



SOLARA
Active Pharma Sciences

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October 04, 2019

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

The National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: 541540

Scrip Code: SOLARA

Dear Sirs,

Subject: Update on encumbrance by Promoters

We refer to the recent SEBI Circular No. SEBI/HO/CFD/ DCR1/ CIR/ P/2019/90 August 07, 2019 prescribing additional disclosures on encumbrance by Promoters of Listed Companies.

We now attach the following as received from the Founders/ Promoter Group of the Company:

- a) Disclosure as mandated under SEBI Circular SEBI/HO/CFD/ DCR1/ CIR/ P/2019/90 August 07, 2019.
- b) Detailed Update from the Founders/ Promoters on the Pledge / encumbrance.

We request you to take the above on record.

Thanking you,

Yours faithfully,
For Solara Active Pharma Sciences Limited


S. Murali Krishna
Company Secretary



Encl.: as above

Annexure - II

Format for disclosure of reasons for encumbrance

(In addition to Annexure - I prescribed by way of circular dated August 05, 2015)

Name of listed company	Solara Active Pharma Sciences Limited
Name of the recognised stock exchanges where the shares of the company are listed	NSE/BSE
Name of the promoter(s) / PACs whose shares have been encumbered	Chayadeep Ventures LLP Devicam Capital LLP Pronomz Ventures LLP Agnus Capital LLP
Total promoter shareholding in the listed company	No. of shares - 1,04,52,270 % of total share capital - 40.55%
Encumbered shares as a % of promoter shareholding	34.14%
Whether encumbered share is 50% or more of promoter shareholding	YES/NO
Whether encumbered share is 20% or more of total share capital	YES/NO

Details of all the existing events/ agreements pertaining to encumbrance - Refer Annexure 1

	Encumbrance 1 (Date of creation of encumbrance: _____)	Remarks
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)		Refer Annexure 1
No. and % of shares encumbered	No. of shares: % of total share capital:	Refer Annexure 1
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	Refer Annexure 1
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance company? If No, provide the nature of the business of the entity.	YES/NO Refer Annexure 1
	Names of all other entities in the agreement	Listed company and its group companies (if any) - 1. ... 2. ... Other entities (if any) - 1. ... 2. ... Refer Annexure 1
	Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the instrument, including credit rating	YES / NO If yes, 1. Name of the issuer 2. Details of the debt instrument 3. Whether the debt instrument is listed on stock exchanges? 4. Credit Rating of the debt instrument 5. ISIN of the instrument Refer Annexure 1
Security Cover / Asset Cover	Value of shares on the date of event / agreement (A)	Refer Annexure 1
	Amount involved (against which shares have been encumbered) (B)	Refer Annexure 1
	Ratio of A / B	Refer Annexure 1
End use of money	Borrowed amount to be utilized for what purpose - (a) Personal use by promoters and PACs (b) For the benefit of listed company Provide details including amount, purpose of raising money by listed company, schedule for utilization of amount, repayment schedule etc. (a) Any other reason (please specify)	Refer Annexure 1

For Agnus Capital LLP (on behalf of the promoter group)



Karim P R
Designated Partner
DPIN:03435209

Place: Bangalore
Date: 04/10/2019

Solans Active Pharma Sciences Limited
 Details of all the existing events/ agreements pertaining to encumbrance

