements and accordingly, the effect has been given in these Special Purpose Standalone Interim Ind AS Financial Statements from the appointed date of the Scheme - October 1, 2017.

Pursuant to the Scheme, the Company allotted 24,674,267 equity shares to the shareholders of Strides and Sequent in the ratio of 1 equity share of Rs. 10/- each of the Company for every 6 shares of Rs. 10/- each held by the shareholders of Strides, and 1 equity share of Rs. 10/- each of the Company for every 25 shares of Rs. 2/- each held by the shareholders of Sequent, on April 11, 2018, the effect of which has been given in these financial statements as on the appointed date of the Scheme. Further, in accordance with the terms of the Scheme, the authorised share capital of the Company is increased to to Rs. 300 Million represented by 30 Million equity shares of Rs. 10 each.

As per the requirements of the Scheme, transfer of the above businesses into the Company have been accounted in accordance with the Ind AS notified under Section 133 of the Act, as on the appointed date of the Scheme as under:

a) Transfer of API business of Strides

(I) The Company has recorded the assets and liabilities of the API Business of Strides at their respective book values appearing in the books of Strides as on the appointed date.

(II) The face value of equity shares issued by the Company to the shareholders of Strides has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the extent of difference between (i) the book value of the net assets (i.e. book value of assets and liabilities) recorded pursuant to (I) above and (ii) the face value of such shares allotted, to the credit of securities premium account.

(III) Shares held by Strides in the Company prior to this Scheme has been cancelled and transferred to Capital reserve.

Details of assets and liabilities transferred to the Company as at October 1, 2017 are given below:

Particulars	**Rs. in Million**
Non-current assets	4,593.09
Current assets	3,904.63
(A) Total assets	**8,497.72**
Non-current liabilities	2,624.44
Current liabilities	3,901.70
(B) Total liabilities	**6,526.14**
(C) Net assets (A) – (B)	**1,971.58**
(D) Face value of equity shares of the Company issued to the shareholders of Strides recorded as equity share capital of the Company (14,924,819 equity shares of Rs. 10/- each)	149.25
(E) Securities premium on issue of such shares **(C) - (D)**	**1,822.33**

Principal Activity of API business of Strides:

The commodity API business of Strides being demerged into the Company is primarily focused in the therapeutic area of pain management. The commodity API business is carried out through two manufacturing facilities, located at Cuddalore and Pondicherry, which are transferred to the Company, pursuant to the Scheme.

b) Transfer of Human API business of Sequent

(I) Assets and liabilities of the Human API Business of Sequent have been recorded to reflect at their fair values as on the appointed date. The difference between the fair value of equity shares issued to the shareholders of Sequent and the net assets (i.e. fair value of assets and liabilities recorded as mentioned above), is recorded as goodwill.

(II) The face value of equity shares issued by the Company to the shareholders of Sequent has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the extent of difference between (i) the fair value of such shares so issued and (ii) the face value of such shares allotted to the credit of securities premium account.

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BENGALURU

Details of the fair value of assets and liabilities of the Human API business recorded by the Company as at October 1, 2017 are as below:

Particulars	Rs. in Million
(A) Fair value of equity shares issued by the Company to the shareholders of Sequent	**5,710.00**
Non-current assets (other than goodwill on this acquisition)	3,075.83
Goodwill on this acquisition	3,627.80
Current assets	1,456.27
(B) Total assets	**8,159.90**
Non-current liabilities	669.22
Current liabilities	1,780.68
(C) Total liabilities	**2,449.90**
(D) Net assets * (B) – (C)	**5,710.00**
(E) Face value of equity shares of the Company issued to the shareholders of Sequent recorded as equity share capital of the Company (9,749,448 equity shares of Rs. 10/- each)	97.49
(F) Securities premium on issue of such shares (D) - (E)	**5,612.51**

* As on the date of finalisation of these Special Purpose Standalone Interim Ind AS Financial Statements, the initial accounting for the above business combination has not been finalised but is provisionally determined based on the management's best estimate of the likely fair values. Any consequential changes due to finalisation of initial accounting will be recognised in the subsequent period upon such finalisation.

Principal Activity of Human API business of Sequent:
The Human API business of Sequent comprises of a portfolio of niche APIs, carried out through three manufacturing facilities, located in Mangalore, (Karnataka), Mysore (Karnataka) and Mahad (Maharashtra) which are transferred to the Company, pursuant to the Scheme.

Upon the Scheme coming into effect, the investments in following entities, held by the respective businesses above, have also been transferred to the Company:

Investments in	Rs. in Million as at October 1, 2017	Transferred from	Value based on
Chemsynth Laboratories Private Limited	33.63	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Shasun USA Inc	0.54	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Sequent Penems Private Limited	143.00	Human API business of Sequent	Fair value as on the date of transfer

Impact of acquisition of the above businesses on the results of the Company

Particulars	Rs. in Million
Revenue from operations	2,571.34
Other income	59.37
Total revenue (A)	**2,630.71**
Cost of materials consumed	1,418.18
Changes in inventories of finished goods and work-in-progress	(34.18)
Employee benefits expenses	387.04
Finance costs	120.71
Depreciation and amortisation expense	175.48
Other expenses	625.32
Total expenses (B)	**2,692.55**
Profit/(Loss) before tax (C)	**(61.84)**
Tax expenses / (credit) (D)	(22.70)
Profit/(Loss) after tax (C) - (D)	**(39.14)**

Note No.

34 Earnings per share

Particulars	**For the period from 23-Feb-2017 to 31-Dec-2017**
Basic earnings per share ^	(5.87)
Diluted earnings per share ^	(5.87)

Earnings used in computing basic and diluted earnings per share

Rs. in Million

Particulars	**For the period from 23-Feb-2017 to 31-Dec-2017**
Profit/(loss) attributable to the equity holders of the Company ^	(42.88)

Weighted average number of shares used as the denominator

Particulars	**31-Dec-17**
Weighted average number of equity shares used as denominator in calculating earnings per share^	7,299,140

^ As explained in note 33, pursuant to the Scheme coming into effect from October 1, 2017, the net loss pertaining to the Commodity API business of Strides and the Human API business of Sequent transferred to the Company from October 1, 2017 amounts to Rs. 39.14 Million. Accordingly, the earnings per share for the period October 1, 2017 to December 31, 2017 amounts to loss of Rs. 1.59 per share during this period.

35 Contingent liabilities

Rs. in Million

Particulars	**31-Dec-17**
a) Contingent liabilities - Pending Litigations	
Disputes with indirect tax authorities	47.05

36 Segment Reporting

The Company's operations has only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information has been made.

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DELOITTE HASKINS & SELLS LLP
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★ BENGALURU ★

37 Related party information

Holding Company
Strides Shasun Limited (Upto September 30, 2017)

Wholly owned subsidiary:
Shasun USA Inc., USA

Other Subsidiaries:
Sequent Pemems Private Limited
Chemsynth Laboratories Private Limited

KMP/Person holding significant interest in the company:

Jitesh Devendra	Managing Director (Appointed wef. April 11, 2018)
S Hariharan	Executive Director - Finance and Chief Financial Officer (Appointed wef. April 11, 2018)
Dr. P Sathyanarayan	Director (resigned wef. April 11, 2018)
R. Ramakrishnan	Independent Director (Appointed wef. April 11, 2018)
Nirmal P Bhogilal	Independent Director (Appointed wef. April 11, 2018)
Jagdish V Dore	Independent Director (Appointed wef. April 11, 2018)
Kausalya Santhanam	Independent Director (Appointed wef. April 11, 2018)
Deepak C Vaidya	Non-Executive Director (Appointed wef. April 11, 2018)
S Murali Krishna	Company Secretary (Appointed wef. April 11, 2018)
Arun Kumar	Person holding significant interest in the company

Enterprises owned or significantly influenced by KMP or their relatives or by person holding significant interest in the company:
Strides Shasun Limited, India (From October 01, 2017)
Devendra Estates LLP, India
Devicam LLP
Alivira Animal Health Limited, India
Sequent Scientific Limited, India
Sterling Pharma Solutions Limited, UK
Tenshi Life Sciences Private Limited
Aurore Life Sciences Private Limited
Tenshi Kaizen Private Limited (formerly Higher Pharmatech Private Limited)
Olene Life Sciences Private Limited
GMS Tenshi Holdings Pte Limited
Stelis Biopharma Private Limited
Sovizen Life Sciences Private Limited
Tenshi Active Pharma Sciences Limited
Styrax Pharma Private Limited
Tenshi Life Care Private Limited
Triphase Pharmaceuticals Private Limited
Oncobiologics Inc.
Naari Pharma Private Limited
Sequent Research Limited, India
Chayadeep Properties Private Limited, India
Tenshi Kaizen Inc., USA
Tenshi Kaizen USA Inc., USA

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Transactions during the year

Rs. in Million

Description	Related party	December 31, 2017
Sales of goods	Strides Shasun Limited	360.70
	Aurore Life Sciences Private Limited	29.57
	Tenshi Kaizen Private Limited	0.01
	Alivira Animal Health Limited	391.73
Purchase of goods	Alivira Animal Health Limited	202.90
	Sequent Research Limited	23.80
	Aurore Life Sciences Private Limited	1.80
Reimbursement of expenses	Shasun USA Inc	3.86
	Sterling Pharma Solutions Limited	0.14
Rental Income	Sequent Research Limited	4.21
Research & development expenses	Sovizen Life Sciences Private Limited	33.47
Rent & Maintenance for leased property	Devendra estates LLP	1.43
Interest expense (Upto September 30, 2017)	Strides Shasun Limited	3.71
Remuneration to KMP	Jitesh Devendra	7.71
	S Hariharan	3.50
	S Murali Krishna	0.99

Balances as at December 31, 2017

Rs. in Million

Description	Related party	Receivable / (Payable) as at December 31, 2017
Payable	Sterling Pharma Solutions Limited	(1.36)
	Sovizen Life Sciences Private Limited	(37.20)
	Alivira Animal Health Limited	(180.68)
	Aurore Life Sciences Private Limited	(2.12)
Receivable	Alivira Animal Health Limited	125.58
	Sovizen Life Sciences Private Limited	1.18
	Aurore Life Sciences Private Limited	34.89
	Tenshi Kaizen Private Limited	0.01
	Sequent Research Limited	8.87
	Shasun Usa Inc.	0.50
Advances receivable	Sequent Scientific Limited	0.04
	Strides Shasun Limited	83.96
	Chemsynth Laboratories Pvt Ltd	23.31
Capital advances	Sovizen Life Sciences Private Limited	419.58
Security Deposit	Devendra estates LLP	2.00

38 Share issue expenses

Pursuant to the issue of equity shares on April 11, 2018 in accordance with the terms of the Scheme referred in note 33, the Company is liable for certain expenses in relation to the shares so issued. The Company is in the process of estimating such expenses which are directly attributable to the issue of shares and will be charged-off against the securities premium, net of deferred taxes, once the reliable estimate of such expenses is made.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Deloitte Haskins & Sells LLP

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Karnataka, India

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE CONSOLIDATED INTERIM IND AS FINANCIAL STATEMENTS

To the Board of Directors of Solara Active Pharma Sciences Limited (formerly known as SSL Pharma Sciences Limited)

Report on the Special Purpose Consolidated Interim Ind AS Financial Statements

1. We have audited the accompanying Special Purpose Consolidated Interim Ind AS Financial Statements of **Solara Active Pharma Sciences Limited** (hereinafter referred to as "the Company" or "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at December 31, 2017 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the period February 23, 2017 to December 31, 2017, and a summary of the significant accounting policies and other explanatory information (collectively, the "Special Purpose Consolidated Interim Ind AS Financial Statements"). The Special Purpose Consolidated Interim Ind AS Financial Statements have been prepared by the management on the basis and purpose stated in Note 2.1 of the Special Purpose Consolidated Interim Ind AS Financial Statements.

