



SOLARA
Active Pharma Sciences

Communication Address :
Solara Active Pharma Sciences Limited
2/1, 2nd Floor, Embassy Vogue
Palace Loop Road, Vasanth Nagar
Bengaluru - 560 052.
Tel: +91 80 46632100, Fax: +91 80 46632125

February 06, 2020

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

Please refer our letter dated January 28, 2020 under Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in continuation we wish to inform that at the meeting of Board of Directors held today (February 06, 2020) the Directors has inter-alia amongst other subject approved the following:

- Unaudited financial results (standalone and consolidated) of the Company for the quarter and nine months ended December 31, 2019 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A copy of the unaudited financial results (standalone and consolidated) for the quarter and nine months ended December 31, 2019 along with the Limited Review Report by the Auditors and press release is attached.
- Allotment of 15,000 equity shares against the Employee Stock Option Plan 2018. Consequent to the said allotment, the paid-up share capital of the Company will increase from Rs. 26,04,02,670 consisting of 2,60,40,267 equity shares of Rs. 10 each to Rs. 26,05,52,670 consisting of 2,60,55,267 equity shares of ₹ 10 each.
- Designating Mr. Bharath R. Sessa as a Key Managerial Personnel and thereby disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 is attached.

The Board Meeting commenced at 11:00 A.M. and concluded at 12:00 Noon
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



Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

No.	Particulars	Remarks
1.	Reason for change viz., appointment or otherwise	Mr. Bharath R. Sessa is designated as a Key Managerial Personnel, being the Chief Executive Officer.
2.	Date of appointment	December 9, 2019
3.	Brief Profile	<p>Bharath is an Engineering graduate with a management degree from the Institute for Technology and Management, Chennai. He also has a master's degree in International Management from Thunderbird School of Global Management, United States.</p> <p>Bharath joins Solara from Nalco Water, India where he was the Managing Director responsible for the growth strategy.</p> <p>He has over two decades of experience and a decade leading diverse businesses including pharmaceuticals and has held CXO level positions in companies like Philips, DSM Sinochem Pharmaceuticals, Royal DSM NV.</p> <p>Throughout his professional stints, Bharath has focused on managing the business growth and profitability of these companies across the pharmaceutical, healthcare, consumer lifestyle, and material sciences industries. He has operated in countries like USA, Hongkong, China, Middle East, Egypt, Africa and Europe.</p>
4.	Disclosure of relationship between directors	Mr. Bharath R. Sessa is not related to any promoter, director or key managerial personnel of the company.

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 Consolidated Unaudited 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 nine months ended December 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 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.
4. The Statement includes the results of the Parent and the following subsidiaries:

Sl. No.	Name of the entities
1	Sequent Penems Private Limited
2	Chemsynth Laboratories Private Limited
3	Shasun USA Inc.

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.

6. The consolidated unaudited financial results includes the interim financial results of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 76 Lakhs and Rs. 505 Lakhs for the quarter and nine months ended December 31, 2019 respectively, total profit after tax of Rs. 11 Lakhs and Rs. 238 Lakhs for the quarter and nine months ended December 31, 2019 and total comprehensive profit of Rs. 11 Lakhs and Rs. 238 Lakhs for the quarter and nine months ended December 31, 2019, as considered in the Statement.

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

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results 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