S. No.	Name of the Promoter/PAC	Type of encumbrance	No. of shares encumbered	% of Paid up share capital	Date of the encumbrance	Name of the entity in whose favour shares are encumbered (if any)	Specific details about the encumbrance			Security Cover / Asset Cover			Provision of remedy for what purpose - (a) Personal use by promoters and PACs (b) For the benefit of listed company
							Whether the entity is a public financial institution, NBFC or housing finance company?	Names of all other entities in the agreement	Whether the encumbrance is in respect of debenture, commercial paper, certificate of deposit etc.	Value of shares in the date of event / agreement (A)	Amount involved (in lakhs) which have been encumbered (B)	Ratio of A / B	
1	Chayadeep Ventures LLP	Pledge	28,000	0.11%	04-08-16	India Infoline Finance Limited	Yes	No	7,660,800	377,691,693	0.41	(a) Personal use by promoters and PACs	
						India Infoline Finance Limited	Yes	No	8,756,500	377,691,693	0.41	(a) Personal use by promoters and PACs	
						India Infoline Finance Limited	Yes	No	36,804,672	377,691,693	0.41	(a) Personal use by promoters and PACs	
						India Infoline Finance Limited	Yes	No	15,904,936	377,691,693	0.41	(a) Personal use by promoters and PACs	
2	Devevan Capital LLP	Pledge	151,546	0.59%	31-07-17	Devevan Capital LLP	Yes	No	41,465,986	63,000,000	0.64	(a) Personal use by promoters and PACs	
						Chayadeep Proprietary Private Limited; Apne Capital LLP; Mr. Arun Kumar Pillai Chayadeep Ventures LLP; and Mrs. Deepa Arun Kumar	No	51,841,728	377,691,693	0.41	(a) Personal use by promoters and PACs		
3	Apne Capital LLP	Pledge	121,770	0.47%	28-11-16	India Infoline Finance Limited	Yes	No	33,321,744	377,691,693	0.41	(a) Personal use by promoters and PACs	
						India Infoline Finance Limited	Yes	No	33,321,744	377,691,693	0.41	(a) Personal use by promoters and PACs	
4	Chayadeep Ventures LLP	Non-disposal underwriting	795,270	2.92%	27-12-16	Viara ITCL (India) Limited	Yes	Yes, Please refer Annexure 2 for details	205,821,072	5,04,117,647	0.15	(a) Personal use by promoters and PACs	
						1. Bharata Bioscience Solutions LLP; 2. Bharata Healthcare Private Limited; 3. Apne Capital LLP; 4. Apne Holdings Private Limited; 5. Apne Private Equity Partners Limited; 6. Chayadeep Ventures LLP; 7. Pronova Ventures LLP; 8. Mr. Arun Kumar Pillai; and 9. Trinity Mobility Private Limited; 10. Viara ITCL (India) Limited; 11. Altra BioPharmaceuticals LLP; 12. Apne Ventures LLP; 13. Apne Ventures Private Limited; and 14. Bharata Healthcare Private Limited.	No	51,841,728	377,691,693	0.41	(a) Personal use by promoters and PACs		
5	Pronova Ventures LLP	Non-disposal underwriting	2,100,833	8.15%	27-12-16	Viara ITCL (India) Limited	Yes	Yes, Please refer Annexure 2 for details	574,987,909	5,04,117,647	0.15	(a) Personal use by promoters and PACs	
						1. Bharata Bioscience Solutions LLP; 2. Bharata Healthcare Private Limited; 3. Apne Capital LLP; 4. Apne Holdings Private Limited; 5. Chayadeep Proprietary Private Limited; 6. Chayadeep Ventures LLP; 7. Pronova Ventures LLP; 8. Mr. Arun Kumar Pillai; and 9. Trinity Mobility Private Limited; 10. Viara ITCL (India) Limited; 11. Altra BioPharmaceuticals LLP; 12. Apne Ventures LLP; 13. Apne Ventures Private Limited; and 14. Bharata Healthcare Private Limited.	No	51,841,728	377,691,693	0.41	(a) Personal use by promoters and PACs		

Solara Active Pharma Sciences Limited

Annexure 2

Details of encumbrance relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.

