

November 11, 2021

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

We wish to inform that meeting of Board of Directors of Solara Active Pharma Sciences Limited ("Company") held today (i.e., November 11, 2021), the Directors has inter-alia approved Unaudited financial results (standalone and consolidated) of the Company for the quarter and half year ended September 30, 2021 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A copy of the unaudited financial results (standalone and consolidated) along with the Limited Review Report by the Auditors and press release is attached.

The Board Meeting commenced at 11.30 am and concluded at 2.15 pm.

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 and six months ended September 30, 2021 ("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 consolidated unaudited financial results includes the interim financial information of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of Rs. 24.41 Crores as at September 30, 2021, total revenue of Rs 0.48 Crores and Rs 0.95 Crores for the quarter and six months ended September 30, 2021 respectively, total loss after tax of Rs 0.55 Crores and Rs 1.00 Crores for the quarter and six months ended September 30, 2021 respectively and Total comprehensive loss of Rs 0.55 Crores and Rs 1.00 Crores for the quarter and six months ended September 30, 2021 respectively and net cash flows of Rs. 0.28 Crores for the six months ended September 30, 2021, 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: 21206920AAAAMT2159)

Place: Bengaluru
Date: November 11, 2021



SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291436
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 400 032
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

(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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	401.61	405.57	397.56	807.18	745.98	1,616.88
II	Other Income	3.21	5.91	6.12	9.22	10.70	28.77
III	Total income (I + II)	404.82	411.48	403.68	816.40	756.68	1,645.65
IV	Expenses						
	(a) Cost of materials consumed	245.47	227.79	173.45	473.26	301.15	603.77
	(b) Purchases of stock-in-trade	16.91	22.80	14.10	39.71	17.12	42.80
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(75.27)	(72.13)	(13.39)	(147.40)	5.57	(2.15)
	(d) Employee benefits expense	65.94	61.15	58.01	127.09	112.51	229.37
	(e) Finance costs	17.03	18.96	19.37	35.99	39.20	84.48
	(f) Depreciation and amortisation expense	28.38	27.68	27.60	56.04	53.83	103.66
	(g) Other expenses	76.70	74.54	67.77	151.24	126.21	277.22
	Total expenses (IV)	375.16	360.79	346.91	735.95	657.59	1,424.15
V	Profit before exceptional items and tax (III - IV)	29.76	50.69	56.77	80.45	99.09	221.50
VI	Exceptional item profit / (loss) (Refer Note B)	(0.06)	(0.59)	-	(0.66)	-	-
VII	Profit before tax (V - VI)	29.68	50.11	56.77	79.79	99.09	221.50
VIII	Tax expense						
	- Current tax	5.93	8.84	9.85	14.77	17.32	36.80
	- Deferred tax	(5.93)	(8.84)	(9.77)	(14.77)	(17.19)	(36.65)
	Total tax expense (VIII)	-	-	0.08	-	0.13	0.15
IX	Profit for the period (VII - VIII)	29.68	50.11	56.69	79.79	98.96	221.35
X	Other comprehensive income						
A	Items that will not be reclassified subsequently to profit or loss:						
	(i) Remeasurement gains/(losses) of defined benefit plans	0.42	-	(3.18)	0.42	(3.18)	(2.53)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
B	Items that may be reclassified to subsequently to profit or loss:						
	(i) Exchange differences on translating the financial statements of foreign operations	(0.03)	(0.06)	0.09	(0.09)	0.10	0.13
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income for the period (X)	0.39	(0.06)	(3.09)	0.33	(3.08)	(2.40)
XI	Total comprehensive income for the period (IX + X)	30.07	50.05	53.60	80.12	95.88	218.95
XII	Profit for the year attributable to:						
	- Equity shareholders of the Company	29.71	50.13	56.67	79.84	98.95	221.40
	- Non-controlling interests	(0.03)	(0.02)	0.02	(0.05)	0.01	(0.05)
XIII	Other Comprehensive income attributable to:						
	- Equity shareholders of the Company	0.39	(0.06)	(3.09)	0.33	(3.08)	(2.40)
	- Non-controlling interests	-	-	-	-	-	-
XIV	Total Comprehensive income attributable to:						
	- Equity shareholders of the Company	30.10	50.07	53.58	80.17	95.87	219.00
	- Non-controlling interests	(0.03)	(0.02)	0.02	(0.05)	0.01	(0.05)
XV	Paid-up equity share capital (face value of Rs. 10/- each)	35.92	35.92	35.81	35.92	35.81	35.92
XVI	Other equity excluding Non-controlling interest	-	-	-	-	-	1,552.60
	Earnings per equity share (face value of Rs. 10/- each)						
	(a) Basic (in Rs.)	8.27	13.95	19.21	22.22	34.96	69.09
	(b) Diluted (in Rs.)	8.22	13.88	17.25	22.10	31.99	64.52

See accompanying notes to the financial results



SOLARA ACTIVE PHARMA SCIENCES LIMITED
 CIN: L24230MH2017PLC291634
 Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
 Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
 FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

CONSOLIDATED BALANCE SHEET			
(Rs. In Crores)			
Sl. No.	Particulars	As at September 30, 2021	As at March 31, 2021
		(UNAUDITED)	(AUDITED)
A	Assets		
I	Non-current assets		
	(a) Property, plant and equipment	840.88	851.92
	(b) Right of use assets	57.88	59.30
	(c) Capital work in progress	177.82	87.98
	(d) Investment property	24.95	25.29
	(e) Goodwill	365.09	365.09
	(f) Other intangible assets	75.01	79.98
	(g) Financial assets		
	(i) Investments	0.42	0.42
	(ii) Loans	0.03	0.15
	(iii) Other financial assets	12.67	11.66
	(h) Deferred tax assets (net)	40.44	25.61
	(i) Income tax assets (net)	2.15	0.17
	(j) Other non-current assets	48.41	48.38
	Total non-current assets	1,645.75	1,555.95
II	Current assets		
	(a) Inventories	495.22	294.97
	(b) Financial assets		
	(i) Trade receivables	700.99	483.87
	(ii) Cash and cash equivalents	95.82	197.69
	(iii) Bank balances other than (ii) above	0.86	0.85
	(iv) Loans	50.16	1.65
	(v) Other financial assets	18.93	27.77
	(c) Other current assets	46.85	50.83
	Total current assets	1,408.83	1,057.63
	Total Assets (I+II)	3,054.58	2,613.58
B	Equity and liabilities		
I	Equity		
	(a) Equity Share capital	35.92	35.92
	(b) Other equity	1,627.65	1,552.60
	Equity attributable to the owners of the Company	1,663.57	1,588.52
	Non-controlling interests	2.40	4.24
	Total Equity	1,665.97	1,592.76
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	246.20	154.83
	(ii) Lease liabilities	11.19	11.77
	(iii) Other financial liabilities	0.48	0.42
	(b) Provisions	12.78	11.36
	(c) Other non-current liabilities	49.02	53.69
	Total Non-current liabilities	319.67	232.07
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	592.06	452.08
	(ii) Lease liabilities	2.15	2.05
	(iii) Trade payables		
	– Dues of micro and small enterprises	7.05	5.81
	– Dues of other than micro and small enterprises	414.64	303.49
	(iv) Other financial liabilities	14.49	4.22
	(b) Provisions	1.83	1.83
	(c) Current tax liabilities (net)	1.94	0.14
	(d) Other current liabilities	34.78	19.13
	Total current liabilities	1,068.94	788.75
	Total liabilities	1,388.61	1,020.82
	Total Equity and Liabilities (I+II)	3,054.58	2,613.58



SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291436
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS			
(Rs. In Crores)			
Sl. No.	Particulars	Six months period ended 30-Sep-21	Six months period ended 30-Sep-20
		UNAUDITED	UNAUDITED
A	Cash flow from operating activities		
	Profit before tax for the period	80.45	99.09
	Adjustments for:		
	Depreciation and amortisation	56.06	53.83
	Interest expense on loans	35.99	39.20
	Share based compensation expenses	3.79	2.69
	Rental income from investment property	(2.78)	(2.91)
	Interest income	(3.89)	(5.25)
	Liabilities / provisions no longer required written back	-	(0.80)
	Loss/(Profit) on sale of property, plant and equipment	0.03	(0.04)
	Provision / (reversal) for doubtful receivables and advances	2.58	(0.09)
	Unrealised exchange (gain)/loss (net)	1.20	(1.62)
	Operating profit before working capital changes	173.43	184.10
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(200.25)	7.56
	Trade receivables	(219.22)	(66.53)
	Other assets (financial & non-financial)	(5.18)	(19.57)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	111.98	36.64
	Other liabilities (financial & non-financial)	26.62	(6.53)
	Cash generated from operations	(112.62)	135.67
	Net income tax (paid) / refunds	(14.95)	(12.45)
	Net cash flow from operating activities (A)	(127.57)	123.22
B	Cash flow from investing activities		
	Capital expenditure for property, plant and equipments and intangible assets, including capital advances	(118.02)	(64.23)
	Rental income from investment property	2.78	2.91
	Intercompany deposit (given) / received	(50.00)	50.00
	Proceeds from sale of property, plant and equipment	0.10	0.05
	Proceeds from sale of investments in other entities	-	(0.10)
	Interest received	7.46	3.30
	Net cash flow used in investing activities (B)	(157.68)	(8.07)
C	Cash flow from financing activities		
	Proceeds from issue of equity shares	-	295.64
	Proceeds from non-current borrowings	156.11	63.75
	Repayment of non-current borrowings	(42.92)	(51.28)
	Net increase / (decrease) in current borrowings	116.89	(24.96)
	Lease payments	(1.22)	(1.41)
	Interest paid	(34.70)	(39.41)
	Dividend paid	(10.78)	(5.37)
	Net cash flow from financing activities (C)	163.38	236.96
	Net increase in cash and cash equivalents (A+B+C)	(101.87)	352.11
	Cash and cash equivalents at the beginning of the period	197.69	56.04
	Cash and cash equivalents at the end of the period	95.82	408.15

Reconciliation of cash and cash equivalents with the Balance Sheet		
Particulars	Six months period ended 30-Sep-21	Six months period ended 30-Sep-20
Cash and cash equivalents as per Balance Sheet	95.82	408.15
Cash and cash equivalents at the end of the year*	95.82	408.15
* Comprises		
Cash on hand	0.04	0.11
Balance with banks:		
- In current account	22.33	9.31
- In deposit account	73.45	398.73
Total	95.82	408.15



SOLARA ACTIVE PHARMA SCIENCES LIMITED
 CIN: L24230MH2017PLC291636
 Regd. Office: No. 201 Devavra, Sector 17, Vashi, Navi Mumbai 400 703.
 Corp. Office: No 28, Sardar Patel Road, Gulindy, Chennai - 600 032
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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 November 11, 2021. The results for the quarter ended and half year ended September 30, 2021 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have expressed an unmodified conclusion on the financial results for the quarter ended and half year ended September 30, 2021.
- 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.
- The Board of Directors at their meeting held on April 09, 2021 had approved the amalgamation of Aurore Life Science Private Limited, Empeyan Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited with the Company. Due to Change in composite scheme of Amalgamation, the Board of Directors at their meeting held on November 11, 2021 has approved the revised scheme of amalgamation of Empeyan Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited and demerger of pharma business of Aurore Life Science Private Limited with the Company. The Appointed Date for the merger is October 01, 2021 and the merger process is expected to be completed in Q2 FY 2022-23. The merger is subject to certain conditions including approvals from stock exchanges, SEBI, shareholders, Jurisdictional National Company Law Tribunal and other applicable statutory authorities.

5 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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Total Income	405.12	411.37	403.24	816.49	756.24	1,645.29
II	Profit before tax	30.23	50.56	55.94	80.79	98.03	220.96
III	Profit after tax	30.23	50.56	55.94	80.79	98.03	220.96

6 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.

7 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.

8 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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Business combination and restructuring expenses	(0.08)	(0.58)	-	(0.66)	-	-

9 In line with the requirements of Ind AS 34, the Group recognises tax expenses during the interim reporting periods, based on the estimated effective tax rate for the fiscal year ending March 31. Considering the extent of carryforward losses (including depreciation claims) available based on returns filed the Group, the Group has estimated that the normal tax for the fiscal year ending March 31, 2022 would be nil. Accordingly, the Group has accrued for current taxes based on Minimum Alternate Tax (MAT) and has recognised MAT credits in respect of the same. The Company will continue to opt for the old tax regime and will be offering its income for the year ending March 31, 2022 under the said regime.

10 The financial information pertaining to prior period have been regrouped / reclassified wherever necessary to conform with the classification required in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013 which was effective from April 01, 2021.

