



“Solara Active Pharma Sciences Limited Q2 FY24  
Earnings Conference Call”

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**Moderator:** Ladies and Gentlemen, Good day and welcome to the Q2 FY24 Earnings Conference Call of Solara Active Pharma Sciences Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Singhal. Thank you and over to you, Mr. Singhal.

**Abhishek Singhal:** Thanks Michelle. A very good afternoon to all and thank you for joining us today for Solara Active Pharma Sciences earnings conference call for the second and half yearly handed financial year 2024. Today we have with us Mr. Poorvank Purohit – MD and CEO and Mr. PV Raghavendra Rao – CFO to share the highlights of the business and financial for the quarter.

I hope you've gone through our results release and the quarterly investor presentation which have been uploaded on our website as well as the stock exchange website. The transcript for this call will be available in a week's time on the company's website. Please note that today's discussion may be forward-looking in nature and must be viewed in relations to risk pertaining to our business.

After the end of this call, in case you have any further questions, please feel free to reach out to the Investor Relation team. I now hand over the call to Poorvank to make his opening remarks.

**Poorvank Purohit:** Good evening, everyone. Thank you all for joining the call today. Q2 2024 is a turnaround quarter for Solara with improved capacity utilization. Our work on the key strategic priorities which include resetting and concentrating the base business, restoring R&D velocity, addressing under recoveries at our newly commissioned Vizag site and expanding into new products and geographies have started to yield positive results for us and we'll continue to focus on further improvements.

Our current orderbook position is strong and there is improved visibility on Vizag. We have witnessed demand recovery across our product basket leading to top line growth in Q2 2024. We are pleased to note the increase in demand for ibuprofen business. Coming to the Q2 performance on the revenue front, we had a 25% growth YoY, gross margins stood at 44.3%, EBITDA at 38 crores, 27% growth YoY.

On our R&D, we had filed 11 market extensions which were done for 10 existing products during H1 2024. We continue to invest in our R&D for strengthening our generic API portfolio and CRAMS to meet the growing demand for our existing product as part of increasing market share through market extensions addressing regulatory requirements for new products.

Our capacity utilization at Vizag has improved significantly in Q2 2024 and we are currently in the process of qualifying regulating market customers to offtake products from our Vizag

facility. We continue to focus on operating cost reduction, continuous improvement programs and inventory management to improve profitability. Ramp up in operations at Vizag facility led us to improved capacity utilization resulting in reduction in under recoveries.

We continue to remain focused on the actions to improve profitability and confident about the fundamentals of Solara. I will now hand it over to our CFO Raghavendra to take through the financial.

**PV Raghavendra Rao:** Thank you Poorvank. Good afternoon to one and all and this is my absolute pleasure and privilege to be part of this call and be talking to you as the CFO of Solara. I will now take you through some of the numbers and then we can open up for Q&A. Our revenue for the quarters stood at Rs. 4,264 million which is a 20% growth over the previous quarter and about 25% growth year-on-year.

Our gross margins are at 44.3%, which is similar to what we did in Q2 of last year in percentage terms. However, in value terms we have clocked a gross margin of 1,891 million, which is a 25% growth over the Rs. 1,561 million clocked same quarter a year ago and this growth is in line with the revenue growth.

Our Q1 gross margin was 45.5%. Our EBITDA is at 9% for this quarter. This is 331 bps improvement over the sequential quarter in percentage terms, in value terms it is at Rs. 382 million and our EBITDA has grown by about 27% YoY. Our EBITDA for the same quarter last year was Rs. 300 million and in Q1 it was Rs. 200 million. Actions to improve our balance sheet and our debt position continue. We have reduced gross debt by about Rs. 283 million in H1 and further we have also reduced the working capital by about Rs. 408 million and it now stands at Rs. 8,115 million which is approximately 190 days and is an improvement of approximately 20 days over March.

We continue to work towards improving our debt position, our working capital, our cash flows and overall balance sheet. Thank you.

**Moderator:** Thank you very much sir. We will now begin the question-and-answer session. The first question is from the line of Dinal Jain an Individual Investor. Please go ahead.

**Dinal Jain:** My first question is on the revenue so during this quarter the revenue was 425 crores, which is a material jump both YoY and QoQ, is this revenue sustainable and what drove the revenue during the quarter? Can we expect quarterly 400 crore now the new base on which the company will grow going forward?

Secondly, on the working capital days, so working capital days have stayed elevated since quite some time, what's the situation currently and what is the sustainable working capital days that we can assume going forward?

