



**SOLARA**  
Active Pharma Sciences

**Communication Address :**  
Solara Active Pharma Sciences Limited  
Batra Centre  
No. 28, Sardar Patel Road, Post Box 2630  
Gulmoy, Chennai - 600 032, India  
Tel : +91 44 43446700, 22207500  
Fax : +91 44 22350278

May 16, 2019

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 Sir / Madam,

Sub: Outcome of Board Meeting

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors at its meeting held earlier in the day have approved and adopted the Audited financial results (standalone and consolidated) of the Company for the quarter and year ended March 31, 2019.

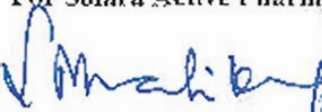
A copy of the audited financial results (standalone and consolidated) of the Company for the quarter and year ended March 31, 2019 along with Auditors' Report for the year ended March 31, 2019 and the press release on the same is attached.

The Board Meeting commenced at 10.30 a.m. and concluded at 12.45 p.m.

We request you to take the same on record.

Thanking you,

Yours faithfully,  
For Solara Active Pharma Sciences Limited

  
S. Muruli Krishna  
Company Secretary



Encl.: as above



**SOLARA**  
Active Pharma Sciences

**Communication Address :**  
Solara Active Pharma Sciences Limited  
Batra Centre  
No. 28, Sardar Patel Road, Post Box 2630  
Guindy, Chennai - 600 032, India  
Tel : +91 44 43446700, 22207500  
Fax : +91 44 22350278

May 16, 2019

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 Sir / Madam,

Sub: Declaration pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Ref: Unmodified opinion in the Auditors' Report for the financial year 2018-19

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby declare that M/s. Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company have issued the Auditors' Report with unmodified opinion in respect to the Audited Financial Results (Standalone and Consolidated) for the financial year ended March 31, 2019.

We request you to take the above information on record.

Thanking you,

Yours faithfully,  
For Solara Active Pharma Sciences Limited

  
S. Murali Krishna  
Company Secretary



## Solara announces Q4FY19 and FY19 Financial Results

- » **FY19 revenues at ₹13,991 Mn up by 35% with 59% growth in EBITDA to ₹2,316 Mn**
- » **Significant increase in PAT to ₹671 Mn in FY19**
- » **Q4FY19 revenues at ₹3,919 Mn, up by 37% with EBITDA at ₹701 Mn up by 68%**
- » **Demonstrated >20% operating EBITDA margins sequentially for two quarters in a row**
- » **Board recommends a dividend of ₹5/- per equity share of face value of ₹10/- (50%)**

**Bengaluru, India – May 16, 2019:** Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE Code: 541540), a leading Active Pharmaceutical Ingredient provider today announced the financial results for the **fourth quarter (Q4FY19)** and **year ended (FY19) March 31st, 2019**.

Commenting on the performance, **Jitesh Devendra, MD and CEO** said *"FY19 was essentially the first full year of operations for Solara as an independent pure-play Active Pharmaceutical Ingredients entity and we are delighted to have delivered a stellar growth both in revenues and profitability."*

*Our growth in the year has been due to a combination of base business expansion and new launches. While we filed over nine new DMFs for future launches, we have also enabled access to our existing products to several new territories and customers. We also remained buoyant on the execution front which also encompassed the integration of Sequent Human API business and Ambernath site. Our continued focus on regulatory compliance resulted in **two Zero 483 inspections** out of three FDA inspections that we underwent during the year. We remain focused on the disciplined execution of our strategies, the result of which can also be noted in the **Net Debt to EBITDA indicator which now trails below 2x** as against 4x during the beginning of FY19.*

*As we move into the future, we continue to stay positive on the industry opportunity and invest in capabilities and capacities for future demand. One of the nuclei of FY 20 will be the Continuous Operational Improvement Program which we have initiated in FY19. Our focal point of success remains in our Execution and our theme for FY 20 is **"Growth through Efficiency"** which is one of the core values of Solara."*

### Financial Highlights for Q4FY19 and FY19

| Particulars              | Q4FY19     | Q3FY19     | QoQ       | Q4FY18     | YoY        | FY19         | FY18         | Change     |
|--------------------------|------------|------------|-----------|------------|------------|--------------|--------------|------------|
| Revenue                  | 3,919      | 3,601      | 9%        | 2,869      | 37%        | 13,991       | 10,367       | 35%        |
| <b>Operating EBITDA</b>  | <b>806</b> | <b>757</b> | <b>6%</b> | <b>492</b> | <b>64%</b> | <b>2,862</b> | <b>1,559</b> | <b>84%</b> |
| Operating EBITDA Margins | 21%        | 21%        |           | 17%        | 340 bps    | 21%          | 15%          | 550 bps    |
| R&D Cost                 | -136       | -104       |           | -28        |            | -448         | -103         |            |
| Forex gain/(Loss)        | 31         | 3          |           | -47        |            | -98          | 2            |            |
| <b>Reported EBITDA</b>   | <b>701</b> | <b>656</b> | <b>7%</b> | <b>417</b> | <b>68%</b> | <b>2,316</b> | <b>1,458</b> | <b>59%</b> |
| Reported EBITDA Margins  | 18%        | 18%        |           | 15%        | 330 bps    | 17%          | 14%          | 250 bps    |

*All values are in ₹ Mn. The financial results above reflect the continuing business operations and FY18 financials are based on proforma financial statements*

## Business Updates

- » Growth in Revenue due to continued growth in base business & new product launches.
- » Operating EBITDA positively impacted due to price increase, better capacity utilization and cost improvement programs
- » 4x growth in R&D investments to develop new products and process improvements.
- » A total of 9 DMFs have been filed during FY19. Filing run-rate anticipated at 10+ APIs/year

## Corporate Update

- » The board of directors at their meeting held today have recommended a dividend of ₹5/- per equity share (50% dividend) for FY19. The Dividend will be subject to the approval of shareholders.
- » **Ankur Thadani**, Principal at TPG Growth, has been appointed as non-executive and non-independent director of the Company. Based in Mumbai, Ankur joined TPG in 2013 and has worked on multiple investments in Healthcare, Energy and Consumer sectors across India and the broader South-Asia region. He also serves on the board of CTSI, Rhea Healthcare, Fourth Partner Energy and Asiri Hospitals. Prior to joining TPG, he worked with an Indian private equity fund, India Equity Partners, focusing on investments in consumer and healthcare sectors. Ankur received his MBA from IIFT, where he was awarded a gold medal for all-round achievement.
- » During the quarter ended March 31, 2019, pursuant to shareholders approval at the extraordinary general meeting held on February 27, 2019, the company has issued 10,500,000 convertible warrants of ₹10/- each at a premium of ₹390/- per warrant to promoters' group and at a premium of ₹490/- per warrant to M/s. TPG Growth IV SF Pte. Ltd ("Investor") after obtaining the approval of BSE and National Stock Exchange of India. The terms of conversion required that the warrant to be converted into one equity share of ₹10/- each within eighteen months from the date of allotment of warrants.
- » The Company has received preliminary consideration of ₹1,480 Mn towards allotment of 10,500,000 convertible warrants during the year and allotment of 1,100,000 shares on conversion of equivalent number of warrants to promoters' group.