Place : Bengaluru
 Date : November 11, 2021

For and on behalf of board

Bharath R Seshu
 Managing Director & CEO



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 and six months ended September 30, 2021 ("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: 21206920AAAAMS4489)

Place: Bengaluru
Date: November 11, 2021



SOLARA ACTIVE PHARMA SCIENCES LIMITED

CIN: L24230MH2017PLC291636

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

Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021**

(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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	401.61	405.57	397.56	807.18	745.98	1,616.88
II	Other income	3.51	5.80	5.68	9.31	10.26	28.41
III	Total income (I + II)	405.12	411.37	403.24	816.49	756.24	1,645.29
IV	Expenses						
	(a) Cost of materials consumed	245.47	227.79	173.45	473.26	301.14	683.76
	(b) Purchases of stock-in-trade	16.91	22.80	14.10	39.71	17.12	42.80
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	(75.27)	(72.13)	(13.39)	(147.40)	5.57	(2.15)
	(d) Employee benefits expense	65.06	60.36	57.67	125.42	111.75	227.63
	(e) Finance costs	17.07	18.92	19.37	35.99	39.20	84.47
	(f) Depreciation and amortisation expenses	28.30	27.60	27.52	55.90	53.66	(88.31)
	(g) Other expenses	77.27	74.89	68.58	152.16	(29.77)	279.51
	Total expenses (IV)	374.81	369.23	347.30	735.04	658.21	1,424.33
V	Profit before exceptional items and tax (III - IV)	30.31	51.14	55.94	81.45	98.03	220.96
VI	Exceptional item profit / (loss) (Refer Note 7)	(0.08)	(0.58)	-	(0.66)	-	-
VII	Profit before tax (V - VI)	30.23	50.56	55.94	80.79	98.03	220.96
VIII	Tax expense						
	- Current tax	5.93	8.84	9.77	14.77	17.19	38.64
	- Deferred tax	(5.93)	(8.84)	(9.77)	(14.77)	(17.19)	(38.64)
	Total tax expense (VIII)	-	-	-	-	-	-
IX	Profit for the period (VII - VIII)	30.23	50.56	55.94	80.79	98.03	220.96
X	Other comprehensive income						
A	Items that will not be reclassified subsequently to profit or loss:						
	(i) Remeasurement gains/(losses) of defined benefit plans	0.42	-	(3.18)	0.42	(3.18)	(2.53)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
B	Items that may be reclassified to subsequently to profit or loss:						
	Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income/(loss) for the period (X)	0.42	-	(3.18)	0.42	(3.18)	(2.53)
XI	Total comprehensive income for the period (IX + X)	30.65	50.56	52.76	81.21	94.85	218.43
XII	Paid-up equity share capital (face value of Rs. 10/- each)	35.92	35.92	35.81	35.92	35.81	35.92
XIII	Other equity						1,556.66
	Earnings per equity share (face value of Rs. 10/- each)						
	(a) Basic (in Rs.)	8.42	14.07	18.97	22.69	34.64	68.86
	(b) Diluted (in Rs.)	8.37	14.00	17.02	22.37	31.69	64.40
	See accompanying notes to the financial results						



SOLARA ACTIVE PHARMA SCIENCES LIMITED

CIN: L24230MH2017PLC291636

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

Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021**

STANDALONE BALANCE SHEET

(Rs. in Crores)

Sl. No.	Particulars	As at	As at
		September 30, 2021	March 31, 2021
		(UNAUDITED)	(AUDITED)
A	Assets		
I	Non-current assets		
	(a) Property, plant and equipment	834.27	845.31
	(b) Right of use assets	57.88	59.30
	(c) Capital work in progress	177.56	87.72
	(d) Investment property	9.34	9.52
	(e) Goodwill	364.90	364.90
	(f) Other intangible assets	75.01	79.98
	(g) Financial assets		
	(i) Investments	18.13	18.13
	(ii) Loans	1.54	1.65
	(iii) Other financial assets	12.62	11.65
	(h) Deferred tax assets (net)	40.31	25.55
	(i) Income tax assets (net)	2.07	0.08
	(j) Other non-current assets	48.42	48.39
	Total non-current assets	1,642.05	1,552.18
II	Current assets		
	(a) Inventories	495.22	294.97
	(b) Financial assets		
	(i) Trade receivables	701.34	483.81
	(ii) Cash and cash equivalents	95.39	197.53
	(iii) Bank balances other than (ii) above	0.86	0.85
	(iv) Loans	50.16	1.65
	(v) Other financial assets	19.55	28.34
	(c) Other current assets	46.81	50.82
	Total current assets	1,409.33	1,057.99
	Total Assets (I+II)	3,051.38	2,610.17
B	Equity and liabilities		
I	Equity		
	(a) Equity share capital	35.92	35.92
	(b) Other equity	1,631.09	1,556.06
	Total equity	1,667.01	1,592.78
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	246.20	154.83
	(ii) Lease liabilities	11.19	11.77
	(iii) Other financial liabilities	0.42	0.42
	(b) Provisions	12.78	11.34
	(c) Other non-current liabilities	49.02	53.70
	Total Non-current liabilities	319.61	232.08
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	592.04	452.08
	(ii) Lease liabilities	2.15	2.05
	(iii) Trade payables		
	- Dues of micro and small enterprises	7.05	5.61
	- Dues of other than micro and small enterprises	410.20	299.82
	(iv) Other financial liabilities	14.85	4.62
	(b) Provisions	1.83	1.83
	(c) Current tax liabilities (net)	1.85	-
	(d) Other current liabilities	34.77	19.10
	Total current liabilities	1,044.76	785.31
	Total liabilities	1,384.37	1,017.39
	Total equity and liabilities (I+II)	3,051.38	2,610.17



SOLARA ACTIVE PHARMA SCIENCES LIMITED
 CIN: L24230MH2017PLC291634
 Regd. Office: No. 201 Devavala, Sector 17, Vashi, Navi Mumbai 400 703.
 Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032
STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
 FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

STANDALONE STATEMENT OF CASH FLOWS			
(Rs. In Crores)			
Sl. No.	Particulars	Six months period ended 30-Sep-2021	Six months period ended 30-Sep-2020
		UNAUDITED	UNAUDITED
A	Cash flow from operating activities		
	Profit before tax for the period	80.79	98.03
	Adjustments for:		
	Depreciation and amortisation	55.90	53.66
	Interest expense on loans	35.99	39.20
	Share based compensation expenses	3.79	2.69
	Rental income from investment property	(2.78)	(2.80)
	Interest income	(3.97)	(5.33)
	Liabilities / provisions no longer required written back	-	(0.39)
	Loss/(Profit) on sale of property, plant and equipment	0.03	(0.04)
	Provision / (reversal) for doubtful receivables and advances	2.58	(0.07)
	Unrealised exchange (gain)/loss (net)	1.20	(1.62)
	Operating profit before working capital changes	173.53	183.31
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(200.25)	7.56
	Trade receivables	(219.63)	(64.94)
	Other assets (financial & non-financial)	(5.08)	(17.03)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	111.21	34.66
	Other liabilities (financial & non-financial)	27.25	(9.54)
	Cash generated from operations	(112.97)	134.02
	Net income tax (paid) / refunds	(14.91)	(11.65)
	Net cash flow from operating activities (A)	(127.88)	122.37
B	Cash flow from investing activities		
	Capital expenditure for property, plant and equipments and intangible assets, including capital advances	(118.02)	(64.19)
	Rental income from investment property	2.78	2.80
	Intercompany deposit (given) / received	(50.00)	30.00
	Proceeds from sale of property, plant and equipment	0.10	0.05
	Proceeds from sale of investments in other entities	-	(0.10)
	Interest received	7.54	3.38
	Net cash flow used in investing activities (B)	(157.60)	(8.06)
C	Cash flow from financing activities		
	Proceeds from issue of equity shares	-	295.64
	Proceeds from non-current borrowings	156.11	63.75
	Repayment of non-current borrowings	(42.92)	(51.28)
	Net increase / (decrease) in current borrowings	11.689	(24.96)
	Lease payments	(1.22)	(1.41)
	Interest paid	(54.74)	(39.41)
	Dividend paid	(10.78)	(5.37)
	Net cash flow from financing activities (C)	183.34	236.98
	Net increase in cash and cash equivalents (A+B+C)	(102.14)	351.27
	Cash and cash equivalents at the beginning of the period	197.53	55.84
	Cash and cash equivalents at the end of the period	95.39	407.11

