



Communication Address:

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Chennai – 600 127, India
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August 14, 2023

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 August 7, 2023, under Regulation 29 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, in continuation we wish to inform that at the meeting of Board of Directors held today (August 14, 2023) the Directors has inter-alia approved the following:

- Unaudited financial results (standalone and consolidated) of the Company for the quarter ended June 30, 2023, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A copy of the unaudited financial results (standalone and consolidated) for the quarter ended June 30, 2023, along with the Limited Review Report by the Auditors and press release is attached.

The Board Meeting commenced at 11.31 a.m. and concluded at 1.50 p.m.

We request you to take the same on record.

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

S. Murali Krishna
Company Secretary

Encl. as above

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

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended June 30, 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

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

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

Deloitte Haskins & Sells LLP

6. The consolidated unaudited financial results includes the interim financial information of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Rs. NIL for the quarter ended June 30, 2023, total net loss after tax of Rs 0.13 Crores for the quarter ended June 30, 2023 and total comprehensive loss of Rs 0.13 Crores for the quarter ended June 30, 2023 respectively as considered in the Statement.

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

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

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



Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMHD4535)

Place: Bengaluru
Date: August 14, 2023



SOLARA ACTIVE PHARMA SCIENCES LIMITED

CIN: L24230MH2017PLC291636

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

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

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		UNAUDITED	(Refer Note 6)	UNAUDITED	AUDITED
I	Revenue from operations	352.31	380.62	330.07	1,443.81
II	Other income	2.04	4.68	6.98	22.55
III	Total income (I + II)	354.35	385.30	337.05	1,466.36
IV	Expenses				
	(a) Cost of materials consumed	202.68	195.10	182.71	773.90
	(b) Purchases of stock-in-trade	1.58	2.77	2.07	7.88
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(12.27)	(5.43)	10.83	7.05
	(d) Employee benefits expense	61.15	60.19	53.84	228.63
	(e) Finance costs	24.61	21.96	22.50	90.06
	(f) Depreciation and amortisation expense	25.91	26.45	28.13	111.19
	(g) Other expenses	80.05	79.23	68.07	292.47
	Total expenses (IV)	383.71	380.27	368.15	1,511.18
V	Profit/(loss) before tax (III - IV)	(29.36)	5.03	(31.10)	(44.82)
VI	Tax expense				
	- Current tax	-	(0.56)	0.57	(0.09)
	- Deferred tax	(10.25)	1.84	(15.22)	(22.48)
	Total tax expense (VI)	(10.25)	1.28	(14.65)	(22.57)
VII	Profit/(loss) for the period (V - VI)	(19.11)	3.75	(16.45)	(22.25)
VIII	Other comprehensive income				
A	Items that will not be reclassified subsequently to profit or loss:				
	(i) Remeasurement gains/(losses) of defined benefit plans	-	(1.04)	-	(2.70)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	0.36	-	0.94
B	Items that may be reclassified to subsequently to profit or loss:				
	(i) Exchange differences on translating the financial statements of foreign operations	-	(0.06)	(0.16)	(0.30)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-
	Total other comprehensive income for the period (VIII)	-	(0.74)	(0.16)	(2.06)
IX	Total comprehensive income/(loss) for the period (VII + VIII)	(19.11)	3.01	(16.61)	(24.31)
X	Profit for the year attributable to:				
	- Equity shareholders of the Company	(19.55)	3.76	(16.43)	(22.18)
	- Non-controlling interests	0.44	(0.01)	(0.02)	(0.07)
XI	Other Comprehensive income attributable to:				
	- Equity shareholders of the Company	-	(0.74)	(0.16)	(2.06)
	- Non-controlling interests	-	-	-	-
XII	Total Comprehensive income attributable to:				
	- Equity shareholders of the Company	(19.55)	3.02	(16.59)	(24.24)
	- Non-controlling interests	0.44	(0.01)	(0.02)	(0.07)
XIII	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	36.00	36.00
XIV	Other equity excluding Non-controlling interest				1,464.21
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)				
	(a) Basic (in Rs.)	(5.43)	1.05	(4.56)	(6.16)
	(b) Diluted (in Rs.)	(5.43)	1.05	(4.56)	(6.16)
	See accompanying notes to the financial results				