**Poorvank Purohit:** So, talking about the revenue part, I think what we have done is we have put several robust review mechanisms to get maximum value out of the current assets and that was the primary reason why we have been able to grow the revenue. Now coming to it is definitely a significant improvement over the last quarter and we are getting back to old levels, but having said that, I think we would definitely be aspiring to these levels because we see a stability in the demand, and we do have some engagement with customers. So, we remain strong on the fundamentals, but like having said that we would continue to focus on the fundamentals and the idea would be to deliver growth quarter-on-quarter so that we are able to come out of words what Solara has gone in the past and therefore we would be able to.

Our objective would be not to be too ambitious at the current stage, but yes, definitely this is just the beginning, and we would continue to aspire for these numbers going forward. With respect to the working capital, I can talk about the fact that if you look at our current inventory level, there was lot of cash which was stuck in the balance sheet and we have actually reduced the inventory and that has led to reduction in number of days and our idea would be to have a continuous focus on the inventory reduction, which is also one of our strategic initiatives going forward.

**PV Raghavendra Rao:** I agree with you in the sense that the working capital is at an elevated level and as we can see that there has been some progress made between March and September. There are actions that are happening, and our efforts are in the direction of improving the entire working capital.

**Moderator:** Thank you. The next question is from the line of Tushar Manudhane from Motilal Oswal Financial Services. Please go ahead.

**Tushar Manudhane:** So, on this current revenue base in the presentation it highlights good demand for Ibu business. So, if you could further elaborate what is driving demand for the Ibu business? Is it regulated, self-regulated markets or is it more traction from the same customer if you can throw some light?

**Poorvank Purohit:** Talking about the Ibu demand see what we have done is if you look at the primary driver has been we have strongly focused on the utilization of Vizag as one the strategic initiatives that allowed us to jump the capacity utilization significantly.

So, some of the markets which we were not catering to because of the pricing realization, we actually tried to tap into that and because of the stable demand, we are also getting into some long-term contracts with the customers and that allowed us to grow the revenue on that account. That's why you would see a in the slide also there is a Vizag utilization slide you would see a significant jump on the utilization as well.

**Tushar Manudhane:** But at the same time, the gross margin has dipped quarter-on-quarterwise sales have increased. So, while the regulated market share is better off even sequentially. So, how can you please explain that?

- Poorvank Purohit:** In terms of the gross margin, you are talking about?
- Tushar Manudhane:** Yes, sequentially it is still lower while the sales have improved and the share of revenue of real?
- Poorvank Purohit:** So, if you look at the broad revenue jump, I think it is pretty steep compared to the previous quarter and coming back to like the old levels or historical levels. So, I think for us we see it as a very positive sign because you talk about gross margin especially when you are fully utilized. We cannot talk about under recoveries and gross margin, that's number one.
- Number two, I think we should look at it on a moving annual total basis gross margin, it could be somewhere here and there, but I think we would still be in the same range and our objective would be to go to higher gross margin levels going forward.
- Tushar Manudhane:** And even though traction in regulated market is more driven by ibuprofen is that safe to assume?
- Poorvank Purohit:** The traction in regulated is definitely there and that is why you see I think we are talking about 70% revenue already from regulated markets. So, that is already there, and it is not only on account of ibuprofen, but also other products that we have seen which allowed us to improve capacity utilization in other plants also. We had higher demand for some of the other products, which allowed us to drive down the revenue.
- Tushar Manudhane:** And also, the overall revenue growth of 26%, if you could break down into price and volume?
- Poorvank Purohit:** So, in terms of the price and volume growth I would say that broadly there is a volume growth because of increased utilization of Vizag, pricing broadly has remained stable because we have not done any corrective measures nor have we done any price reduction because at the same time, what we have actually focused on is the utilization of capacities which actually allowed us to drive better revenue growth, because like I said, we talk about gross margin per say if the capacity is fully utilized and I think that's also a very strong concept, I would like to advocate that if your all your plants are fully utilized and you say that this gross margin level it has gone up gone down significantly, but if I'm able to maintain the same gross margin and increase the revenue growth significantly that adds to absolute gross margin, you see a 30 crore, 40 crore of jump of gross margin which actually adds to the bottom line only.
- Tushar Manudhane:** And lastly during that year good effort put up in terms of the revenue growth and hence driving at least coming to high single digits EBITDA margin, but how far are we to be net profitable because this 9%, 10% EBITDA margin will still not help at 400 crore revenue if you coming out with profit?
- Poorvank Purohit:** So, what you're saying is absolutely right. So, this EBITDA margin will not help, and we said in the earlier earnings call also that our objective and our aim would be to get to a higher teens level on the EBITDA margins and that is what we are striving to do. We are taking one corrective

step one at a time, but like I said, continuing to display that growth quarter and quarter is very important for us.