## EBITDA Reconciliation

| Particulars   | Q4FY19     | Q3FY19     | FY19         |
|---|------------|------------|--------------|
| Profit/(loss) before exceptional items and tax as per SEBI reporting<br>(Continuing Operations) | 262        | 221        | 677          |
| Add : Depreciation and Amortization and Finance costs   | 451        | 437        | 1,655        |
| Less: Interest income   | -12        | -2         | -16          |
| <b>Consolidated Reported EBITDA as per press release</b>  | <b>701</b> | <b>656</b> | <b>2,316</b> |
| <i>All figures in ₹mn for continued operations</i>  |            |            |              |

## Earnings Conference Call

The Company will conduct an Earnings call at **2.30 PM IST** on **May 16th, 2019** 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**. Other numbers are listed in the conference call invite which is posted on our website. 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

**Dikshita Jain**

**Christensen Investor Relations**

✉ [djain@christensenir.com](mailto:djain@christensenir.com)

☎ +91 22 4215 0210

### Statutory and corporate affairs

**Murali Krishna S**

**Raghavan. V**

✉ [investors@solara.co.in](mailto:investors@solara.co.in)

☎ +91 44 4344 6700

*Disclaimer: Certain statements in this document that are not historical facts 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.*

# Q4 FY19 & FY19 EARNINGS UPDATE

THE



WAY



MAY 16, 2019

*Except for the historical information contained herein, statements in this presentation and the subsequent discussions, which include words or phrases such as "will", "aim", "will likely result", "would", "believe", "may", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", seek to", "future", "objective", "goal", "likely", "project", "should", "potential", "will pursue", and similar expressions of such expressions may constitute "forward-looking statements". These forward looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.*

01

PERFORMANCE HIGHLIGHTS

02

BUSINESS UPDATES

03

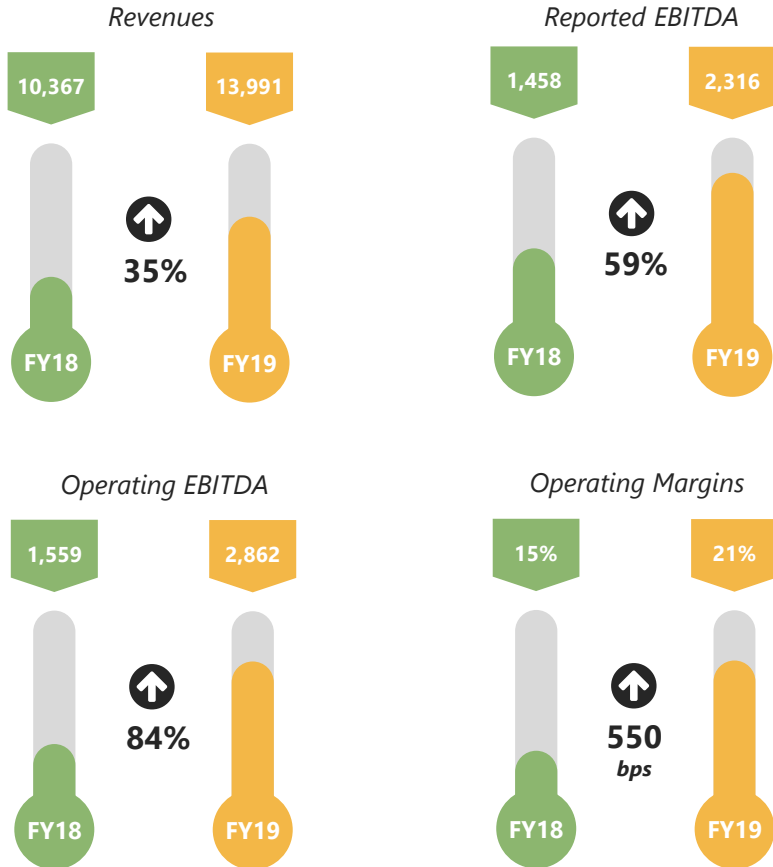
CORPORATE UPDATES

04

FY20 OUTLOOK



# FY19 delivers a consistent upward performance



## CEO'S PERSPECTIVE

"FY19 was essentially the first full year of operations for Solara as an independent entity and we are delighted to have delivered a stellar growth both in revenues and profitability.

Our growth in the year has been due to a combination of base business expansion and new launches. While we filed over nine new DMFs for future launches, we have also enabled access to our existing products to several new territories and customers. We also remained buoyant on the execution front which also encompassed the integration of Sequent Human API business and Ambernath site. Our continued focus on regulatory compliance resulted in **two Zero 483 inspections** out of three FDA inspections that we underwent during the year. We remain focused on the disciplined execution of our strategies, the result of which can also be noted in the **Net Debt to EBITDA indicator which now trails below 2x** as against **4x** during the beginning of FY19.

As we move into the future, we continue to stay positive on the industry opportunity and invest in capabilities and capacities for future demand. One of the nuclei of FY 20 will be the Continuous Operational Improvement Program which we have initiated in FY 19. Our focal point of success remains in our Execution. Our theme for FY 20 is "**Growth through Efficiency**" which is one of the core values of Solara."

- Jitesh Devendra

# Steady >20% operating margins in Q4FY19

## QOQ MOVEMENT

| Particulars                     | Q4 FY19      | Q3 FY19      | Change    |
|---------------------------------|--------------|--------------|-----------|
| <b>Revenue</b>                  | <b>3,919</b> | <b>3,601</b> | <b>9%</b> |
| <b>Operating EBITDA</b>         | <b>806</b>   | <b>757</b>   | <b>6%</b> |
| <i>Operating EBITDA Margins</i> | <i>21%</i>   | <i>21%</i>   |           |
| R&D Cost                        | -136         | -104         |           |
| Forex gain/(Loss)               | 31           | 3            |           |
| <b>Reported EBITDA</b>          | <b>701</b>   | <b>656</b>   | <b>7%</b> |
| <i>Reported EBITDA Margins</i>  | <i>18%</i>   | <i>18%</i>   |           |

## YOY MOVEMENT

| Particulars                     | Q4 FY19      | Q4 FY18      | Change         |
|---------------------------------|--------------|--------------|----------------|
| <b>Revenue</b>                  | <b>3,919</b> | <b>2,869</b> | <b>37%</b>     |
| <b>Operating EBITDA</b>         | <b>806</b>   | <b>492</b>   | <b>64%</b>     |
| <i>Operating EBITDA Margins</i> | <i>21%</i>   | <i>17%</i>   | <i>340 bps</i> |
| R&D Cost                        | -136         | -28          |                |
| Forex gain/(Loss)               | 31           | -47          |                |
| <b>Reported EBITDA</b>          | <b>701</b>   | <b>417</b>   | <b>68%</b>     |
| <i>Reported EBITDA Margins</i>  | <i>18%</i>   | <i>15%</i>   | <i>330 bps</i> |

## HIGHLIGHTS

- Operating margins were steady at ~ 21%
- Operating EBITDA improvement on account of new product launches & growth in base business
- 4x increase in investments in R&D for new product development and cost improvement initiatives
- Continued momentum in the new products offtake with steady growth in the base business
- R&D efforts on track with focus on new product development and cost improvements. 5 new DMFs filed during Q4FY19
- Forex gain of ₹31mn as against gain of ₹3mn in the previous quarter due to our guarded debt strategies.
- The Working capital PCFC forex loan component has come down from \$38 Mn in March'18 to \$22 Mn in Mar'19

# Regulated markets now contribute 76% to the total revenues

## FY19 GEOGRAPHY MIX <sup>1</sup>

| Particulars              | H2FY19       | H2FY18       | YoY%       | FY19          | % Cont.     |
|--------------------------|--------------|--------------|------------|---------------|-------------|
| <b>Regulated Markets</b> | <b>5,761</b> | <b>3,746</b> | <b>54%</b> | <b>10,633</b> | <b>76%</b>  |
| -North America           | 2,789        | 2,040        | 37%        | 5,177         | 37%         |
| -EU                      | 1,849        | 1,098        | 68%        | 3,498         | 25%         |
| -Japan                   | 524          | 120          | 335%       | 839           | 6%          |
| -WHO                     | 599          | 488          | 23%        | 1,119         | 8%          |
| ROW markets              | 1,767        | 1,486        | 19%        | 3,358         | 24%         |
| <b>Total</b>             | <b>7,528</b> | <b>5,232</b> | <b>44%</b> | <b>13,991</b> | <b>100%</b> |

## Q4FY19 GEOGRAPHY MIX <sup>1</sup>

| Particulars              | Q4FY19       | Q3FY19       | Q4FY18       | QoQ%       | YoY%       |
|--------------------------|--------------|--------------|--------------|------------|------------|
| <b>Regulated Markets</b> | <b>3,024</b> | <b>2,737</b> | <b>2,238</b> | <b>10%</b> | <b>35%</b> |
| -North America           | 1,489        | 1,296        | 1,090        | 15%        | 37%        |
| -EU                      | 1,019        | 828          | 775          | 23%        | 32%        |
| -Japan                   | 235          | 288          | 86           | -18%       | 174%       |
| WHO Supplies             | 274          | 324          | 287          | -15%       | -4%        |
| ROW markets              | 902          | 864          | 631          | 5%         | 43%        |
| <b>Total</b>             | <b>3,919</b> | <b>3,601</b> | <b>2,869</b> | <b>9%</b>  | <b>37%</b> |

## KEY UPDATES

### Yearly Review

- The regulated markets grew 54% in H2FY19 largely driven by the US which now accounts for 37% of the revenue
- Base business in FY19 grew by 30% emanated from better capacity utilization and price.
- New products accounted for 6% of total revenue in FY19
- Top 10 customers account for 52% of revenues
- Top 10 products account for 78% of revenues
- New Market access for existing products – 15 products across 8 new markets.