Management's Responsibility for the Special Purpose Consolidated Interim Ind AS Financial Statements

2. The preparation of the Special Purpose Consolidated Interim Ind AS Financial Statements is the responsibility of the Management of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Consolidated Interim Ind AS Financial Statements for the purpose set out in paragraph 6 below. The Management's responsibility includes preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent and designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Special Purpose Consolidated Interim Ind AS Financial Statements.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Special Purpose Consolidated Interim Ind AS Financial Statements based on our audit.

   We conducted our audit of the Special Purpose Consolidated Interim Ind AS Financial Statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Consolidated Interim Ind AS Financial Statements are free from material misstatement.

   An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Consolidated Interim Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Consolidated Interim Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Special Purpose Consolidated Interim Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

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expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Special Purpose Consolidated Interim Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Consolidated Interim Ind AS Financial Statements.

Opinion

4. In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Consolidated Interim IND AS Financial Statements are prepared, in all material respects, in accordance with the basis and purpose set out in Note 2.1 of the Special Purpose Consolidated Interim Ind AS Financial Statements.

Other matter

5. We did not audit the Special Purpose Interim Financial Information of certain subsidiaries, whose interim financial information reflect total assets of Rs. 100.35 Million as at December 31, 2017 and total revenues of Rs. 1.57 Million for the period ended December 31, 2017, as considered in these Special Purpose Consolidated Interim Ind AS Financial Statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Basis of Preparation and Restriction on Distribution and Use

6. Without modifying our opinion, we draw attention to Note 2.1 of the Special Purpose Consolidated Interim Ind AS Financial Statements, which describes the basis and purpose of the preparation of the Special Purpose Consolidated Interim Ind AS Financial Statements. As a result, the Special Purpose Consolidated Interim Ind AS Financial Statements do not include all the information required for full annual financial statements which will be prepared in accordance with Ind AS. Our report on the Special Purpose Consolidated Interim Ind AS Financial Statements is intended solely for the Company, for the purpose of inclusion in the Information Memorandum to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the listing of its equity shares, and should not be distributed to or used for any other purpose.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Sathya P.

Sathya P. Koushik
Partner
Membership No. 206920

BENGALURU, April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
SPECIAL PURPOSE CONSOLIDATED INTERIM IND AS BALANCE SHEET

Rs. in Millions

	Particulars	Note No.	31-Dec-17
A	**ASSETS**		
I	**Non-current assets**		
	(a) Property, Plant and Equipment	3	5,593.14
	(b) Capital Work in Progress		582.81
	(c) Investment Property	4	226.41
	(d) Goodwill	5	3,629.69
	(e) Other Intangible assets	6	1,070.57
	(f) Financial assets		
	(i) Investments	7	0.42
	(ii) Loans	8(i)	0.61
	(iii) Other financial assets	9(i)	81.67
	(g) Income tax assets (net)	10	30.45
	(h) Other Non-current assets	11(i)	607.74
	Total Non-current assets		**11,823.51**
II	**Current assets**		
	(a) Inventories	12	1,798.38
	(b) Financial assets		
	(i) Trade receivables	13	1,997.73
	(ii) Cash and cash equivalents	14	198.57
	(iii) Other balances with banks	15	10.56
	(iv) Loans	8(ii)	29.48
	(v) Other financials assets	9(ii)	124.00
	(c) Other current assets	11(ii)	681.84
	Total Current assets		**4,840.56**
	Total Assets		**16,664.07**
B	**EQUITY AND LIABILITIES**		
I	**Equity**		
	(a) Equity Share capital	16	246.74
	(b) Other equity	17	7,387.73
	Equity attributable to equity holders of the Company		**7,634.47**
	Non-controlling interest	18	45.27
	Total Equity		**7,679.74**
II	**Liabilities**		
1	**Non-current liabilities**		
	(a) Financials Liabilities		
	(i) Borrowings	19(i)	1,972.94
	(b) Provisions	20(i)	103.74
	(c) Deferred tax liabilities (Net)	21	514.43
	(d) Other non-current liabilities	22(i)	176.35
	Total Non-current liabilities		**2,767.46**
2	**Current liabilities**		
	(a) Financials Liabilities		
	(i) Borrowings	19(ii)	2,970.74
	(ii) Trade payables	23	2,701.15
	(iii) Other financial liabilities	24	474.17
	(b) Other current liabilities	22(ii)	60.46
	(c) Provisions	20(ii)	10.35
	Total current liabilities		**6,216.87**
	Total Equity and liabilities		**16,664.07**

See accompanying notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sathya P. Koushik
Partner

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

SOLARA

SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
SPECIAL PURPOSE CONSOLIDATED INTERIM IND AS STATEMENT OF PROFIT AND LOSS

Rs. in Millions

	Particulars	Note No.	For the period from 23-Feb-2017 to 31-Dec-2017
1	Revenue from operations	25	2,571.34
2	Other income	26	60.94
3	**Total Income (1+2)**		**2,632.28**
4	**Expenses**		
	(a) Cost of materials consumed	27	1,418.19
	(b) Changes in inventories of finished goods and work-in-progress	28	(34.18)
	(c) Employee benefit expense	29	387.05
	(d) Finance costs	30	124.45
	(e) Depreciation and amortisation expense	31	176.25
	(f) Other expenses	32	625.59
	Total expenses		**2,697.35**
5	**Profit/(Loss) before tax (3-4)**		**(65.07)**
6	**Tax expense**		
	(a) Current tax	33	-
	(b) Deferred tax		(22.70)
7	**Profit/(Loss) for the period (5-6)**		**(42.37)**
8	**Other Comprehensive Income**		
	A) (i) Items that will not be reclassified to statement of profit and loss		1.29
	A) (ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(0.44)
	B) (i) Items that may be reclassified to statement of profit and loss		-
	B) (ii) Income tax relating to items that may be reclassified to statement of profit and loss		-
	Total Other comprehensive Income		**0.85**
9	**Total Comprehensive Income/(Loss) for the period (7+8)**		**(41.52)**
	Profit/(Loss) for the period attributable to:		
	- Equity shareholders of the Company		(42.43)
	- Non-controlling interests		0.06
			(42.37)
	Other Comprehensive income for the period:		
	- Equity shareholders of the Company		0.85
	- Non-controlling interests		-
			0.85
	Total Comprehensive income for the period:		
	- Equity shareholders of the Company		(41.58)
	- Non-controlling interests		0.06
			(41.52)
10	**Earnings per equity share (of Rs. 10/- each)**	35	
	- Basic		**(5.80)**
	- Diluted		**(5.80)**

See accompanying notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sathya P. Koushik
Partner

HASKINS & SELLS LLP DELOITTE CHARTERED ACCOUNTANTS BENGALURU

Place : Bengaluru
Date : April 14, 2018

For and on behalf of Board of Directors

Jitesh Devendra
Managing Director

S Hariharan
Executive Director - Finance and Chief Financial Officer

S Murali Krishna
Company Secretary

Place : Bengaluru
Date : April 14, 2018

1 Background

Solara Active Pharma Sciences Limited, formerly known as SSL Pharma Sciences Limited, (hereinafter referred as "the Company") is a public limited Company incorporated on February 23, 2017 under the provisions of Companies Act, 2013 with the object of, inter alia, undertaking the business of manufacturing, production, processing, formulating, sale, import, export, merchandising, distributing, trading of and dealing in active pharmaceutical ingredients. The Company has its registered address at 201, Devavrata, Sector 17, Vashi, Navi Mumbai 400 703. Also, refer note 34 on Composite Scheme of Arrangement. The Company and its subsidiaries are together referred as "Group".

The Company would prepare the first financial statements under the Companies Act, 2013 for the period from the date of incorporation until March 31, 2018. These financial statements comprise the Consolidated Balance sheet of the Company as at December 31, 2017, a Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the period February 23, 2017 to December 31, 2017, and significant accounting policies and other explanatory information (together the "Special Purpose Consolidated Interim Ind AS Financial Statements).

2.1 Basis and Purpose of preparation of the Special Purpose Consolidated Interim Ind AS Financial Statements

Basis of Preparation

The Special Purpose Consolidated Interim Ind AS Financial Statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India. Accordingly, all the disclosures as required under Ind AS have not been furnished in these Special Purpose Consolidated Interim Ind AS Financial Statements. The significant accounting policies followed in preparation of these financial statements are given in Note 2.3 below. Refer Note 34 for details of accounting for the Composite Scheme of Arrangement approved by National Company Law Tribunal.

Purpose of Preparation

The Special Purpose Consolidated Interim Ind AS Financial Statements have been prepared for the purpose of inclusion in the Information Memorandum to be filed with Securities and Exchange Board of India, the National Stock Exchange of India Limited and BSE Limited in connection with the listing of the equity shares issued by the Company.

Since the Company was incorporated only in February 2017 and that the Company is preparing these financial information for the first time, these Special Purpose Consolidated Interim Ind AS Financial Statements cover the period from inception until December 31, 2017.

2.2 Basis of consolidation

The Special Purpose Consolidated Interim Ind AS Financial Statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:
-has power over the investee;
-is exposed, or has rights, to variable returns from its involvement with the investee; and
-has the ability to use its power to affect its returns.
The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
-the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
-potential voting rights held by the Company, other vote holders or other parties;
-rights arising from other contractual arrangements; and
-any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.
Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.
All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiaries considered in these Special Purpose Consolidated Interim Ind AS Financial Statements.