And therefore, I think I'm sure with the right steps and fundamentals, I can talk about the fundamental, fundamentals will remain strong of the business, and we have covered very strong fundamentals especially in the investor deck that we have shared, which actually gives a good flavor of that how we are attacking the business to grow higher margins in the long run.

**Moderator:** Thank you. The next question is from the line of Monish Shah from Antique Stock Broking. Please go ahead.

**Monish Shah:** Just a question on capacity what would be your total tonnage capacity at Vizag and how much of that is operational?

**Poorvank Purohit:** So, in terms of the capacity utilization I can talk about from the previous year we were talking about roughly around 20%, 25% of capacity utilization. We have gone to 50% capacity utilization levels now or even higher and the objective is we are in any case qualifying other customers for Vizag and also trying to enter into new markets which will allow us to drive that capacity utilization. That's why you would see that our under recoveries halved in the first half, earlier we were only talking about marginal decrease, but our under recoveries have halved because our capacity utilization has significantly improved in Vizag now.

**Monish Shah:** And how much of this would be dedicated to ibuprofen?

**Poorvank Purohit:** Broadly I would say majorly it is dedicated for ibuprofen, but we are also looking at doing some of the other products there in separate blocks to increase the capacity utilization.

**Monish Shah:** So, you're saying around two-third would be Ibu and one-third would be?

**Poorvank Purohit:** Yes, absolutely two-third would be Ibu, but our objective would also be to utilize it for some of the other products. So, the efforts are in place, and we have identified some 4 products, 5 products and we will continue to have that focus for Vizag.

**Monish Shah:** Any are we naming products besides this ibuprofen which are key contributors?

**Poorvank Purohit:** So, let the revenue start we start getting generated that is only one of the product, but it may not be right to quantify because actually we are looking at the mix of various products on what would be there, but having said that it's a high KL capacity plant and we are looking at some high-volume products to be manufactured there.

**Monish Shah:** And just the last question on ibuprofen so you've highlighted that the demand scenario is better. So, how should we look at it, is it better in terms of pre COVID versus today or is it still below pre COVID?

**Poorvank Purohit:** So, the demand for ibuprofen was there, but during the COVID times it had come down and then the demand started picking up significantly and I would say that it would broadly be at the same level because Ibuprofen generally it's a very cyclical trend, the demand right now we see over the next two years, three years based on our discussion with the customer we see the demands to be stable in a range and we do not see of course there is some bit of pressure on the pricing, which in any case would be there, but at the same time our idea would be what we have understood from customers is the demand is going to be stable for some time.

**Monish Shah:** And lastly on rights issue, any update over there?

**PV Raghavendra Rao:** So, work is going on in the background I know it's little bit time we have taken on this, but yes, the work is going on in the background and you will shortly hear some information.

**Poorvank Purohit:** Yes, we should be able to announce the plan within this quarter only, but yes, I think it's on the fast track.

**Moderator:** Thank you. The next question is from the line of Jagdish Sharma an Individual Investor. Please go ahead.

**Jagdish Sharma:** There was a recent fire incident at Pondy facility, is there any impact on the business and what kind of impact can we expect in the second half of FY24 and as a specialty chemical operation?

**Poorvank Purohit:** Sir, we have in any case we have made an initial assessment of the impact while the investigation is still going on and we expect to complete the report within this week, but from prime facie I can tell you there is there would be some impact, but there would be no significant impact because we are talking about two blocks out of 76 blocks there, but what would the quantum of impact that is something we have to actually see it.

It is not doing any disruption with respect to supplies to the customer, but yes, what level of course and we would in any case be catered to it is something which we have to deal on the short-term basis on what would be, and we are trying to come out of it. So, it's not something we are much worried about. It's just some cost impact we will have to take into consideration, but that something only after the investigation we can come to a conclusion.

**Jagdish Sharma:** My second question is like can we expect the gross margin to come back to 50% like historic level of 50% in next two years, three years?

**Poorvank Purohit:** Yes, I can say if I talk about the forward outlook, definitely I think we have gross margin will remain a very primary theme for our company because what we do is we are actually not fully backward integrated on many of the APIs. So, our objective would be to be reliant on the to make to have security of supply chain and that is where we are actually trying to bring focus on some of the molecules to bring down the cost while significantly improving the gross margin

while doing some of the steps in house production. So, that would definitely yes in the next two years, three years we can expect to be in that range only consistently.