Reconciliation of cash and cash equivalents with the Balance Sheet:		
Particulars	Six months period ended 30-Sep-2021	Six months period ended 30-Sep-2020
Cash and cash equivalents as per Balance Sheet	95.39	407.11
Cash and cash equivalents at the end of the year*	95.39	407.11
* Comprises		
Cash on hand	0.04	0.11
Balance with banks:		
- In current account	21.90	8.27
- In deposit account	73.45	398.73
Total	95.39	407.11



SOLARA ACTIVE PHARMA SCIENCES LIMITED

CIN: L24230MH2017PLC291636

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

Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 400 032

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021**

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 November 11, 2021. The results for the quarter ended and half year ended September 30, 2021 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have expressed an unmodified conclusion on the financial results for the quarter ended and half year ended September 30, 2021.
- 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 required.
- The Board of Directors at their meeting held on April 09, 2021 had approved the amalgamation of Aureo Life Science Private Limited, Emproyan Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited with the Company. Due to Change in composite scheme of Amalgamation, the Board of Directors at their meeting held on November 11, 2021 has approved the revised scheme of amalgamation of Emproyan Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited and demerger of pharma business of Aureo Life Science Private Limited with the Company. The Appointed Date for the merger is October 01, 2021 and the merger process is expected to be completed in Q2 FY 2022-23. The merger is subject to certain conditions including approvals from stock exchanges, SEBI, shareholders, jurisdictional National Company Law Tribunal and other applicable statutory authorities.
- 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.

(Rs. in Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	Business combination and restructuring expenses	(0.03)	(0.58)	-	(0.66)	-	-

- In line with the requirements of Ind AS 34, the Company recognises tax expenses during the interim reporting periods, based on the estimated effective tax rate for the fiscal year ending March 31. Considering the extent of carryforward losses (including depreciation claims) available based on returns filed the Company, the Company has estimated that the normal tax for the fiscal year ending March 31, 2022 would be nil. Accordingly, the Company has accrued for current taxes based on Minimum Alternate Tax (MAT) and has recognised MAT credits in respect of the same. The Company will continue to opt for the old tax regime and will be offering its Income for the year ending March 31, 2022 under the said regime.
- The financial information pertaining to prior period have been regrouped / reclassified wherever necessary to conform with the classification required in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013 which was effective from April 01, 2021.

For and on behalf of board

Shri R. Seshia
Managing Director & CEO



Place : Bengaluru
Date : November 11, 2021

Ibuprofen headwinds impact Q2 FY22 results Other Business verticals deliver strong performance

Bengaluru, India – November 11, 2021: Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE: 541540), a leading Active Pharmaceutical Ingredient /CRAMS company today announced the financial results for the second quarter (Q2'22).

Financial Performance for Q2'22

Particulars	Rs. In Mn							
	Q2'22	Q1'22	QoQ	Q2'21	YoY	H1'22	H1'21	YoY
Revenue	4,049	4,115	-2%	4,037	0%	8,164	7,567	8%
Operating EBITDA	885	1,076	-18%	1,113	-20%	1,961	2,120	-7%
Operating EBITDA Margins	21.9%	26.2%	-430 bps	27.6%	-573 bps	24.0%	28.0%	-400 bps
R&D Cost	-143	-141		-111		-284	-251	
Forex gain/(Loss)	-6	16		4		9	0	
Reported EBITDA	736	951	-23%	1,006	-27%	1,686	1,869	-10%
Reported EBITDA Margins	18.2%	23.1%	-490 bps	24.9%	-676 bps	20.7%	24.7%	-400 bps
PAT	297	501	-41%	567	-48%	798	990	-19%
Basic EPS (Rs. Per share)	8.27	13.95		19.21		22.22	34.96	
Adjusted EPS (Rs. Per share) *	8.27	13.95		15.79		22.22	27.50	

*Adjusted EPS is after adjusting for full impact of conversion of preferential warrants

Commenting on the performance, **Bharath Sesha**, the MD & CEO of the Company, remarked

“Solara's performance for the quarter was muted and reflected the transitional headwinds that we faced in the Ibuprofen business. Drop in the end-market demand for pain/flu management products has impacted the Ibuprofen business segment, especially in regulated markets. Coupled with this, we faced volatility and cost pressures in raw material pricing and logistics costs. All these factors have had a bearing on our results for the quarter.

The other pillars of Solara's long-term strategy are trending well. We have expanded margins and sales on other products, and our CRAMS business has had a record quarter. As the Ibuprofen demand situation remedies in the coming 2-3 quarters, we expect to be back on track to the long-term guidance on revenue and profitability.”

Commenting on the performance, **Rajender Rao Juvvadi**, the Vice Chairman & Executive Director of the Company, remarked *“While there was a situational impact of Ibuprofen on our quarterly performance, our actions on strategic areas of developing Non-IBU product portfolio, CRAMS business and new customer addition have yielded results. Our R&D velocity continues to improve, leading to the development of new products and market extensions filings. From our operational focus standpoint, the multi-product facility at Vizag is ready, giving us a significant headway in catering to increased future demand and cost efficiencies. We are also making good headway in implementing manufacturing improvement programs, leading to better utilization and cost savings.*

As we continue to navigate through the current situation and work towards accelerating all the levers of our strategy, we remain confident in delivering long-term value to our stakeholders.”

More details included in the attached investor presentation

EBITDA Reconciliation

Particulars	Rs. In Mn					
	Q2'22	Q1'22	Q2'21	H1'22	H1'21	FY21
Profit/(loss) before exceptional items and tax	298	507	568	805	991	2,215
Add : Finance costs	170	190	194	360	392	845
Add: Depreciation and amortisation expense	284	277	276	560	538	1,086
Less: Interest income	-16	-23	-32	-39	-52	-142
Consolidated Reported EBITDA as per press release	736	951	1,006	1,686	1,869	4,004

Earnings Conference Call

The Company will conduct an earnings call at **4.00 PM IST on November 11, 2021**, 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 transcript of the conference call 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

Abhishek Singhal

✉ abhishek.singhal@solara.co.in

☎ +91 99877 66968

Statutory and corporate affairs

Murali Krishna S

Raghavan. V

✉ investors@solara.co.in

☎ +91 44 4344 6700

Disclaimer: Certain statements in this document that 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.



