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STRIDES PHARMA- Equity Shareholders	10-09-2024

## **STRIDES PHARMA SCIENCE LIMITED**

### **NCLT convened meeting of Equity Shareholders**

**Moderator** : Good morning. This is Rajitha, your moderator for the event. We have 35 shareholders connected in this meeting. Thank you.

**Ms. Manjula Ramamurthy** : What is the number you said, Rajitha?

**Moderator** : 35

**Ms. Manjula Ramamurthy** : 35 members have joined in. So we have a quorum. Good morning, ladies and gentlemen. I am Manjula Ramamurthy, Company Secretary of Strides, joining from the Corporate Office at Bangalore. We welcome you all to the NCLT convened meeting of Equity Shareholders of Strides which is being held through VC, pursuant to the NCLT order of July 26th.

Mr. R. K. Pathania, Retd. IRS is the Chairperson for this meeting appointed by NCLT.

Mr. Mitesh Shah, Practicing Company Secretary is the Scrutinizer for this meeting appointed by NCLT. Mitesh has joined, sir. He's there.

We also have the Board Members and Management team from Strides joining this meeting through VC.

**Ms. Manjula Ramamurthy** : Let me introduce the Board Members joining this meeting over VC.

We have Mr. Arun Kumar, Founder and Executive Chairperson of the Company.

**Mr. Arun Kumar** : Good morning everybody and welcome to the NCLT convened meeting today.

**Ms. Manjula Ramamurthy** : Thank you, sir. Mr. Badree Komandur, Managing Director and Group CEO of the Company.

**Mr. Badree Komandur** : Good morning and welcome everyone.

**Ms. Manjula Ramamurthy** : Thank you.

Mr. Aditya Arun Kumar, Executive Director - Business Development.

**Mr. Aditya Arun Kumar** : Good morning, everyone. Thank you for joining us today.

**Ms. Manjula Ramamurthy** : Dr. Kausalya Santhanam, Independent Director and Chairperson of the CSR Committee and Stakeholders Relationship Committee.

**Dr. Kausalya Santhanam** : Hi. Good morning to all of you.

**Ms. Manjula Ramamurthy** : Thank you, ma'am.

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Mr. Homi Khusrookhan, Independent Director and Chairperson of the Audit Committee and Risk Management Committee.

**Mr. Homi Khusrookhan** : Good morning.

**Ms. Manjula Ramamurthy** : Good morning, sir.

Mr. Ameet Hariani, Independent Director and Chairperson of the Nomination and Remuneration Committee.

**Mr. Ameet Hariani** : Good morning, everyone.

**Ms. Manjula Ramamurthy** : Good morning. Thank you.

Mr. Subir Chakraborty, Independent Director.

**Mr. Subir Chakraborty** : Good morning.

**Ms. Manjula Ramamurthy** : Thank you. We also have with us Mr. Vikesh Kumar who is Group CFO of the company.

**Mr. Vikesh Kumar** : Good morning.

**Ms. Manjula Ramamurthy** : We also have with us, our Statutory Auditors and Internal Auditors, who have joined over the VC.

Before we hand over the proceedings of this meeting to Mr. Pathania, I would like to brief you about the meeting arrangements.

This meeting is being held through VC in accordance with the various circulars issued by MCA and SEBI. The VC facility is provided by KFin Technologies. Proceedings of this meeting are being recorded for compliance purposes.

Few of the shareholders have registered as speakers for this meeting. Floor will be open for them, for asking questions, once the management presentation is completed.

All shareholders joining this meeting are by default, placed on mute mode. During the Q&A session, the moderator will unmute the audio and video for the speakers.

As the meeting is being held through VC, the requirement of appointment of proxies is not applicable and therefore Proxy Register is not available for inspection.