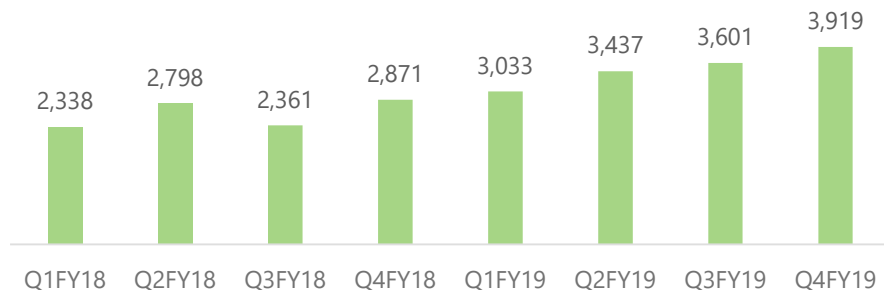
### Quarterly Review

- One new product commercialized in Q4FY19 putting together a total of four new products commercialized in FY19.
- Five new DMFs filed in Q4FY19 thereby taking the total to 9 new DMFs filed in FY19
- During Q4FY19, Base business grew by 8% over Q3FY19

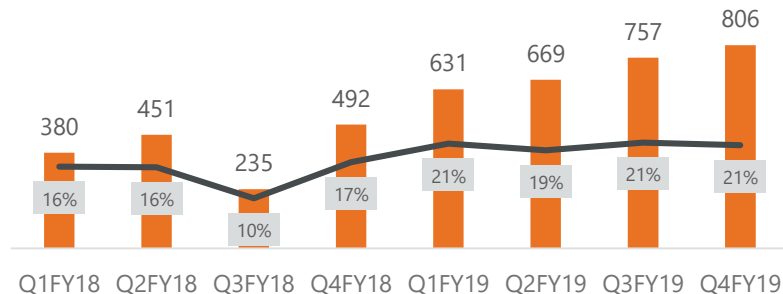
1. FY18 revenue split not available as the demerged businesses transferred into the company effective from Oct'17. Figures in ₹mn, unless a % or stated otherwise.

# Over 550bps improvement in margins over 8 quarters

## SIGNIFICANT GROWTH IN QUARTERLY REVENUES



## OPERATING MARGIN IMPROVEMENT



## FY19 VS FY18 PERFORMANCE

| Particulars              | FY19          | FY18          | YoY%       |
|--------------------------|---------------|---------------|------------|
| <b>Revenue</b>           | <b>13,991</b> | <b>10,367</b> | <b>35%</b> |
| <b>Operating EBITDA</b>  | <b>2,862</b>  | <b>1,559</b>  | <b>84%</b> |
| Operating EBITDA Margins | 20%           | 15%           | 550 bps    |
| R&D Cost                 | -448          | -103          |            |
| Forex gain/(loss)        | -98           | 2             |            |
| <b>EBITDA</b>            | <b>2,316</b>  | <b>1,458</b>  | <b>59%</b> |
| EBITDA Margins           | 17%           | 14%           | 250 bps    |

## HIGHLIGHTS

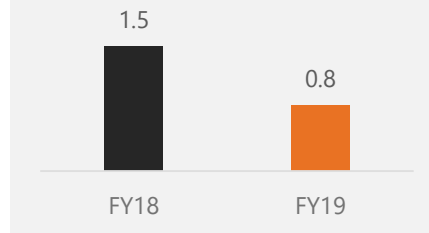
- Growth in Revenue by 35% due to continued growth in base business & new product launches.
- Operating EBITDA up by 84% due to price increase; better capacity utilization and cost improvement program
- 4x growth in R&D investments to develop new products and process improvements.

# Strengthened balance sheet with improved key ratios

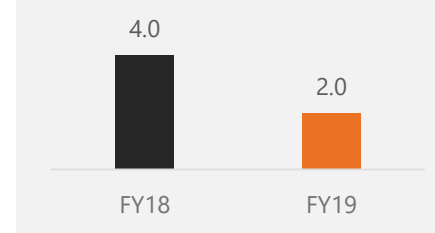
## KEY BALANCE SHEET ITEMS

| Balance sheet items         | Mar'18       | Mar'19        |
|-----------------------------|--------------|---------------|
| <b>Shareholders' funds</b>  | <b>7,640</b> | <b>9,559</b>  |
| Less: Goodwill              | -3,634       | -3,587        |
| Networth                    | 4,006        | 5,972         |
| Term Loan                   | 3,026        | 3,236         |
| <b>Working Capital</b>      | <b>3,302</b> | <b>3,625</b>  |
| Less: Cash                  | -470         | -2,245        |
| <b>Net Debt</b>             | <b>5,858</b> | <b>4,616</b>  |
| <b>Sources of Funds</b>     | <b>9,864</b> | <b>10,588</b> |
| Net Tangible Fixed Assets   | 6,703        | 8,034         |
| Net Non-current Assets      | 1,068        | 190           |
| Net Current Assets          | 2,093        | 2,364         |
| <b>Application of Funds</b> | <b>9,864</b> | <b>10,588</b> |

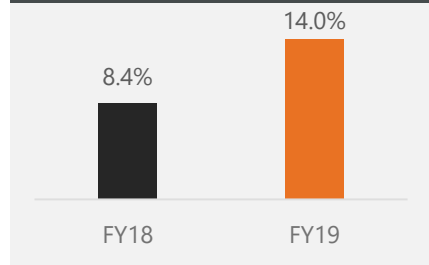
## NET DEBT/EQUITY (X)



## NET DEBT/EBITDA (X)



## ROCE %



## ASSET TURNS (X)



## Dividend

- The board of directors have recommended a dividend of ₹5 per share (50% dividend) for FY19.
- The Dividend will be subject to the approval of shareholders.

## Board Induction

- Ankur Thadani, Principal at TPG Growth, has been appointed as non-executive and non-independent director of the Company.
- Based in Mumbai, Ankur joined TPG in 2013 and has worked on multiple investments in Healthcare, Energy and Consumer sectors across India and the broader South-Asia region.
- He also serves on the board of CTSI, Rhea Healthcare, Fourth Partner Energy and Asiri Hospitals.
- Prior to joining TPG, he worked with India Equity Partners
- Ankur received his MBA from IIFT, where he was awarded a gold medal for all-round achievement.