ACCELERATING

GROWTH

TOWARDS A HEALTHIER TOMORROW

Q2'22 RESULTS:

**Ibuprofen Headwinds Impact
Results. Other Business
Verticals Deliver Strong
Performance**

November 11, 2021

"Solara's performance for the quarter was muted and reflected the transitional headwinds that we faced in the Ibuprofen business. Drop in the end-market demand for pain/flu management products has impacted the Ibuprofen business segment, especially in regulated markets. Coupled with this, we faced volatility and cost pressures in raw material pricing and logistics costs. All these factors have had a bearing on our results for the quarter.

The other pillars of Solara's long-term strategy are trending well. We have expanded margins and sales on other products, and our CRAMS business has had a record quarter. As the Ibuprofen demand situation remedies in the coming 2-3 quarters, we expect to be back on track to the long-term guidance on revenue and profitability."

Bharath Sesha

MD & CEO, Solara

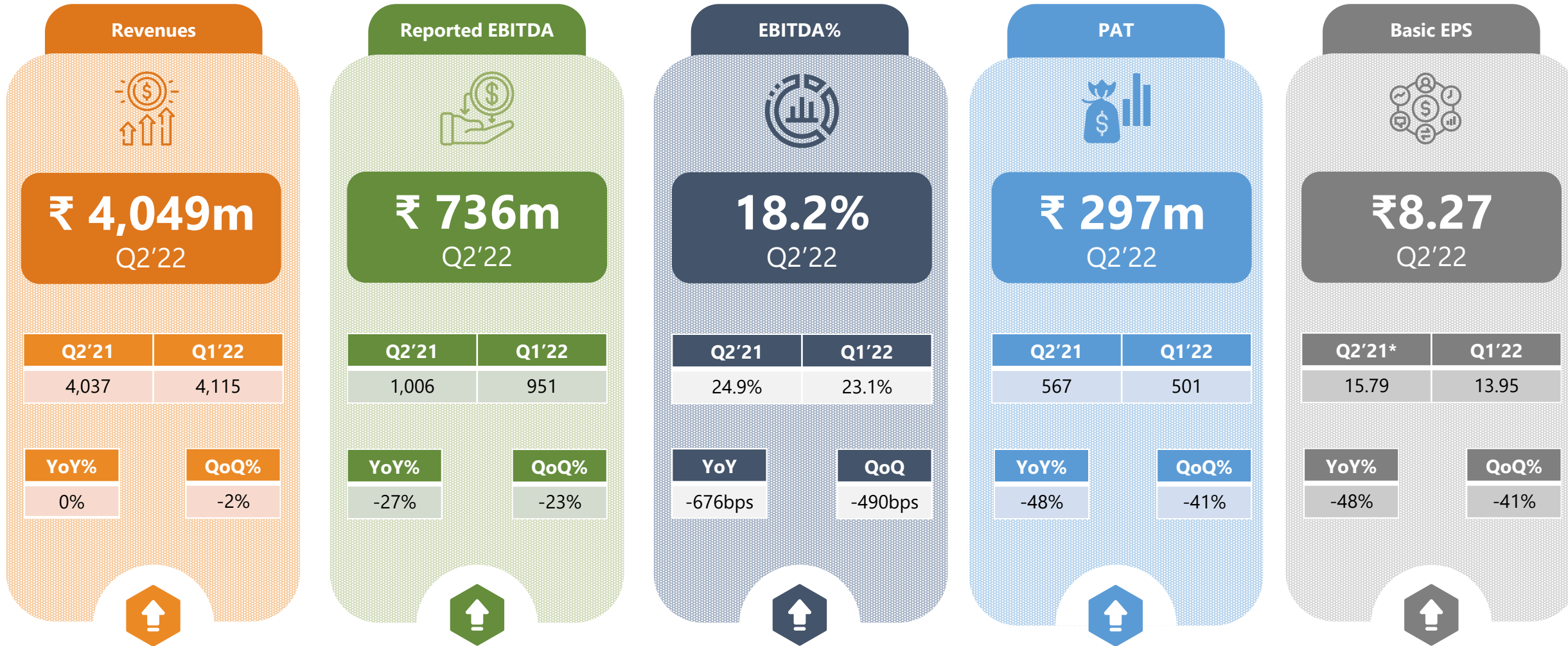


Rajender Rao Juvvadi

Vice Chairman and Executive Director, Solara

"While there was a situational impact of Ibuprofen on our quarterly performance, our actions on strategic areas of developing Non-IBU product portfolio, CRAMS business and new customer addition have yielded results. Our R&D velocity continues to improve, leading to the development of new products and market extensions filings. From our operational focus standpoint, the multi-product facility at Vizag is ready, giving us a significant headway in catering to increased future demand and cost efficiencies. We are also making good headway in implementing manufacturing improvement programs, leading to better utilization and cost savings. As we continue to navigate through the current situation and work towards accelerating all the levers of our strategy, we remain confident in delivering long-term value to our stakeholders."

Performance Overview:



* Q2 FY21 reported EPS based on weighted average equity shares is ₹ 19.21 per share. Adjusted for full conversion of preferential warrants EPS is ₹ 15.79 per share

Adjusted for Ibuprofen deferrals, business continues to deliver strongly

YoY and QoQ Performance

Year on Year Comparison			₹ In Million
Particulars	Q2'22	Q2'21	Change
Revenue	4,049	4,037	0%
Gross margins	2,167	2,264	-4%
Gross margins %	53.5%	56.1%	-256 bps
Operating EBITDA	885	1,113	-20%
Operating EBITDA Margins	21.9%	27.6%	-573 bps
R&D Cost	-143	-111	
Forex gain/(Loss)	-6	4	
EBITDA	736	1,006	-27%
EBITDA Margins	18.2%	24.9%	-676 bps
PAT	297	567	-48%
Basic EPS (₹/Share)*	8.27	15.79	

Quarter on Quarter Comparison			₹ In Million
Particulars	Q2'22	Q1'22	Change
Revenue	4,049	4,115	-2%
Gross margins	2,167	2,293	-5%
Gross margins %	53.5%	55.7%	-220 bps
Operating EBITDA	885	1,076	-18%
Operating EBITDA Margins	21.9%	26.2%	-430 bps
R&D Cost	-143	-141	
Forex gain/(Loss)	-6	16	
EBITDA	736	951	-23%
EBITDA Margins	18.2%	23.1%	-490 bps
PAT	297	501	-41%
Basic EPS (₹/Share)	8.27	13.95	