Sr.No	Name of the Subsidiary	% of Holding	Country of Incorporation
1	Chemsynth Laboratories Private Limited	49%	India
2	Sequent Penems Private Limited	89.23%	India
3	Shasun USA	100%	USA

All the above companies are engaged in the business of Pharmaceutical products

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

2.3 Significant accounting policies

Basis of measurement
The Special Purpose Consolidated Interim Ind AS Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value as described in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange of assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange of control of the acquiree. Acquisition-related costs are generally recognised in statement of profit and loss as incurred.
Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.
If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill
Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods
Revenue from the sale of goods is recognised when the following conditions are satisfied:
• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods to the buyer as per the terms of arrangement with buyer;
• the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Company; and
• the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale to Distributors
The Company appoints distributors in various territories who purchases the goods from the Company and thereafter sells them in the territory. In case the distributor is acting as an agent, the Company defers revenue recognition till the time goods are sold by the distributor to the end customer. On the other hand, if the distributor is principal, revenue is recognised upon the transfer of significant risks and rewards of ownership of the goods to the distributor.

Price Variations / Incentives
Incentives are accounted based on the assessment of whether the beneficiary (of the incentive) is acting as a principal or an agent. Where the beneficiary is a principal, the incentive is regarded as consideration paid to the customer and is reduced from revenue.
However, where the beneficiary is an agent, the incentive payment is recognised as an expense as the same is in the nature of commission.

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Rendering of services

Revenue from product development services:

(i) In respect of contracts where the Company undertakes to develop products for its customers (on an end-to end basis), revenues are recognised based on technical estimates of the stage of work completed under the contracts.

(ii) In respect of other contracts where the Company performs specifically identified services in the development of the products, revenues are recognised on the basis of the performance milestones provided in the contract.

Revenue from contract manufacturing is recognised based on the services rendered in accordance with the terms of the contract.

Income from rendering advisory / support services is recognised based on contractual terms.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Export Incentives

Export incentives are accrued for based on fulfillment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same. These incentives include estimated realisable values/benefits from special import licenses and benefits under specified schemes as applicable.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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CHARTERED ACCOUNTANTS
BENGALURU

Foreign currencies transactions and translation
Functional currency of an entity is the currency of the primary economic environment in which the entity operates. The Special Purpose Consolidated Interim Ind AS Financial Statementsare presented in Indian Rupees (Rs.), which is the functional currency of the parent company, Solara Active Pharma Sciences Limited. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss in the period in which they arise except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Income and expense items in foreign currency are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

Borrowing costs
Borrowing costs include:
(i) interest expense calculated using the effective interest rate method,
(ii) finance charges in respect of finance leases, and
(iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

Employee benefits
Retirement benefit costs and termination benefits
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.
For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit and loss. Past service cost is recognised in statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

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The Company presents the first two components of defined benefit costs in statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.
The retirement benefit obligation recognised in the Consolidated balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.
A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Defined contribution plan
Contribution to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

Compensated absences
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the period. Taxable profit differs from 'profit before tax' as reported in the Consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Special Purpose Consolidated Interim Ind AS Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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Current and deferred tax for the period
Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment
Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.
Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

The non refundable payments made with respect to Land taken on finance lease (where there is an option to purchase the same at the end of the lease period) is classified under Property, plant and Equipment as "Lease hold Land".

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.
Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.
Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed to be different and are as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:
Dies and Moulds : 4 years
Mobiles phone : 3 years
Vehicles : 5 years

Individual assets costing less than Rs. 5,000 are depreciated in full in the year of purchase.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit and loss.

Investment property
Properties that is held for long-term rentals or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of the investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property are depreciated using the straight line method over their estimated useful lives. Investment properties generally have a useful life of 25-40 years. The useful life has been determined based on technical evaluation performed by the management's expert.

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Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Product portfolio	: 10 years
Software Licenses	: 3 - 5 years

Impairment of assets

Impairment of financial assets:

The Company assesses at each date of balance sheet, whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

Impairment of goodwill

For the purposes of impairment testing, goodwill is allocated to cash-generating units. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which such goodwill arose.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

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Inventories
Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads. Cost is determined as follows:
Raw materials, packing materials and consumables: weighted average basis
Work-in progress: at material cost and an appropriate share of production overheads
Finished goods: material cost and an appropriate share of production overheads
Stock-in trade: weighted average basis

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts
Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Contingent liabilities

Contingent liabilities are disclosed in notes when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Financial instruments

Financial assets and financial liabilities
Financial assets and financial liabilities are recognised when Company becomes a party to the contractual provisions of the instruments.
Initial recognition and measurement:
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.
Subsequent measurement:
Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Financial liabilities are measured at amortised cost using effective interest rate method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity instruments
An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

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Operating Cycle
Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

Critical accounting judgement and key sources of estimation uncertainty
In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgement
Chemsynth Laboratories Private Limited ("Chemsynth") is considered subsidiary of the Group even though the Group and non-controlling interests have about 50% of the ownership interest and the voting rights. The directors of the Company assessed whether or not the Group has control over Chemsynth based on whether the Group has the practical ability to direct the relevant activities unilaterally. Based on such assessment, the directors concluded that the Group has sufficient management rights to unilaterally direct the relevant activities of Chemsynth and therefore the Group has control.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill and other non-financial assets
Determining whether the asset is impaired requires to assess the recoverable amount of the asset or Cash Generating Unit (CGU) which is compared to the carrying amount of the asset or CGU, as applicable. Recoverable amount is the higher of fair value less costs of disposal and value in use. Where the carrying amount of an asset or CGU exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of financial assets
The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Useful lives of property, plant and equipment
The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

Litigations
The Company is a party to certain indirect tax disputes. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation applicable to arrangements entered into by the Company. Due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
Notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

Note No. 3 Property, Plant and equipment

Rs. In Million

Particulars	Gross block					Accumulated depreciation				Net block	
	As at 23-Feb-17	Additions pursuant to the Scheme (Refer note 34)	Additions	Disposals	As at 31-Dec-17	As at 23-Feb-17	Depreciation expense for the period	Eliminated on disposal of assets	As at 31-Dec-17	As at 31-Dec-17	As at 23-Feb-17
Tangible assets:											
Land:											
- Freehold		608.78	-	-	608.78	-	-	-	-	608.78	-
- Leasehold	-	12.12	-	-	12.12	-	1.01	-	1.01	11.11	-
Buildings	-	1,535.72	58.91	-	1,594.63	-	18.82	-	18.82	1,575.81	-
Plant and equipments	-	3,249.11	134.92	-	3,384.03	-	111.58	-	111.58	3,272.45	-
Furniture and fixtures	-	30.92	0.04	-	30.96	-	1.17	-	1.17	29.79	-
Vehicles	-	7.84	-	-	7.84	-	0.71	-	0.71	7.13	-
Office equipments	-	98.80	7.09	7.86	98.03	-	10.48	0.52	9.96	88.07	-
Total	-	**5,543.29**	**200.96**	**7.86**	**5,736.39**	-	**143.77**	**0.52**	**143.25**	**5,593.14**	-

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Note No. 4 - Investment Property

Rs. In Million

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 23-Feb-17	Additions pursuant to the Scheme (Refer note 34)	Additions	As at 31-Dec-17	As at 23-Feb-17	Depreciation expense for the period	As at 31-Dec-17	As at 31-Dec-17	As at 23-Feb-17
Land	-	84.40	-	84.40	-	-	-	84.40	-
Building	-	143.25	-	143.25	-	1.24	1.24	142.01	-
Total	-	**227.65**	-	**227.65**	-	**1.24**	**1.24**	**226.41**	-

Note No. 5 - Goodwill

Rs. In Million

Particulars	As at Feb 23, 2017	Additions pursuant to the Scheme (Refer note 34)	Derecongised on disposal	Impairment loss recognised	As at December 31, 2017
Goodwill	-	3,629.69	-	-	3,629.69
Total	-	**3,629.69**	-	-	**3,629.69**

The Group has identified Human API business acquired from Sequent as a Cash Generating Units (CGU) and the goodwill from acquisition of this business as explained in Note 34 has been allocated to this CGU for the purpose of impairment testing. This goodwill is tested for impairment at least on an annual basis or or more frequently when there is an indication for impairment. As of the interim period ended December 31, 2017, considering that the fair value of this business acquisition has been determined very recently and that there were no indicators for imapirment in the assessment of the Directors of the Company, there is no requirement for impairment of this goodwill.

Note No. 6 Other intangible assets

Rs. In Million

Particulars	Gross block				Accumulated amortisation			Net block	
	As at 23-Feb-17	Additions pursuant to the Scheme (Refer note 34)	Additions	As at 31-Dec-17	As at 23-Feb-17	Depreciation expense for the period	As at 31-Dec-17	As at 31-Dec-17	As at 23-Feb-17
Product portfolio	-	1,055.00	-	1,055.00	-	25.08	25.08	1,029.92	-
Software licenses	-	46.44	0.37	46.81	-	6.16	6.16	40.65	-
Total	-	**1,101.44**	**0.37**	**1,101.81**	-	**31.24**	**31.24**	**1,070.57**	-

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Note No.

Rs. In Million

7 Investments

Particulars	31-Dec-17
Equity shares, unquoted (carried at amortised cost)	
SIPCOT Industrial Common Utilities Limited, India	
- 4,242 equity shares of Rs. 100/- each, fully paid up	0.42
Total	**0.42**
Aggregate amount of unquoted investments	0.42
Aggregate amount financial assets carried at amortised cost	0.42

8 Loans

(i) Non-current loans

Particulars	31-Dec-17
Unsecured, considered good:	
-Receivable from Employees	0.61
Total	0.61

(ii) Current loans

Particulars	31-Dec-17
Unsecured, considered good:	
- Receivable from Employees	29.48
Total	**29.48**

9 Other financial assets

(i) Non-current financial assets

Particulars	31-Dec-17
Unsecured, considered good:	
- Security deposits	77.17
- Advances receivable from others	4.50
Total	**81.67**

(ii) Current financial assets

Particulars	31-Dec-17
Unsecured, considered good:	
Interest accrued on deposits	1.38
Security deposits	0.78
Others:	
- Incentives receivables	113.76
- Insurance claim receivable	8.08
Total	**124.00**

10 Income tax assets (net)

Particulars	31-Dec-17
- Advance income tax (net of provisions)	30.45
Total	**30.45**

11 Other assets

(i) Other non-current assets

Particulars	31-Dec-17
Unsecured, considered good:	
- Capital advances	449.80
- Advances to other parties	75.50
- Prepaid expenses	81.20
Balances with government authorities	
- Taxes paid under protest	1.24
Total	**607.74**

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
Notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

Note No.