Name of the issuer	Name of the debenture holder	Amount o/s	No. of debentures	Details of the debt instrument	Listed (Yes/No)	Credit Rating	ISIN
Karuna Healthcare Private Limited	KKR India Financial Services Private Limited	1,750,000,000	17,500	4.5% NCDs, Unrated	No	NA	INE466XO7030
Karuna Healthcare Private Limited	KKR India Debt Opportunities Fund II	500,000,000	5,000	4.5% NCDs, Rated	No	IVR BBB+ (Credit Enhancement)/Stable Outlook	INE466XO7014
Karuna Healthcare Private Limited	KKR India Debt Opportunities Fund II	168,400,000	1,684	4.5% NCDs, Unrated	No	NA	INE466XO7014
Karuna Healthcare Private Limited	BOI AXA Conservative Hybrid Fund	104,500,000	1,045	4.5% NCDs, Rated	No	IVR BBB+ (Credit Enhancement)/Stable Outlook	INE466XO7014
Karuna Healthcare Private Limited	Bank of India	370,000,000	3,700	4.5% NCDs, Rated	No	IVR BBB+ (Credit Enhancement)/Stable Outlook	INE466XO7014
Karuna Healthcare Private Limited	Aditya Birla Finance Limited	258,800,000	2,588	4.5% NCDs, Unrated	No	NA	INE466XO7014
Karuna Healthcare Private Limited	Aditya Birla Finance Limited	750,000,000	7,500	4.5% NCDs, Unrated	No	NA	INE466XO7030



Update from the Founders/Promoter Group of Solara

For the benefit of investors of Solara Active Pharma Sciences Limited (Solara) and as an abundance of clarity, the promoters and promoter group (Collectively referred as “Founders”) would like to provide the following updates:

The Founders have made all necessary disclosures to the Stock Exchanges and the Company with respect to the Negative Lien or Non-Disposal Undertakings on the loans availed by the family office of Founders. These disclosures are mandated by the Securities and Exchange Board of India (SEBI) vice circular no. SEBI / HO / CFD / DCR1 / CIR / P/ 2019 /90 dated August 07, 2019.

Founders Background

The Promoters ownership of Solara primarily constitute the ownerships of the founders of Solara- Arun Kumar and co-promoter KR Ravishankar. The Founders collectively own 40.55% of Solara, and the details of their shareholding are as below:

GROUP	NO OF SHARES	%
Founders	10,452,270	40.55%

Status of Shares pledged as of September 30th, 2019 and disclosed to Stock Exchanges and Solara

GROUP	NO OF SHARES HELD	NO OF SHARES PLEDGED	% OF SHARES PLEDGED	% OF SHARES PLEDGED TO TOTAL CAPITAL
Founders	10,452,270	715,546	6.85%	2.78%

It is also pertinent to note that the **Founders have not issued any personal guarantees on the loans availed by Solara neither do they have issued any non-disposal undertakings**. Solara has a strong finance strength and balance sheet with healthy financial ratios. The aforementioned shares were pledged by the founders for **personal capital needs**.

Founders investment in Listed Companies

Outside of Solara, the founders are also classified as promoters in **two listed companies** viz. Strides Pharma Science Limited (A global finished dosage formulations Company) and SeQuent Scientific Limited (India’s largest fully integrated animal health company) .

The founders are not involved in the operations of Solara and SeQuent and they also have **no representation on the Board of Directors and management**. The founders consider themselves as pure financial investors for these companies.

Background on Negative Lien or Non-Disposal Undertakings made as per above SEBI Circular

In today’s disclosure, the founders have informed the Stock exchanges and the Company about the negative lien and non-disposal undertakings for an additional 2,853,103 shares held by founders which is 11.07% of Company’s total capital

These negative liens and non-disposal undertakings are on the loans availed by the founders for their family office investments which is a professionally managed family office. The family office was set up in 2004 to manage sector agnostic investments with a theme around “high capital long gestation” businesses with

scarcity value.

The family office has an invested capital of \$200m and has investments in several privately held companies and early-stage startups. Its capital pool is a combination of \$100m equity from the founders and ~\$100m line of credit from a debt syndicate mainly led by KKR India Financial Services Private Limited (KKR) where the Founders have also signed up for non-disposal undertakings on the portion of their ownership in the aforementioned listed companies including Solara. This practice is in line with the standard procedures which the lenders have in the normal course of their lending business.

The Family Office has cash flows to meet all future obligation, and since its inception in 2004, it has met all of its financial and lending obligations.

The above statement is issued by the Founders for better clarity and for the benefit of Solara and its investors.