Business and Operations Update

Highlights

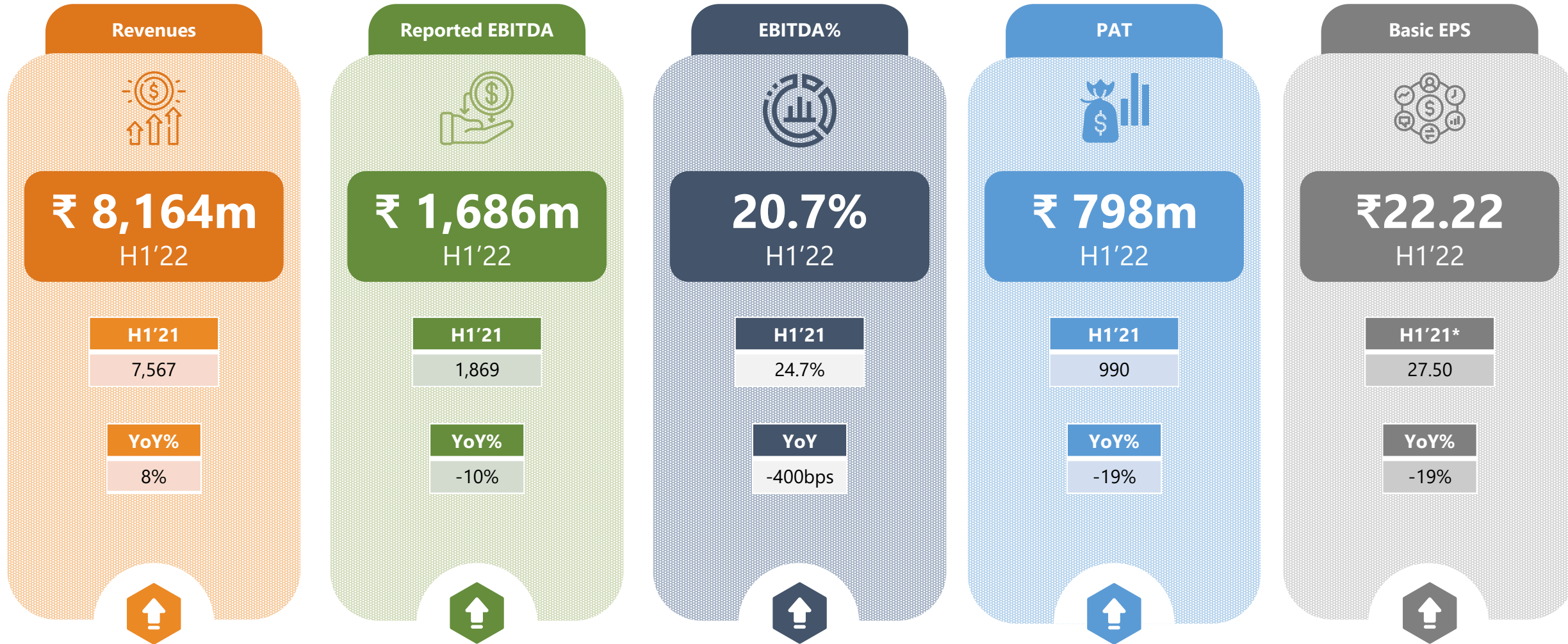
- ➔ **Other Molecules business** benefitted from the introduction of COVID therapy products
 - ➔ **Strong performance in new products 11%** of quarterly sales in Q2 FY22 vs. **8% in Q2 FY21**
 - ➔ Vizag Phase-1 has been repurposed into a multi-product plant and operationalized
- ➔ **CRAMS continued to deliver strong growth**
 - ➔ **YoY growth: 40%+** and current **business visibility** indicates similar growth momentum for FY22
 - ➔ **Two new customers** added, demonstrating **good customer traction**
 - ➔ **Margin performance extremely strong**, coupled with **increasing ticket size**
- ➔ Revenue from **LRM** has **more than doubled** with **125% YoY growth**
- ➔ **R&D: 3 regulated market filings** this quarter
- ➔ **Operations:** Manufacturing performance on **cost reductions** continues to be solid

Near-term challenges

- ➔ Regulated markets revenues at **₹ 1,505 million, down from ₹ 2,824 million YoY**. Contributed **37% of Q2'22 revenues (vs. 71% last year)**
- ➔ Ibuprofen business:
 - ➔ Slower than expected de-stocking by contractual customers has led to a deferred demand of **~ 600-650MT** in the quarter
 - ➔ Regulated market demand **ramp-up delayed** due to twin effects of **de-stocking** and **lower prescription/OTC sales**
 - ➔ Market mix change between regulated and less regulated markets has led to intense **pricing pressure** and **stress on working capital**
 - ➔ Regulatory approval delays leading to under-recoveries in Vizag
- ➔ **Input cost pressures** and volatility coupled with logistics cost increases further added to margin pressure

* Q2 FY21 reported EPS based on weighted average equity shares is ₹ 19.21 per share. Adjusted for full conversion of preferential warrants EPS is ₹ 15.79 per share. ** Q1 FY22 also includes the benefit from COVID molecule of Favipiravir

H1 Performance



* H1 FY21 reported EPS based on weighted average equity shares is ₹ 34.96 per share. Adjusted for full conversion of preferential warrants EPS is ₹ 27.50 per share

Half year performance overview

YoY and QoQ Performance

Particulars	Year on Year Comparison		₹ In Million
	H1'22	H1'21	Change
Revenue	8,164	7,567	8%
Gross margins	4,460	4,277	4%
Gross margins %	54.6%	56.5%	-189 bps
Operating EBITDA	1,961	2,120	-7%
Operating EBITDA Margins	24.0%	28.0%	-400 bps
R&D Cost	-284	-251	
Forex gain/(Loss)	9	0	
EBITDA	1,686	1,869	-10%
EBITDA Margins	20.7%	24.7%	-400 bps
PAT	798	990	-19%
Basic EPS (₹/Share)*	22.22	27.50	

Business and Operations Update

Highlights

- ➔ **Margin expansion and growth in Other Molecules business**
 - ➔ **New products** contributed **16% of half-yearly revenues** in H1 FY22 vs. **11% in H1 FY21**
- ➔ CRAMS continued to deliver strong growth
 - ➔ **CRAMS YoY growth is 37%**
 - ➔ **Six new** customers added year to date (up **50% YoY**)
 - ➔ **Significant increase** in the **opportunity pipeline** and **increasing** trend in **ticket size** of wins
- ➔ Revenue from **LRM** has **more than doubled YoY** with **142% growth**
- ➔ **R&D performance** continues to gain momentum
 - ➔ **Three regulated market filings. Nine new products** developed. **Seven market extensions** filed
 - ➔ Investments in new technology platforms. On track to deliver **two proof-of-concepts by FY22**
- ➔ **Operations: Manufacturing excellence** programs are well anchored and good **progress on operational performance**

