

25th August 2021

To,

BSE Limited

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

**National Stock Exchange of India
Limited**

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

Scrip code: 541540

Name of Scrip: SOLARA

Dear Sir,

Sub: Outcome of meeting of the Board of Directors of Solara Active Pharma Sciences Limited ("Company") held on 25th August 2021 – Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015, as amended from time to time.

In terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015, we hereby submit the outcome of the meeting of the Board of Directors ("**Board**") of Solara Active Pharma Sciences Limited ("**Solara**" or the "**Company**") held on 25th August 2021.

Approval of the Original Scheme of Amalgamation on 9th April 2021

The Board of Directors of the Company in its meeting held on 9th April 2021 had approved the Draft Composite Scheme of Amalgamation of Aurore Life Science Private Limited ("Aurore Life Science" or "Amalgamating Company 1"), Emyrean Lifesciences Private Limited ("Emyrean" or "Amalgamating Company 2") and Hydra Active Pharma Sciences Private Limited ("Hydra" or "Amalgamating Company 3") with the Company ("Proposed Amalgamation"), based on the recommendations of the Audit Committee and the Committee of Independent Directors. The swap ratio for the amalgamation was determined by the valuer based on the financials as on 31st December 2020.

Post approval of the Board of Directors, the application was filed before the Stock Exchanges for obtaining Observation Letter to the Draft Scheme on 25th June, 2021. However, the National Stock Exchange vide letter dated 3rd August 2021 and Bombay Stock Exchange vide e-mail dated 9th August 2021 had asked for the valuation report of the companies based on the financials not being older than 3 months from the date of filing with the Stock Exchanges.

Communication Address:

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Batra Centre
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Guindy, Chennai - 600 032, India
Tel : +91 44 43446700, 22207500
Fax : +91 44 22350278
E-mail : investors@solara.co.in
www.solara.co.in

In view of the same, the Company has obtained the addendum to the valuation report dated 25th August 2021 determining the revised swap ratio based on the Financials Statements as on 30th June 2021 (being not more than 3 months old) and Addendum to the Fairness Opinion dated 25th August 2021.

The Board has taken on record and considered the aforesaid addendum to valuation report and the addendum to the Fairness Opinion and has decided to continue with the swap ratio for the Proposed Amalgamation as approved by the Board in its meeting held on 9th April 2021.

The Scheme is subject to the fulfilment of certain conditions including receipt of approvals of shareholders and creditors of companies involved and approval of other regulatory authorities as may be required, including those of the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India and the National Company Law Tribunal, having jurisdiction over the respective companies ("**NCLT**").

Please find enclosed **Annexure 1** containing details as per Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For and on behalf of
Solara Active Pharma Sciences Limited



Murali Krishna
Company Secretary
Encl: A/a

Annexure – I

Disclosures regarding the proposed Composite Scheme of Amalgamation and Arrangement

Sr. No.	Particulars	Details															
a)	Name of the entities forming part of the amalgamation/merger, details in brief such as size, turnover, etc	<p>This Scheme is a Composite Scheme of Amalgamation ("Scheme") involving:</p> <ol style="list-style-type: none"> Solara Active Pharma Sciences Limited ("Company" or "Solara" or "Amalgamated Company"). It is Listed on BSE and NSE; Aurore Life Science Private Limited ("Aurore Life Science" or "Amalgamating Company 1"); Empyrean Lifesciences Private Limited ("Empyrean" or "Amalgamating Company 2"); and Hydra Active Pharma Sciences Private Limited ("Hydra" or "Amalgamating Company 3"). <p>Set out below is the net-worth and total income for the Financial Year ending 31st March 2021 of the entities involved in the Scheme – (Amount in INR Crores)</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Total Income (Standalone)</th> <th>Net Worth (Standalone)</th> </tr> </thead> <tbody> <tr> <td>Solara</td> <td>1,645.29</td> <td>1,592.78</td> </tr> <tr> <td>Aurore Life Science</td> <td>515.65</td> <td>219.07</td> </tr> <tr> <td>Empyrean</td> <td>5.36</td> <td>(3.42)</td> </tr> <tr> <td>Hydra</td> <td>4.43</td> <td>126.73</td> </tr> </tbody> </table>	Particulars	Total Income (Standalone)	Net Worth (Standalone)	Solara	1,645.29	1,592.78	Aurore Life Science	515.65	219.07	Empyrean	5.36	(3.42)	Hydra	4.43	126.73
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b)	Whether the transaction would fall within the related transactions? If Yes, whether the same is done at "Arm's Length"	<p>The proposed Scheme does not fall within the purview of related party transactions in terms of exemption granted under General Circular No. 30/2014 dated 17th July 2014 issued by the Ministry of Corporate Affairs since the Scheme is under Sections 230 to 232 of the Companies Act, 2013 and is subject to the sanction of the National Company Law Tribunal and provisions of Section 188 of the Companies Act, 2013 are not applicable.</p> <p>The companies involved in the Scheme have following relationship with each other–</p> <ul style="list-style-type: none"> Karuna Business Solutions LLP is a common promoter in Solara and Hydra holding 7.83% and 29.75% stake in respective companies. Hydra holds 61.65% stake in Aurore Life Science. 															