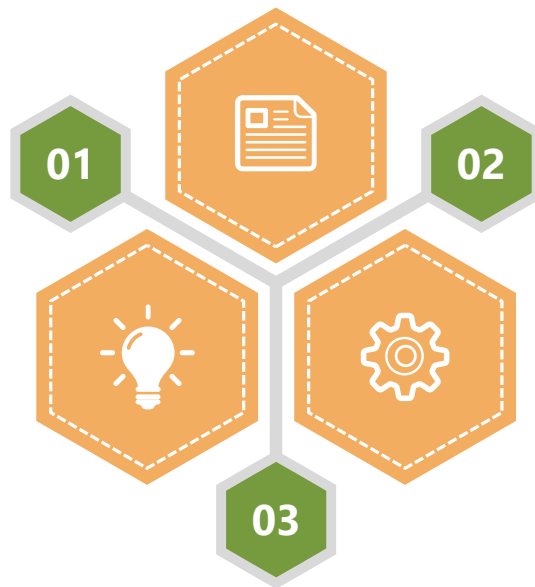
## Others

- Pursuant to shareholders approval at the extraordinary general meeting held on February 27, 2019, the company has issued 10,500,000 convertible warrants of Rs. 10/- each at a premium of Rs. 390/- per warrant to promoters group and at a premium of Rs. 490/- per warrant to TPG after obtaining the approval of BSE and NSE.<sup>1</sup>
- The Company has received preliminary consideration of Rs. 1,480 Mn towards allotment of 10,500,000 convertible warrants during the year and allotment of 1,100,000 equity shares on conversion of equivalent number of warrants to promoters' group.

<sup>1</sup>. The terms of conversion required that each warrant to be converted into one equity share of Rs. 10/- each within eighteen months from the date of allotment of warrants.

## Efficiencies in Business Operations

- Proactive cost improvement programs to stay competitive and for contributing to sustainable growth & margin expansion
- Expanding market access for our existing products to increase sales and gross margins
- Presence in Key markets by establishing our representative office
- Initiated focus efforts to build CRAMS business



## Expand Capabilities

Planned new greenfield site for capacity expansion with continued investments to drive quality and compliance to the next level

## Focused R&D Strategies

- Focus on developing IP to create entry barrier for competition and build strong intrinsic value
- Market specific launches with products having limited competition
- Backward integration of key intermediates
- Filing capability of 10-12 DMF/annum

# Our Upcoming Greenfield site at Vizag, India



## Investments

- Phase I Investment of ₹2,500m over a period of two years
- Funded through 30% equity and 70% term loan with capacity commitments from the long term customers



## Focus

- Cater to future growth of Solara
- Serves as an alternate site for our Key APIs and de-risk strategy
- Planned for all regulatory approvals including USFDA, EUGMP, PMDA amongst others



## Capability

- Dedicated and Multi Purpose blocks for Large Volume and Mid-Small Volume API
- Validation supply for new products
- Showcase facility for CRAMS business



## Project status

- Phase-I construction planned to be completed in Q2 FY 20
- Installation of equipment by Q3 FY 20
- Validation is scheduled in Q4 FY 20



# Solara Active Pharma at a glance

API only business model with large scale infrastructure, wide products and established customer relationships

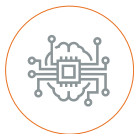
## Capabilities

Complex chemistry capabilities including handling of catalytic hydrogenation, hydride reductions, organometallic reactions, hazardous reactions amongst others



## Infrastructure

5 Globally compliant API and diversified facilities with capacity over 1600kl



## Orientation

Consciously favoring value over volumes thereby limiting pricing pressure in the long term and creating capacities after assuring demand



## Research

Pipeline of 20+ products under different stages of development



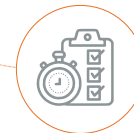
## Market Presence

Presence in 75+ countries, 75%+ regulated market sales and 100+ Filings



## Compliance

Commitment to highest levels of compliance, consistency and quality with zero 483s in two out of last 3 USFDA audits



# Well on its path to become a leading global pure-play API company



## Business Continuity

*Portfolio of new products and new customers to augment current base and enable steady growth*



## Worldwide Presence

*Established strongholds in key regulated markets and growth territories*



## Robust Product base

*Constant stream of revenue from new product validations*



## Best Customer Connect

*Organization Focus to win with customer delight as the primary goal*



**Well on its path to become a leading pure-play API company with focus on highly compliant business operations and customer advocacy**

# Thank you

**REGISTERED OFFICE**

201, Devavrata,  
Sector 17, Vashi,  
Navi Mumbai - 400 703.  
Tel.: +91 22 2789 2924  
Fax No. +91 22 2789 2942  
Email: [investors@solara.co.in](mailto:investors@solara.co.in)  
Website: [www.solara.co.in](http://www.solara.co.in)  
CIN: L24230MH2017PLC291636

**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

**INDEPENDENT AUDITORS' REPORT  
TO THE BOARD OF DIRECTORS OF  
SOLARA ACTIVE PHARMA SCIENCES LIMITED**

1. We have audited the accompanying Statement of 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 year ended March 31, 2019 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements referred to in paragraph 5 below and read with note 3, the Statement:
  - a. includes the results of the following subsidiaries:
    - i. Strides Chemicals Private Limited
    - ii. Sequent Penems Private Limited
    - iii. Chemsynth Laboratories Private Limited
    - iv. Shasun USA Inc.

- b. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and
- c. gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Group for the year ended March 31, 2019.
5. We did not audit the financial statements of 4 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 18633 Lakhs as at 31st March, 2019, total revenues of Rs. 3078 Lakhs, total net loss after tax of Rs. 567 Lakhs and total comprehensive loss of Rs. 542 Lakhs for the year ended on that date, as considered in the consolidated financial results. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.
- Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
6. The Statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

  
**Sathya P. Koushik**  
Partner  
Membership No. 206920

Bengaluru, May 16, 2019



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
 Regd. Office: No. 201 Devavratra, Sector 17, Vashi, Navi Mumbai 400 703.  
 Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032

**STATEMENT OF CONSOLIDATED FINANCIAL RESULTS  
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs except per share data)