Rs. In Million

(ii) Other current assets

Particulars	31-Dec-17
Unsecured, considered good:	
Advances to suppliers of materials	73.90
Advances to Employees	0.95
Advances to related parties	84.30
Prepaid expenses	46.01
Balances with government authorities:	
- GST credit & other receivable	476.68
Total	**681.84**

12 Inventories

Particulars	31-Dec-17
Raw materials	798.47
- Goods-in-transit	72.53
Work-in-progress	618.98
Finished goods	268.50
Stores and spares	39.90
Total	**1,798.38**

13 Trade receivables

Particulars	31-Dec-17
Unsecured	
Considered good	1,997.73
Considered doubtful	27.03
	2,024.76
Less: provision for doubtful receivables	(27.03)
Total	**1,997.73**

14 Cash and cash equivalents

Particulars	31-Dec-17
Cash on hand	1.69
Balance with banks:	
- In current account	196.87
- In deposit account	0.01
Total	**198.57**

15 Other balance with banks

Particulars	31-Dec-17
Balance held as margin money	
- against working capital facilities with banks	1.36
- against borrowings facilities with banks	9.20
Total	**10.56**

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Note No.

16 **Equity share capital**

Rs. In Million

Particulars	31-Dec-17
Authorised	
30,000,000 Equity shares of Rs. 10/- each with voting rights	300.00
	300.00
Issued, subscribed and fully paid-up*	
24,674,267 Equity shares of Rs.10/- each with voting rights	246.74
Total	**246.74**

* As explained in note 34, in accordance with the requirements of the Scheme, the equity shares are issued on April 11, 2018. However, solely for the purpose of compliance with the accounting treatment specified in the Scheme, the effect for issue of these shares has been given on the appointed date of the Scheme being October 1, 2017 and hence recorded as share capital although such shares were pending allotment.

(i) **Reconciliation of number of shares and amount outstanding**

Particulars	31-Dec-17	
	No. of shares	Rs. In Million
Equity share capital		
Equity share of Rs. 10/- each		
Balance as at February 23, 2017	-	-
Changes in equity share capital during the period		
- Issued pursuant to the scheme (Refer note 34)	24,674,267	246.74
Balance as at December 31, 2017	**24,674,267**	**246.74**

(ii) **Detail of the rights, preferences and restrictions attaching to each class of shares outstanding equity shares of Rs. 10/- each:**

The Company has only one class of equity shares, having a par value of Rs.10/-. The holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution to all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(iii) **Details of equity shares held by each shareholder holding more than 5% of shares:**

Particulars	31-Dec-17	
	No. of Shares	%
Pronomz Ventures LLP	3,190,831	12.93%
SBI Magnum Multiplier Fund	1,628,786	6.60%
K R Ravishankar	1,325,260	5.37%

(iv) All the equity shares as at December 31, 2017 have been issued for consideration other than cash, pursuant to the Scheme as explained in note 34.

17 **Other equity**

Rs. In Million

Particulars	Notes	31-Dec-17
Capital reserve	17 (i)	0.10
Securities premium account	17 (ii)	7,434.84
Retained earnings	17 (iii)	(48.06)
Remeasurement of the defined benefit liabilities / (assets)	17 (iv)	0.85
Total		**7,387.73**

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Note No.

Rs. In Million

Particulars	31-Dec-17
(i) Capital reserve	
Opening balance	-
Add: Pursuant to the scheme (Refer note 34)	0.10
Closing balance	**0.10**
(ii) Securities premium account	
Opening balance	-
Add: Pursuant to the scheme (Refer note 34)	7,434.84
Closing balance	**7,434.84**
(iii) Retained earnings	
Opening balance	-
Add: Pursuant to the scheme (Refer note 34)	(5.63)
Add: Profit\(loss) for the period	(42.43)
Closing balance	**(48.06)**
(iv) Items of other comprehensive income	
Remeasurement of the defined benefit liabilities / (assets)	
Opening balance	-
Add / (Less): Movement during the period (net of tax)	0.85
Closing balance	**0.85**
Total items of other comprehensive income (B)	**0.85**
Other equity [(A) + (B)]	**7,387.73**

18 Non-controlling interests

Rs. In Million

Particulars	31-Dec-17
Opening balance	-
Add / (Less): Pursuant to scheme	45.21
Add / (Less): Profit/(loss) for the period	0.06
Less: Other comprehensive income for the period	-
Closing balance	**45.27**

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CHARTERED ACCOUNTANTS
BENGALURU

Note No.

Rs. In Million

19 Borrowings

(i) Non-current borrowings

Particulars	31-Dec-17
Secured	
- Term loans from banks	1,289.68
- Term loans from others	683.26
Total	**1,972.94**

Details of security and terms of repayment for the long-term borrowings:

Terms of repayment and security	31-Dec-17
(i) Term loan from banks: Loan 1	
Long-term loan	40.29
Current maturities of long-term loan	79.81
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 4.49% to 5%p.a	
Repayment terms: Repayable in 16 equal quarterly instalments of USD 0.312 million.	
(ii) Term loan from banks: Loan 2	
Long-term loan	479.13
Current maturities of long-term loan	12.50
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: - 10.25% p.a	
Repayment terms: Repayable in Quarterly instalments of Rs 12.50 Million and increase by Rs 12.50 Million every year after an initial moratorium period of 15 months.	
(iii) Term loan from banks: Loan 3	
Long-term loan	712.48
Current maturities of long-term loan	18.75
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: - 10.% p.a	
Repayment terms: Repayable in Quarterly instalments of starting Rs. 18.75 Million and increase Rs. by 18.75 Million every year after an initial moratorium period of 15 months.	
(iv) Term loans from others : Loan 4	
Long-term loan	683.26
Current maturities of long-term loan	200.00
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 10.25% p.a	
Repayment terms: Repayable in 14 quarterly instalments -First six instalments Rs. 50 Million, 7 to 10 Instalment 75 Million and 11 to 14 instalments Rs. 10 Million	

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BENGALURU

Note No.

Rs. In Million

(v) Term loans from bank : Loan 5	
Long-term loan	-
Current maturities of long-term loan	60.11
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 11.20% p.a	
Repayment terms: Balance repayable in quarterly instalments of Rs. 15.03 Million	
(vi) Term loans from bank : Loan 6	
Long-term loan	57.78
Current maturities of long-term loan	33.62
Security: Paripassu first charge on all fixed assets of the company and second charge on entire current assets of the Company.	
Rate of interest: 11.20% p.a	
Repayment terms: Repayable in 14 quarterly instalments of Rs. 8.40 Million	

Particulars	31-Dec-17
Disclosed under long term borrowings	1,972.94
Disclosed under other current financial liabilities :	
-Current maturities of long-term loans	404.79

(ii) Current borrowings

Particulars	31-Dec-17
Secured loans repayable on demand from banks:	
- Working capital loans	2,970.74
Total	**2,970.74**

20 Provisions

(i) Non-current provisions

Particulars	31-Dec-17
Provision for employee benefit	
- Compensated absence	103.74
Total	**103.74**

(ii) Current provisions

Particulars	31-Dec-17
Provision for employee benefit	
- Compensated absences	10.35
Total	**10.35**

21 Deferred tax liability

Particulars	31-Dec-17
Tax effect on items constituting deferred tax liability:	
Depreciation and amortization of property,plant and equipment	617.04
	617.04
Tax effect on items constituting deferred tax asset:	
Provision for employee benefits and others	102.61
	102.61
Deferred tax liability (net)	**514.43**

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Note No.

Rs. In Million

22 Other liabilities

(i) Other non-current liabilities

Particulars	31-Dec-17
Others:	
- Gratuity	176.35
Total	**176.35**

(ii) Other current liabilities

Particulars	31-Dec-17
Other payables:	
- Advance from customers	31.95
- Statutory remittances	28.28
- Others	0.23
Total	**60.46**

23 Trade payables

Particulars	31-Dec-17
Trade payables:	
- Total outstanding dues of micro enterprises and small enterprises	6.90
- Total outstanding dues of creditors other than micro and small enterprises	2,694.25
Total	**2,701.15**

24 Other Current financial liabilities

Particulars	31-Dec-17
Current maturities of long term loans	404.79
Loan from related parties	5.31
Security deposits	7.06
Interest accrued but not due on borrowings	0.53
Other payables:	
- Payables on purchase of fixed assets	56.48
Total	**474.17**

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BENGALURU

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SOLARA ACTIVE PHARMA SCIENCES LIMITED
(formerly known as SSL Pharma Sciences Limited)
Notes forming part of the Special Purpose Consolidated Interim Ind AS financial statements

Note No.

Rs in Million

25 Revenue from operations

Particulars	31-Dec-17
Sale of products	2,463.34
Sale of services	27.11
Other operating revenues	80.89
Total	**2,571.34**

26 Other income

Particulars	31-Dec-17
Interest income	1.86
Exchange fluctuation gain (net)	46.85
Other non-operating income	
- Liabilities / provisions no longer required written back	7.15
- Profit on sale of property, plant and equipment (net)	1.08
- Others	4.00
Total	**60.94**

27 Cost of materials consumed

Particulars	31-Dec-17
Opening stock	-
Pursuant to the Scheme as at October 1, 2017 (refer note 34)	760.04
Add: Purchases during October 1, 2017 to December 31, 2017	1,529.15
Less: closing stock	(871.00)
Cost of materials consumed	**1,418.19**

28 Changes in inventories of finished goods and work-in-progress

Particulars	31-Dec-17
Inventories at the end of the year:	
- Finished goods	268.50
- Work-in-progress	618.98
	887.48
Inventories transferred to the Company pursuant to the Scheme	
- Finished goods	322.15
- Work-in-progress	531.15
	853.30
Net (increase) / decrease	**(34.18)**

29 Employee benefits expenses

Particulars	31-Dec-17
Salaries and wages	328.20
Contribution to provident and other funds	24.94
Expense on employee share based payments offered by other party	0.88
Staff welfare expenses	33.03
Total	**387.05**

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Note No.