In accordance with the requirements of the Companies Act, the Secretarial Standards and SEBI Listing Regulations, remote e-voting facility was provided from September 5th, 2024 up to September 9th, 2024, both days inclusive. Remote e-voting was blocked on September 9th, 2024 at 17:00 hours.

Shareholders who have not yet cast their votes through remote e-voting and who are participating in this meeting will have an opportunity to cast their votes during the meeting through the e-voting module provided by KFin.

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For any technical support, shareholders may contact KFin team at the toll free number 1800-3094-001. We now request Mr. Patania to chair and conduct the meeting.

Over to you, sir.

**Mr. R. K. Pathania** : Thank you, Manjula. She's summed up in quite a detailed, elaborate way. And welcome you all.

Before we start the meeting, I would like to see first, that we have the quorum of. How much is it? Three fourth of value of the shares.

**Ms. Manjula Ramamurthy** : 30 members, is the NCLT order. Recommended.

**Mr. R. K. Pathania** : No. In value it should be 75% of the.

**Ms. Manjula Ramamurthy** : That's for approval, sir.

**Ms. Manjula Ramamurthy** : Quorum for attending the meeting is 30

**Mr. R. K. Pathania** : Okay, so we have the quorum and we can start the meeting.

Now, first of all, as per the NCLT orders, as the requisite quorum is present, I shall call this meeting to order.

Now, as you're aware, this meeting is being convened for the purpose of seeking approval of the Equity Shareholders of the Company for the proposed Scheme of Arrangement amongst Strides Pharma Science Limited, Transferor or Demerged Company we call it, and the Steriscience Specialties Private Limited, again, the second Demerged Company. And of course, the OneSource Specialty Pharma Limited, which would be the Resulting Company and their respective shareholders.

Pursuant to the order of the NCLT of 26th of July, we have sent Notice of Meeting through electronic mode to the shareholders whose email IDs are with us. We had sent them the Notices by courier, to other shareholders who have not registered their emails and otherwise, basically most of them through email. And other documents referred to in the Notice, we had given to earlier with the Notices, but they're still available and for inspection on the website of the company.

With the consent of the shareholders, I present and take the same as received and read. I hope you have seen the thing in detail.

It's very elaborately-made scheme, covering all aspects of the merger, and I'm sure you have read it too. So I take it that way.

Now, I would like to remind the shareholders that this meeting has been convened only to discuss this particular aspect of the merger and does not pertain to any other issues or business of the Company.

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So please limit yourself to that. Now, before proceeding with the business contained in the Notice, I request Mr. Arun Kumar, the Executive Chairperson of the Company to provide a brief presentation covering the salient features of the Arrangement to the shareholders.

**Mr. Arun Kumar :** Thank you, Sir and good morning, again.

So basically, today's presentation will include the proposed scheme. I will talk a little bit about OneSource which, on successful completion of this process, will become India's first Specialty Pharma Pure Play Contract Development and Manufacturing Organization. This scheme creates significant value discovery and unlocking for the Strides shareholders and all minority shareholders. It also has a OneSource overview, the synergies of the scheme, the salient features of the scheme, the resultant structure of OneSource and the retained business of Strides as is relevant for shareholders to understand what remains at Strides and way forward for the scheme and of course finally to seek approval of our shareholders under your Chairmanship. Thank you.

So, just to give you a quick update on the Proposed Scheme of Arrangement, Strides will demerge its Oral Soft Gelatin business and its Identified CDMO business (including investments in OneSource) into OneSource. So, this will happen through a demerger of the businesses that have been identified.

The share entitlement is 1 equity share of OneSource fully paid up for every 2 equity shares of Strides which is a ₹10 per share each fully paid up. Upon demerger, the shares of OneSource held by Strides will be cancelled and Strides will cease to hold an equity stake in OneSource and these shares will then be issued to the shareholders of Strides.