**Moderator:** Thank you. The next question is from the line of Piyush Saraogi and individual investor. Please go ahead.

**Piyush Saraogi:** What is the net debt as on the quarter end September 23 and how much debt reduction can we expect by the end of this financial year?

**PV Raghavendra Rao:** End of September. I think our debt position is about 972 crores gross debt so that's one and second is as we have reduced debt by about 29 crores between March and September. We are directionally looking at further reducing the debt and we are working towards that.

**Piyush Saraogi:** And what is the contribution of our new products to the revenue this quarter?

**Poorvank Purohit:** Are you talking about the new products so it's roughly in the range of 5% to 10% and that's the contribution we see from the new products.

**Piyush Saraogi:** And with a two year to three-year perspective could you highlight our aspirational revenue growth target in mid-teens, would that be a figure which we can estimate for the future?

**Poorvank Purohit:** See I think definitely if I talk about that this is something we are also aspiring to. I am strongly bullish on the fundamentals of the company and if we are able to do achieve all the measures that we are actually talking about I think as we follow the process, we should be able to get to that level that's given.

**Moderator:** Thank you. The next question is from the line of Mayank Goyal an Individual Investor. Please go ahead.

**Mayank Goyal:** Most of my questions have been answered. I would just like to know that when the company is expected to be back to the profitability levels when we would be posting profits, is there any visibility on the quarter or year?

**Poorvank Purohit:** So, I can tell you for a fact that I think those corrective measures have already been taken and I would say that I think I talk about the forward-looking thing, I would not like to comment anything on the numbers per se. I would like to be little conservative with respect to what we are demonstrating, and our objective would be to continue to display our strong quarter-on-quarter growth and year-on-year growth and that is what and if we are able to deliver that track performance then automatically, we'll come out of the woods that's there.

Number two is also the fact that of course we want to come back to the original level then we want to have a profit showing that is taking some time, but it is also because of some of the past



measures that we have to actually we are taking that into account which some of the old things that went into the company.

So, we are trying to do a quick assessment of that, and we are trying to attack each of the areas one by one, but yes, I do see that looking at the fundamentals we are trying to attack each of the areas one by one, whether it is debt, whether it is gross margins, whether it is OPEX, whether it is cost improvement programs whether it is revenue growth. So, we are looking at all these critical parameters to see where we can actually do an improvement, and this is what you see, and we will continue to aspire to similar numbers going forward.

**Moderator:** Thank you. The next question is from the line of Subro, an individual investor. Please go ahead.

**Subro:** Sir did you just mention that the Vizag facility utilization is about 50% odd?

**Poorvank Purohit:** Yes.

**Subro:** But in the slide I see the revenue for this quarter is just about 33 crores and if I'm not wrong, in one of the previous con-calls, it was mentioned that Vizag has a revenue potential of about 400 crores. So, what am I missing here sir?

**Poorvank Purohit:** So, if I talk about like if you have heard the call, we have one of the dedicated blocks for ibuprofen and where the commissioning has already happened that's where the utilization has happened, and we are calculating based on the KL thing.

Now there were several other products which were not scaled up during that time, and once we look at all these products put together then we can actually talk about the full capacity utilization of Vizag. In terms of you're missing out on the point I would say that primarily because ibuprofen capacity is installed that's where we are actually seeing under recovery is actually coming down.

If you would see that we talk about 30 crores, 40 crores of under recovery. We had posted 40 crores of under recovery actually it has come down to 10 crores only for the H1. So, that's where I say that the capacity utilization has gone up and under recoveries have actually come down and we are talking only about under recoveries, and we are not talking about the revenue right now. We may have to do some tweaking.

First of all, we want to utilize the capacity. There could be a product mix change which would be required to have the optimum revenue from Vizag, but there is still some time. Our idea right now is to focus on the Vizag full utilization, that's when we can actually, which actually allowed us to drive the revenue which you see in the gross margin growth, which you see in the revenue growth also and this is going to be the objective going forward also.

**Subro:** I understand, and my next question was regarding that product mix change which you referred to so over the last 12 months Solara has actually been really watching the talk. So, I think we

have been following the path to a good reset, but my question is from 12 months to 18 months point of view, how do you see the Ibu contribution to your revenue coming down because that is really taking the company too highly dependent on the supply and demand dynamics?