Rs in Million

30 Finance costs

Particulars	31-Dec-17
Interest expense on:	
- Borrowings	114.69
Other finance cost	9.76
Total	**124.45**

31 Depreciation and amortisation expense

Particulars	31-Dec-17
Depreciation on Property, plant and equipment (Refer note 3)	143.77
Depreciation on Investment property (Refer note 4)	1.24
Amortisation on Intangible asset (Refer note 6)	31.24
Total	**176.25**

32 Other Expenses

Particulars	31-Dec-17
Subcontracting	61.92
Power and fuel	152.26
Water	2.58
Rent including lease rentals	8.42
Repairs and maintenance:	
- Buildings	7.68
- Machinery	33.13
- Others	17.20
Insurance	23.01
Communication	3.31
Travelling and conveyance	13.84
Printing and stationery	2.49
Freight and forwarding	94.77
Sales commission	7.28
Business promotion	1.40
Donations and contributions	1.07
Expenditure on Corporate Social Responsibility	0.56
Legal and professional	49.50
Payments to auditors	1.07
Consumables	53.04
R & D expenses	52.67
Miscellaneous expenses	38.39
Total	**625.59**

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CHARTERED ACCOUNTANTS
BENGALURU

Note No.

Rs in Million

33 Tax expenses

Particulars	31-Dec-17
Current tax	
Current tax expenses	-
Deferred tax benefit	
Deferred tax (credit) / expenses	(22.70)
Total	**(22.70)**

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Note No.

34 Composite Scheme of Arrangement between the Company Strides Shasun Limited and Sequent Scientific Limited:

In accordance with the terms of the Composite Scheme of Arrangement (the 'Scheme') between the Company, Strides Shasun Limited ("Strides") and Sequent Scientific Limited ("Sequent"), as approved by the National Company Law Tribunal on March 9, 2018 and became effective on March 31, 2018 pursuant to completion of all the requirements under the Companies Act, 2013 and as per the Scheme, the Commodity API business of Strides and the Human API business of Sequent were demerged from respective Companies and transferred into the Company with the appointed date of October 1, 2017 ("the appointed date") for a consideration of equity shares to be issued by the Company to the equity shareholders of Strides and Sequent in the proportion of agreed share entitlement ratio. Although the effective date of the Scheme is after the Balance Sheet date, this subsequent event is considered as an adjusting event for the purpose of these Special Purpose Consolidated Interim Ind AS Financial Statements and accordingly, the effect has been given in these Special Purpose Consolidated Interim Ind AS Financial Statements from the appointed date of the Scheme - October 1, 2017.

Pursuant to the Scheme, the Company allotted 24,674,267 equity shares to the shareholders of Strides and Sequent in the ratio of 1 equity share of Rs. 10/- each of the Company for every 6 shares of Rs. 10/- each held by the shareholders of Strides, and 1 equity share of Rs. 10/- each of the Company for every 25 shares of Rs. 2/- each held by the shareholders of Sequent, on April 11, 2018, the effect of which has been given in these financial statements as on the appointed date of the Scheme. Further, in accordance with the terms of the Scheme, the authorised share capital of the Company is increased to to Rs. 300 Million represented by 30 Million equity shares of Rs. 10 each.

As per the requirements of the Scheme, transfer of the above businesses into the Company have been accounted in accordance with the Ind AS notified under Section 133 of the Act, as on the appointed date of the Scheme as under:

a) Transfer of API business of Strides

(I) The Company has recorded the assets and liabilities of the API Business of Strides at their respective book values appearing in the books of Strides as on the appointed date.

(II) The face value of equity shares issued by the Company to the shareholders of Strides has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the extent of difference between (i) the book value of the net assets (i.e. book value of assets and liabilities) recorded pursuant to (I) above and (ii) the face value of such shares allotted, to the credit of securities premium account.

(III) Shares held by Strides in the Company prior to this Scheme has been cancelled and transferred to Capital reserve.

Details of assets and liabilities transferred to the Company as at October 1, 2017 are given below:

Particulars	Rs. in Million
Non-current assets	4,593.09
Current assets	3,904.63
(A) Total assets	**8,497.72**
Non-current liabilities	2,624.44
Current liabilities	3,901.70
(B) Total liabilities	**6,526.14**
(C) Net assets (A) – (B)	**1,971.58**
(D) Face value of equity shares of the Company issued to the shareholders of Strides recorded as equity share capital of the Company (14,924,819 equity shares of Rs. 10/- each)	149.25
(E) Securities premium on issue of such shares **(C) - (D)**	**1,822.33**

Principal Activity of API business of Strides:

The commodity API business of Strides being demerged into the Company is primarily focused in the therapeutic area of pain management. The commodity API business is carried out through two manufacturing facilities, located at Cuddalore and Pondicherry, which are transferred to the Company, pursuant to the Scheme.

b) Transfer of Human API business of Sequent

(I) Assets and liabilities of the Human API Business of Sequent have been recorded to reflect at their fair values as on the appointed date. The difference between the fair value of equity shares issued to the shareholders of Sequent and the net assets (i.e. fair value of assets and liabilities recorded as mentioned above), is recorded as goodwill.

(II) The face value of equity shares issued by the Company to the shareholders of Sequent has been recorded to the credit of share capital account of the Company. The premium on issue of these equity shares has been recorded to the extent of difference between (i) the fair value of such shares so issued and (ii) the face value of such shares allotted to the credit of securities premium account.

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Details of the fair value of assets and liabilities of the Human API business recorded by the Company as at October 1, 2017 are as below:

Particulars	**Rs. in Million**
(A) Fair value of equity shares issued by the Company to the shareholders of Sequent	**5,710.00**
Non-current assets (other than goodwill on this acquisition)	3,075.83
Goodwill on this acquisition	3,627.80
Current assets	1,456.27
(B) Total assets	**8,159.90**
Non-current liabilities	669.22
Current liabilities	1,780.68
(C) Total liabilities	**2,449.90**
(D) Net assets * (B) – (C)	**5,710.00**
(E) Face value of equity shares of the Company issued to the shareholders of Sequent recorded as equity share capital of the Company (9,749,448 equity shares of Rs. 10/- each)	97.49
(F) Securities premium on issue of such shares (D) - (E)	**5,612.51**

* As on the date of finalisation of these Special Purpose Consolidated Interim Ind AS Financial Statements, the initial accounting for the above business combination has not been finalised but is provisionally determined based on the management's best estimate of the likely fair values. Any consequential changes due to finalisation of initial accounting will be recognised in the subsequent period upon such finalisation.

Principal Activity of Human API business of Sequent:
The Human API business of Sequent comprises of a portfolio of niche APIs, carried out through three manufacturing facilities, located in Mangalore, (Karnataka), Mysore (Karnataka) and Mahad (Maharashtra) which are transferred to the Company, pursuant to the Scheme.

Upon the Scheme coming into effect, the investments in following entities, held by the respective businesses above, have also been transferred to the Company:

Investments in	**Rs. in Million as at October 1, 2017**	**Transferred from**	**Value based on**
Chemsynth Laboratories Private Limited	33.63	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Shasun USA Inc	0.54	Commodity API business of Strides	Carrying value as recorded on the date of transfer
Sequent Penems Private Limited	143.00	Human API business of Sequent	Fair value as on the date of transfer

Impact of acquisition of the above businesses on the results of the Company:

Particulars	**Rs. in Million**
Revenue from operations	2,571.34
Other income	59.89
Total revenue (A)	**2,631.23**
Cost of materials consumed	1418.18
Changes in inventories of finished goods and work-in-progress	(34.18)
Employee benefits expenses	387.04
Finance costs	120.71
Depreciation and amortisation expense	175.48
Other expenses	625.32
Total expenses (B)	**2,692.55**
Profit/(Loss) before tax (C)	**(61.32)**
Tax expenses / (credit) (D)	(22.70)
Profit/(Loss) after tax (C) - (D)	**(38.62)**

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DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS BENGALURU

Note No.

Rs in Million

35 Earnings per share

Particulars	For the period from 23-Feb-2017 to 31-Dec-2017
Basic earnings per share ^	(5.80)
Diluted earnings per share ^	(5.80)

Earnings used in computing basic and diluted earnings per share

Rs in Million

Particulars	For the period from 23-Feb-2017 to 31-Dec-2017
Profit/(loss) attributable to the equity holders of the Company	(42.37)

Weighted average number of shares used as the denominator

Particulars	31-Dec-17
Weighted average number of equity shares used as denominator in calculating earnings per share ^	7,299,140

^ As explained in note 34, pursuant to the Scheme coming into effect from October 1, 2017, the net loss pertaining to the Commodity API business of Strides and the Human API business of Sequent transferred to the Company from October 1, 2017 amounts to Rs. 38.62 Million. Accordingly, the earnings per share for the period October 1, 2017 to December 31, 2017 amounts to loss of Rs. 1.57 per share during this period.

36 Contingent liabilities

Rs in Million

Particulars	31-Dec-17
a) Contingent liabilities - Pending Litigations	
Disputes with indirect tax authorities	47.05

37 Segment Reporting

The Group has only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information has been made.

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CHARTERED ACCOUNTANTS
* BENGALURU *

38 Related party information

Holding Company
Strides Shasun Limited (Upto September 30, 2017)

KMP/Person holding significant interest in the company:

Jitesh Devendra	Managing Director (Appointed wef. April 11, 2018)
S Hariharan	Executive Director - Finance and Chief Financial Officer (Appointed wef. April 11, 2018)
Dr. P Sathyanarayan	Director (resigned wef. April 11, 2018)
R. Ramakrishnan	Independent Director (Appointed wef. April 11, 2018)
Nirmal P Bhogilal	Independent Director (Appointed wef. April 11, 2018)
Jagdish V Dore	Independent Director (Appointed wef. April 11, 2018)
Kausalya Santhanam	Independent Director (Appointed wef. April 11, 2018)
Deepak C Vaidya	Non-Executive Director (Appointed wef. April 11, 2018)
S Murali Krishna	Company Secretary (Appointed wef. April 11, 2018)
Arun Kumar	Person holding significant interest in the company

Enterprises owned or significantly influenced by KMP or their relatives or by person holding significant interest in the company:

