



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AXXELENT PHARMA SCIENCE PRIVATE LIMITED ('COMPANY') IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING HELD ON 7th AUGUST 2024 AT 10 A.M.

1. The Composite Scheme of Arrangement amongst Shasun Leasing and Finance Private Limited ("Transferor Company" or "SLFL") and Axxelent Pharma Science Private Limited ("Transferee Company" or "Axxelent" or the "Company") and their respective shareholders ("the Scheme") presented under Section 230 to 232 read with Section 55 and Section 66 and other applicable provisions of Companies Act, 2013 ("the Act") provides for the following:
 - Part I: Issue of 6 % Non - Convertible Cumulative Redeemable Preference Shares ('NCRPS') in lieu of the amount of Accumulated Unpaid Preference Dividend due and payable to the NCRPS Holders by Axxelent pursuant to Section 55(3) of the Companies Act, 2013;
 - Part II: Subject to satisfactory fulfilment and accomplishment of (a) above, conversion of all existing NCRPS [including NCRPS to be issued pursuant to Part I above] into equity shares of Axxelent; and
 - Part III: Subject to satisfactory fulfilment and accomplishment of (a) and (b) above, amalgamation of SLFL with Axxelent.
2. The Board of Directors of the Company had approved the Scheme in the captioned meeting
3. As per Section 232(2)(c) of the Act, a report is required to be adopted by the Directors explaining effect of the Scheme on each class of shareholders, key managerial personnel, promoter, and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties.
4. Following documents were placed before the board:
 - Draft Composite Scheme of Arrangement
 - Valuation Report dated 7th August 2024 issued by Transaction Square Advisory LLP [IBBI Registration No: IBBI/RV-E/06/2023/194]
5. **Consideration:**
Part II of the Scheme – Issuance of Non-Convertible Redeemable Preference Shares by the Transferee Company in lieu of the amount of the Accumulated Unpaid Preference Dividend due and payable to the Non-Convertible Redeemable Preference Shareholders

Issue and allotment of 6% Non-Convertible Redeemable Preference Shares ('NCRPS') in lieu of and in full satisfaction of the Accumulated Unpaid Preference Dividend of INR 10,89,67,108 (net off applicable withholding tax as per the provisions of the Income Act, 1961) outstanding as on 31st July 2024 to the NCRPS Holders in accordance with Section 55(3) of the Companies Act, 2013



Axxelent
Pharma Science Private Limited



Part III of the Scheme – Conversion of the Non-Convertible Redeemable Preference Shares into Equity Shares of the Transferee Company

Issuance and allotment of equity shares at a value of INR 65.60 per equity share on a proportionate basis to each Non-Convertible Redeemable Preference Shares ('NCRPS') Holder of the Transferee Company, whose name is recorded in the register of members as NCRPS Holder of the Transferee Company as on the Record Date 2 (as defined in Para 1.17 of the Scheme).

Part IV of the Scheme – Amalgamation of the Transferor Company with the Transferee Company

"1,76,036 (One Lakh Seventy-Six Thousand and Thirty-Six) fully paid-up equity shares of face value of INR 10 (Rupees Ten Only) each of Transferee Company, credited as fully paid-up, for every 10,000 (Ten thousand) fully paid-up equity shares of face value of INR 10 (Rupees Ten Only) of the Transferor Company"

Further, at present, the Transferor Company holds 40.42% of the preference share capital of the Transferee Company. Pursuant to Scheme being effective, the Transferor Company would get merged with Transferee Company and the shares held by Transferor Company in the Transferee Company would get cancelled upon amalgamation.

6. Effect of the Scheme on the Promoters, Non-Promoter Shareholders and Key Managerial Personnel of the Company:

The Scheme does not affect rights and interest of the Promoters and Non-Promoter Shareholders and key managerial personnel of the Company prejudicially. Further, there is no effect of the Scheme on the Directors or their relatives except to the extent of shares issued pursuant to Scheme.

7. No special valuation difficulties were reported by the Valuers

**For and on behalf of
Axxelent Pharma Science Private Limited**

Hariharan Subramanian
Director
DIN: 5297969
Chennai
07/08/2024