| Sl. No. | Particulars   | 3 months ended            | Preceding 3 months ended | Financial Year ended | Previous Financial Year ended |
|---------|---|---------------------------|--------------------------|----------------------|-------------------------------|
|         |   | 31.03.2019                | 31.12.2018               | 31.03.2019           | 31.03.2018                    |
|         |   | AUDITED<br>(Refer note 1) | UNAUDITED                | AUDITED              | AUDITED<br>(Refer note 4)     |
|         | <b>Continuing operations</b>  |                           |                          |                      |                               |
| I       | Revenue from operations   | 38,531                    | 35,623                   | 1,38,668             | 52,097                        |
| II      | Other income  | 663                       | 388                      | 1,238                | 245                           |
| III     | <b>Total income (I + II)</b>  | <b>39,194</b>             | <b>36,011</b>            | <b>1,39,906</b>      | <b>52,342</b>                 |
| IV      | <b>Expenses</b>   |                           |                          |                      |                               |
|         | (a) Cost of materials consumed  | 18,377                    | 18,899                   | 72,954               | 27,023                        |
|         | (b) Purchases of stock-in-trade   | 251                       | 445                      | 908                  | 405                           |
|         | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade               | 1,511                     | (1,789)                  | (3,379)              | (248)                         |
|         | (d) Employee benefits expense   | 4,825                     | 4,874                    | 18,581               | 6,853                         |
|         | (e) Finance costs   | 2,172                     | 2,254                    | 8,242                | 2,514                         |
|         | (f) Depreciation and amortisation expense   | 2,340                     | 2,121                    | 8,309                | 3,398                         |
|         | (g) Other expenses  | 7,102                     | 6,997                    | 27,523               | 11,814                        |
|         | <b>Total expenses (IV)</b>  | <b>36,578</b>             | <b>33,801</b>            | <b>1,33,138</b>      | <b>51,759</b>                 |
| V       | <b>Profit/(loss) before exceptional items and tax (III - IV)</b>                                | <b>2,616</b>              | <b>2,210</b>             | <b>6,768</b>         | <b>583</b>                    |
| VI      | <b>Tax expense</b>  |                           |                          |                      |                               |
|         | - Current tax   | 640                       | 560                      | 1,596                | 159                           |
|         | - Current tax of subsidiary - reversal of excess provision of prior year                        | (143)                     | -                        | (143)                | (14)                          |
|         | - Deferred tax  | (501)                     | (560)                    | (1,395)              | (159)                         |
|         | <b>Total tax expense (VI)</b>   | <b>(4)</b>                | <b>-</b>                 | <b>58</b>            | <b>(14)</b>                   |
| VII     | <b>Profit/(loss) after tax from continuing operations (V - VI)</b>                              | <b>2,620</b>              | <b>2,210</b>             | <b>6,710</b>         | <b>597</b>                    |
|         | <b>Discontinued operations</b>  |                           |                          |                      |                               |
|         | - Profit/(loss) from discontinued operations (Refer Note 5)                                     | -                         | -                        | (992)                | (563)                         |
|         | - Tax expense of discontinued operations  | -                         | -                        | 224                  | -                             |
| VIII    | <b>Profit/(loss) after tax from discontinued operations</b>                                     |                           |                          | <b>(768)</b>         | <b>(563)</b>                  |
| IX      | <b>Profit/(loss) for the period (VII + VIII)</b>  | <b>2,620</b>              | <b>2,210</b>             | <b>5,942</b>         | <b>34</b>                     |
| X       | <b>Other comprehensive income</b>   |                           |                          |                      |                               |
| A       | (i) Items that will not be reclassified to statement of profit and loss                         | (201)                     | -                        | (201)                | (25)                          |
|         | (ii) Income tax relating to items that will not be reclassified to statement of profit and loss | 71                        | -                        | 71                   | -                             |
| B       | (i) Items that may be reclassified to statement of profit and loss                              | (143)                     | 12                       | (153)                | 5                             |
|         | (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>(273)</b>              | <b>12</b>                | <b>(284)</b>         | <b>(20)</b>                   |
| XI      | <b>Total comprehensive income for the period (IX + X)</b>                                       | <b>2,347</b>              | <b>2,222</b>             | <b>5,658</b>         | <b>14</b>                     |
|         | <b>Profit for the year attributable to:</b>   |                           |                          |                      |                               |
|         | - Equity shareholders of the Company  | 2,632                     | 2,209                    | 5,952                | 38                            |
|         | - Non-controlling interests   | (12)                      | 1                        | (10)                 | (4)                           |
|         | <b>Other Comprehensive income:</b>  |                           |                          |                      |                               |
|         | - Equity shareholders of the Company  | (273)                     | 12                       | (284)                | (20)                          |
|         | - Non-controlling interests   | -                         | -                        | -                    | -                             |
|         | <b>Total Comprehensive Income:</b>  |                           |                          |                      |                               |
|         | - Equity shareholders of the Company  | 2,359                     | 2,221                    | 5,668                | 18                            |
|         | - Non-controlling interests   | (12)                      | 1                        | (10)                 | (4)                           |
|         | <b>Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)</b>      |                           |                          |                      |                               |
|         | (a) Basic (Rs.)   | 10.17                     | 8.96                     | 24.88                | 5.36                          |
|         | (b) Diluted (Rs.)   | 10.13                     | 8.95                     | 24.84                | 5.36                          |
|         | <b>Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)</b>    |                           |                          |                      |                               |
|         | (a) Basic (Rs.)   | -                         | -                        | (3.11)               | (5.03)                        |
|         | (b) Diluted (Rs.)   | -                         | -                        | (3.11)               | (5.03)                        |
|         | <b>Earnings per equity share (face value of Rs. 10/- each) (for total operations)</b>           |                           |                          |                      |                               |
|         | (a) Basic (Rs.)   | 10.17                     | 8.96                     | 21.77                | 0.34                          |
|         | (b) Diluted (Rs.)   | 10.13                     | 8.95                     | 21.73                | 0.34                          |

See accompanying notes to these Financial Results





**SOLARA**  
Active Pharma Sciences

**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
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 CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

**BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. In Lakhs)

|           | Particulars  | As at           | As at           |
|-----------|--|-----------------|-----------------|
|           |  | March 31, 2019  | March 31, 2018  |
|           |  | AUDITED         | AUDITED         |
| <b>A</b>  | <b>ASSETS</b>  |                 |                 |
| <b>I</b>  | <b>Non-current assets</b>  |                 |                 |
|           | (a) Property, plant and equipment  | 72,038          | 60,407          |
|           | (b) Capital work in progress   | 4,037           | 7,148           |
|           | (c) Investment property  | 2,944           | 2,252           |
|           | (d) Goodwill   | 35,863          | 35,857          |
|           | (e) Other intangible assets  | 10,287          | 10,077          |
|           | (f) Financial assets   |                 |                 |
|           | (i) Investments  | 41              | 81              |
|           | (ii) Loans   | 2               | 4               |
|           | (iii) Other financial assets   | 1,111           | 792             |
|           | (g) Deferred tax assets (net)  | 7               | 7               |
|           | (h) Income tax assets (net)  | 430             | 270             |
|           | (i) Other non-current assets   | 3,788           | 4,476           |
|           | <b>Total non-current assets</b>  | <b>1,30,548</b> | <b>1,21,371</b> |
| <b>II</b> | <b>Current assets</b>  |                 |                 |
|           | (a) Inventories  | 22,040          | 18,766          |
|           | (b) Financial assets   |                 |                 |
|           | (i) Trade receivables  | 28,880          | 26,252          |
|           | (ii) Cash and cash equivalents   | 7,572           | 4,595           |
|           | (iii) Other balances with banks  | 75              | 106             |
|           | (iv) Loans   | 234             | 200             |
|           | (v) Other financial assets   | 1,452           | 1,447           |
|           | (c) Other current assets   | 5,003           | 9,416           |
|           | <b>Total current assets</b>  | <b>65,456</b>   | <b>60,782</b>   |
|           | <b>Total assets</b>  | <b>1,96,004</b> | <b>1,82,153</b> |
| <b>B</b>  | <b>EQUITY AND LIABILITIES</b>  |                 |                 |
| <b>I</b>  | <b>Equity</b>  |                 |                 |
|           | (a) Equity Share capital   | 2,577           | 2,467           |
|           | (b) Other equity   | 93,009          | 73,930          |
|           | <b>Total Equity</b>  | <b>95,586</b>   | <b>76,397</b>   |
|           | Non-controlling interest   | 438             | 448             |
| <b>II</b> | <b>Liabilities</b>   |                 |                 |
| <b>1</b>  | <b>Non-current liabilities</b>   |                 |                 |
|           | (a) Financial liabilities  |                 |                 |
|           | (i) Borrowings   | 22,497          | 24,286          |
|           | (ii) Other financial liabilities   | 72              | 25              |
|           | (b) Provisions   | 889             | 732             |
|           | (c) Deferred tax liabilities (net)   | 3,283           | 4,843           |
|           | (d) Other non-current liabilities  | 7,689           | 1,627           |
|           | <b>Total Non-current liabilities</b>   | <b>34,430</b>   | <b>31,513</b>   |
| <b>2</b>  | <b>Current liabilities</b>   |                 |                 |
|           | (a) Financial liabilities  |                 |                 |
|           | (i) Borrowings   | 21,446          | 33,021          |
|           | (ii) Trade payables  |                 |                 |
|           | Total outstanding dues of micro enterprises and small enterprises                      | 162             | 397             |
|           | Total outstanding dues of creditors other than micro enterprises and small enterprises | 24,277          | 30,891          |
|           | (iii) Other financial liabilities  | 16,306          | 6,931           |
|           | (b) Other current liabilities  | 2,918           | 2,078           |
|           | (c) Provisions   | 156             | 127             |
|           | (d) Current income tax liabilities   | 285             | 350             |
|           | <b>Total current liabilities</b>   | <b>65,550</b>   | <b>73,795</b>   |
|           | <b>Total Liabilities</b>   | <b>1,96,004</b> | <b>1,82,153</b> |





**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
 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 CONSOLIDATED FINANCIAL RESULTS  
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

**Notes:**

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 16, 2019. The above results includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year. The above results for the full financial year has been audited by Deloitte Haskins & Sells LLP, the statutory auditor of the Company on which they have given an unmodified report.
- The Board of Directors have proposed a final dividend of Rs. 5 per share, which is subject to approval by the shareholders' in the Annual General Meeting.
- The Company was incorporated on February 23, 2017 and its first financial year covered the period from February 23, 2017 to March 31, 2018. Further, the Company listed its equity shares on June 27, 2018. Accordingly, as the financial results for the quarter ended June 30, 2018 were the first time the financial results were prepared in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations"), the results for the corresponding quarter ended March 31, 2018 are not presented in these results.
- The results for the financial year ended March 31, 2018 mainly comprised of the results of the following business that were acquired during the previous financial year and may not be comparable to the results of the year ended March 31, 2019:

(i) The Company acquired the Commodity API business and Human API business wef October 1, 2017 (the Appointed Date) under a Composite Scheme of Arrangement between the Company, Strides Pharma Science Limited (formerly Strides Shasun Limited) (Strides) and Sequent Scientific Limited (Sequent), which was approved by the NCLT.