Strides Shasun Limited, India (From October 01, 2017)
Devendra Estates LLP, India
Devicam LLP
Alivira Animal Health Limited, India
Sequent Scientific Limited, India
SeQuent Antibiotics Private Limited
Sequent Oncolytics Pvt. Ltd.
Latitude Projects Pvt. Ltd.
Sterling Pharma Solutions Limited, UK
Tenshi Life Sciences Private Limited
Aurore Life Sciences Private Limited
Tenshi Kaizen Private Limited (formerly Higher Pharmatech Private Limited)
Olene Life Sciences Private Limited
GMS Tenshi Holdings Pte Limited
Stelis Biopharma Private Limited
Sovizen Life Sciences Private Limited
Tenshi Active Pharma Sciences Limited
Styrax Pharma Private Limited
Tenshi Life Care Private Limited
Triphase Pharmaceuticals Private Limited
Oncobiologics Inc.
Naari Pharma Private Limited
Sequent Research Limited, India
Chayadeep Properties Private Limited, India
Tenshi Kaizen Inc., USA
Tenshi Kaizen USA Inc., USA

Transactions during the year

Rs. in Million

Description	Related party	December 31, 2017
Sales of goods	Aurore Life Sciences Private Limited	29.57
	Tenshi Kaizen Private Limited	0.01
	Alivira Animal Health Limited	391.73
Purchase of goods	Alivira Animal Health Limited	202.90
	Sequent Research Limited	23.80
	Aurore Life Sciences Private Limited	1.80
Reimbursement of Expenses	Sterling Pharma Solutions Limited	0.14
Rental Income	Sequent Research Limited	5.56
Research & development expenses	Sovizen Life Sciences Private Limited	33.47
Rent & Maintenance for leased property	Devendra estates LLP	1.43
Interest expense (Upto September 30, 2017)	Strides Shasun Limited	3.71
Remuneration to KMP	Jitesh Devendra	7.71
	S Hariharan	3.50
	S Murali Krishna	0.99

Balances as at December 31, 2017

Rs. in Million

Description	Related party	Receivable / (Payable) as at December 31, 2017
Payable	Sterling Pharma Solutions Limited	(1.36)
	Sovizen Life Sciences Private Limited	(37.20)
	Sequent Scientific Limited	(128.40)
	Alivira Animal Health Limited	(180.68)
	Aurore Life Sciences Private Limited	(2.12)
Loan payable	Chayadeep Properties Private Limited, India	(5.31)
Advance receivable	Sequent Scientific Limited	0.04
	Strides Shasun Limited	83.96
	SeQuent Antibiotics Private Limited	0.02
	Sequent Oncolytics Pvt. Ltd.	0.20
	Latitude Projects Pvt. Ltd.	0.13
Receivable	Alivira Animal Health Limited	125.58
	Sovizen Life Sciences Private Limited	1.18
	Aurore Life Sciences Private Limited	34.89
	Tenshi Kaizen Private Limited	0.01
	Sequent Research Limited	10.29
Capital advances	Sovizen Life Sciences Private Limited	419.58
Security Deposit	Devendra estates LLP	2.00

39 Share issue expenses

Pursuant to the issue of equity shares on April 11, 2018 in accordance with the terms of the Scheme referred in note 34, the Company is liable for certain expenses in relation to the shares so issued. The Company is in the process of estimating such expenses which are directly attributable to the issue of shares and will be charged-off against the securities premium, net of deferred taxes, once the reliable estimate of such expenses is made.

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CHARTERED ACCOUNTANTS
BENGALURU

UNAUDITED COMBINED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

In accordance with the terms of the Composite Scheme of Arrangement (the ‘Scheme’) between the Company, Strides Shasun Limited ("Strides") and Sequent Scientific Limited ("Sequent"), which was approved by the National Company Law Tribunal on March 9, 2018, the Commodity API business of Strides and the Human API business of Sequent were demerged from respective Companies and transferred into our Company with the appointed date of October 1, 2017 ("the appointed date") for a consideration of equity shares to be issued by the Company to the equity shareholders of Strides and Sequent in the proportion of agreed share entitlement ratio.

The Unaudited Combined Pro forma Financial Information set forth hereinafter aggregates the financial information of our Company, the Commodity API business of Strides and the Human API business of Sequent, together with subsidiary companies of respective businesses transferred to the Company pursuant to this Scheme, in order to give a pro forma effect to the Scheme and is referred to hereinafter as the “Unaudited Combined Consolidated Pro forma Financial Information” and has been adjusted as specifically stated herein (the “Pro forma adjustments”). The transfer of Commodity API business of Strides and the Human API business of Sequent, together with subsidiary companies of respective businesses to our Company is hereafter referred as “Transaction”.

Background

The Unaudited Combined Consolidated Pro forma Financial Information contains the Unaudited Combined Pro forma Statement of Profit and Loss for the year ended March 31, 2017 and for the quarters ended June 30, 2017 and September 30, 2017 and select explanatory notes to the Pro forma adjustments (referred to as “Basis of preparation of the Unaudited Combined Consolidated Pro forma Financial Information”). The purpose of Unaudited Combined Consolidated Pro forma Financial Information is solely to illustrate the impact of the Scheme on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, the Unaudited Combined Consolidated Pro forma Financial Information has been prepared to show retroactively, according to the same accounting policies as the historical information, as if the Transaction had taken place on April 1, 2016 with respect to the Unaudited Pro forma Combined Statement of Profit and Loss for the year ended March 31, 2017 and for the quarters ended June 30, 2017 and September 30, 2017.

The Unaudited Combined Consolidated Pro forma Financial Information is not necessarily indicative of the financial results of operations that would have been achieved had the Transaction actually taken place at the date indicated and does not purport to be indicative of future operating results. The Unaudited Combined Consolidated Pro forma Financial Information by its nature may not give an accurate picture of the Company’s actual or future financial results. The assumptions and estimates underlying the Pro forma adjustments are described in the accompanying notes, which should be read together with the Unaudited Combined Consolidated Pro forma Financial Information.

Basis of Preparation of the Unaudited Combined Consolidated Pro forma Financial Information

The Unaudited Combined Consolidated Pro forma Financial Information have been prepared by consolidating the audited financial information of the Company for the period February 23, 2017 to March 31, 2017 and for the quarter ended June 30, 2017 and September 30, 2017 with the financial information of the Commodity API business of Strides and the Human API business of Sequent, together with subsidiary companies of respective businesses, extracted from the audited books of account of Strides and Sequent for the year ended March 31, 2017 and from the reviewed books of account of Strides and Sequent for the quarter ended June 30, 2017 and September 30, 2017 in order to present retroactively, the main economic and financial effects derived from the Transaction.

Accounting principles and policies adopted for the preparation of the Unaudited Combined Consolidated Pro forma Financial Information are the same used for the preparation of the Special

Purpose Consolidated Interim Ind AS Financial Statements of the Company and its subsidiaries for the period ended December 31, 2017.

Description of Pro forma adjustments for the preparation of the Unaudited Combined Consolidated Pro forma Financial Information:

The following are the Pro forma adjustments made for the preparation of Unaudited Combined Consolidated Pro forma Financial Information:

a) Inter-company transactions and balances between our Company and the Commodity API business of Strides and the Human API business of Sequent and the subsidiary companies of respective businesses transferred to the Company have been eliminated on a line by line basis.

- Other income and other expenses amounting to Rs. 38.75 Million for the year ended March 31, 2017 have been eliminated.

- Other income and finance costs amounting Rs. 3.71 Million for the quarter ended September 30, 2017 have been eliminated.

b) Exceptional items for the quarter ended September 30, 2017 pertains to write-back of borrowings availed by the subsidiary – Shasun USA Inc amounting Rs. 207 Million.

SOLARA ACTIVE PHARMA SCIENCES LIMITED
UNAUDITED COMBINED CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

Rs. in Million

	Unaudited Combined Consolidated Pro forma Statement of Profit and Loss	Year ended March 31, 2017	Quarter ended June 30, 2017	Quarter ended September 30, 2017
1	Revenue from operations	9,412.78	2,585.22	2,983.40
2	Other income	116.13	22.61	2.90
3	**Total revenue (1+2)**	**9,528.90**	**2,607.83**	**2,986.30**
4	**Expenses**			
	(a) Cost of materials consumed	4,881.42	1,302.27	1,254.76
	(b) Purchase of stock-in-trade	74.06	57.03	74.50
	(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	73.12	(48.13)	223.38
	(d) Employee benefits expenses	1,218.97	330.82	347.93
	(e) Finance costs	284.97	68.96	83.39
	(f) Depreciation and amortisation expense	551.13	139.28	164.14
	(g) Other expenses	2,029.66	600.86	632.27
	Total expenses	**9,113.33**	**2,451.09**	**2,780.37**
5	**Profit before exceptional items and tax (3-4)**	**415.57**	**156.74**	**205.93**
6	Exceptional items gain / (loss) (net)	(31.05)	30.63	187.41
7	**Profit before tax (5+6)**	**384.52**	**187.37**	**393.34**
8	Tax expense			
	(a) Current tax	4.22	0.08	0.04
	(b) Deferred tax	80.15	29.12	32.93
9	**Profit/(loss) after tax (7-8)**	**300.15**	**158.17**	**360.37**
10	**Other Comprehensive Income**			
	A) (i) Items that will not be reclassified to statement of profit and loss	(85.96)	-	-
	A) (ii) Income tax relating to items that will not be reclassified to statement of profit and loss	30.25	-	-
	B) (i) Items that may be reclassified to statement of profit and loss			
	B) (ii) Income tax relating to items that may be reclassified to statement of profit and loss			
	Total Other comprehensive Income	**(55.71)**	**-**	**-**
11	**Total Comprehensive Income for the period (9+10)**	**244.44**	**158.17**	**360.37**
	Profit for the year attributable to:			
	- Equity shareholders of the Company	**301.64**	**158.26**	**360.30**
	- Non-controlling interests	(1.49)	(0.09)	0.07
		300.15	**158.17**	**360.37**
	Other Comprehensive income for the period:			
	- Equity shareholders of the Company	**(55.71)**	-	-
	- Non-controlling interests	-	-	-
		(55.71)	**-**	**-**
	Total Comprehensive income for the period:			
	- Equity shareholders of the Company	**245.93**	**158.26**	**360.30**
	- Non-controlling interests	(1.49)	(0.09)	0.07
		244.44	**158.17**	**360.37**

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) outstanding actions taken by statutory or regulatory authorities, (iii) tax proceedings, (iv) material litigation, in each case, involving our Company, our Subsidiaries, our Promoters, our Group Entity or our Directors, and (v) any litigation involving our Company, our Promoters, our Group Entity, our Directors or our Subsidiaries or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of material litigation in (iv) above, our Board has considered as material each such case, where the aggregate amount involved individually exceeds ₹50.00 million which is less than 1.00% percent of the networth of our Company as per the consolidated financial statements of our Company for the period ended December 31, 2017. Accordingly, material litigation having a financial impact exceeding the aforesaid threshold have been disclosed in the following section. Further, litigations where the financial impact cannot be determined have been considered material and disclosed, only in the event that the outcome of such litigation has a bearing on the operations, performance, prospects or reputation of the Company.