Place: Bengaluru
Date: February 06, 2020
UDIN: 20206920AAAAAQ8211



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

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in Lakhs 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
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
							(Refer note 3)
	Continuing operations						
I	Revenue from operations	34,368	35,113	35,623	1,02,498	1,00,137	1,38,668
II	Other income	608	495	388	1,539	576	1,238
III	Total Income (I + II)	34,976	35,608	36,011	1,04,037	1,00,713	1,39,906
IV	Expenses						
	(a) Cost of materials consumed	15,899	15,880	18,899	48,085	54,577	72,954
	(b) Purchases of stock-in-trade	420	2,337	445	3,258	657	908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,499)	(1,255)	(1,789)	(4,390)	(4,890)	(3,379)
	(d) Employee benefits expense	5,143	5,063	4,874	15,069	13,755	18,581
	(e) Finance costs	1,857	2,029	2,254	5,751	6,070	8,242
	(f) Depreciation and amortisation expense	2,384	2,350	2,121	7,023	5,969	8,309
	(g) Other expenses	6,639	6,286	6,997	19,540	20,421	27,523
	Total expenses (IV)	30,843	32,690	33,801	94,336	96,559	1,33,138
V	Profit/(loss) before tax (III - IV)	4,133	2,918	2,210	9,701	4,154	6,768
VI	Tax expense						
	- Current tax	553	557	560	1,676	956	1,596
	- Current tax of subsidiary - reversal of excess provision of prior year	(13)	-	-	(13)	-	(143)
	- Deferred tax	(540)	(527)	(560)	(1,633)	(893)	(1,395)
	Total tax expense (VI)	-	30	-	30	63	58
VII	Profit/(loss) after tax from continuing operations (V - VI)	4,133	2,888	2,210	9,671	4,091	6,710
	Discontinued operations (Refer note 6)						
	- Profit/(loss) from discontinued operations	-	-	-	-	(992)	(992)
	- Tax expense of discontinued operations	-	-	-	-	224	224
VIII	Profit/(loss) after tax from discontinued operations	-	-	-	-	(768)	(768)
IX	Profit/(loss) for the period (VII + VIII)	4,133	2,888	2,210	9,671	3,323	5,942
X	Other comprehensive income						
A	(i) Items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(201)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-	71
B	(i) Items that may be reclassified to statement of profit and loss	(4)	(11)	12	(15)	(11)	(153)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive Income for the period (X)	(4)	(11)	12	(15)	(11)	(283)
XI	Total comprehensive Income for the period (IX + X)	4,129	2,877	2,222	9,656	3,312	5,659
	Profit for the year attributable to:						
	- Equity shareholders of the Company	4,136	2,891	2,209	9,679	3,320	5,952
	- Non-controlling interests	(3)	(3)	1	(8)	3	(10)
	Other Comprehensive income:						
	- Equity shareholders of the Company	(4)	(11)	12	(15)	(11)	(283)
	- Non-controlling interests	-	-	-	-	-	-
	Total Comprehensive income:	4,132	2,880	2,221	9,664	3,309	5,669
	- Equity shareholders of the Company	4,132	2,880	2,221	9,664	3,309	5,669
	- Non-controlling interests	(3)	(3)	1	(8)	3	(10)
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)						
	(a) Basic (Rs.)	16.00	11.21	8.96	37.51	14.70	24.88
	(b) Diluted (Rs.)	15.24	11.16	8.95	36.61	14.69	24.84
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)						
	(a) Basic (Rs.)	-	-	-	-	(3.11)	(3.11)
	(b) Diluted (Rs.)	-	-	-	-	(3.11)	(3.11)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)						
	(a) Basic (Rs.)	16.00	11.21	8.96	37.51	11.59	21.77
	(b) Diluted (Rs.)	15.24	11.16	8.95	36.61	11.58	21.73
	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, Gulindy, Chennai - 600 032
STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 6, 2020. The above results for the quarter ended and nine months ended December 31, 2019 has been subjected to limited review by Deloitte Haskins & Sells LLP, the statutory auditor of the Company. The report of the statutory auditor is unmodified.
- Effective 01 April 2019, the Group applied Ind AS 116 – Leases to applicable lease contracts existing as on 01 April, 2019. The Group has used the modified retrospective method prescribed under Ind AS 116 and accordingly, the comparative numbers have not been retrospectively adjusted. The application of Ind AS 116 did not have a significant impact on the profit and earnings per share for the quarter ended and nine months ended December 31, 2019.
- 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 Shosun 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.

 During the previous quarter ended September 30, 2019, the initial accounting in respect of inventory acquired from this business was finalised prior to the completion of one year from the acquisition date. Pursuant to this finalisation of initial accounting, the Company has restated the balance sheet as at March 31, 2019 in accordance with Ind AS 103 'Business Combinations', as a result of which, the goodwill as at March 31, 2019 was increased by Rs. 646.21 lakhs with corresponding decrease in inventories.
- The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

5 Information on Standalone Results:

(Rs. In Lakhs)

Sl. No.	Particulars	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
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Total Revenue from continuing operations	34,978	35,608	35,995	1,04,038	1,00,686	1,39,871
II	Profit before Tax from continuing operations	4,121	2,949	2,279	9,431	4,326	6,836
III	Profit after Tax from continuing operations	4,121	2,949	2,279	9,431	4,263	6,635
IV	Profit/(loss) before Tax from discontinued operations	-	-	-	-	(992)	(992)
V	Profit/(loss) after Tax from discontinued operations	-	-	-	-	(768)	(768)

6 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 were as under.