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

		<ol style="list-style-type: none"> 2. The amalgamation would enable to enhance business potential and increased capability to offer a wider portfolio of products with a diversified resource base and deeper client relationships. 3. The amalgamation will significantly de-risk operations with the combined entity having eight manufacturing facilities, three Research & Development Centres and footprint in 75 + countries enabling a wider market reach and customer offerings. 4. Would have improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry. 5. Would enable greater access to different market segments in conduct of its business and addition of new products in the portfolio would improve the competitive position of the combined entity. 6. The amalgamation would add new Research and Development capabilities, new products pipeline and capabilities and would also bring in large Contract Research and Manufacturing ('CRAMS') business innovator relationship. 7. The proposed consolidation would result in financial resources being efficiently merged and pooled leading to more effective and centralized management of funds, greater economies of scale, stronger base for future growth and reduction of administrative overheads. 8. Further, the synergies arising out of consolidation of business will lead to enhancement of net worth of the combined business and enhancement in earnings and cash flow would optimize the value of the Transferee Company and enhance the shareholder's value. 9. Moreover, the amalgamation of Transferor Companies with the Transferee Company is expected to increase the long-term value for all the shareholders. Further, the public shareholders of the Transferee Company will have an opportunity to participate in the profit and growth of the businesses of Transferor Companies which are currently unlisted.
e)	In case of cash consideration - amount or otherwise share exchange ratio;	<p>There is no cash consideration involved in the Scheme.</p> <p><u>To the shareholders of Transferor Company 1:</u> 1298 (One thousand two hundred and Ninety-Eight) fully paid-up equity shares of Rs. 10 (Rupees Ten only) each of the</p>

		<p>Transferee Company, credited as fully paid up, for every 10,000 (Ten Thousand) equity shares fully paid up of Rs. 10 (Rupees Ten only) each of the Transferor Company 1 held by such shareholders.</p> <p><u>To the shareholders of Transferor Company 2:</u> Since the entire share capital of Transferor Company 2 shall be held by the Company upon amalgamation of Transferor Company 1 with the Company, no shares shall be issued pursuant to amalgamation of Transferor Company 2 with the Company.</p> <p><u>To the shareholders of Transferor Company 3:</u> 884 (Eight Hundred and Eighty Four) fully paid-up equity shares of Rs. 10 (Rupees Ten only) each of the Transferee Company, credited as fully paid up, for every 10,000 (Ten Thousand) equity shares fully paid up of Rs. 10 (Rupees Ten only) each of the Transferor Company 3 held by such shareholders.</p>																													
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p><u>Change in shareholding of Solara:</u></p> <table border="1" data-bbox="662 1115 1465 1671"> <thead> <tr> <th rowspan="2">Category</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No. of shares</th> <th>% share holding</th> <th>No. of shares</th> <th>% share holding</th> </tr> </thead> <tbody> <tr> <td>Promoter and Promoter Group</td> <td>1,42,03,710*</td> <td>39.54</td> <td>2,48,05,788</td> <td>50.39</td> </tr> <tr> <td>Public</td> <td>2,17,26,057</td> <td>60.46</td> <td>2,44,18,779</td> <td>49.61</td> </tr> <tr> <td>Non-Promoter Non Public</td> <td>-</td> <td>-</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>3,59,29,767</td> <td>100</td> <td>4,92,24,567</td> <td>100</td> </tr> </tbody> </table> <p>*The Company has filed application for re-classification of Sequent Scientific Limited (holding 5,52,083 shares) from Promoter to no promoter. As such, the same has been excluded from the Promoter Group.</p>	Category	Pre-Scheme		Post-Scheme		No. of shares	% share holding	No. of shares	% share holding	Promoter and Promoter Group	1,42,03,710*	39.54	2,48,05,788	50.39	Public	2,17,26,057	60.46	2,44,18,779	49.61	Non-Promoter Non Public	-	-			Total	3,59,29,767	100	4,92,24,567	100
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