Part B of the scheme is Steriscience will demerge its Identified Sterile Injectables business into OneSource and accordingly, Steriscience will demerge the Identified business. And the share entitlement ratio is 1,515 equity shares of OneSource for every 1 share of Steriscience and the swap ratio has been arrived based on Independent Valuation provided by PwC Business Consulting Group and a Fairness Opinion on the transaction was provided by Jefferies India which is part of the overall Scheme.

Strides currently holds 31% of the Biologics division. The CDMO division was earlier called Stelis and now called Onesource and 100% of its Oral technologies (Soft Gelatin) business and has no ownership and Sterile Injectables business which gets demerged and all of this will form OneSource, India's first Spec Pharm Pure Play CDMO. Strides shareholders will consequently own 44% of the economics of OneSource resulting in a significant value unlock for shareholders of Strides.

So we are set to become, on day one, amongst the Top 5 CDMO players in India, but India's first Specialty Pharma CDMO and it will allow us to focus our Generics business and take over the CDMO business into a new company and therefore, creating a very significant value discovery for the Strides shareholders. This allows shareholders and investors to value both businesses independently and investment strategies are aligned separately. Efficient capital allocation and focused leadership to drive growth of both businesses and continued focus on superior governance standards.

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So what is OneSource? As it's the first Spec Pharm CDMO, we are one of the few companies globally which will have both manufacturing Biologics through very complex mammalian and microbial technologies, drug-device combinations, especially for GLP drugs. These are the new drugs that are self-medicated, typically in full devices. So we call them drug-device combinations and very few companies, we are the only company in India which is FDA approved which manufactures drug-device combinations of scale, complex injectables and the soft gelatin capsules.

OneSource, on day one, will have five state-of-art facilities. All of them are FDA approved and in the last 24 months, these five facilities have completed 18 successful global inspections.

It will have 1200 employees with 200 scientists and techno-commercial leaders and it will have extensive capacity for a wide range of modalities and ability to expand at industry-leading speed.

So the modalities of the Spec Pharm, modalities as in the formats of manufacturing, will include Biologics both in mammalian and microbial. It will have process development and analytical development capabilities, drug substance manufacturing both for clinical batches and commercial batches and drug product manufacturing again for clinical and commercial. Drug-device combinations and complex injectables. Also, we will be making soft gelatin capsules, which will include formulation development, technology transfer and commercial manufacturing. So both R&D, clinical stage and large scale commercial manufacturing is possible on Day 1 with this infrastructure.

We are considered to be a highly efficient CDMO player with full services. We are fully invested. This business is a high Capex long-gestation business. That phase has been completed. And all the subparts of the business are profitable.

We have a state-of-art manufacturing infrastructure, phenomenal quality and compliance track record which is the key to be a successful player and we have proven development capabilities as an R&D and long-standing relationships with very large Corporates worldwide, that allows us to accelerate this business.

And of course, we have an independent Board, strong corporate governance backed by an experienced leadership team, but also supported by a supervisory and advisory council of globally leading individuals who help us not only acquire customers but also grow this business significantly.

The synergies obviously are better administration and supervision of the combined CDMO business, efficient utilization of infrastructure. It enables wider scope of independent collaboration. We are already seeing customers participating across all the three platforms and it enhances the business potential and results in an increased capability. The synergies will result in enhancement of net worth, the combined business and improved earnings and cash flow.

OneSource is expected to be delivering free cash of a very high level and also has industry leading gross margins, EBITDA and Return on Capital Employed. And we strongly believe

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that this will benefit our shareholders very significantly as we build this business, independent of the Generics business.

The salient features of the scheme are - Appointed date is April 1st, 2024. All assets and liabilities of the demerged undertaking, including tangible assets, intellectual property, customer contracts, employees and all related liabilities would be transferred to OneSource. OneSource would issue shares to shareholders of Strides and Steriscience based on the share entitlement ratio recommended for the scheme.

Upon receipt of the requisite approvals, OneSource will be listed automatically on the NSE and BSE. Of course we will have to get all the approvals in place and post the NCLT. We expect listing and trading with no restrictions for Strides' shareholders with regards to their ownership.