Sl. No.	Particulars	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2018	31.03.2019
I	Total Revenue	2,414	2,414
II	Total expenses	3,406	3,406
III	Profit/(loss) before tax (I - II)	(992)	(992)
IV	Tax expense	224	224
V	Profit/(loss) from discontinued operations (III - IV)	(768)	(768)

For and on behalf of board

Mesh Devendra
Managing Director

Place : Bengaluru
Date : February 6, 2020



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 Standalone Unaudited Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company") for the quarter and nine months ended December 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 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.

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5. As explained in Note 4 of the Statement, the previously issued financial information of the Company included in these results have been restated to give effect for merger of erstwhile Strides Chemicals Private Limited (SCPL) with effect from the appointed date of September 1, 2018 in accordance with the requirements of the Scheme. The comparative financial information of SCPL for the quarter and nine month period ended December 31, 2018 and for the year ended March 31, 2019 have been reviewed/audited by the other auditor. The report of the other auditor on these comparative financial information of SCPL expressed an unmodified conclusion / opinion.

Our conclusion on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Sathya P. Koushik
Partner
Membership No. 206920

Place: Bengaluru
Date: February 06, 2020
UDIN: 20206920 AAAA BRS715



SOLARA ACTIVE PHARMA SCIENCES LIMITED
 Regd. Office: No. 201 Devavata, Sector 17, Vashi, Navi Mumbai 400 703.
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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
 FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

(Rs. in Lakhs 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
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
			(Refer Note 4)	(Refer Note 4)		(Refer Note 4)	(Refer Note 4)
	Continuing operations						
I	Revenue from operations	34,368	35,113	35,623	1,02,498	1,00,137	1,38,668
II	Other income	610	495	372	1,540	549	1,203
III	Total income (I + II)	34,978	35,608	35,995	1,04,038	1,00,686	1,39,871
	IV Expenses						
	(a) Cost of materials consumed	15,899	15,880	18,898	48,085	54,577	72,954
	(b) Purchases of stock-in-trade	420	2,337	445	3,258	657	908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,499)	(1,255)	(1,789)	(4,390)	(4,890)	(3,379)
	(d) Employee benefits expense	5,111	5,032	4,815	14,956	13,606	18,398
	(e) Finance costs	1,857	2,030	2,254	5,751	6,070	8,242
	(f) Depreciation and amortisation expense	2,376	2,325	2,113	6,983	5,946	8,279
	(g) Other expenses	6,693	6,310	6,980	19,964	20,394	27,633
	Total expenses (IV)	30,857	32,659	33,716	94,607	96,360	1,33,035
V	Profit/(loss) before tax (III - IV)	4,121	2,949	2,279	9,431	4,326	6,836
VI	Tax expense						
	- Current tax	539	527	560	1,632	956	1,596
	- Deferred tax	(539)	(527)	(560)	(1,632)	(893)	(1,395)
	Total tax expense (VI)	-	-	-	-	63	201
VII	Profit/(loss) after tax from continuing operations (V - VI)	4,121	2,949	2,279	9,431	4,263	6,635
	Discontinued operations (Refer note 5)						
	- Profit/(loss) from discontinued operations	-	-	-	-	(992)	(992)
	- Tax expense of discontinued operations	-	-	-	-	224	224
VIII	Profit/(loss) after tax from discontinued operations	-	-	-	-	(768)	(768)
IX	Profit/(loss) for the period (VII + VIII)	4,121	2,949	2,279	9,431	3,495	5,867
X	Other comprehensive income/(loss)						
A	(i) Items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(201)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-	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	-	-	-	-	-	-
	Total other comprehensive income/(loss) for the period (X)	-	-	-	-	-	(130)
XI	Total comprehensive Income for the period (IX + X)	4,121	2,949	2,279	9,431	3,495	5,737
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)						
	(a) Basic (Rs.)	15.95	11.45	9.25	36.55	15.40	24.54
	(b) Diluted (Rs.)	15.20	11.39	9.24	35.68	15.39	24.50
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)						
	(a) Basic (Rs.)	-	-	-	-	(3.11)	(3.11)
	(b) Diluted (Rs.)	-	-	-	-	(3.11)	(3.11)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)						
	(a) Basic (Rs.)	15.95	11.45	9.25	36.55	12.29	21.43
	(b) Diluted (Rs.)	15.20	11.39	9.24	35.68	12.28	21.39
	See accompanying notes to these Financial Results						