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**

CIN: L24230MH2017PLC291636

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023**Notes:**

- The above consolidated financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on August 14, 2023. The results for the quarter ended June 30, 2023 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2023.
- These consolidated financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("IND AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

4 Information on Standalone Results:**(Rs. In Crores)**

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		UNAUDITED	(Refer Note 6)	UNAUDITED	AUDITED
I	Total Income	354.38	385.74	336.55	1,465.95
II	Profit/(loss) before tax	(30.13)	8.31	(34.39)	(44.78)
III	Profit/(loss) after tax	(19.88)	6.46	(19.18)	(22.21)

- The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- The figures for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and published year to date figures up to third quarter of the respective financial year then ended.

For and on behalf of board

Poorvank Purohit
MD & CEOPlace : Bengaluru
Date : August 14, 2023

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

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company"), for the quarter ended June 30, 2023 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 23206920BGYMHC4752)

Place: Bengaluru
Date: August 14, 2023



SOLARA ACTIVE PHARMA SCIENCES LIMITED

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Previous Financial Year ended
		30.06.2023	31.03.2023	30.06.2022	31.03.2023
		UNAUDITED	(Refer Note 5)	UNAUDITED	AUDITED
I	Revenue from operations	352.31	380.62	330.07	1,443.81
II	Other income	2.07	5.12	6.48	22.14
III	Total income (I + II)	354.38	385.74	336.55	1,465.95
IV	Expenses				
	(a) Cost of materials consumed	202.68	195.10	182.70	773.90
	(b) Purchases of stock-in-trade	1.58	2.77	2.07	7.88
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(12.27)	(5.43)	10.83	7.05
	(d) Employee benefits expense	61.15	60.20	53.84	228.05
	(e) Finance costs	25.51	21.96	22.50	90.06
	(f) Depreciation and amortisation expenses	25.83	26.40	28.05	110.90
	(g) Other expenses	80.03	76.43	70.95	292.89
	Total expenses (IV)	384.51	377.43	370.94	1,510.73
V	Profit/(loss) before tax (III - IV)	(30.13)	8.31	(34.39)	(44.78)
VI	Tax expense				
	- Current tax	-	-	-	(0.11)
	- Deferred tax	(10.25)	1.85	(15.21)	(22.46)
	Total tax expense (VI)	(10.25)	1.85	(15.21)	(22.57)
VII	Profit/(loss) for the period (V - VI)	(19.88)	6.46	(19.18)	(22.21)
VIII	Other comprehensive income				
A	Items that will not be reclassified subsequently to profit or loss:				
	(i) Remeasurement gains/(losses) of defined benefit plans	-	(1.04)	-	(2.70)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	0.36	-	0.94
B	Items that may be reclassified to subsequently to profit or loss:				
	Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-
	Total other comprehensive income/(loss) for the period (VIII)	-	(0.68)	-	(1.76)
IX	Total comprehensive income/(loss) for the period (VII + VIII)	(19.88)	5.78	(19.18)	(23.97)
X	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	36.00	36.00
XI	Other equity				1,467.13
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)				
	(a) Basic (in Rs.)	(5.52)	1.79	(5.33)	(6.17)
	(b) Diluted (in Rs.)	(5.52)	1.79	(5.33)	(6.17)
	See accompanying notes to the financial results				





SOLARA
Active Pharma Sciences

SOLARA ACTIVE PHARMA SCIENCES LIMITED

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

Notes:

- 1 The above standalone financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on August 14, 2023. The results for the quarter ended June 30, 2023 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have issued an unmodified conclusion in respect of the limited review for the quarter ended June 30, 2023.
- 2 These standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ('IND AS') and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- 3 The Company's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.
- 4 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 5 The results for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and published year to date figures up to third quarter of the respective financial year then ended.

