



**SOLARA**  
Active Pharma Sciences

**Communication Address :**  
**Solara Active Pharma Sciences Limited**  
Corporate office - 2<sup>nd</sup> floor, Admin Block  
27, Vandaloor Kelambakkam Road,  
Keelakottaiyur Village, Melakottaiyur (Post),  
Chennai - 600 127, India  
Tel : +91 44 4344 6700  
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E-mail : info@solara.com  
www.solara.co.in

August 4, 2022

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,

**Sub: Outcome of Board Meeting**

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Please refer our letter dated July 28, 2022, under Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in continuation we wish to inform that at the meeting of Board of Directors held today (August 4, 2022) the Directors has inter-alia approved the following:

- Unaudited financial results (standalone and consolidated) of the Company for the quarter ended June 30, 2022, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A copy of the unaudited financial results (standalone and consolidated) for the quarter ended June 30, 2022, along with the Limited Review Report by the Auditors and press release is attached.

The Board Meeting commenced at 11.15 a.m. and concluded at 1.30 p.m.

We request you to take the same on record.

Thanking you,  
Yours faithfully,  
**For Solara Active Pharma Sciences Limited**

  
**S. Murali Krishna**  
**Company Secretary**

Encl. as above

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2022 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

Sl. No.	Name of the entities
1	Solara Active Pharma Sciences Limited, the Parent
2	Sequent Penems Private Limited, wholly-owned subsidiary
3	Shasun USA Inc., wholly-owned subsidiary
4	Chemsynth Laboratories Private Limited, subsidiary

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

# Deloitte Haskins & Sells LLP

6. The unaudited consolidated financial results includes the interim financial information of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. 3.68 Crores, total net profit after tax of Rs. 2.70 Crores and total comprehensive income of Rs. 2.58 Crores for the quarter ended June 30, 2022, as considered in the Statement.

According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information certified by the Management.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Sathya P Koushik**  
(Partner)  
(Membership No. 206920)  
(UDIN: **22206920AOFHCR7515**)

Place: Bengaluru  
Date: August 04, 2022



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**

CIN: L24230MH2017PLC291636

Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

Address: 2nd Floor, Admin Block 27, Vandaloor Kelambakkam Road, Keelakottaiyur Village, Chennai 600 127

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2022**

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		UNAUDITED	(Refer Note 8)	UNAUDITED	AUDITED
I	Revenue from operations	330.07	360.82	405.57	1,268.34
II	Other income	6.98	6.07	5.91	20.02
III	<b>Total income (I + II)</b>	<b>337.05</b>	<b>366.89</b>	<b>411.48</b>	<b>1,288.36</b>
IV	<b>Expenses</b>				
	(a) Cost of materials consumed	182.71	156.95	227.79	858.86
	(b) Purchases of stock-in-trade	2.07	14.07	22.80	53.78
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	10.83	63.14	(72.13)	(258.75)
	(d) Employee benefits expense	53.84	43.73	61.15	236.34
	(e) Finance costs	22.50	21.47	18.96	75.28
	(f) Depreciation and amortisation expense	28.13	27.82	27.68	112.32
	(g) Other expenses	68.07	69.40	74.54	298.14
	<b>Total expenses (IV)</b>	<b>368.15</b>	<b>396.58</b>	<b>360.79</b>	<b>1,375.97</b>
V	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>	<b>(31.10)</b>	<b>(29.69)</b>	<b>50.69</b>	<b>(87.61)</b>
VI	Exceptional item profit / (loss) (Refer Note 7)	-	(1.31)	(0.58)	(3.49)
VII	<b>Profit/(loss) before tax (V - VI)</b>	<b>(31.10)</b>	<b>(31.00)</b>	<b>50.11</b>	<b>(91.10)</b>
VIII	<b>Tax expense</b>				
	- Current tax	0.57	0.17	8.84	0.17
	- Deferred tax	(15.22)	(32.98)	(8.84)	(32.98)
	<b>Total tax expense (VIII)</b>	<b>(14.65)</b>	<b>(32.81)</b>	<b>-</b>	<b>(32.81)</b>
IX	<b>Profit/(loss) for the period (VII - VIII)</b>	<b>(16.45)</b>	<b>1.81</b>	<b>50.11</b>	<b>(58.29)</b>
X	<b>Other comprehensive income</b>				
A	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
	(i) Remeasurement gains/(losses) of defined benefit plans	-	2.67	-	3.09
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	(1.08)	-	(1.08)
B	<b>Items that may be reclassified to subsequently to profit or loss:</b>				
	(i) Exchange differences on translating the financial statements of foreign operations	(0.16)	(0.06)	(0.06)	(0.12)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-
	<b>Total other comprehensive income for the period (X)</b>	<b>(0.16)</b>	<b>1.53</b>	<b>(0.06)</b>	<b>1.89</b>
XI	<b>Total comprehensive income/(loss) for the period (IX + X)</b>	<b>(16.61)</b>	<b>3.34</b>	<b>50.05</b>	<b>(56.40)</b>
XII	<b>Profit for the year attributable to:</b>				
	- Equity shareholders of the Company	(16.43)	1.88	50.13	(58.15)
	- Non-controlling interests	(0.02)	(0.07)	(0.02)	(0.14)
XIII	<b>Other Comprehensive Income attributable to:</b>				
	- Equity shareholders of the Company	(0.16)	1.53	(0.06)	1.89
	- Non-controlling interests	-	-	-	-
XIV	<b>Total Comprehensive Income attributable to:</b>				
	- Equity shareholders of the Company	(16.59)	3.41	50.07	(56.26)
	- Non-controlling interests	(0.02)	(0.07)	(0.02)	(0.14)
XV	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	35.92	36.00
XVI	Other equity excluding Non-controlling interest				1,488.87
	<b>Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)</b>				
	(a) Basic (in Rs.)	(4.56)	0.53	13.95	(16.18)
	(b) Diluted (in Rs.)	(4.56)	0.53	13.88	(16.18)
	See accompanying notes to the financial results				