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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 6, 2020. The above results for the quarter ended and nine months ended December 31, 2019 has been subjected to limited review by Deloitte Haskins & Sells LLP, the statutory auditor of the Company. The report of the statutory auditor is unmodified.
- Effective 01 April 2019, the Company applied Ind AS 116 – Leases to applicable lease contracts existing as on 01 April, 2019. The Company has used the modified retrospective method prescribed under Ind AS 116 and accordingly, the comparative numbers have not been retrospectively adjusted. The application of Ind AS 116 did not have a significant impact on the profit and earnings per share for the quarter ended and nine months ended December 31, 2019.
- 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 National Company Law Tribunal vide its order dated December 20, 2019 approved the scheme of amalgamation (Scheme) between the Company and Strides Chemicals Private Limited (SCPL), a wholly owned subsidiary of the Company. The Company filed the scheme on February 1, 2020 with Registrar of Companies.

The appointed date of the Scheme is September 1, 2018, the date on which the Company acquired all shares of SCPL thereby resulting in SCPL becoming a wholly-owned subsidiary of the Company. In accordance with the requirements of Appendix C of Ind AS 103 Business Combination, the standalone results of the corresponding period in the previous year has been restated as if the amalgamation / merger had occurred on the appointed date of the Scheme. Further, the results published for previous quarters of the current financial year have also been recast to include the results of SCPL.

The standalone profit before tax as reported in published results for the prior periods are as below (without considering the impact of above restatement):

Particulars	(Rs. In Lakhs)			
	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the previous period ended	Previous Financial Year ended
	30.09.2019	31.12.2018	31.12.2018	31.03.2019
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Profit/(loss) before tax	3,679	2,439	4,325	7,169

The above transaction does not have any impact on the consolidated profit before tax.

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 were as under.

Sl. No.	Particulars	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2018	31.03.2019
I	Total Revenue	2,414	2,414
II	Total expenses	3,406	3,406
III	Profit/(loss) before tax (I - II)	(992)	(992)
IV	Tax expense	224	224
V	Profit/(loss) from discontinued operations (III - IV)	(768)	(768)

For and on behalf of board

Anand Devendra
Managing Director

Place : Bengaluru
Date : February 6, 2020



Solara announces Q3FY20 Financial Results

- » Revenues at ₹3,498 Mn, EBITDA up 25% YoY at ₹820 Mn
- » Continued momentum resulting in >20% operating margins for the fifth quarter in a row
- » Reported highest ever PAT at ₹413 Mn, up 87% YoY and Basic EPS at ₹16.00 in Q3FY20

Bengaluru, India – February 6, 2020: Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE: 541540), a leading Active Pharmaceutical Ingredient provider today announced the financial results for the **third quarter (Q3FY20)**.

Jitesh Devendra, MD commented *“This quarter demonstrates a new high for the company’s profitability. While the customer ordering pattern led to a marginal drop in the revenues, Solara reported its highest ever EBITDA margins & PAT benefiting from better realization from some of our products.*

Our performance was also aided by higher regulated market revenues and significantly improved contributions from the new products which accounted for over 5% of the quarterly business. From an operations standpoint, we are happy with the ramp up in the capacity utilization for our Ambernath facility while our R&D programs remain upbeat with the progress. Overall, we are pleased to share that Q3FY20 is our fifth consecutive quarter for Solara, where our focused strategy on leading a profitable growth has resulted in meaningful financial outcomes and we are confident that our efforts to create significant value remain on the right track as we move into the future.

I am also happy to welcome Bharath Sesha who joined us in December as the CEO of the Company. I am sure that Bharath’s 2 decades of experience in global P&L management and strategy will benefit Solara in its next orbit of growth.”

Financial Highlights for Q3FY20

Particulars	Q3FY20	Q2FY20	QoQ	Q3FY19	YoY	9MFY20	9MFY19	Change
Revenue	3,498	3,561	-2%	3,601	-3%	10,404	10,071	3%
Operating EBITDA	952	818	16%	757	26%	2,557	2,057	24%
Operating EBITDA Margins	27.2%	23.0%	420 bps	21.0%	620 bps	24.6%	20.4%	420 bps
R&D Cost	-134	-110		-104		-360	-312	
Forex gain/(Loss)	2	-3		3		-9	-129	
Reported EBITDA	820	705	16%	656	25%	2,188	1,615	35%
Reported EBITDA Margins	23.5%	19.8%	370 bps	18.2%	530 bps	21.0%	16.0%	500 bps
PAT	413	289	43%	221	87%	967	409	136%
Basic EPS (Rs. Per share)	16.00	11.21		8.96		37.51	14.70	