Litigation involving our Company

With effect from the Effective Date, litigations involving the Demerged Undertaking 1 and Demerged Undertaking 2 whether pending on the Appointed Date or which were instituted any time thereafter, have continued to be prosecuted or enforced, as the case maybe, against our Company. Details of the said litigations, are set forth below:

Civil Litigation against our Company

1. Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) issued two show cause notices dated April 16, 2017 requesting for a reply on or before May 1, 2017 to show cause as to why Strides' generating plant situated in Cuddalore should be considered as a captive generating plant, and why not to treat the entire electricity generated and adjusted against its HT consumption as if it is a supply of electricity by a generating company and why not to levy the cross subsidy surcharge on such adjusted energy for an amount of ₹84.98 million and ₹20.15 million, respectively for the financial years 2014-15, 2015-16, 2016-17, in order to protect revenue in the interest of public. Strides filed writ petitions bearing nos. W.P. 11557 of 2017 and W.P. 11553 of 2017, respectively challenging the show cause notice before the High Court of Madras. An interim stay was granted by the High Court of Madras on show cause notices and proceedings initiated by the Superintending Engineer, Cuddalore until the matter is disposed off. The matter is currently pending.

2. Strides received a notice dated February 11, 2015 from the Regional Provident Fund Commissioner, Sub-Regional Office, Trichy requiring Strides to pay contribution on special allowance, conveyance and washing allowance and such other applicable components of wages. Strides filed a writ petition bearing no. 8694 of 2015 before the High Court of Madras requesting for a writ of mandamus forbearing the Regional Provident Fund Commissioner from demanding contribution on various allowances in terms of their notice dated February 11, 2015. Strides also requested for an interim injunction forbearing the Regional Provident Fund Commissioner from demanding contribution on various allowances in terms of the notice date February 11, 2015 during pendency of the writ petition. High Court of Madras granted an interim stay on the demand raised by the Regional Provident Fund Commissioner until the matter is disposed off. The matter is pending for final hearing.

Civil Litigation by our Company

Nil

Criminal Litigation against our Company

1. Strides had received a show-cause notice from the Inspector of Police, alleging that Strides had not maintained adequate safety measures to prevent the fire in its manufacturing unit at Cuddalore that had resulted in the death of Manikandan, a contract employee, and thereby committed an offence under sections 287, 337 and 304(A) of the Indian Penal Code, 1860. An FIR bearing no. 666 of 2015 was filed on November 17, 2015 by Kathavarayan, father of the demised employee. The matter is currently pending before the Magistrate Court in Cuddalore.

Criminal Litigation by our Company

1. Sequent has instituted three criminal proceedings under the provisions of the Negotiable Instruments Act, 1881. These proceedings having an aggregate claim value of ₹1.80 million have been filed in relation to dishonour of cheques issued in favour of Sequent, against entities which had issued such dishonoured cheques.

Actions by statutory/ regulatory authorities against our Company

Nil

Tax proceedings involving our Company

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Strides		
Indirect Tax	27	47.05
Sequent		
Indirect Tax	6	7.83

Litigation involving our Subsidiaries

Civil/Criminal Litigation against our Subsidiaries

Nil

Civil/Criminal Litigation by our Subsidiaries

Nil

Actions by statutory/ regulatory authorities against our Subsidiaries

Nil

Tax proceedings involving our Subsidiaries

Nature of case	Number of cases	Amount involved (in ₹ million)
Direct Tax	1	Nil*
Indirect Tax	Nil	Nil

***An appeal has been filed by SPPL against disallowance of losses and there is no financial impact.*

Litigation involving our Promoters

Litigation involving Arun Kumar

Civil litigation against Arun Kumar

Nil

Civil litigation by Arun Kumar

Nil

Criminal litigation against Arun Kumar

A Criminal Complaint bearing C.C. No. 349/2014 was filed before the Special Economic Offenses Court, Bangalore by the Union of India represented by Drug Inspector against Onco Therapies Ltd. ("**OTL**"), Arun Kumar, one of the Promoters of the Company and eleven others arraigned as representatives of OTL for manufacturing for sale of pharmaceutical product during May 2013 without a valid license.

Since Mr. Arun Kumar was not a Director or officer of OTL during the period when the product was manufactured, the High Court of Karnataka in Crl. P. No. 8347 of 2014 has granted stay of the Criminal Complaint until further hearing.

Criminal litigation by Arun Kumar

A criminal complaint bearing C.C. No. 52029/ 2017 was filed by Arun Kumar before the LVIII ADDL CMM, Mayo Hall, Bangalore against an individual in relation to dishonour of cheques issued in favour of him aggregating to a sum of ₹1.50 million. The matter is currently pending.

Actions by statutory/ regulatory authorities against Arun Kumar

Nil

Tax proceedings involving Arun Kumar

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving KR Ravishankar

Civil litigation against KR Ravishankar

A plaint bearing number 163 of 2007 has been filed by Lakshmamma and Sita against KR Ravishankar, one of our Promoters, and two other persons. The dispute is regarding the ownership of agricultural land bearing survey number 36/7 measuring 30.80 guntas and house property bearing janjar number 135 measuring 30 x 40 guntas, both situated in Anekal Taluk, Bangalore District (collectively, "**Scheduled Property**") owned by Honamma and is the mother of the plaintiffs. The plaintiffs have alleged that KR Ravishankar, the registered general power of attorney holder of Honnamma. fraudulently and unlawfully sold the Scheduled Property to Strides without the consents of the plaintiffs who are co-parceners in the Hindu undivided family. The plaintiffs prayed the court to declare that the sale deed bearing number 5062/ 96-97 executed in favour of Strides Arco Lab as not binding on the plaintiffs. KR Ravishankar and the two other defendants have filed the written statement. The matter is currently pending.

Civil litigation by KR Ravishankar

Nil

Criminal litigation against KR Ravishankar

Nil

Criminal litigation by KR Ravishankar

Nil

Actions by statutory/ regulatory authorities against KR Ravishankar

Nil

Tax proceedings involving KR Ravishankar

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	2	15.50

Litigation involving Pronomz Ventures LLP

Civil litigation against Pronomz Ventures LLP

Nil

Civil litigation by Pronomz Ventures LLP

Nil

Criminal litigation against Pronomz Ventures LLP

Nil

Criminal litigation by Pronomz Ventures LLP

Nil

Actions by statutory/ regulatory authorities against Pronomz Ventures LLP

Nil

Tax proceedings involving Pronomz Ventures LLP

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving our Directors, other than our Promoters

Civil/Criminal Litigation against our Directors

Nil

Civil/Criminal Litigation by our Directors

Except as set forth below, none of our Directors have initiated any civil or criminal litigation:

Nil

Actions by statutory/ regulatory authorities against our Directors

Nil

Tax proceedings involving our Directors

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Litigation involving our Group Companies

Except as set out below, our Group Companies are not involved in any litigation.

Litigation involving Strides

Civil litigation against Strides

1. There are four separate property disputes (O. S. 2548 of 2006, O. S. 163 of 2007, O. S. 425 of 2013 and O. S. 589 0f 2013) filed, *inter alia*, against Strides by legal heirs of erstwhile owners of the disputed properties claiming ownership of the disputed properties located in Anekal, Bangalore. Further, they have sought permanent injunctions against Strides restricting it from alienating the disputed properties, and other relief such as partition of the property, separate possession and mesne profits. The matters are presently pending before the Court of Civil Judge (Senior division) at Anekal. One of the said property disputes includes allegations against one of our promoters, KR Ravishankar. For details, see "Outstanding Litigation and Material Developments - Civil litigation against KR Ravishankar" on page 136.

2. A petition bearing number O.S. No. 398 of 1984 for partition of land bearing R.S. No. 33/11 Cad. No. 934.2/2/1/4A, R.S. 32/4 and Cad no. 107.1/4, 107/2/4, 107/3/4 and 107/4/4 within the municipal limits of Ouzugarai in Kalpet Revenue Village no. 20 in Periakalapet village ("**Scheduled Property**") was filed by Ounnamalaiammal before the Additional Sub-Judge, Puducherry. Pending the final decree of this petition claiming for partition, a sale deed with respect to the Scheduled Property was executed with Strides. An original suit bearing number 252 of 2017 was filed by Sivagamiammal against Strides and seven others before the Principal Sub-Court, Puducherry claiming possession and declaration that the sale deed dated March 31, 2003 executed conveying title to Strides as null and void with respect to the Scheduled Property.

Civil litigation by Strides

1. A writ petition bearing number 8693 of 2015 was filed by Strides before the High Court of Madras against the Regional Provident Fund Commissioner, Sub-Regional Office, Trichy ("**PF Commissioner**") regarding a notice dated February 23, 2015 issued by the PF Commissioner requiring Strides to pay contribution on special allowance, conveyance and washing allowance and such other applicable components of wages. The matter is currently pending.

2. Tamil Nadu Generation and Distribution Corporation Limited (**TANGEDCO**) issued a show cause notices dated April 16, 2017 to Strides requesting for a reply on or before May 1, 2017 to show cause as to why the generating plant situated in Cuddalore should be considered as a captive generating plant, and the entire electricity generated from the plant should not be treated and adjusted against its HT consumption as if it is a supply of electricity by a generating company and why not to levy the cross subsidy surcharge on such adjusted energy for an amount of ₹13.28 million for the financial years 2014-15, 2015-16, 2016-17, in order to protect revenue in the interest of public. Strides filed a writ petition bearing no. W.P. 11555 of 2017 challenging the show cause notice before the High Court of Madras. The matter is currently pending.

Criminal litigation against Strides

S. Gunasegaran, the complainant in this case has filed a petition before the Court of the Judicial Magistrate II, Puducherry alleging that he is the lawful owner of certain property located at Oulgaret Commune, Kalapet, Puducherry which was purchased by Shasun (which merged with Strides) from two individuals who have been named as accused no. 2 and 3 in the complaint. It has been alleged that Shasun has colluded with the other accused to fraudulently acquire the property. The complainant has sought that the maximum possible penalty be imposed on Shasun. The jurisdictional inspector of police has not named Shasun as an accused in the charge sheet. However, M. Mohan, a former director of Shasun was named in the charge sheet. M. Mohan has filed a written submission before the Judicial Magistrate II, Puducherry seeking that he be discharged from the proceedings as he has wrongly been impleaded. The matter is still pending.