For and on behalf of board

Poorvank Purohit
MD & CEO

Place : Bengaluru
Date : August 14, 2023



Press Release

Solara reports an improved performance YoY in Q1'24 with visible growth momentum

- ⇒ Q1'24 Revenues at ₹3,544m up 5% YoY; Reported EBITDA at ₹200m up 11% YoY;
- ⇒ Gross margins at 45.5% in Q1'24 versus 41.0% in Q1'23; YoY Improvement in Gross margins by 445 bps
- ⇒ Reported EBITDA at ₹200m, EBITDA margins at 5.6%; YoY Improvement in EBITDA margins by 20 bps
- ⇒ Reduction in under-recoveries at Vizag

Bengaluru, India – August 14, 2023: Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE: 541540), a leading Active Pharmaceutical Ingredient / CRAMS company, today announced the financial results for the first quarter (Q1'24)

Financial Performance for Q1'24

Particulars (INR m)	Q1'24	Q1'23	YoY%
Revenue	3,544	3,371	5%
Gross margins	1,612	1,383	17%
Gross margins %	45.5%	41.0%	445 bps
Operating EBITDA	342	337	
Operating EBITDA %	9.6%	10.0%	
EBITDA	200	181	11%
EBITDA Margins %	5.6%	5.4%	20 bps

Commenting on the financial performance, **Poorvank Purohit, MD & CEO of the Company**, remarked, “We are delighted to start FY 24 on a positive note, after having accomplished many of the goals we set for ourselves at the beginning of the previous year. Our current priorities are to stay focused and moving forward from what we had achieved in the last fiscal year. We continue to work on our key strategic priorities, which included 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. We are happy with the outcome of the USFDA inspection at our Cuddalore facility with Zero 483 inspectional observations. The result of these inspections demonstrates our commitment to regulatory excellence at our global manufacturing sites and our relentless focus on world-class quality and compliance.

Coming to the Q1'24 performance, I am pleased to report that we had achieved 5% YoY growth in Revenues and 11% YoY growth in EBITDA. Our order book continues to be strong. We are pleased to note the increase in demand for Ibuprofen and Ibuprofen derivatives. We continue to focus on Operating cost reduction, continuous improvement program (CIP), and inventory management. With Strong order book position, expansion in margins and reduced under recovery at Vizag, we have a visible growth momentum for the forthcoming quarters.”

More details are included in the attached investor presentation.

EBITDA Reconciliation

Particulars (INR m)	Q1'24	Q4'23	Q1'23	FY23
Profit/(loss) before tax	(293)	50	(311)	(448)
Add : Finance costs	246	220	225	901
Add: Depreciation and amortisation expense	259	264	281	1,112
Less: Interest income	(12)	(19)	(14)	(58)
Consolidated Reported EBITDA as per press release	200	515	181	1,507

Earnings Conference Call

The Company will conduct earnings call at **3.30 PM IST on August 14, 2023**, where the Management will discuss the Company's performance and answer questions from participants. To participate in this conference call, please dial the below numbers ten minutes ahead of the scheduled start time. The dial-in numbers for this call are **+91 22 6280 1346** or **+91 22 7115 8247**. Please note that the conference call transcript will be uploaded on the Company website in due course.

About Solara

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

Investor / Analyst contact

Abhishek Singhal

✉ abhishek.singhal@solara.co.in

Statutory and corporate affairs

Murali Krishna S

Raghavan. V

✉ investors@solara.co.in

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



Solara reports an improved performance YoY in Q1'24 with visible growth momentum

Q1'24 Earnings Update | August 14, 2023

**Staying Focused.
Moving Forward.**

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.

Solara reports an improved performance YoY in Q1'24 with visible growth momentum



Growth

Base Business

- Strong order book position for the base business
- Increase in demand for Ibuprofen and its derivatives
- USFDA concluded inspection at Cuddalore facility with Zero 483 inspectional observations

R&D

- ▶ Plan to file 5 new USDMFs in FY24.
- ▶ 8 market extensions were done for 7 existing products during Q1'24.

Vizag Business

- USFDA and CEP approval in place
- Reduction in under-recovery in Q1'24 compared with previous quarters
- One of our major customer has received USFDA approval for its product with supply of API from Vizag.