The resultant structure of OneSource is that the promoters will own ~37% and the public will own ~62% of the company. There is no change in the shareholding pattern of Strides consequent to the demerger. Strides shareholders, including promoters, will hold 44% of OneSource, of which public shareholders will own 32.65%.

And what does this do to the Strides retained business? We have guided that, while this year we will achieve an EBITDA of around ₹950 crores, which includes a business that is going to be transferred to OneSource but minus the 200 crores of EBITDA which will move to OneSource, Strides will still deliver 750 crores of EBITDA, which is greater than the EBITDA of the last year and it will also result in a very superior Net Debt to EBITDA of under 2.

For most of our Strides shareholders, you'll recall that we had a high leverage and now not only strong operating free cash generation, Strides has resulted in a very strong Balance Sheet. But this action will further reduce the debt by another INR 300 crores. And consequently, when the scheme is done and dusted, most of the corporate guarantees issued by Strides will become zero or negligible and the Net Debt to EBITDA in both the resultant companies, will be under 2 in a very healthy free cash-generating business, which also will ensure that we will be able to unlock further value in the company.

The way forward is that we are, today, seeking approval of shareholders and creditors through the NCLT meeting. Today is our shareholders meeting as we speak. After which we will be submitting our applications to the regulatory authorities regarding the RoC, the Regional Director and then we will seek the approval from NCLT and issuance of shares of OneSource and then the filing of the NCLT order with SEBI and the Stock Exchanges and the Registrar of Companies consequent to that, we expect listing of OneSource on BSE and NSE. We expect this can happen in a period from 4 to 6 months depending upon how we cross each step.

Thank you. And today we are seeking approval from our esteemed shareholders for the Scheme of Arrangement amongst Strides, Steriscience and OneSource and their respective shareholders. Under the approval under the Companies Act, the majority of persons representing three-fourth in value of shareholders voting in favor of the proposal and in terms of the SEBI Master Circular on Scheme of Arrangement, votes cast by public shareholders in favor of the proposal are more than the number of votes cast by the public

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shareholders against the scheme. So these are the two approvals that we are seeking: approvals under the Companies Act and approvals under the SEBI Master Circular on Scheme of Arrangement. Thank you.

**Mr. R. K. Pathania** : Thank you, Mr. Arun Kumar.

**Mr. Arun Kumar** : Pleasure, sir.

**Mr. R. K. Pathania** : Now, I understand that what is being transferred is 30% of the total business of Strides?

**Ms. Manjula Ramamurthy** : The SGC.

**Mr. Arun Kumar** : CDMO. 30% of the market.

**Mr. R. K. Pathania** : 30% of the market. Now the one, of course, the OneSource is functioning from Bangalore or is it from Bombay?

**Mr. Arun Kumar** : Yes. It is Bangalore. It's manufacturing operations are in Bangalore. But the Registered Office is in Bombay.

**Mr. R. K. Pathania** : Okay. So there will be a situation that shareholders would be common for both the companies?

**Mr. Arun Kumar** : Sir, 44%. Yes, 44% of the shareholders will be common.

**Mr. R. K. Pathania** : Common for both of the entities. Okay. Thank you very much Mr. Arun Kumar.

**Mr. Arun Kumar** : Thank you, sir.

**Mr. R. K. Pathania** : Now, before I propose the scheme for voting, we would be happy to answer any questions that can be taken up on this thing for clarifying or clarifications or any questions or comments from the shareholders present at the meeting on the scheme. I request the shareholders to restrict their questions, the comments only to discuss the issues relating to this matter so that the discussion could be focused. Thank you very much. Any questions on that coming up?

**Ms. Manjula Ramamurthy** : Thank you, sir. Before we open the forum for shareholders to ask their queries, because of the paucity of time, we are limiting the number of speakers who will be speaking at this forum.