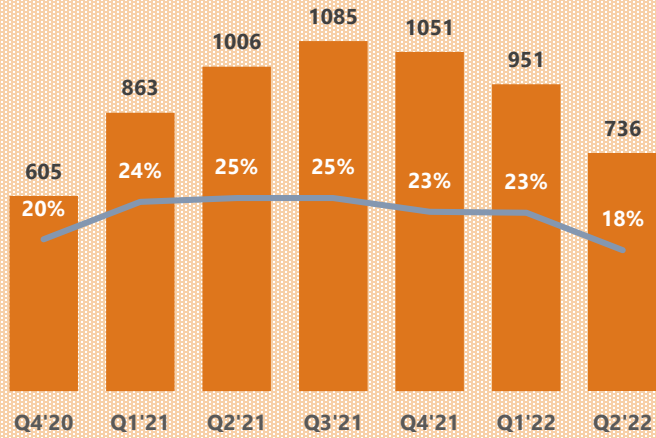
Near-term challenges

- ➔ **Regulated markets revenues** at **₹ 3,079 million**, down from ₹ 5,348 million YoY. Contributed **42% of H1'22 revenues** (vs. 75% last year)
- ➔ **Deferred demand** for Ibuprofen from contractual customers impacted H1 FY22
- ➔ **Regulatory approval delays** due to COVID restrictions led to muted sales and **under-recoveries from Vizag** site
- ➔ **Market mix change** leading to a **longer working capital cycle** and lower pricing affected margins
- ➔ **Input cost pressures** and **volatility** impacted the overall margins. Increasing logistics costs is further adding to the margin pressures

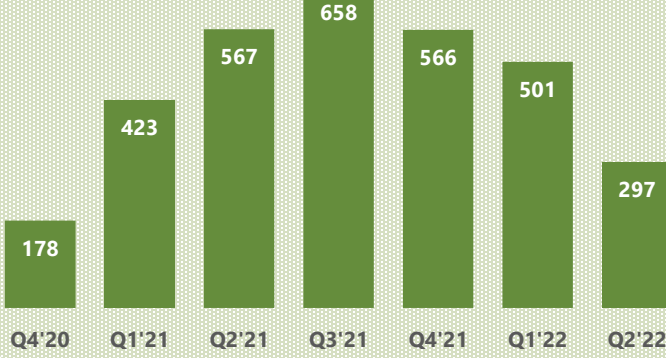
* H1 FY21 reported EPS based on weighted average equity shares is ₹ 34.96 per share. Adjusted for full conversion of preferential warrants EPS is ₹ 27.50 per share

Quarter On Quarter Trends

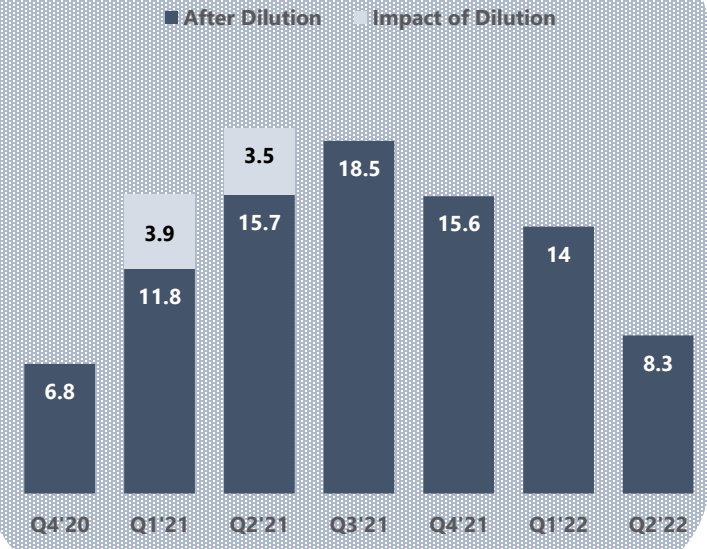
EBITDA (₹ Million)



Profit After Tax (₹ Million)



EPS (₹/share)



➔ Normalized for Ibuprofen impact, EBITDA within the guidance range

Balance Sheet with H1 FY22 performance

Statement of Assets and Liabilities

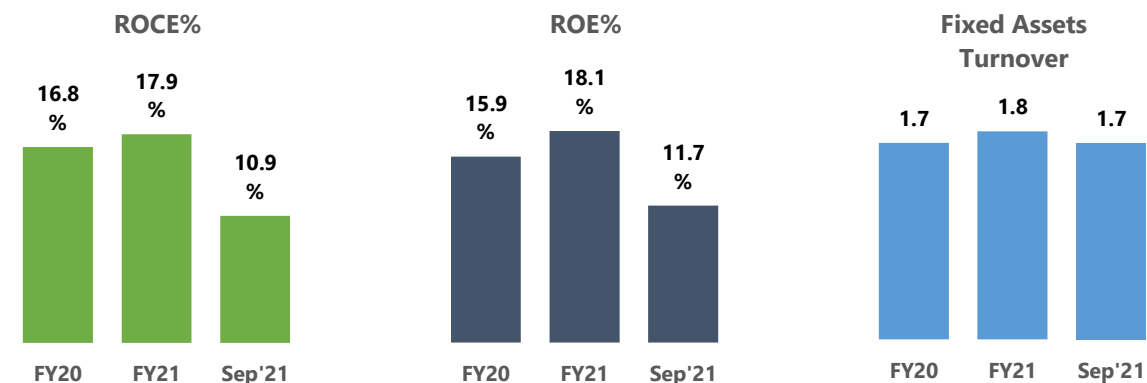
Source of Funds

Particulars ₹ Mn	Mar'20	Mar'21	Sep'21
Shareholders' funds	10,860	15,885	16,619
Less: Goodwill	-3,651	-3,651	-3,651
Net worth	7,209	12,234	12,968
Gross Debt	7,068	6,069	8,382
Less: Cash	-1,068	-1,985	-1,467
Net Debt	6,000	4,084	6,915
Total	13,209	16,318	19,883

Utilization of Funds

Particulars	Mar'20	Mar'21	Sep'21
Net Tangible Fixed Assets	9,932	10,359	11,132
Net Non-current Assets	183	735	899
Net Current Assets	3,094	5,224	7,852
Total	13,209	16,318	19,883

Key Highlights



- ➔ Net Debt to EBITDA at **~2.1x** and Net Debt to Equity at **~0.5x**
- ➔ Fixed Assets Turnover ratio at **1.7 x**
- ➔ Net debt has increased from ₹ 4,084 Mn to ₹ 6,915 Mn in this Financial Year, driven by increase in working capital due to:
 - ➔ **Increased inventory build-up planned** for expected COVID related business
 - ➔ Increase in KSMs and raw material inventories to offset the current market volatility
 - ➔ Receivables impacted due to **higher sales from the less regulated markets**
- ➔ Actions to **structurally optimize inventory** and **right-size the working capital** underway
- ➔ ROCE, ROE, and Fixed Assets Turnover for Sep'21 computed by annualizing the results of H1'22 and show a decline, mainly due to higher working capital levels and lower margins

Medium term growth is along 5 Levers, complementing and amplifying each other

Strong foundation...

