

RATIONALE

This Scheme provides for transfer by way of a demerger of the Commodity API Business (as defined hereinafter) of Strides and the Human API Business (as defined hereinafter) of Sequent into Solara.

- The Commodity API Business and Human API Business, being "B2B" businesses, require a differentiated strategy and direction to grow and deliver value.
- Segregation of the Commodity API Business from the other core "B2C" businesses of Strides will allow concentrated focus by Solara management on the Commodity API Business and Strides management on its other core B2C businesses.
- Segregation of the Human API Business from the animal healthcare business of Sequent will allow concentrated focus by Solara management on the Human API Business and Sequent management on the animal healthcare business.
- The unbundling of Commodity API Business and Human API Business and consolidation into Solara will 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.

The Scheme is expected to be in the best interests of the shareholders, employees and the creditors of each of the Demerged Company 1, Demerged Company 2 and the Resulting Company.

In furtherance of the aforesaid, this Scheme provides for the following:



SeQuent Scientific Limited

- (i) the transfer by way of a demerger of the Demerged Undertaking 1 (as defined hereinafter) of the Demerged Company 1 to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company 1 in accordance with the Share Entitlement Ratio 1 (as defined below) ("First Demerger");
- (ii) the transfer by way of a demerger of the Demerged Undertaking 2 (as defined hereinafter) of the Demerged Company 2 to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company 2 in accordance with the Share Entitlement Ratio 2 (as defined below) ("Second Demerger"); and
- (iii) various other matters consequential or integrally connected therewith, including the reorganisation of the share capital of the Resulting Company;

pursuant to Sections 230 to 232 and other relevant provisions of the Act in the manner provided for in this Scheme and in compliance with the provisions of the Income Tax Act, 1961, including Section 2(19AA) thereof.

For Sequent Scientific Limited


Krupesh Mehta
Company Secretary