We'll take all the questions together and we'll respond to them today at the meeting. However, because of paucity of time, if we are not able to, we will respond over email. So, queries that you could not raise here, you may send the queries to our email address, [investors@strides.com](mailto:investors@strides.com) and we'll be happy to respond to those queries. We would request the moderator to open the forum for question and answer, please.



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**Moderator** : Thank you. I request our first speaker, Mr. Rupesh Gulabchand, to kindly unmute your audio, switch on your video and proceed with your question.

**Mr. Rupesh Gulabchand** : Congratulations, sir on this step and congratulations on this value unlocking exercise. Most of my questions are related to OneSource business, so I will ask them quickly, one by one.

Sir, we were doing Capex in the capsule division which will be part of OneSource. We were increasing capacity from 800 million to 2.2 billion. So where are we on the Capex? Can you also talk about when that, you know, commercialization of that capacity will start? That is question number 1.

Second question is sir, we also have this drug substance and drug product manufacturing, DS DP manufacturing in the Bio CDMO part. And we have won some innovative contracts from a veterinary, in a veterinary space. But can you just give some ballpark idea about when we can see commercial revenue from manufacturing in this space? I mean currently we are doing a lot of development work, but when can we see some revenue from manufacturing?

Next question sir, is what would be the goodwill that will be carried on the books of OneSource because of this demerger that we are doing. And if you can split that demerger, how much is goodwill? How much of that will come from the Soft Gel business and how much of the goodwill will come from the Steriscience business? If you can talk about that. And what would be the amortization rate? What would be the annual amortization rate? If you have some view on that, then another question in the GLP space is, we have 40 million capacity of drug-device combinations. What is the. I mean, I think that capacity will start to be utilized from Q 3-Q4 this year. What kind of capacity utilization are you looking for in FY 26, financial year 2025-26?

That is another question. And then the final question, sir, is recently there was a credit rating report of OneSource which came in the month of July, last week. And it mentions that OneSource is looking to, you know, it is potentially looking at raising some funds. So maybe if you can provide objectives of that fundraise. These are my questions, sir. It would be great if you can answer all of them. Thank you.

**Mr. Arun Kumar** : Thank you, Rupesh.

**Moderator** : Now I invite our second speaker, Mr. Aspi Bamanshaw Bhesania, to kindly unmute your audio, switch on your video and proceed with your question.

**Mr. Aspi Bamanshaw Bhesania** : Okay, so I'm Aspi from Bombay.

The first question is why no physical AGM, physical NCLT meeting. At least in a physical meeting we can ask questions and get the answers. In online meetings, we cannot get proper answers. Just some answer is given and that's the end of it. We cannot cross question again. So please hold a physical AGM. Online meetings are meant for people who want to hide from the shareholders. You don't have anything to hide. And so far you used to hold physical meetings in Bombay. So please hold a physical meeting.



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So then page 31, the promoter's stake is increasing from 25.86% to around 37%.

Coming to Steriscience. Sir, standalone results for March 2023 and March 2022 and also consolidated results for March 2024, all are in loss and still you're valuing the company at such a high valuation. So what is the reason for that? If you can mention the reason why you're valuing and you are giving 1515 shares for every one share of the transferor company. You have such a high valuation to a loss-making company. Just because it's owned by a promoter doesn't mean that you should give such a high valuation.

So, are we likely to get the benefit of carry-forwarding the loss of this company and adjustment against the future profits, if there are any future profits of the OneSource.

So I would like you to give from now onwards, every quarter Strides excluding this and Strides including and also OneSource. Because at the time of listing we don't get to know what are the profits of OneSource. So please publicize the OneSource profits or P & L account or quarterly results, whatever you have latest.

Thank you very much and I hope I get my replies.