In accordance with the terms of the Scheme, the Company allotted 24,674,267 equity shares to the shareholders of Strides and Sequent, as a consideration for the transfer of the above businesses into the Company, in the ratio of 1 equity share of Rs. 10/- each of the Company for every 6 shares of Rs. 10/- each held by the shareholders of Strides, and 1 equity share of Rs. 10/- each of the Company for every 25 shares of Rs. 2/- each held by the shareholders of Sequent, on April 11, 2018, the effect of which was given in the financial statements for the financial year ended March 31, 2018 as on the Appointed Date of the Scheme.

The transfer of the above businesses into the Company during the previous financial year were accounted in accordance with the Ind AS notified under Section 133 of the Act, as on the Appointed Date of the Scheme, as per the requirements of the Scheme.

Upon the Scheme coming into effect, the investments in following entities, held by the respective businesses above, have also been transferred to the Company:  
 Chemsynth Laboratories Private Limited, India  
 Sequent Penems Private Limited, India  
 Shasun USA Inc, USA

During the current financial year, the initial accounting in respect of deferred tax on brought forward losses from this business acquisition has been finalised. Pursuant to this finalisation of initial accounting, the Company has restated the balance sheet as at March 31, 2018 in accordance with Ind AS 103 'Business Combinations', as a result of which, the deferred tax liability and goodwill as at March 31, 2018 have been reduced by Rs. 483 Lakhs pursuant to this adjustment.

Accordingly the results of the above businesses included in the previous financial year ended March 31, 2018 reflect only from period October 01, 2017 to March 31, 2018.

(ii) Acquisition of R&D business from Sovizen Life Sciences Private Limited with effect from February 1, 2018.

**5 Discontinued operations:**

On May 19, 2018, the Board of Directors of the Company approved the disposal of business operations at Mahad facility. On July 31, 2018, the company completed the disposal of Mahad facility. The results of the discontinued operations are as under.

(Rs. In Lakhs)

| Sl. No. | Particulars   | 3 months ended | Preceding 3 months ended | Financial Year ended | Previous Financial Year ended |
|---------|---|----------------|--------------------------|----------------------|-------------------------------|
|         |   | 31.03.2019     | 31.12.2018               | 31.03.2019           | 31.03.2018                    |
| I       | Total Revenue   | -              | -                        | 2,414                | 3,944                         |
| II      | Total expenses  | -              | -                        | 3,406                | 4,507                         |
| III     | Profit/(loss) before tax (I - II)                     | -              | -                        | (992)                | (563)                         |
| IV      | Tax expense   | -              | -                        | 224                  | -                             |
| V       | Profit/(loss) from discontinued operations (III - IV) | -              | -                        | (768)                | (563)                         |

Accordingly, the figures for the previous financial year have been regrouped to confirm with the classification adopted in these financial results.

- On May 19, 2018, the Board of Directors of the Company approved for investment by the Company in Strides Chemicals Private Limited. On August 31, 2018, the Company entered into a share purchase agreement with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) and acquired 100% of the Investments in Strides Chemicals Private Limited for a consideration of Rs. 13,100 Lakhs with effect from September 01, 2018 (acquisition date). Accordingly, the results of the above business reflect only from period September 01, 2018 onwards. The impact of acquisition of this business on the results is given below:

(Rs. In Lakhs)

| Sl. No. | Particulars                        | 3 months ended | Preceding 3 months ended | Financial Year ended |
|---------|------------------------------------|----------------|--------------------------|----------------------|
|         |                                    | 31.03.2019     | 31.12.2018               | 31.03.2019           |
| I       | Total Revenue                      | 1,150          | 1,137                    | 3,013                |
| II      | Total expenses                     | 1,463          | 1,325                    | 3,321                |
| III     | Profit/(loss) before tax (I - II)  | (313)          | (188)                    | (308)                |
| IV      | Tax expense                        | -              | -                        | -                    |
| V       | Profit/(loss) after tax (III - IV) | (313)          | (188)                    | (308)                |

As on the date of finalisation of these Consolidated audited financial results, the initial accounting for the above business combination has not been finalised. Any consequential changes due to finalisation of initial accounting will be recognised in the subsequent period upon such finalisation.

The Board of Directors of the Company in their meeting held on September 28, 2018, have approved a Scheme of Amalgamation of Strides Chemicals Private Limited with the Company from the appointed date of September 1, 2018. The Scheme is subject to necessary regulatory approvals.







SOLARA ACTIVE PHARMA SCIENCES LIMITED  
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 CONSOLIDATED FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

- 7 During the quarter ended March 31, 2019, pursuant to shareholders approval at the extraordinary general meeting held on February 27, 2019, the company has issued 6,500,000 convertible warrants of Rs. 10/- each at a premium of Rs. 390/- per warrant to promoters group and 4,000,000 convertible warrants of Rs. 10/- each at a premium of Rs. 490/- per warrant to M/s. TPG Growth IV SF Pte. Ltd ("Investor") after obtaining the approval of BSE and National Stock Exchange of India. The terms of conversion required that each of the warrants to be converted into one equity share of Rs. 10/- within eighteen months from the date of allotment of warrants. The Company has received preliminary consideration of Rs. 980 Million and Rs 500 Million from promoters group and investor respectively towards allotment of 10,500,000 convertible warrants during the year. Subsequent to allotment of the warrants, the promoter group comprising of Mr. Arun Kumar Pillai and M/s Karuna Business Solutions LLP have exercised their option to convert 1,100,000 warrants into equivalent equity shares and paid the balance consideration. Pursuant to the above, the board of directors approved allotment of equivalent number of equity shares on March 26, 2019.
- 8 Effective April 1, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018 (the "transition date"). The application of Ind AS 115 has resulted in decrease in retained earnings as at the transition date in respect of contracts that were not completed as at the said date by Rs. 940 Lakhs. Under the cumulative catch-up approach, the comparatives for the previous periods reported are not required to be restated and hence not comparable.
- 9 The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

10 Information on Standalone Results:

| Sl. No. | Particulars   | (Rs. In Lakhs) |                          |                      |                               |
|---------|---|----------------|--------------------------|----------------------|-------------------------------|
|         |   | 3 months ended | Preceding 3 months ended | Financial Year ended | Previous Financial Year ended |
|         |   | 31.03.2019     | 31.12.2018               | 31.03.2019           | 31.03.2018                    |
| i       | Total Revenue from continuing operations              | 38,373         | 35,046                   | 1,37,405             | 52,325                        |
| ii      | Profit before Tax from continuing operations          | 2,844          | 2,439                    | 7,169                | 758                           |
| iii     | Profit after Tax from continuing operations           | 2,706          | 2,439                    | 6,968                | 758                           |
| iv      | Profit/(loss) before Tax from discontinued operations | -              | -                        | (992)                | (563)                         |
| v       | Profit/(loss) after Tax from discontinued operations  | -              | -                        | (768)                | (563)                         |

For and on behalf of board

Jitesh Devendra  
Managing Director

Place : Bengaluru  
Date : May 16, 2019



**INDEPENDENT AUDITOR'S REPORT  
TO THE BOARD OF DIRECTORS OF  
SOLARA ACTIVE PHARMA SCIENCES LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company"), for the year ended March 31, 2019 ("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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS') and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.
3. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