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**

CIN: L24230MH2017PLC291636

Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

Address: 2nd Floor, Admin Block 27, Vandaloor kelambakkam Road, Keelakottaiyur Village, Chennai 600 127

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2022****Notes:**

- The above consolidated financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on August 4, 2022. The results for the quarter ended June 30, 2022 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2022.
- These consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("IND AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

**4 Information on Standalone Results:**

(Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		UNAUDITED	(Refer Note 8)	UNAUDITED	AUDITED
I	Total Income	336.55	365.51	411.37	1,287.10
II	Profit/(loss) before tax	(34.39)	(32.88)	50.56	(91.66)
III	Profit/(loss) after tax	(19.18)	0.22	50.56	(58.56)

- COVID 19 is the infectious disease caused by the recently discovered coronavirus, SARS CoV 2. In March 2020 the WHO declared COVID 19, a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption.

In assessing the recoverability of property plant and equipment, investment property, goodwill, receivables and intangible assets, the Group has considered internal and external information up to the date of approval of these financial results. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**7 Exceptional item profit / (loss) :**

(Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		UNAUDITED	(Refer Note 8)	UNAUDITED	AUDITED
I	Business combination and restructuring expenses	-	(1.31)	(0.58)	(3.49)

- The results for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and published year to date figures up to third quarter of the respective financial year then ended.

For and on behalf of board

  
Jitesh Devendra  
Managing DirectorPlace : Bengaluru  
Date : August 04, 2022

**SOLARA ACTIVE PHARMA SCIENCES LIMITED**

CIN: L24230MH2017PLC291636

Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

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**CONDENSED CONSOLIDATED UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2022**

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		UNAUDITED	(Refer Note 3)	UNAUDITED	AUDITED
<b>Continuing operations:</b>					
1	Total income from operations	337.05	366.89	411.48	1,288.36
2	Net Profit for the period before tax	(31.10)	(31.00)	50.11	(91.10)
3	Net Profit for the period after tax	(16.45)	1.81	50.11	(58.29)
4	Other Comprehensive Income for the period	(0.16)	1.53	(0.06)	1.89
5	Total Comprehensive Income for the period (3 + 4)	(16.61)	3.34	50.05	(56.40)
6	Equity Share Capital	36.00	36.00	35.92	36.00
7	Other Equity				1,488.87
8	Earnings Per Share (of Rs. 10/- each) (for continuing operations) -				
	Basic (Rs.)	(4.56)	0.53	13.95	(16.18)
	Diluted (Rs.)	(4.56)	0.53	13.88	(16.18)

**Notes:**

- 1 The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results are available on the websites of the NSE Limited ([www.nseindia.com](http://www.nseindia.com)), BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and at the Company's website ([www.solara.co.in](http://www.solara.co.in))
- 2 The above consolidated financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on August 4, 2022. The results for the quarter ended June 30, 2022 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2022.
- 3 The results for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and published year to date figures up to third quarter of the respective financial year then ended.