Profitability

- **Gross margins at 45.5%**; YoY Improvement in GM by 445 bps
- **Operating EBITDA at ₹ 342 Mn**;
- **EBITDA at ₹ 200 Mn**; **EBITDA margins at 5.6%**;
- YoY Improvement in EBITDA margins by 20 bps



Cashflows

- Net Current Assets **reduction** by ₹ 341 Mn in Q1'24
- Gross debt at ₹ 9,872 Mn
- Gross debt has **reduced** by ₹ 140 Mn during Q1'24

Started FY24 on a positive note with YoY expansion in margins and reduced under recovery at Vizag



Performance (₹ In Million)

Particulars	Q1'24	Q1'23	YoY%
Revenue	3,544	3,371	5%
Gross margins	1,612	1,383	17%
Gross margins %	45.5%	41.0%	445 bps
EBITDA	200	181	11%
EBITDA Margins %	5.6%	5.4%	20 bps



Poorvank Purohit,
MD & CEO

We are delighted to start FY 24 on a positive note, after having accomplished many of the goals we set for ourselves at the beginning of the previous year. Our current priorities are to stay focused and moving forward from what we had achieved in the last fiscal year. We continue to work on our key strategic priorities, which included 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. We are happy with the outcome of the USFDA inspection at our Cuddalore facility with Zero 483 inspectional observations. The result of these inspections demonstrates our commitment to regulatory excellence at our global manufacturing sites and our relentless focus on world-class quality and compliance.

Coming to the Q1'24 performance, I am pleased to report that we had achieved 5% YoY growth in Revenues and 11% YoY growth in EBITDA. Our order book continues to be strong. We are pleased to note the increase in demand for Ibuprofen and Ibuprofen derivatives. We continue to focus on Operating cost reduction, continuous improvement program (CIP), and inventory management. With Strong order book position, expansion in margins and reduced under recovery at Vizag, we have a visible growth momentum for the forthcoming quarters.

Q1'24 performance reflects YoY margin expansion

YoY Performance (₹ In Million)

Particulars	Q1'24	Q1'23	Change
Revenue	3,544	3,371	5%
Gross margins	1,612	1,383	17%
Gross margins %	45.5%	41.0%	445 bps
Operating EBITDA	342	337	
Operating EBITDA Margins	9.6%	10.0%	(40 bps)
R&D Cost	(100)	(80)	
Under recovery – Vizag	(41)	(94)	
EBITDA before Forex	201	163	23%
EBITDA before Forex Margins %	5.7%	4.8%	
Forex gain / (loss)	(1)	18	
EBITDA	200	181	11%
EBITDA Margins %	5.6%	5.4%	20 bps
PAT	(191)	(165)	
Basic EPS (₹/Share)	(5.43)	(4.56)	

QoQ Performance (₹ In Million)

Particulars	Q1'24	Q4'23	Change
Revenue	3,544	3,853	(8%)
Gross margins	1,612	1,939	(17%)
Gross margins %	45.5%	50.3%	
Operating EBITDA	342	712	(52%)
Operating EBITDA Margins	9.6%	18.5%	
R&D Cost	(100)	(103)	
Under recovery - Vizag	(41)	(87)	
EBITDA before Forex	201	522	(62%)
EBITDA before Forex Margins %	5.7%	13.5%	
Forex gain / (loss)	(1)	(7)	
EBITDA	200	515	(61%)
EBITDA Margins	5.6%	13.4%	
PAT	(191)	38	
Basic EPS (₹/Share)	(5.43)	1.05	

Key Business Metrics

Base Business growth & profits are revived

- ▶ Regulated markets revenues at 68% of Q1'24 revenues (vs. 66% in Q1'23 and 72% in Q4'23)
- ▶ Strong order book position for the base business
- ▶ Increase in demand for Ibuprofen & its derivatives.
- ▶ CRAMS revenue at 5% of Q4'23 revenues
- ▶ Continued focus on Operating cost reduction, continuous improvement program (CIP), and inventory management
- ▶ USFDA concluded inspection at Cuddalore facility with Zero 483 inspectional observations

R&D velocity enhanced for the future growth

- ▶ Plan to file 5 new USDMFs in FY24.
- ▶ 8 market extensions were done for 7 existing products during Q1'24.
- ▶ 5 market extension approvals were received in Q1'24.