4. In our opinion and to the best of our information and according to the explanations given to us, read with note 3, the Statement:
  - (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016; and

- (ii) gives a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year ended March 31, 2019.
5. The Statement includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



**Sathya P. Koushik**  
Partner  
Membership No. 206920

Bengaluru, May 16, 2019



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
 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 STANDALONE FINANCIAL RESULTS**  
**FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

(Rs. in Lakhs except per share data)

| Sl. No. | Particulars   | 3 months ended                          | Preceding<br>3 months ended | Financial Year<br>ended | Previous Financial<br>Year ended        |
|---------|---|---|-----------------------------|-------------------------|---|
|         |   | 31.03.2019<br>AUDITED<br>(Refer note 1) | 31.12.2018<br>UNAUDITED     | 31.03.2019<br>AUDITED   | 31.03.2018<br>AUDITED<br>(Refer note 4) |
|         | <b>Continuing operations</b>  |   |                             |                         |   |
| I       | Revenue from operations   | 38,010                                  | 34,794                      | 1,36,726                | 52,097                                  |
| II      | Other income  | 363                                     | 252                         | 679                     | 228                                     |
| III     | <b>Total Income (I + II)</b>  | <b>38,373</b>                           | <b>35,046</b>               | <b>1,37,405</b>         | <b>52,325</b>                           |
| IV      | <b>Expenses</b>   |   |                             |                         |   |
|         | (a) Cost of materials consumed  | 17,858                                  | 18,527                      | 71,906                  | 27,019                                  |
|         | (b) Purchases of stock-in-trade   | 251                                     | 445                         | 908                     | 405                                     |
|         | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade               | 1,896                                   | (1,616)                     | (2,928)                 | (248)                                   |
|         | (d) Employee benefits expense   | 4,582                                   | 4,652                       | 17,992                  | 6,756                                   |
|         | (e) Finance costs   | 2,172                                   | 2,254                       | 8,242                   | 2,513                                   |
|         | (f) Depreciation and amortisation expense   | 2,132                                   | 1,960                       | 7,873                   | 3,383                                   |
|         | (g) Other expenses  | 6,638                                   | 6,385                       | 26,243                  | 11,739                                  |
|         | <b>Total expenses (IV)</b>  | <b>35,529</b>                           | <b>32,607</b>               | <b>1,30,236</b>         | <b>51,567</b>                           |
| V       | <b>Profit/(loss) before tax (III - IV)</b>  | <b>2,844</b>                            | <b>2,439</b>                | <b>7,169</b>            | <b>758</b>                              |
| VI      | <b>Tax expense</b>  |   |                             |                         |   |
|         | - Current tax   | 640                                     | 560                         | 1,596                   | 159                                     |
|         | - Deferred tax  | (502)                                   | (560)                       | (1,395)                 | (159)                                   |
|         | <b>Total tax expense (VI)</b>   | <b>138</b>                              | <b>-</b>                    | <b>201</b>              | <b>-</b>                                |
| VII     | <b>Profit/(loss) after tax from continuing operations (V - VI)</b>                              | <b>2,706</b>                            | <b>2,439</b>                | <b>6,968</b>            | <b>758</b>                              |
|         | <b>Discontinued operations</b>  |   |                             |                         |   |
|         | - Profit/(loss) from discontinued operations (Refer Note 5)                                     | -                                       | -                           | (992)                   | (563)                                   |
|         | - Tax expense of discontinued operations  | -                                       | -                           | 224                     | -                                       |
| VIII    | <b>Profit/(loss) after tax from discontinued operations</b>                                     | <b>-</b>                                | <b>-</b>                    | <b>(768)</b>            | <b>(563)</b>                            |
| IX      | <b>Profit/(loss) for the period (VII + VIII)</b>  | <b>2,706</b>                            | <b>2,439</b>                | <b>6,200</b>            | <b>195</b>                              |
| X       | <b>Other comprehensive Income/(loss)</b>  |   |                             |                         |   |
| A       | (i) Items that will not be reclassified to statement of profit and loss                         | (205)                                   | -                           | (205)                   | (25)                                    |
|         | (ii) Income tax relating to items that will not be reclassified to statement of profit and loss | 71                                      | -                           | 71                      | -                                       |
| B       | (i) Items that may be reclassified to statement of profit and loss                              | -                                       | -                           | -                       | -                                       |
|         | (ii) 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>(134)</b>                            | <b>-</b>                    | <b>(134)</b>            | <b>(25)</b>                             |
| XI      | <b>Total comprehensive Income for the period (IX + X)</b>                                       | <b>2,572</b>                            | <b>2,439</b>                | <b>6,066</b>            | <b>170</b>                              |
|         | <b>Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)</b>      |   |                             |                         |   |
|         | (a) Basic (Rs.)   | 10.48                                   | 9.89                        | 25.88                   | 6.77                                    |
|         | (b) Diluted (Rs.)   | 10.44                                   | 9.88                        | 25.84                   | 6.77                                    |
|         | <b>Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)</b>    |   |                             |                         |   |
|         | (a) Basic (Rs.)   | -                                       | -                           | (3.11)                  | (5.03)                                  |
|         | (b) Diluted (Rs.)   | -                                       | -                           | (3.11)                  | (5.03)                                  |
|         | <b>Earnings per equity share (face value of Rs. 10/- each) (for total operations)</b>           |   |                             |                         |   |
|         | (a) Basic (Rs.)   | 10.48                                   | 9.89                        | 22.77                   | 1.74                                    |
|         | (b) Diluted (Rs.)   | 10.44                                   | 9.88                        | 22.74                   | 1.74                                    |
|         | See accompanying notes to these Financial Results   |   |                             |                         |   |





**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
 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 STANDALONE FINANCIAL RESULTS  
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

**BALANCE SHEET AS AT MARCH 31, 2019**

(Rs. In Lakhs)

|           | Particulars  | As at           | As at           |
|-----------|--|-----------------|-----------------|
|           |  | March 31, 2019  | March 31, 2018  |
|           |  | AUDITED         | AUDITED         |
| <b>A</b>  | <b>ASSETS</b>  |                 |                 |
| <b>I</b>  | <b>Non-current assets</b>  |                 |                 |
|           | (a) Property, plant and equipment  | 63,715          | 59,745          |
|           | (b) Capital work in progress   | 3,365           | 7,031           |
|           | (c) Investment property  | 575             | 594             |
|           | (d) Goodwill   | 35,838          | 35,838          |
|           | (e) Other intangible assets  | 9,835           | 10,077          |
|           | (f) Financial assets   |                 |                 |
|           | (i) Investments  | 14,913          | 1,853           |
|           | (ii) Loans   | 2               | 4               |
|           | (iii) Other financial assets   | 967             | 785             |
|           | (g) Income tax assets (net)  | 240             | 260             |
|           | (h) Other non-current assets   | 2,590           | 4,677           |
|           | <b>Total non-current assets</b>  | <b>1,32,040</b> | <b>1,20,864</b> |
| <b>II</b> | <b>Current assets</b>  |                 |                 |
|           | (a) Inventories  | 20,163          | 18,766          |
|           | (b) Financial assets   |                 |                 |
|           | (i) Trade receivables  | 26,895          | 26,335          |
|           | (ii) Cash and cash equivalents   | 7,313           | 4,587           |
|           | (iii) Other balances with banks  | 70              | 106             |
|           | (iv) Loans   | 234             | 200             |
|           | (v) Other financial assets   | 2,183           | 1,447           |
|           | (c) Other current assets   | 4,584           | 9,413           |
|           | <b>Total current assets</b>  | <b>61,442</b>   | <b>60,854</b>   |
|           | <b>Total assets</b>  | <b>1,93,482</b> | <b>1,81,718</b> |
| <b>B</b>  | <b>EQUITY AND LIABILITIES</b>  |                 |                 |
| <b>I</b>  | <b>Equity</b>  |                 |                 |
|           | (a) Equity Share capital   | 2,577           | 2,467           |
|           | (b) Other equity   | 93,996          | 74,519          |
|           | <b>Total Equity</b>  | <b>96,573</b>   | <b>76,986</b>   |
| <b>II</b> | <b>Liabilities</b>   |                 |                 |
| <b>1</b>  | <b>Non-current liabilities</b>   |                 |                 |
|           | (a) Financial liabilities  |                 |                 |
|           | (i) Borrowings   | 22,497          | 24,286          |
|           | (ii) Other financial liabilities   | 42              | -               |
|           | (b) Provisions   | 867             | 732             |
|           | (c) Deferred tax liabilities (net)   | 3,283           | 4,843           |
|           | (d) Other non-current liabilities  | 7,658           | 1,628           |
|           | <b>Total Non-current liabilities</b>   | <b>34,347</b>   | <b>31,489</b>   |
| <b>2</b>  | <b>Current liabilities</b>   |                 |                 |
|           | (a) Financial liabilities  |                 |                 |
|           | (i) Borrowings   | 21,446          | 33,021          |
|           | (ii) Trade payables  |                 |                 |
|           | Total outstanding dues of micro enterprises and small enterprises                      | 161             | 397             |
|           | Total outstanding dues of creditors other than micro enterprises and small enterprises | 22,287          | 30,862          |
|           | (iii) Other financial liabilities  | 16,182          | 6,757           |
|           | (b) Other current liabilities  | 2,256           | 2,079           |
|           | (c) Provisions   | 150             | 127             |
|           | (d) Current income tax liabilities   | 80              | -               |
|           | <b>Total current liabilities</b>   | <b>62,562</b>   | <b>73,243</b>   |
|           | <b>Total equity and liabilities</b>  | <b>1,93,482</b> | <b>1,81,718</b> |