For and on behalf of board

Jitesh Devendra  
Managing DirectorPlace : Bengaluru  
Date : August 04, 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company"), for the quarter ended June 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Sathya P Koushik**  
(Partner)  
(Membership No. 206920)  
(UDIN: **22206920AOFFUL6025**)

Place: Bengaluru  
Date: August 04, 2022



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
CIN: L24230MH2017PLC291636

Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.  
Address: 2nd Floor, Admin Block 27, Vandaloor kelambakkam Road, Keelakottaiyur Village, Chennai 600 127

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS**  
FOR THE QUARTER ENDED JUNE 30, 2022

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		UNAUDITED	(Refer Note 7)	UNAUDITED	AUDITED
I	Revenue from operations	330.07	360.82	405.57	1,268.34
II	Other income	6.48	4.69	5.80	18.76
III	<b>Total income (I + II)</b>	<b>336.55</b>	<b>365.51</b>	<b>411.37</b>	<b>1,287.10</b>
IV	<b>Expenses</b>				
	(a) Cost of materials consumed	182.70	156.96	227.79	858.86
	(b) Purchases of stock-in-trade	2.07	14.07	22.80	53.78
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	10.83	63.14	(72.13)	(258.75)
	(d) Employee benefits expense	53.84	43.69	60.36	234.20
	(e) Finance costs	22.50	21.46	18.92	75.27
	(f) Depreciation and amortisation expenses	28.05	27.74	27.60	112.01
	(g) Other expenses	70.95	70.02	74.89	299.90
	<b>Total expenses (IV)</b>	<b>370.94</b>	<b>397.08</b>	<b>360.23</b>	<b>1,375.27</b>
V	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>	<b>(34.39)</b>	<b>(31.57)</b>	<b>51.14</b>	<b>(88.17)</b>
VI	Exceptional item profit / (loss) (Refer Note 6)	-	(1.31)	(0.58)	(3.49)
VII	<b>Profit/(loss) before tax (V - VI)</b>	<b>(34.39)</b>	<b>(32.88)</b>	<b>50.56</b>	<b>(91.66)</b>
VIII	<b>Tax expense</b>				
	- Current tax	-	-	8.84	-
	- Deferred tax	(15.21)	(33.10)	(8.84)	(33.10)
	<b>Total tax expense (VIII)</b>	<b>(15.21)</b>	<b>(33.10)</b>	<b>-</b>	<b>(33.10)</b>
IX	<b>Profit/(loss) for the period (VII - VIII)</b>	<b>(19.18)</b>	<b>0.22</b>	<b>50.56</b>	<b>(58.56)</b>
X	<b>Other comprehensive income</b>				
A	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
	(i) Remeasurement gains/(losses) of defined benefit plans	-	2.67	-	3.09
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	(1.08)	-	(1.08)
B	<b>Items that may be reclassified to subsequently to profit or loss:</b>				
	Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-
	<b>Total other comprehensive income/(loss) for the period (X)</b>	<b>-</b>	<b>1.59</b>	<b>-</b>	<b>2.01</b>
XI	<b>Total comprehensive income/(loss) for the period (IX + X)</b>	<b>(19.18)</b>	<b>1.81</b>	<b>50.56</b>	<b>(56.55)</b>
XII	<b>Paid-up equity share capital (face value of Rs. 10/- each)</b>	<b>36.00</b>	<b>36.00</b>	<b>35.92</b>	<b>36.00</b>
XIII	<b>Other equity</b>				<b>1,491.05</b>
	<b>Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)</b>				
	(a) Basic (in Rs.)	(5.33)	0.06	14.07	(16.29)
	(b) Diluted (in Rs.)	(5.33)	0.06	14.00	(16.29)
	See accompanying notes to the financial results				





**SOLARA ACTIVE PHARMA SCIENCES LIMITED**

CIN: L24230MH2017PLC291636

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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS**