**Mr. Arun Kumar** : Thank you, Aspi.

**Moderator** : Thank you. I request our next speaker, Mrs. C. E. Mascarenhas to kindly continue with your question.

**Mrs. C. E. Mascarenhas** : Respected Chairman of the NCLT meet Mr. Pathania, our Strides founder and promoter Arun Kumar and other members of the Board, my dear fellow shareholders in this VC meet, I am Mrs. C. E. Mascarenhas I am speaking from Mumbai. As this is an NCLT meet I would have also liked to ask many questions which I have to limit myself. I come to that topic only. See, this we are demerging the CDMO business covering Biologics and what I understand if it is I'm not very clear. You can send the reply to my email.

We are going to get one against one share of Strides Pharma, 15 shares of OneSource, when they will be listed? Then we have five state-of-art facilities I think in Bangalore. What is the capacity utilizations of these state-of-art facilities and I would like to know this is CDMO business.

How much margins will we be enjoying in this business? I am not very understanding. So you can send on my email only.

We have around 12,000 employees. What is the average age and attrition level? We have an R & D. How many employees in the R&D center and what is the average age and the attrition level?

Lastly but not the least, the Capex requirement. As I heard this our founder said that there will be a requirement of Capex. I would like to know for the next three years how much will be the Capex requirement for organic as well as inorganic growth by acquisition and what we think of both these businesses, the growth level, growth engine.

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With this, I thank you very much for giving me this opportunity and I look out for the answers in the email because there are so many meetings at this time. So if I go to listen I may not be able to listen. Next is Aloysius Peter. He will say.

**Mr. Aloysius Peter Mascarenhas** : Hello. can I speak sir?

**Mr. Arun Kumar** : Yes, please go ahead.

**Mr. Aloysius Peter Mascarenhas** : Yeah. Respected Chairman sir, very distinguished members of the Board and my fellow shareholders. Good morning to you all. My name is Aloysius Peter Mascarenhas.

At the outset, I thank the management, Company Secretary for sending me the Notice which I received on time. I support all the resolutions put forward for this meeting. I have nothing to say. I wish the company, the Board of Directors and employees all the very best in the days of years to come. With this sir, thank you very much for patient hearing.

**Mrs. C. E. Mascarenhas** : Sir, please keep the AGM like previous shareholders said, in the physical form, the AGM. Now it is okay, NCLT. AGM, so that we can interact and know more about this CDMO one-to-one. With this, thank you very much. May God bless our company and I support all the resolutions. I know you will always work for our money in such a way you will reward and you have rewarded earlier also. With this, thank you very much. May God bless you with good health and the entire team. Thanks, once again.

**Mr. Arun Kumar** : Thank you.

**Moderator** : Thank you. Now I invite our fourth speaker, Mr. Aman Vij to kindly unmute your audience, switch on your video and proceed with your question.

**Mr. Aman Vij** : Yeah, good morning sir. My questions are as follows.

So the first question is on the goodwill part itself. So could you talk about what kind of amortization should we expect in OneSource per year in FY 25 and FY 26?

Also if you can give a rough timeline or approximation of the listing date of OneSource. Next question is you have talked about a \$30 million kind of guidance for Stelis for this year.

But going looking at the quarter 1 run rate and with the GLP 1 coming in H2, are we being very conservative on that guidance of \$30 million?

My final question is if you can talk a little bit on this important product, gVascepa have we commercialized it? Yes. And if not, because I believe we are not seeing the numbers or the profit sharing for that. So yeah, these are the questions. Thank you.

**Moderator** : Thank you. I invite our next speaker, Mr. Kaushik Narendra Shahukar to kindly unmute your audio, switch on your video and proceed with your question. No response received.

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I'll move on to our next speaker. I request Mr. Ramesh Shankar Golla to kindly unmute your audio, switch on your video and proceed with your question. No response received.

I request Mr. P. Jaichand, to kindly unmute your audio, switch on your video and proceed with your question.