Vizag is up and commercializing planned APIs

- ▶ Reduction in under-recoveries by ₹ 46 million in Q1'24
- ▶ USFDA approval received in Q4'23 and currently in the process of qualifying Regulated market customers to offtake products from Vizag
- ▶ One of our major customer has received USFDA approval for its product with supply of API from Vizag.

Improved Vizag utilisation

(₹ In Million)

Core Business (Ex-Vizag)

Particulars	Q1'24	Q1'23	Q4'23
Revenue	3,326	3,371	3,707
EBITDA	341	355	705
EBITDA %	10.3%	10.5%	19.0%

R&D Investments

Particulars	Q1'24	Q1'23	Q4'23
Revenue	-	-	-
EBITDA	-100	-80	-103
EBITDA %	-	-	-

Vizag led business

Particulars	Q1'24	Q1'23	Q4'23
Revenue	218	-	146
EBITDA	-41	-94	-87
EBITDA %	-	-	-

Total Solara business

Particulars	Q1'24	Q1'23	Q4'23
Revenue	3,544	3,371	3,853
EBITDA	200	181	515
EBITDA %	5.6%	5.4%	13.4%

Core Business:

- ▶ Q1'24 EBITDA at ₹ 341 million with 10.3% margins
- ▶ USFDA concluded inspection at Cuddalore facility with Zero 483 inspectional observations

R&D Investments:

- ▶ R&D cost at ₹ 100 million in Q1'24
- ▶ Plan to file 5 new USDMFs in FY24

Vizag Under Recoveries:

- ▶ Under recoveries of ₹ 41 million in Q1'24, a reduction of ₹ 46 million from ₹ 87 million in Q4'23.

With the improved operating performance, our focus remains on strengthening the balance sheet



Sources of funds (₹ In Million)

Particulars	Mar'23	Jun'23
Shareholders' funds	15,002	14,807
Less: Goodwill	-3,651	-3,651
Net worth	11,351	11,156
Term Loan	3,524	3,255
Working capital Loan	6,488	6,617
Gross Debt	10,012	9,872
Total	21,363	21,028

Use of funds (₹ In Million)

Particulars	Mar'23	Jun'23
Net Tangible Fixed Assets	11,830	11,796
Net Non-current Assets	1,010	1,050
Net Current Assets	8,523	8,182
Total	21,363	21,028

Gross Debt movement (₹ In Million)

Particulars	Term Loan	Working Capital	Gross Debt
Opening as on 1.4.2023	3,524	6,488	10,012
Add: Fresh Term loan	49	-	49
Less: Term loan repaid	(317)	-	(317)
Change in Working capital	-	129	129
Closing as on 30.06.2023	3,255	6,617	9,872


- ▶ Term loan reduced by ₹269 million during Q1'24 from ₹ 3,524 million to ₹ 3,255 million
- ▶ Gross debt has reduced by ₹ 140 million during Q1'24 from ₹ 10,012 million to ₹ 9,872 million.
- ▶ Net Current Assets reduced by ₹ 341 million during Q1'24 from ₹ 8,523 million to ₹ 8,182 million
- ▶ Actions to structurally right-size the working capital and debt are being implemented

With major course correction behind us, we remain on track to deliver sustainable performance

Ongoing actions



Improvement in offtake of Base Business and New products



Growth in CRAMS Business through low molecular weight peptides and material sciences



Polymer Chemistry
Expanding our portfolio in polymer based chemistry products



Reduction in Vizag Under Recovery with sales initiated recently



Filings in focus markets (Brazil and China)



CIP & Backward Integration Execution



Expected Outcome



Stronger revenue growth



EBITDA Improvement



Improved Debt to EBITDA ratio

Solara Earnings Conference Call on Monday, 14th August 2023 at 3:30 pm IST



Solara Leadership Participant




Poorvank Purohit
MD & CEO



15:30hrs , IST



Monday, August 14



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