FOR THE QUARTER ENDED JUNE 30, 2022

**Notes:**

- The above standalone financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on August 4, 2022. The results for the quarter ended June 30, 2022 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2022.
- These standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("IND AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The Company's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is
- COVID 19 is the infectious disease caused by the recently discovered coronavirus, SARS CoV 2. In March 2020 the WHO declared COVID 19, a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption.  
In assessing the recoverability of property plant and equipment, investment property, goodwill, receivables and intangible assets, the Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

**6 Exceptional item profit / (loss) :****(Rs. In Crores)**

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2022	31.03.2022	30.06.2021	31.03.2022
		UNAUDITED	(Refer Note 7)	UNAUDITED	AUDITED
1	Business combination and restructuring expenses	-	(1.31)	(0.58)	(3.49)

- The results for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and published year to date figures up to third quarter of the respective financial year then ended.

For and on behalf of board

Jitesh Devendra  
Managing DirectorPlace : Bengaluru  
Date : August 04, 2022

**Press Release**

## Solara announces Q1'23 Financial Results

- ⇒ Q1'23 demonstrates a steady start as the base business starts to regain traction
- ⇒ Quarterly Revenues stood at ₹3,371m with reported EBITDA at ₹181m
- ⇒ Regulated markets back to >60% of the total revenues leading to improved gross margins
- ⇒ Significant operational initiatives introduced to improve profitability, on track for a bounce back in H2'23

**Bengaluru, India – August 4, 2022:** Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE: 541540), a leading Active Pharmaceutical Ingredient / CRAMS company, today announced the financial results for the first quarter (Q1'23)

### Financial Performance for Q1'23 (Excluding Vizag Facility)

Particulars (INR m)	Q1'23	Q4'22	Q1'22	QoQ%	YoY%
<b>Revenue</b>	<b>3,371</b>	<b>3,669</b>	<b>4,115</b>	<b>-8%</b>	<b>-18%</b>
Gross margins	1,401	1,299	2,308	8%	-39%
Gross margins %	41.6%	35.4%	56.1%		
<b>Operating EBITDA</b>	<b>477</b>	<b>513</b>	<b>1,325</b>	<b>-7%</b>	<b>-64%</b>
Operating EBITDA %	14.2%	14.0%	32.2%		
<b>EBITDA</b>	<b>289</b>	<b>285</b>	<b>1,067</b>	<b>1%</b>	<b>-73%</b>
EBITDA Margins %	8.6%	7.8%	25.9%		

### Financial Performance for Q1'23 (Reported)

Particulars (INR m)	Q1'23	Q4'22	Q1'22	QoQ%	YoY%
<b>Revenue</b>	<b>3,371</b>	<b>3,669</b>	<b>4,115</b>	<b>-8%</b>	<b>-18%</b>
Gross margins	1,401	1,299	2,308	8%	-39%
Gross margins %	41.6%	35.4%	56.1%		
<b>Operating EBITDA</b>	<b>369</b>	<b>404</b>	<b>1,208</b>	<b>-9%</b>	<b>-69%</b>
Operating EBITDA %	10.9%	11.0%	29.3%		
<b>EBITDA</b>	<b>181</b>	<b>176</b>	<b>950</b>	<b>2%</b>	<b>-81%</b>
EBITDA Margins %	5.4%	4.8%	23.1%		

Commenting on the financial performance, **Jitesh Devendra**, the Managing Director of the Company, remarked, "Coming from a challenging fiscal, we had a steady start to the year. While our business continue to witness headwinds, our course correction strategy is now in action. Our first 100 days of the year have primarily been focused on bringing back the momentum we had on customer centricity by better networking, rekindling the R&D focus, and adding even more products under the cost improvement basket. We have been selective in the business and have focused mainly on the products that are more relevant for the longer ployout of our plan. Consequently, our Q1'23 performance aligns with our expectations for the base business (ex-Vizag). While we have not seen the historical peak demand, the off-take for our main products is improving each month, and we continue to see green shoots. The Vizag strategy is playing to plan, and our focus is to get the site approved by the authorities at the earliest. Q1

developments give us confidence that the company is on the recovery path, and we are well on course with a stronger bounce back in the second half of FY23. Our next 100-day priority will be to continue building on the actions that we have initiated in Q1 and intense focus on getting into growth, improving our cashflows, and strengthening the balance sheet.”