**Poorvank Purohit:** No so if I talk about the Ibu in any case it has been broadly historically at a level of around 45%, 50% and that will continue because we have a stable demand and like I said, if we have a capacity which is already installed and which is sitting idle, why should I not take more market share. Our objective would be to utilize the existing capacities which are already commissioned while we improve.

So, our objective would be to reduce the percentage of dependence while also increasing the market share in absolute terms. So, basically which means the other products also have to grow significantly and that's where we are actually trying to attack some of the other products wherein we have not got into the market and we would try to focus on some of those products which are able to drive the revenues so that absolute and while we are also focusing secondly on the Ibu contribution, getting market share with some of the companies so that while we are able to get more market share, more absolute contributions from ibuprofen, the percentage itself will come down going forward and that's what we are aspiring to which will actually also improve our gross margin in the long run and that's what the theme of the company is.

**Subro:** Sir, any qualitative or quantitative estimate which you may give for the like 18 months to 24 months what will be the contribution of the new products?

**Poorvank Purohit:** See we have several new products coming in, but it would be difficult to quantify at this stage, but I have already covered in the current call that we see a very optimistic estimate going forward 18 months to 24 months we are definitely working on these areas. I have spoken about gross margin, I've spoken about revenue, I've spoken about the EBITDA margin.

So, if you look at all these parameters, I think we should be able to get to that level this is what we can say looking at the current thing, but I'm fundamentally confident about the area that we are attacking which should yield us results in that direction actually. We are clear about what we are doing, and this is the right way to approach things from the business point of view and this is what we are trying to do from all the sides so that we are able to drive the intrinsic value for the business.

**Subro:** One last question was from my side for the last two years the operating cash flow has been in the range of sub 100 crores. So, in a more stable sort of environment what do you suggest being stable operating cash flow annually for Solara?

**PV Raghavendra Rao:** Subro I'm not very clear with your question. So, our operating, I mean, it's basically driven the business right in the sense when the business grows the strength of the cash flow will also grow.

**Poorvank Purohit:** But can you elaborate on your question?

**Subro:** My question was that, so the last few years have been pretty full of turmoil. So, my question is to assuming the stable business environment, what should be a stable sort of an operating cash flow that the business can throw in?

**PV Raghavendra Rao:** Subro I would not like to allude to any numbers right now. So, there are two or three items that will help improve my cash flow so that I can call out. One which Poorvank has been speaking about for the last couple of minutes is on the improvement in the overall business itself. So, that is one and second is we also spoke earlier in the call about improving hygiene in the balance sheet. So, as you know and was asked by Neelam earlier, I think there's a lot of juice sitting in the working capital. So, that is something that we can leverage a lot of cash sitting in inventories, receivables that we can leverage.

So, there's a lot of play available for us both in terms of what is there in the P&L and balance sheet. I think that's a work in progress, and we are directionally working towards that.

**Moderator:** Thank you. The next question is from the line of Sheikh Mohammad Ayaz, an Individual Investor. Please go ahead.

**Sheikh Mohammad Ayaz:** I need to ask one question regarding other expenses, the year-on-year the expense has been raised by around 20 crore I just want to know what is that?

**Poorvank Purohit:** So, one of the things is basically we had lower utilization of the Vizag plant and that actually allowed us for some expenses to go up, but putting that I think consciously we know about the OPEX cost going high and our objective would be to benchmark with the industry that would actually be one of the measures which I can talk about right now going forward in terms of how we bring down that and that will be one of the exercises which will actually drive our margins as well.

**Sheikh Mohammad Ayaz:** So, from next quarter onwards?

**Poorvank Purohit:** Not next quarter immediately because if you talk about the cost improvements actually there are some measures we have already taken in terms of curtailing costs. We are also looking at the optimum manpower across the areas and basically the idea would be there is a significant focus on how we benchmark with the best practices in the industry in terms of the right manpower utilization of proper resources and so on. Once we have firmed up the plan and we work towards it, that is the time when we can actually talk about, but when we talk about a growth story for Solara, we have to look at all these measures and we would not miss out on any of the measures if we have to look at the performance of the company in the long run.

**Sheikh Mohammad Ayaz:** So, another question is how you look at H2 compared to H1, is there any improvement that will be seen?