All values are in ₹ Mn. The financial results above reflect the continuing business operations

Financial Updates

- » Optimal product mix with more focus on high margin products, continued momentum across the cost improvement programs and revenues from new products resulted in 620-basis point improvement in the Operating EBITDA margins over the same period in the previous year despite a marginal drop in revenue.
- » Reported highest ever PAT at ₹413 Mn in Q3FY20
- » Reported EBITDA margins in Q3FY20 are at 23.5%, which is a 530-basis point expansion over the same period in the previous year

Business Updates

- » We continued to track healthy growth in the regulated markets which represent ~76% of our quarterly revenues
- » We filed one new DMF in the US market with a total of two DMFs in 9MFY20. Market extensions were done for four of our existing products to four new markets in Q3FY20, with a total of seven of our existing products to eight new markets in 9MFY20s. The new products launched over the last few quarters are progressing well, and their percentage in the quarterly revenues were at ~5%
- » Top ten customers and ten products account for 46% and 77% of revenues respectively in Q3FY20.

EBITDA Reconciliation

Particulars	Q3FY20	Q2FY20	Q3FY19	9MFY20	9MFY19	FY19
Profit/(loss) before tax as per SEBI reporting (Continuing Operations)	413	292	221	970	415	677
Add : Finance costs	186	203	225	575	607	824
Add : Depreciation and amortisation expense	238	235	212	702	597	831
Less: Interest income	(17)	(23)	(2)	(59)	(4)	(16)
Consolidated Reported EBITDA as per press release	820	705	656	2,188	1,615	2,316

All figures in ₹mn for continued operations

Earnings Conference Call

The Company will conduct an earnings call at **3.00 PM IST on February 6th, 2020**, 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.

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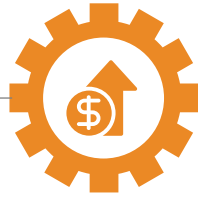
Disclaimer: Certain statements in this document that are not historical facts and are forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors 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.