**More details are included in the attached investor presentation.**

### EBITDA Reconciliation

Particulars (INR m)	Q1'23	Q4'22	Q1'22	FY22
Profit/(loss) before exceptional items and tax	(311)	(297)	507	(876)
Add : Finance costs	225	215	190	753
Add: Depreciation and amortisation expense	281	278	277	1,123
Less: Interest income	(14)	(20)	(23)	(78)
<b>Consolidated Reported EBITDA as per press release</b>	<b>181</b>	<b>176</b>	<b>950</b>	<b>922</b>

### Earnings Conference Call

The Company will conduct earnings call at **4.00 PM IST on August 4, 2022**, where the Management will discuss the Company’s performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in numbers for this call are **+91 22 6280 1346 or +91 22 7115 8247**. Please note that the conference call transcript will be uploaded on the Company website in due course.

### About Solara

Solara Active Pharma Sciences Ltd (BSE-541540, NSE-SOLARA), headquartered in Bengaluru, India, offers a basket of diversified, high-value Commercial APIs and Contract manufacturing services in over 75 countries. It has a manufacturing base comprising five globally compliant API facilities, with approvals including the USFDA, EU GMP, and PMDA in Japan.

#### Investor / Analyst contact

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#### Statutory and corporate affairs

**Murali Krishna S**

**Raghavan. V**

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*Disclaimer: Certain statements in this document are not historical facts and are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political, or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Solara Active Pharma Sciences Ltd will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

# Q1'23 Earnings Update

Solara Active Pharma Sciences  
August 4, 2022

Staying Focused.  
**Rebuilding Resilience.**



## Performance Ex- Vizag (₹ In Million)

Particulars	Q1'23	Q4'22	Q1'22	QoQ%	YoY%
<b>Revenue</b>	<b>3,371</b>	<b>3,669</b>	<b>4,115</b>	<b>-8%</b>	<b>-18%</b>
Gross margins	1,401	1,299	2,308	8%	-39%
Gross margins %	41.6%	35.4%	56.1%		
<b>Operating EBITDA</b>	<b>477</b>	<b>513</b>	<b>1,325</b>	<b>-7%</b>	<b>-64%</b>
Operating EBITDA %	14.2%	14.0%	32.2%		
<b>EBITDA</b>	<b>289</b>	<b>285</b>	<b>1,067</b>	<b>1%</b>	<b>-73%</b>
EBITDA Margins	8.6%	7.8%	25.9%		

## Performance with Vizag (₹ In Million)

Particulars	Q1'23	Q4'22	Q1'22	QoQ%	YoY%
<b>Revenue</b>	<b>3,371</b>	<b>3,669</b>	<b>4,115</b>	<b>-8%</b>	<b>-18%</b>
Gross margins	1,401	1,299	2,308	8%	-39%
Gross margins %	41.6%	35.4%	56.1%		
<b>Operating EBITDA</b>	<b>369</b>	<b>404</b>	<b>1,208</b>	<b>-9%</b>	<b>-69%</b>
Operating EBITDA %	10.9%	11.0%	29.3%		
<b>EBITDA</b>	<b>181</b>	<b>176</b>	<b>950</b>	<b>2%</b>	<b>-81%</b>
EBITDA Margins	5.4%	4.8%	23.1%		



Coming from a challenging fiscal, we had a steady start to the year. While our business continue to witness headwinds, our course correction strategy is now in action. Our first 100 days of the year have primarily been focused on bringing back the momentum we had on customer centricity by better networking, rekindling the R&D focus, and adding even more products under the cost improvement basket. We have been selective in the business and have focused mainly on the products that are more relevant for the longer ployout of our plan.

Consequently, our Q1'23 performance aligns with our expectations for the base business (ex-Vizag). While we have not seen the historical peak demand, the off-take for our main products is improving each month, and we continue to see green shoots. The Vizag strategy is playing to plan, and our focus is to get the site approved by the authorities at the earliest.

Q1 developments give us confidence that the company is on the recovery path, and we are well on course with a stronger bounce back in the second half of FY23. Our next 100-day priority will be to continue building on the actions that we have initiated in Q1 and intense focus on getting into growth, improving our cashflows, and strengthening the balance sheet.