**Poorvank Purohit:** I spoke about the quarter-on-quarter YoY growth our aspiration would certainly be that we actually start delivering this type, we work on the fundamentals because we are actually not looking at, we want to grow this by so much and we want to grow in margin by so much. Our objective is to fix the fundamentals of the company and once the utilization goes up, once we have a better utilization of other products, when our market share increases all these things, we are taking all these measures together, so automatically it will be a function. So, this is how we drove the current quarter also and we would also try to focus on the fundamentals, but yes, I think that is the aspiration we also aspire to do quarter-on—quarter.

**Moderator:** Thank you. The next question is from the line of Madan Chhajer an Individual Investor. Please go ahead.

**Madan Chhajer:** Though most of the questions have been answered I have a small question you have mentioned Vizag under recoveries have reduced by half, can you please elaborate what is the turnover of Vizag plant as of in this quarter and if the plant is utilized at 100% level, what could be the turnover and the gross margin?

**Poorvank Purohit:** So, I will tell you, so I think this is when you talk about this so Vizag, like one of the gentlemen in the call already asked about that. It also depends on the optimum product mix. Right now, what we have done is we have commissioned the utilization of Ibu. So, in any case, we have done roughly around 50 crore, 60 crore odd revenue already in the first half of the year and the idea would be to do qualification for several other customers and improve that on the ibuprofen front while also focusing on some of the other products so that upside still remains coming forward which will actually drive the revenue going forward.

**Madan Chhajer:** Can we assume that at least if we run the plant at 100%, the minimum turnover increase in a turnover would be at least by 50 CR to 60 CR and the margin would be 20 CR, 30 CR. Suppose the same product mix is continued take a theoretical situation whereby the same product mix is continued what kind of an increase in turnover and increase in margins we can expect?

**Poorvank Purohit:** So, I think if I talk about ibuprofen per se, we have actually not, but like the revenue for regulated market will start from Vizag. So, that will contribute to the realization of gross margin. Number two, when we talk about the product, the other products to be scaled up at the Vizag plant will also further improve. So, the numbers that you're talking about are definitely doable. I think on a conservative basis, and we are looking at much bigger plans for Vizag, this is what I can tell you at this stage.

**Madan Chhajer:** One small last point, very small though I wouldn't like to comment, but don't you think our debtors are very high as compared to the turnover I think it is more than 90 days or something like that?

**PV Raghavendra Rao:** No, Madan you are right I mean that's the right observation.

- Madan Chhajer:** I am sure you are the best judge, and you are taking care of all these things.
- Poorvank Purohit:** So, debtors will in any case improve will be a function of the business activities, will be a function of the measures that we take, and we do see a good improvement going forward on this on the debtors also.
- Moderator:** Thank you. Ladies and gentlemen, this will be the last question which is from the line of Ankit Jain an Individual Investor. Please go ahead.
- Ankit Jain:** Just want to understand we have seen an increase in the price of Ibuprofen and last few months, so how does it look for Solara?
- Poorvank Purohit:** Not able to hear you can you repeat the question, please.
- Ankit Jain:** I am saying you have seen the increase in the price of Ibuprofen in the last few months. So, how do we look this for Solara?
- Poorvank Purohit:** So, are you talking about ibuprofen. So, ibuprofen prices have not gone up I think they have remained stable and with respect to Solara also I think being a part of the common supply chain thing I think if the prices affect everybody, it also affects us, but having said that, what we are also trying to do is we are trying to have long term engagement with some of our premium customers so that the prices do not affect us.
- Ankit Jain:** So, we have seen only the increase in the demand and not the price, correct?
- Poorvank Purohit:** Increase in the price is something if not in the price for sure because I think because having the nature of the businesses is like that until and unless there is a significant shortage and Solara remains the only player in the market that is where you could actually see some bit of a price hike, but other than that, I do not see any reason why the prices would actually go up significantly.
- Ankit Jain:** And the demand that we have seen increase this quarter, is it the temporary demand or we can see this is a function going forward?
- Poorvank Purohit:** I think in one of the last Board meeting we had mentioned that there we had we were the first company to launch a product like ibuprofen in China, but that demand we see stability. We have got into some of the other markets also wherein we were not tapped. So, we see good stability and we are also increasing the wallet share or the market share with some of the other companies we have not targeted. So, all these efforts are going in that direction.
- Moderator:** Thank you. Ladies and gentlemen, as that was the last question, I would now like to hand the conference over to the management for closing comments. Over to you, sir.



*Solara Active Pharma Sciences Limited  
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**Poorvank Purohit:** So, thank you all for joining the call and so we look forward to our next interaction in the next call. Thank you all.

**Moderator:** Thank you, members of the management. Ladies and gentlemen, on behalf of Solara Active Pharma Sciences Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.