GROWTH THROUGH EFFICIENCY

Q3'20 Earnings Update
February 6 , 2020



Agenda



PERFORMANCE HIGHLIGHTS



BUSINESS UPDATES



CORPORATE UPDATES



FUTURE OUTLOOK



Q3FY20 registers a new milestone for Solara

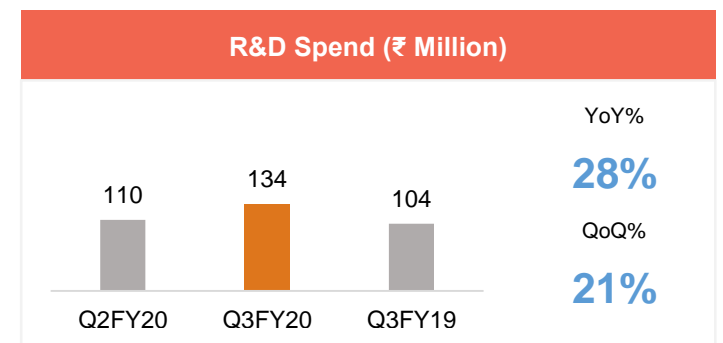
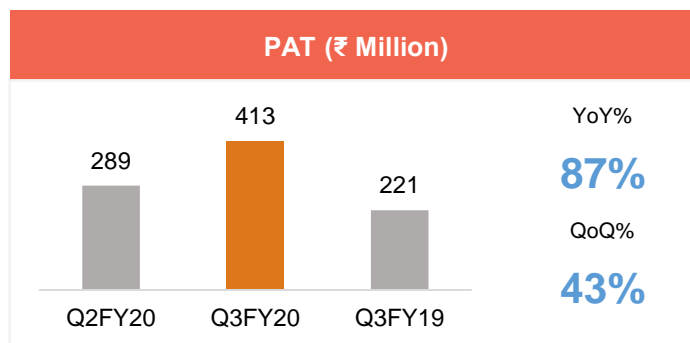
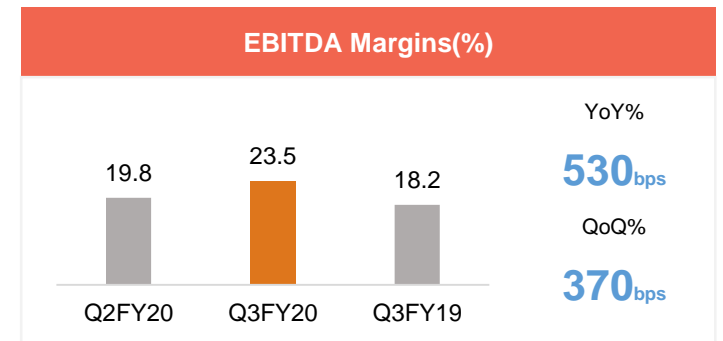
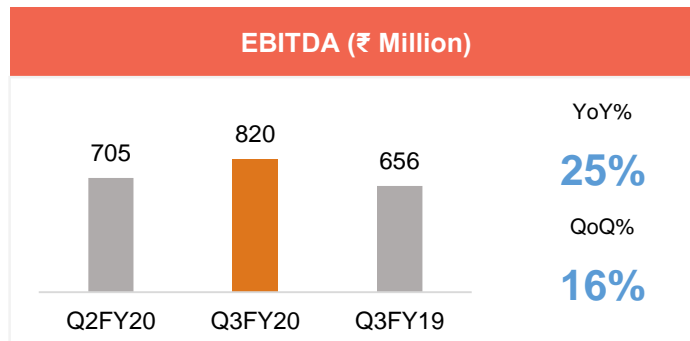
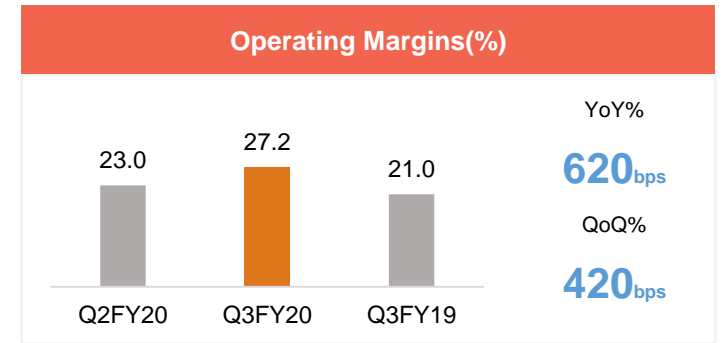
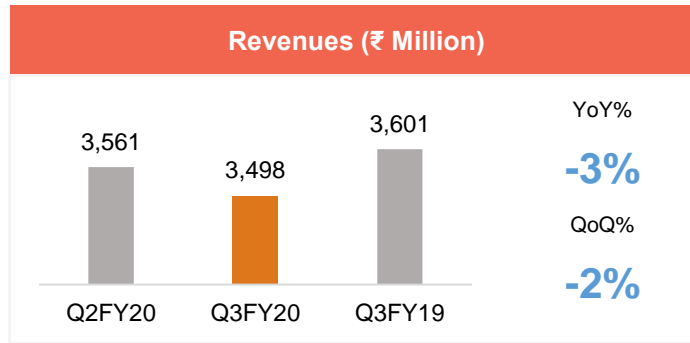


This quarter demonstrates a new high for the company's profitability. While the customer ordering pattern led to a marginal drop in the revenues, Solara reported its highest ever EBITDA margins & PAT benefiting from better realization from some of our products.

Our performance was also aided by higher regulated market revenues and significantly improved contributions from the new products which accounted for over 5% of the quarterly business. From an operations standpoint, we are happy with the ramp up in the capacity utilization for our Ambernath facility while our R&D programs remain upbeat with the progress. Overall, we are pleased to share that Q3FY20 is our fifth consecutive quarter for Solara, where our focused strategy on leading a profitable growth has resulted in meaningful financial outcomes and we are confident that our efforts to create significant value remain on the right track as we move into the future.

I am also happy to welcome Bharath Sessa who joined us in December as the CEO of the Company. I am sure that Bharath's 2 decades of experience in global P&L management and strategy will benefit Solara in its next orbit of growth."