**Mr. Jaichand** : Can you hear me? Am I audible?

**Moderator** : You are audible. You can proceed with your question?

**Mr. Jaichand** : First of all, I congratulate the management on the eve of Annual General Body Meeting. Sir, trust all is well with you and your family. In this challenging situation, our competition is much more respect than the current market cap. After completing more than a decade of successful operations, profitability, dividend history and becoming one of the strongest brands.

**Mr. Arun Kumar** : Mr. Jaichand. Mr. Jaichand. You're not audible.

**Ms. Manjula Ramamurthy** : Mr. Jaichand. You're not audible.

**Mr. Arun Kumar** : Can you speak up? You're not very audible.

Mr. Jaichand : Okay. Okay. Some discrepancy, madam. But, anyhow, my best wishes to the management. The company has a good corporate governance. Hope that the management will reward the minority shareholders in large numbers and by just having this NCLT meeting and with this how this minority shareholders will be benefited in a long run, I would like to know from you sir, and nothing much to ask. Whatever it is, we will come out in the Annual General Body Meeting and as other shareholders requested, kindly try to consider hybrid AGMs so that local shareholders can join you physically, pan India shareholders can join you virtually. Thank you very much, sir. And thank you for giving me the opportunity. Hope to see you in the hybrid AGM in the upcoming year. Thank you very much, sir.

**Moderator** : Thank you. With this, I hand over the session back to you. Thank you.

**Mr. Arun Kumar** : Thank you everybody, for your questions and I think we can answer most of them. But for Mrs. Mascarenhas' benefit we will also send her an email as requested. To Rupesh's question. We've already completed the Capex and on the soft gelatin expansion from 800 million to 2.2 billion. That unit is now commercial and we will start shipments in H2 from that capacity. You also asked us about the drug substance, drug product and the drug-device combinations.

You're right. Most of our revenues today are coming from Master Services Agreements which are R&D related activities. We expect our first commercial sales to happen in H2 and from the Biologics business, but obviously, both the Steriscience business and the soft gel business are commercial and highly profitable. So that will benefit the business. We expect the first GLP commercialization to happen in Q4 as guided.

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The next question was on goodwill. Considering that we do not have a common control possibility on this transaction, the goodwill amount on this transaction is fairly significant at around Rs. 4,700 crores.

But they will have no impairments as we will test them regularly. We expect half of them, half of it to be part of the intangibles and half as the tangible assets which will get amortized over a period of life which could be as much as 20 to 30 years in our business. So approximate depreciation and although the goodwill is high, the goodwill test impairments will never be there in our case, because it's a strong profit making business. We expect depreciation and intangibles not to exceed about Rs. 100 to Rs. 125 crores per year. On your question on GLP capacities, our 40 million capacity is now fully booked and we are now expanding our capacities. And that leads to your next question of fundraising.

The scheme allows the company to raise \$100 million of capital at not less than \$909 million valuation. We are in the process of achieving that goal. Obviously, we strongly believe we will place it at a significantly higher price than that value. And that is mainly to expand our cartridge capacity from 40 million to 170 million cartridges as we now have become one of the largest drug-device combination players and the fundraising is for that purpose.

To Aspi's specific questions on physical meetings, we appreciate your question, Aspi. But circumstances and in the environment that we operate in, we continue to use the online system and we hear you and other shareholders on a physical meeting.

We had committed that from FY 26 we will convert to physical meetings in our AGMs and I'm sure that we will achieve that, but not this year for reasons already we've been articulating. Your question, Aspi, on promoter shareholding going from 25% to 37%. Please try and understand that our shareholding of 25% is in Strides and it doesn't mirror the fact that we have also as a family office, as promoters invested Rs. 800 crores in Stelis, which is the same amount of money that Strides has invested. So the increase in our shareholding is mainly responsible from the increased investments that we have made in our business.