**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
 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 STANDALONE FINANCIAL RESULTS  
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 16, 2019. The above results includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year. The above results for the full financial year has been audited by Deloitte Haskins & Sells LLP, the statutory auditor of the Company on which they have given an unmodified report.
- 2 The Board of Directors have proposed a final dividend of Rs. 5 per share, which is subject to approval by the shareholders in the Annual General Meeting.
- 3 The Company was incorporated on February 23, 2017 and its first financial year covered the period from February 23, 2017 to March 31, 2018. Further, the Company listed its equity shares on June 27, 2018. Accordingly, as the financial results for the quarter ended June 30, 2018 were the first time the financial results were prepared in accordance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations"), the results for the corresponding quarter ended March 31, 2018 are not presented in these results.
- 4 The results for the financial year ended March 31, 2018 mainly comprised of the results of the following business that were acquired during the previous financial year and may not be comparable to the results of the year ended March 31, 2019:
  - (i) The Company acquired the Commodity API business and Human API business wef October 1, 2017 (the Appointed Date) under a Composite Scheme of Arrangement between the Company, Strides Pharma Science Limited (formerly Strides Shasun Limited) (Strides) and Sequent Scientific Limited (Sequent), which was approved by the NCLT. In accordance with the terms of the Scheme, the Company allotted 24,674,267 equity shares to the shareholders of Strides and Sequent, as a consideration for the transfer of the above businesses into the Company, in the ratio of 1 equity share of Rs. 10/- each of the Company for every 6 shares of Rs. 10/- each held by the shareholders of Strides, and 1 equity share of Rs. 10/- each of the Company for every 25 shares of Rs. 2/- each held by the shareholders of Sequent, on April 11, 2018, the effect of which was given in the financial statements for the financial year ended March 31, 2018 as on the Appointed Date of the Scheme. The transfer of the above businesses into the Company during the previous financial year were accounted in accordance with the Ind AS notified under Section 133 of the Act, as on the Appointed Date of the Scheme, as per the requirements of the Scheme. Upon the Scheme coming into effect, the investments in following entities, held by the respective businesses above, have also been transferred to the Company: Chemsynth Laboratories Private Limited, India; Sequent Penems Private Limited, India; Shasun USA Inc, USA. During the current financial year, the initial accounting in respect of deferred tax on brought forward losses from this business acquisition has been finalised. Pursuant to this finalisation of initial accounting, the Company has restated the balance sheet as at March 31, 2018 in accordance with Ind AS 103 'Business Combinations', as a result of which, the deferred tax liability and goodwill as at March 31, 2018 have been reduced by Rs. 483 Lakhs pursuant to this adjustment. Accordingly the results of the above businesses included in the previous financial year ended March 31, 2018 reflect only from period October 01, 2017 to March 31, 2018.
  - (ii) Acquisition of R&D business from Sovizen Life Sciences Private Limited with effect from February 1, 2018.
- 5 **Discontinued operations:**  
 On May 19, 2018, the Board of Directors of the Company approved the disposal of business operations at Mahad facility. On July 31, 2018, the company completed the disposal of Mahad facility. The results of the discontinued operations are as under.

| Sl. No. | Particulars   | (Rs. In Lakhs)               |   |                                       |  |
|---------|---|------------------------------|---|---------------------------------------|--|
|         |   | 3 months ended<br>31.03.2019 | Preceding<br>3 months ended<br>31.12.2018 | Financial Year<br>ended<br>31.03.2019 | Previous Financial<br>Year ended<br>31.03.2018 |
| I       | Total Revenue   | -                            | -   | 2,414                                 | 3,944  |
| II      | Total expenses  | -                            | -   | 3,406                                 | 4,507  |
| III     | Profit/(loss) before tax (I - II)                     | -                            | -   | (992)                                 | (563)  |
| IV      | Tax expense   | -                            | -   | 224                                   | -  |
| V       | Profit/(loss) from discontinued operations (III - IV) | -                            | -   | (768)                                 | (563)  |

Accordingly, the figures for the previous financial year have been regrouped to confirm with the classification adopted in these financial results.

- 6 Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018 (the "transition date"). The application of Ind AS 115 has resulted in decrease in retained earnings as at the transition date in respect of contracts that were not completed as at the said date by Rs. 940 Lakhs. Under the cumulative catch-up approach, the comparatives for the previous periods reported are not required to be restated and hence not comparable.
- 7 During the current year, the Company entered into a share purchase agreement with Strides Pharma Sciences Limited (formerly known as Strides Shasun Limited) and acquired 100% of the Investments in Strides Chemicals Private Limited for a consideration of Rs. 13,100 Lakhs with effect from September 1, 2018 (acquisition date). The Board of Directors of the Company in their meeting held on September 28, 2018, have approved a Scheme of Amalgamation of Strides Chemicals Private Limited with the Company from the appointed date of September 1, 2018. The Scheme is subject to necessary regulatory approvals.





**SOLARA ACTIVE PHARMA SCIENCES LIMITED**  
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.  
Corp. Office: No 28, Sardar Patel Road, Gulindy, Chennai - 600 032

**STATEMENT OF STANDALONE FINANCIAL RESULTS  
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

- 8 During the quarter ended March 31, 2019, pursuant to shareholders approval at the extraordinary general meeting held on February 27, 2019, the company has issued 6,500,000 convertible warrants of Rs. 10/- each at a premium of Rs. 390/- per warrant to promoters group and 4,000,000 convertible warrants of Rs. 10/- each at a premium of Rs. 490/- per warrant to M/s. TPG Growth IV SF Pte. Ltd ("Investor") after obtaining the approval of BSE and National Stock Exchange of India. The terms of conversion required that each of the warrants to be converted into one equity share of Rs. 10/- within eighteen months from the date of allotment of warrants. The Company has received preliminary consideration of Rs. 980 Million and Rs 500 Million from promoters group and investor respectively towards allotment of 10,500,000 convertible warrants during the year. Subsequent to allotment of the warrants, the promoter group comprising of Mr. Arun Kumar Pillai and M/s Karuna Business Solutions LLP have exercised their option to convert 1,100,000 warrants into equivalent equity shares and paid the balance consideration. Pursuant to the above, the board of directors approved allotment of equivalent number of equity shares on March 26, 2019.
- 9 The Company's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

For and on behalf of board

Jitesh Devendra  
Managing Director

Place : Bengaluru  
Date : May 16, 2019