Jitesh Devendra
(MD)



A favourable product mix led to highest ever EBITDA performance

YoY and QoQ Performance Highlights

Year on Year Comparison

Particulars	Q3 FY20	Q3 FY19	Change
Revenue	3,498	3,601	-3%
Operating EBITDA	952	757	26%
<i>Operating EBITDA Margins</i>	<i>27.2%</i>	<i>21.0%</i>	<i>620 bps</i>
R&D Cost	-134	-104	
Forex gain/(Loss)	2	3	
Reported EBITDA	820	656	25%
<i>Reported EBITDA Margins</i>	<i>23.5%</i>	<i>18.2%</i>	<i>530 bps</i>
PAT	413	221	87%
Basic EPS (₹/Share)	16.00	8.96	

Quarter on Quarter Comparison

Particulars	Q3 FY20	Q2 FY20	Change
Revenue	3,498	3,561	-2%
Operating EBITDA	952	818	16%
<i>Operating EBITDA Margins</i>	<i>27.2%</i>	<i>23.0%</i>	<i>420 bps</i>
R&D Cost	-134	-110	
Forex gain/(Loss)	2	-3	
Reported EBITDA	820	705	16%
<i>Reported EBITDA Margins</i>	<i>23.5%</i>	<i>19.8%</i>	<i>370 bps</i>
PAT	413	289	43%
Basic EPS (₹/Share)	16.00	11.21	

Business and Operations Update

- Optimal product mix with more focus on high margin products, continued momentum across the cost improvement programs and revenues from new products resulted into 620-basis point improvement in the Operating EBITDA margins over the same period in the previous year despite a marginal drop in revenue.
- Reported highest ever PAT at ₹413 Mn in Q3FY20
- Reported EBITDA margins in Q3FY20 are at 23.5%, which is a 530- basis point expansion over the same period in the previous year
- Company resumed supplies of its Ranitidine Hydrochloride Drug Substance (Ranitidine) which were temporarily suspended in Q2FY20 concerning the industry-wide NDMA impurity issue after the test results showed that the NDMA values are within the limit recommended by US FDA.
- Healthy growth in the regulated markets which represent ~76% of our quarterly revenues
- Filed one new DMF in the US market in Q3FY20
- Market extensions were done for four of our existing products to four new markets in Q3FY20
- New products launched over the last few quarters are progressing well, and their percentage in the quarterly revenues were at ~5%
- Top ten customers and ten products account for 46% and 77% of revenues respectively in Q3FY20.

On track to achieve a profitable growth in FY20

9MFY20 Performance Highlights

Year on Year Comparison

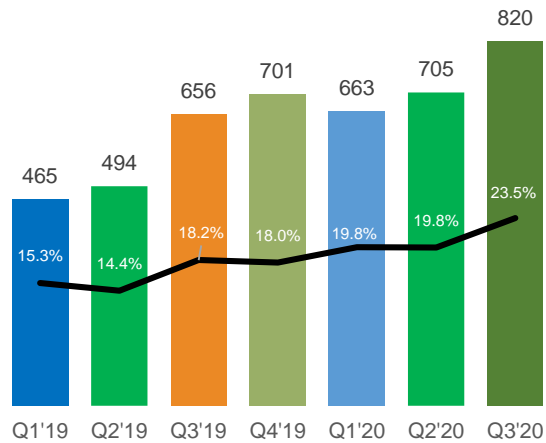
Particulars	9M FY20	9M FY19	Change
Revenue	10,404	10,071	3%
Operating EBITDA	2,557	2,057	24%
Operating EBITDA Margins	24.6%	20.4%	420 bps
R&D Cost	-360	-312	
Forex gain/(Loss)	-9	-129	
Reported EBITDA	2,188	1,615	35%
Reported EBITDA Margins	21.0%	16.0%	500 bps
PAT	967	409	136%
Basic EPS (₹/Share)	37.51	14.70	

Business and Operations Update

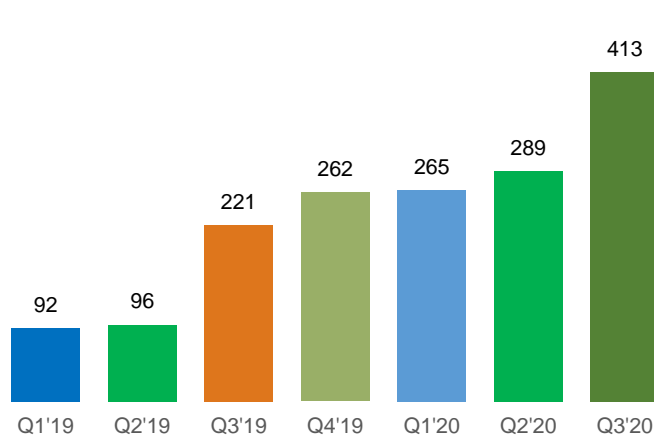
- Consistent performance in 3 quarters with high margin products and R&D benefits resulted into 420-basis point improvement in the Operating EBITDA margins over the same period in the previous year.
- Reported highest ever PAT at ₹967 Mn in 9MFY20
- Reported EBITDA margins in 9MFY20 are at 21.0%, which is a 500- basis point expansion over the same period in the previous year
- Healthy growth in the regulated markets which represent ~75% of 9MFY20 revenues.
- Filed two new DMF in the US market in 9MFY20
- Market extensions were done for seven of our existing products to eight new markets in 9MFY20
- New products launched over the last few quarters are progressing well, and their percentage in the quarterly revenues were at ~5%
- Top ten customers and ten products account for 46% and 77% of revenues respectively in 9MFY20.