Your information on Steriscience is incorrect. Both in FY 2023 and 2024, Steriscience is a very significantly profitable company. You are referring to standalone numbers of India and not the consolidated numbers including the Singapore operations which are part of the scheme. So the business has delivered Rs. 80 crore PAT in FY 23 and I think about Rs. 160 or Rs. 170 crores of EBITDA and in FY24 also it is expected to be in that same range. So, it's a very profitable business and you have to please look at the consolidated numbers that we have provided to you as part of this scheme.

It is possible if the NCLT scheme is closed quickly, it is possible, and if we achieve listing within the same financial year, it is possible for us to carry forward the loss of Steriscience that will help in the PE accretion or the EPS accretion of the company. Your question is on excluding quarterly numbers as discontinued business. We will talk to our auditors at this time. We believe we will continue to present guidance, but we'll talk to our auditors if that is something that we must do or should do, and we will come back to you on that.

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To Mrs. Mascarenhas' questions, the share swap madam, is wrong in your mind. It is there in the scheme. So Manjula will clarify the share swap. Our current capacity utilization is about 60% so we have enough capacity to run this business. Our gross margins are about 65% and our EBITDAs are in the range of 30% to 35%.

We have 1200 employees. Average age and attrition. And R&D average age and attrition. We will give you that data for your benefit. The Capex required for growth is approximately Rs. 800 crores, as I was addressing the question of Rupesh and we expect that to be incurred in the next one year. Aman's question on goodwill has been addressed already and then I was not very sure about your guidance. But our guidance for the market for OneSource is approximately \$60 million of EBITDA. We are confident that we will achieve that with a large part of it coming in H2.

And that is because, please recall that OneSource, the Biologics business has taken us eight years to build and first breakeven. So, we only have 2 quarters of breakeven. But we are in H2, guided for a very strong outcome and we are on track to meet that guidance. The company never provides guidance it hasn't met. So, between \$58 to \$60 million is our target and we believe that we would achieve that.

Your question on gVascepa is right. We have launched our first already, but currently we are still in the whole class action suit situation with the innovator. So, we have taken small market shares but not very significant. And that was the only other question.

Aman had asked for listing timing. It's not in our hands. This is the large big meeting for shareholder votes and secured creditors which is later today. After that it is the typical NCLT process and after the NCLT process is completed, we expect listing to be achieved in approximately 60 to 90 days. Thank you all. We have answered all your questions. But as Manjula mentioned, if I have missed any questions, please feel free to write to us at [investors@strides.com](mailto:investors@strides.com) and we will respond promptly as always. Thank you.

**Ms. Manjula Ramamurthy** : Thank you, sir.

**Mr. R. K. Pathania** : Now I believe most of the questions have been answered. Comments from the shareholders have been met. Now as the meeting is through VC and the resolutions have been put to e-vote, there will be no proposing and seconding of the resolution.

Shareholders may also note that there will be no voting by show of hands. Shareholders to note that the Insta voting on the KFin platform will continue to be available for the next 15 minutes (One five minutes). Shareholders will have not cast their vote yet, may vote now.

Mr. Mitesh Shah, Scrutinizer for the e-voting process, shall submit his report on the voting results to the Chairperson of this meeting. The e-voting results will be announced on or before Thursday, September 12th and the same would be intimated to the Stock Exchanges and uploaded on the website of the company and RTA.

Shareholders to note this being an NCLT convened meeting, Results along with the Scrutinizer report will also be reported to the NCLT Bombay Bench at the earliest. The resolution as set forth in the Notice will be deemed to pass today, subject to receipt of

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requisite number of votes. Thank you all for attending the meeting and I hereby declare the proceedings as closed.

**Board** : Thank you, sir.

**Mr. R. K. Pathania** : Thank you everybody and good day to all of you. We had a good discussion at the meeting and I think all the questions and doubts have been clarified. Thank you.

**Mr. Arun Kumar** : Thank you sir. Thank you for your time. Thank you.

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