**Jitesh Devendra**  
Managing Director



# Our course correction strategy is playing out for each of the business verticals as planned for FY23



## Priority

## Revive Base Business growth & profits

## Recalibrate R&D for high velocity

## Enhance capacity usage at Vizag




**Underlying Value Drivers**

- ▶ **Base Ibuprofen and Ibuprofen derivative** business with 30+ years legacy and dual manufacturing site with backward integration
- ▶ **Non-Ibuprofen business** comprising of high-value products differentiated by scale or integration
- ▶ **Fast Growing CRAMS business** with a wide gamut of service offerings.

- ▶ **High R&D velocity** to deliver new products every year
- ▶ **Product selection strategy** on new molecules, quick-to-launch approaches, and market extensions
- ▶ Focus on the **selection of higher margin molecules** with emphasis on leveraging **strong chemistry capabilities**

- ▶ Phase 1 of the **Vizag facility** was commissioned in Q2'21 to expand capacities for Ibuprofen and other multiple products.
- ▶ **Capacity designed to support backward integration** and enable new API launches with supply chain security
- ▶ Multipurpose Plant to support new product validation for **future growth**



**Our Value Enablers**

- ▶ Diversification of **customer base on large volume products**
- ▶ Continued focus on **CIPs and backward integration**
- ▶ **Focus on new markets** for existing products
- ▶ Building levers for higher **regulated market sales**

- ▶ Build on the **good market presence** in many of the settled business products
- ▶ **High GTM focus** on seeding customers for new products
- ▶ **Leverage relationships with innovators** and partner on newer offerings

- ▶ Get Vizag triggered for inspection.
- ▶ Focus on getting new **business through new launches or leverage facility** for multiple products
- ▶ Implement a **CIP program** through Vizag for better margins on existing products

## QoQ Performance (₹ In Million)

Particulars	Q1'23	Q4'22	Change
<b>Revenue</b>	<b>3,371</b>	<b>3,669</b>	<b>-8%</b>
Gross margins	1,401	1,299	8%
Gross margins %	41.6%	35.4%	620 bps
<b>Operating EBITDA</b>	<b>369</b>	<b>404</b>	<b>-9%</b>
Operating EBITDA Margins	10.9%	11.0%	-10 bps
R&D Cost	(80)	(119)	
Under recovery – Vizag	(108)	(109)	
<b>EBITDA</b>	<b>181</b>	<b>176</b>	<b>2%</b>
EBITDA Margins	5.4%	4.8%	60 bps
<b>PAT</b>	<b>(165)</b>	<b>18</b>	
Basic EPS (₹/Share)	(4.56)	0.53	

## YoY Performance (₹ In Million)

Particulars	Q1'23	Q1'22	Change
<b>Revenue</b>	<b>3,371</b>	<b>4,115</b>	<b>-18%</b>
Gross margins	1,401	2,308	-39%
Gross margins %	41.6%	56.1%	
<b>Operating EBITDA</b>	<b>369</b>	<b>1,208</b>	<b>-69%</b>
Operating EBITDA Margins	10.9%	29.3%	
R&D Cost	(80)	(141)	
Under recovery - Vizag	(108)	(117)	
<b>EBITDA</b>	<b>181</b>	<b>950</b>	<b>-81%</b>
EBITDA Margins	5.4%	23.1%	
<b>PAT</b>	<b>(165)</b>	<b>501</b>	
Basic EPS (₹/Share)	(4.56)	13.95	

\*Q1'22 data were re-casted to reflect Vizag Under recovery

Key Business Metrics for FY23

### Revive Base Business growth & profits

- ▶ Regulated markets revenues at 66% of Q1'23 revenues (vs. 43% in Q1'22), led to higher gross margins for the quarter
- ▶ Increase in demand for Ibuprofen derivatives and other new products; New products accounted for 6% of Q1'23 revenues
- ▶ CRAMS continued to deliver strong growth. CRAMS revenue at 5% of Q1'23 revenues; Significant new business seeded
- ▶ Continued focus on Operating cost reduction and inventory management

### Recalibrate R&D for high velocity

- ▶ Re-initiated stronger focus on R&D and added 15+ new programs for the year ; On track to file 6 new DMFs in FY23
- ▶ Significant focus on products with high gross margins and cost improvement programs initiated for high volume products