Sequential improvement in the performance as the business steps up

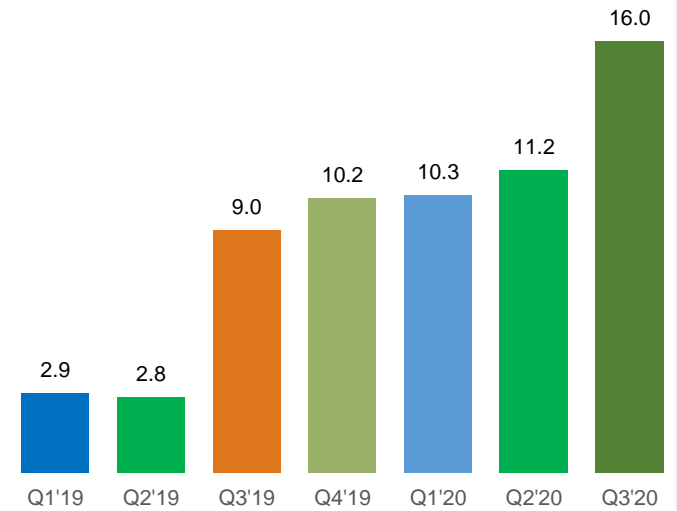
Reported EBITDA (₹ Million)



Net Profit After Tax (₹ Million)



Basic Earnings Per Share(₹/share)



KEY UPDATES

- ➔ Growth in Reported EBITDA margins over last 7 quarters
- ➔ Steady progress through the proactive cost improvement programs
- ➔ Optimization of existing products and fast expanding portfolio of new products and new customers to access new markets for existing products
- ➔ Strong leverage situation supporting better EBITDA to EPS conversion

Significant focus to maintain capital and gearing ratios

Statement of Assets and Liabilities

Source of Funds

Particulars	Mar'18	Mar'19	Dec'19
Shareholders' funds	7,640	9,559	10,463
Less: Goodwill	-3,634	-3,651	-3,651
Net worth	4,006	5,908	6,812
Term Loan	3,026	3,236	3,204
Working Capital	3,302	3,625	3,685
Gross Debt	6,328	6,861	6,889
Less: Cash	-470	-2,245	-884
Net Debt	5,858	4,616	6,005
Total	9,864	10,524	12,817

Utilization

Particulars	Mar'18	Mar'19	Dec'19
Net Tangible Fixed Assets	6,703	8,034	9,576
Net Non-current Assets	1,068	190	145
Net Current Assets	2,093	2,300	3,096
Total	9,864	10,524	12,817

Key Updates

- ➔ Improvements in financial ratios led by a **right sized balance sheet position**
- ➔ Net Debt to EBITDA comfortable at **~2x range**
- ➔ Net Debt to Equity at **~1x**



Future Outlook

FY20 growth led through efficiencies



EXPAND CAPABILITIES

- Planned **new greenfield site** for capacity expansion
- 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
- Filing capability of **10-12 DMF and market extensions per annum.**

EFFICIENCIES IN 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**

Well on our path to become a disruptive player in API industry



BUSINESS CONTINUITY

A steadily expanding portfolio of new products and new customers to access new markets for existing products and enable stable growth



WORLD WIDE PRESENCE

An entrenched footprint in key regulated markets as well as opportunity territories



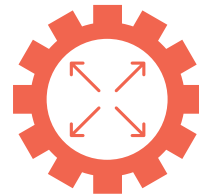
CUSTOMER ADVOCACY

A unilateral focus on customer delight



COST RATIONALIZATION

A range of proactive cost improvement programmes to stay competitive, expand margins and streamline efforts into contract service development



CAPACITY BUILDING

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



RESEARCH DRIVE

A sustained thrust on innovation to reinforce entry barriers to competition and build strong intrinsic value into market-specific launches

Thank you

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