01

CUSTOMER CENTRICITY

Solara has strong customer relationships lasting many years. We will continue to leverage this to introduce new products to our customers. We have always approached our key customers with a strategic view and this has and will enable us to continue to grow with them.



02

CONTINUOUS IMPROVEMENT

At Solara continuous improvement is in the culture of the company. We have delivered year on year improvements in costs and the company is well positioned to carry this momentum forward.



05



INORGANIC

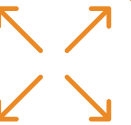
Grow via a "right priced" acquisition on the axes of science and/or scale. Inorganic growth is an important element of our future growth

...Leading To Accelerating Growth

04

NEW PRODUCTS/MARKETS

In a short span of 2 years Solara has established a foothold not only in key regulated markets but also in all important markets across the world. We have invested in dedicated teams and focused approach to win in these markets with both existing and new products.



03

CRAMS

Building the business from our legacy customer base, non-compete position, strong foundation on quality and environment and investing in new technologies. Solara has unique advantages to scale up the business to be one of the strong pillar of growth.



Aurore merger update

RECAP

- The merger with Aurore Life Science was approved by the Solara Board on 9th April 2021
- **It was an all-stock transaction;** the shareholders of Aurore were to have **27% ownership** in the merged entity
- The merger included **100% of Aurore Life Sciences (ALS)**, 100% stake of **ELS***, and **67% stake of** Aurore Pharma Private Limited (**APPL**)
- A merger application was filed with the stock exchanges on June 27th to initiate the process for regulatory approvals

RECENT DEVELOPMENTS

- Recently **SEBI has issued new guidelines**. Consequently, the need to provide additional information has resulted in a **delay in obtaining necessary clearances** from the authorities
- **Outstanding issues** with the **minority shareholder of APPL** (holding 33%) over valuation remain unresolved despite best efforts. The matter has **reached NCLT** for resolution

PROPOSED NEXT STEPS

- As the larger strategic imperative of the merger is strong, the **board has approved to split the merger into two phases**
- **Solara, ALS pharma business & ELS will merge in Phase 1**. Solara will be filing the requisite documents for processing Phase 1 of the merger scheme in the coming days
- The filing under Phase 2 of the scheme will be decided at an appropriate time post resolution of outstanding issue with APPL's minority shareholder.
- Adjusting for the new scheme, the **swap ratio** for **Solara : Aurore** is **76 : 24** for Phase 1
- Till resolution of the outstanding issue with APPL's minority shareholder, the merged entity will **continue to have access to APPL's capacities through a CMO agreement**
- Solara to have the **first right to buy out APPL in the future**, at the same fair value agreed upon in the previous scheme

UPDATED TRANSACTION DETAILS

- ▶ **Aurore to merge** with Solara in an **all-stock transaction** and the shareholders of Aurore will have **24% ownership** (27% as per the previous scheme) **in the merged entity**
- ▶ The transaction will deliver **100%** of the **pharma business of Aurore Life Sciences (ALS)** which owns all the IP, and 100% stake of ELS*
- ▶ Promoter stake holding in Solara will move from **39.53% to 49.16%** post the merger

FINANCIALS (FY21) AS PER MODIFIED SCHEME



Revenue FY21 (₹)

1646 Cr.

EBITDA (₹)

400 Cr.

(24.3%)

PAT (₹)

221 Cr.



Revenue FY21 (₹)

519 Cr.

EBITDA (₹)

159 Cr.

(30.7%)

PAT (₹)

107 Cr.

DEAL METRICS

Particulars	Earlier proposed Scheme	Modified proposed scheme
New Share Issues	1,32,94,800	1,13,45,876
Equity Shares	4,92,24,567	4,76,65,643
Equity Value (₹ Cr)	6,926	7,845
Relative Value per share (₹)	1,407	1,646

MERGED ENTITY OUTLOOK

- ▶ With the current business situation, we believe that the complementarity of products and businesses will anchor the synergies between the two companies
- ▶ The surplus capacity within Solara will be utilized by the products in Aurore's portfolio to fuel growth
- ▶ Merged entity will reflect a stronger growth path. The synergies are expected to be delivered from FY23 onwards to realize the full business potential

The valuation was conducted by a SEBI approved valuer and the fairness opinion was provided by ICICI Securities Limited



METHODOLOGY

- Aurore to merge with Solara in an **all-stock transaction**
- Aurore shareholders will own **24% of the merged entity**
- Accounting of the merger as per **IND AS 103** – Business Combinations under common control



TIMELINE

- Subject to **statutory, regulatory, creditors and shareholder approvals**
- **Deal Effective Date:** 1st October 2021
- The estimated deal closure date is **September 2022**



POST TRANSACTION LANDSCAPE

- Post the deal, the company shall **operate as Solara**
- Consequent to the proposed transaction, **Solara promoter group** shall also include identified shareholders of Aurore
- After the transaction, existing and incoming promoters together shall hold **49.16%** in the merged entity

TRANSACTION ADVISORS

Solara’s advisors: Project Manager - Transaction Square LLP; SEBI valuer - Niranjan Kumar; Legal Advisor - DSK Legal and Anagram Partners; Fairness Opinion - ICICI Securities Limited; Due Diligence - Ernst and Young & J Sagar Associates

Aurore’s advisors: Transaction Advisor - Intellectap Advisory Services Pvt Ltd; Legal Advisor - IC Universal

Solara Conference Call
Thursday, 11th Nov 2021: 4:00 pm IST

Pure play APIs.

SOLARA ACTIVE PHARMA SCIENCES |
Nov'21

Speakers

Rajender Rao Juvvadi, Executive Director & Vice Chairman, Solara
Bharath R. Sessa, MD & CEO, Solara
Subhash Anand, Executive Director & CFO, Solara



Dial in Details:	For Solara's conference call, Thursday 11 th Nov 2021, 4:00 pm IST
Universal Access	+91 22 6280 1346 +91 22 7115 8247
Copy this URL in your browser (for early registration)	https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=5778548&linkSecurityString=15fb9d2f9c

THANK YOU

CORPORATE OFFICE

3rd & 4th Floor, Batra Centre, No.28,
Sardar Patel Road, Guindy, Chennai - 600 032
Tel.: +91 44 4344 6700 / 2220 7500
Fax No.: +91 44 2235 0278

REGISTERED OFFICE

201, Devavrata, Sector 17,
Vashi, Navi Mumbai - 400 703.
Tel.: +91 22 2789 2924
Email: investors@solara.co.in
CIN: U24230MH2017PLC291636

Fax No. +91 22 2789 2942
Website: www.solara.co.in



SOLARA
Active Pharma Sciences