### Enhance capacity usage at Vizag

- ▶ Initiated validation supplies to customers to trigger regulatory inspection
- ▶ Backward integration project shall be in operation in Q3'23
- ▶ Planning certain product supplies to less regulated markets in Q3'23

# While we have improved our balance sheet, the key ratios will see a further pick up in H2'23

## Sources of funds (₹ In Million)

Particulars	Mar'20	Mar'21	Mar'22	Jun'22
Shareholders' funds	10,860	15,885	15,248	15,087
Less: Goodwill	-3,651	-3,651	-3,651	-3,651
<b>Net worth</b>	<b>7,209</b>	<b>12,234</b>	<b>11,597</b>	<b>11,436</b>
Term Loan	3,530	2,460	4,147	3,775
Working capital Loan	3,538	3,609	6,099	5,980
<b>Gross Debt</b>	<b>7,068</b>	<b>6,069</b>	<b>10,246</b>	<b>9,755</b>
Less: Cash & Cash Equiv.	-1,068	-1,985	-973	-599
<b>Net Debt</b>	<b>6,000</b>	<b>4,084</b>	<b>9,273</b>	<b>9,156</b>
<b>Total</b>	<b>13,209</b>	<b>16,318</b>	<b>20,870</b>	<b>20,592</b>

## Use of funds (₹ In Million)

Particulars	Mar'20	Mar'21	Mar'22	Jun'22
Net Tangible Fixed Assets	9,932	10,359	11,620	11,639
Net Non-current Assets	183	735	1,124	1,331
Net Current Assets	3,094	5,224	8,126	7,622
<b>Total</b>	<b>13,209</b>	<b>16,318</b>	<b>20,870</b>	<b>20,592</b>

## Net Debt movement (₹ In Million)

Particulars	Term Loan	Working Capital	Cash & CE	Net Debt
<b>Opening as on 1.4.2022</b>	<b>4,147</b>	<b>6,099</b>	<b>(973)</b>	<b>9,273</b>
Add: Fresh Term loan	-	-	-	-
Less: Term loan repaid	(372)	-	-	(372)
Reduction in Working capital	-	(119)	-	(119)
Working capital Loan repaid/ Capex	-	-	(374)	(374)
<b>Closing as on 30.6.2022</b>	<b>3,775</b>	<b>5,980</b>	<b>(599)</b>	<b>9,156</b>

- ▶ Net debt has been reduced from ₹ 9,273 million to ₹ 9,156 million during this quarter. No fresh loans were availed during the quarter. Cash balance utilized to fund capex and reduction of Working capital loan..
- ▶ Net Current Assets reduced from ₹ 8,126 million to ₹ 7,622 million primarily due to reduction in Inventory.
- ▶ Actions to structurally optimize inventory and right-size the working capital being implemented



## Q1'23 Performance

Particulars	Core Business (Ex-Vizag)	R&D Led Growth Business	Vizag Under Recoveries	Total
<b>Revenue</b>	<b>3,371</b>	-	-	<b>3,371</b>
EBITDA	369	(80)	(108)	181
EBITDA %	11%			5%
<b>Profit Before Tax</b>	<b>(5)</b>	<b>(111)</b>	<b>(195)</b>	<b>(311)</b>

## Q4'22 Performance

Particulars	Core Business (Ex-Vizag)	R&D Led Growth Business	Vizag Under Recoveries	Total
<b>Revenue</b>	<b>3,669</b>	-	-	<b>3,669</b>
EBITDA	404	(119)	(109)	176
EBITDA %	11%			5%
<b>Profit Before Tax</b>	<b>2</b>	<b>(148)</b>	<b>(164)</b>	<b>(310)</b>

- ▶ **Core Business:** EBITDA at ₹ 369 million with 11% margins
- ▶ **R&D Led Growth Business:** R&D cost at ₹ 80 million. We plan to file 6 new product filings in FY23.
- ▶ **Vizag Under Recoveries:** Under recoveries of ₹ 108 million. The Vizag facility to be maintained at cGMP condition to meet the regulatory requirement. Due to COVID, the regulatory inspection was not triggered, and the Company expects to trigger regulatory inspection in FY23.

### Solara Leadership Participants



**Jitesh Devendra**  
*Managing Director*



**S. Hariharan**  
*Executive Director & CFO*



16:00hrs , IST



Thursday, August 4



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Pre-register here for  
diamond pass\*

# Thank You



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