Criminal litigation by Strides

Nil

Actions by statutory/ regulatory authorities against Strides

1. A show cause notice dated December 22, 2017 bearing reference number D 11954 of 2017 was issued by the District Labour Officer, Palakkad, Kerala against the Managing Director of Strides in relation to denial of employment to certain India Brands Sales employees, directing the Managing Director to appear for conciliation.

2. A show cause notice dated December 6, 2017 bearing reference number 26498 of 2017 has been issued by the Office of District Labour Officer, Ernakulam, Kakkanad against the Managing Director of Strides in relation to denial of employment to certain India Brands Sales employees, directing the Managing Director to appear for conciliation.

Tax proceedings involving Strides

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	34*	521.00**
Indirect Tax	20	595.96***

**The number of cases include appeal cases filed by Strides and the tax authorities against the favourable orders at higher appellate forums which has been intimated/ communicated to Strides.*

*** The details included reflect the outstanding tax demand as on March 30, 2018, after adjusting the taxes paid under protest/ adjustment of refunds due for other tax years.*
**** The details included reflect the disputed amount payable by Strides as on March 30, 2018, after adjusting the amounts paid under protest and adjustment of refunds. The amount does not include applications made for processing of appellate orders or rectification of certain mistakes.*
In addition to the above cases, Strides has filed applications for rectification of certain mistakes and processing of orders issued in its favour by the appellate authorities etc. The said details have not been included above, since no demand is payable by Strides for such years.

Litigation involving Sequent

Civil litigation against Sequent

Nil

Civil litigation by Sequent

Nil

Criminal litigation against Sequent

Nil

Criminal litigation by Sequent

Sequent has instituted six criminal proceedings under the provisions of the Negotiable Instruments Act, 1881. These proceedings have been filed in relation to dishonour of cheques issued in favour of Sequent, against entities which had issued such dishonoured cheques. There criminal proceedings have an aggregate claim value of approximately ₹12.30 million, and are pending before various judicial forums.

Actions by statutory/ regulatory authorities against Sequent

Nil

Tax proceedings involving Sequent

Nature of Tax Proceedings	Number of cases	Amount involved (in ₹ million)
Direct Tax	2	0.97
Indirect Tax	1	0.07

Litigation involving Alivira

Civil litigation against Alivira

Nil
Civil litigation by Alivira

Nil

Criminal litigation against Alivira

Nil

Criminal litigation by Alivira

Alivira filed a criminal complaint no. OMA/420882/ 2015 under section 138 of the Negotiable Instrument Act, 1881 against R H Laboratories and others, before the First Class Judicial Magistrate, 2nd Court, Thane in relation to dishonour of a cheque of ₹0.30 million issued to Alivira, against supply of products by Alivira, pursuant to certain purchase orders. Pursuant to the criminal complaint, Alivira has prayed for the court to take cognizance of this complaint and issue process against the RH Laboratories and others and order them to pay interest on delayed payment and to pay compensation to Alivira. The matter is currently pending.

Regulatory actions in the last five years against our Company

No regulatory actions were taken against our Company in the last five years.

Material Frauds against our Company

There have been no material frauds committed against our Company in the five years preceding the date of this Information Memorandum.

Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company or our Subsidiaries in the past five years.

Fines imposed or compounding of offences

Except as disclosed below, there are no rectification/ compounding applications which have been filed by our Company or our Subsidiaries in the last five years.

Litigation or legal action against our Promoters taken by any Ministry, Department of Government or any statutory authority

Except as disclosed in this Information Memorandum, there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last five years immediately preceding the year of the issue of this Information Memorandum.

Proceedings initiated against our Company for economic offences

There are no pending proceedings initiated against our Company for any economic offences.

Small Scale Industries

Our Company does not owe any small scale undertakings any amounts which is outstanding for more than 30 days. There are no disputes with such entities in relation to payments to be made to them.

Statutory Dues

As of the date of this Information Memorandum, there have been no: (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) overdues to companies or financial institutions by our Company, or (iii) defaults against companies or financial institutions by our Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for Listing

The National Company Law Tribunal Bench at Mumbai, vide its order dated March 9, 2018 and issued on March 22, 2018 has approved the Composite Scheme of Arrangement between Strides, Sequent and the Company and their respective shareholders and creditors. Pursuant to the Scheme, the Demerged Undertakings of the Demerged Companies has been transferred to and vested with our Company on with effect from Effective Date, in accordance with Sections 230-232 of the Companies Act, 2013 and applicable laws.

In accordance with the Scheme, the Equity Shares of our Company issued pursuant to the Scheme shall be listed and admitted for trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of the listing criteria of BSE and NSE and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by our Company seeking listing.

Eligibility Criteria

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapters III and IV of the SEBI ICDR Regulations are not applicable. Pursuant to the SEBI Circular, our Company has filed an exemption application with the Stock Exchanges for exemption under Rule 19(7) of the SCRR, from the strict enforcement of the requirement of Rule 19(2)(b) of the SCRR for the purpose of listing of shares of the Company, from SEBI.

The Company shall publish, an advertisement in one English and one Hindi newspaper each with nationwide circulation and one Marathi newspaper with wide circulation since the Registered Office of the Company is located in Mumbai, Maharashtra, containing details in accordance with the requirements set out in the SEBI Circular. The advertisement shall draw specific reference to the availability of this Information Memorandum on our Company's website.

Prohibition by SEBI

The Company, its Directors, its Promoters, other companies promoted by the Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Identification as wilful defaulter

Our Company, its Promoters or Directors have not been categorised as wilful defaulters by any bank or financial institution or a consortium thereof, in accordance with the guidelines on wilful defaulter issued by RBI.

Disclaimer of BSE

A copy of this Information Memorandum has been submitted to BSE.

The BSE had through its letters dated August 7, 2017 issued to Strides and August 8, 2017 issued to Sequent had given its 'No Objection' in accordance with the provisions of the SEBI Listing Regulations and by virtue of that No Objection, BSE's name in this Information Memorandum has been used as one of the Stock Exchanges on which our Company's securities are proposed to be listed.

Disclaimer of NSE

A copy of this Information Memorandum has been submitted to NSE.

The NSE had through its letters dated August 4, 2017 issued to Strides and dated August 8, 2017 issued to Sequent had given its 'No Objection' in accordance with the provisions of the SEBI Listing Regulations and by virtue of that No Objection, NSE's name in this Information Memorandum has been used as one of the Stock Exchanges on which our Company's securities are proposed to be listed.

General Disclaimer from the Company

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with legal requirements mentioned in the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

An application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. Strides and Sequent have nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

Outstanding debenture or bonds and redeemable preference shares and other instruments issued by our Company

There are no outstanding debentures, bonds or redeemable preference shares as of the date of this Information Memorandum.

Stock Market Data for Equity Shares of our Company

The shares of our Company are not listed on any stock exchanges. Through this Information Memorandum, our Company is seeking approval for listing of its Equity Shares on BSE and NSE.

Disposal of Investor Grievances

Karvy Computershare Private Limited are the Registrar and Share Transfer Agent to our Company, who can be contacted at the following email id for addressing investors' grievances: einward.ris@karvy.com

Compliance Officer and Company Secretary

S. Murali Krishna is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

'Batra Centre'
No. 28, Sardar Patel Road, Post Box No. 2630
Guindy, Chennai 600 032
Tel: + 91 44 43446700, 22207500
Fax: +91 44 22350278
Email: muralikrishna@solara.co.in

SECTION VII: OTHER INFORMATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below:

1. *Applicability of Table F:* Article 1 provides that the regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with the Articles. The regulations for the management of the company and for the observance of the shareholders thereof and their representatives shall be such as are contained in the Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.

2. *Share Capital*: Article 4, *inter alia,* provides that the Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

3. *Alteration of share capital*: Article 10 provides that subject to the Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may, increase its Share Capital by such amount as it thinks expedient; consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares; Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner; convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination; sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of Article 10 shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

4. *Shares and share certificates*: Article 15, *inter alia*, provides that the Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

5. *Shares at the disposal of the directors*: Article 16, *inter alia*, provides that subject to the provisions of Section 62 and other applicable provisions of the Act, and the Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

6. *Company's lien*: Article 19, *inter alia*, provides that the Company shall have a first and paramount lien on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share; on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company. Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of Article 19.

7. *Further issue of capital*: Article 21, *inter alia*, provides that where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

8. *Transfer and transmission of shares*: Article 22, *inter alia*, provides that the Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

9. *Annual general meeting*: Article 31, provides that in accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

10. *Extraordinary general meeting:* Article 35, *inter alia*, provides that the Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

11. *Directors*: Article 42 provides that subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

12. *One-third of directors to retire every year*: Article 51 provides that at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that Directors appointed as Independent Director(s) under the Articles shall not retire by rotation under Article 51 nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under Article 51.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office/ Corporate Office of our Company on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai / Chennai) between 10.00 am and 5.00 pm from the date of filing of the Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges:

- Memorandum and Articles of Association of the Company, as amended till date.
- Certificate of incorporation our Company (issued in our earlier name) dated February 23, 2017.
- Certificate of incorporation of our Company dated March 25, 2017.
- Audited consolidated financial information of our Company for the period from the date of incorporation i.e. February 23, 2017 till December 31, 2017.
- Audited standalone financial information of our Company for the period from the date of incorporation i.e. February 23, 2017 till December 31, 2017.
- Proforma financial information of our Company for the financial year ended March 31, 2017, for the quarter ended June 30, 2017 and for the quarter ended September 30, 2017.
- Composite Scheme of Arrangement.
- Order dated March 9, 2018 and issued on March 22, 2018 of the National Company Law Tribunal (NCLT), Mumbai Bench approving the Composite Scheme of Arrangement.
- Tripartite Agreement with NSDL, Registrar and Transfer Agent and the Company dated March 9, 2018.
- Tripartite Agreement with CDSL, Registrar and Transfer Agent and the Company dated March 14, 2018.
- Consent letter dated April 18, 2018 from Deloitte Haskins & Sells LLP, to be named as the statutory auditors and of their reports on the financial information in the form and context in which they appear in the Information Memorandum.
- Statement of tax benefits dated April 14, 2018 from Deloitte Haskins & Sells LLP.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Information Memorandum is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in the Information Memorandum are true and correct.

BY ORDER OF THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

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Jitesh Devendra

Managing Director

DIN: 06469234

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Hariharan Subramaniam

Executive Director (Finance) and Chief Financial Officer

DIN: 05297969

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S. Murali Krishna

Company Secretary and Compliance Officer

Place: Bangalore

Date: April 20, 2018