

January 25, 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 and announcements pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 30 read with Schedule III and 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") and other regulations if applicable we hereby inform you that the Board of Directors of the Company at its Meeting held today i.e., January 25, 2023, have inter alia, approved the following matters:

- Unaudited financial results (standalone and consolidated) of the Company for the quarter ended December 31, 2022. A copy of the unaudited financial results (standalone and consolidated) for the quarter ended December 31, 2022, along with the Limited Review Report by the Auditors and press release is attached.
- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the re-appointment of Mr. Nirmal Bhogilal (DIN: 00173168) as a Non-Executive Independent Director of the Company for the second consecutive term of five years commencing from April 11, 2023, to April 10, 2028, subject to the approval of the shareholders.
- Based on the recommendation of the Nomination and Remuneration Committee the Board of Directors approved the re-appointment of Mr. R. Ramakrishnan (DIN: 00161542) as a Non-Executive Independent Director of the Company for the second consecutive term of five years commencing from April 11, 2023, to April 10, 2028, subject to the approval of the shareholders.
- Based on the recommendation of the Nomination and Remuneration Committee the Board of Directors approved the re-appointment of Dr.Kausalya Santhanam (DIN: 06999168) as a Non-Executive Independent Director of the Company for the second consecutive term of five years commencing from April 11, 2023, to April 10, 2028, subject to the approval of the shareholders.

- Postal Ballot notice in terms of Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules 2014 for seeking Shareholders approval for the above-mentioned re-appointment of the Directors. Additional details pursuant to Regulation 30 and other relevant provisions of the Listing Regulations is enclosed as Annexure A.
- Incorporation of a wholly owned subsidiary company in Brazil by making investment of 10000 Brazilian Reais, subject to compliance of applicable laws. Details pursuant to Regulation 30 of the Listing Regulations are given in Annexure-B.

The Board Meeting commenced at 11.10 a.m. and concluded at 1.30 p.m.

We request you to take the same on record.

Thanking you,

Yours faithfully,

For Solara Active Pharma Sciences Limited

SUDDAPALLI
MURALIKRISH
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Digitally signed by
SUDDAPALLI
MURALIKRISHNA
Date: 2023.01.27 17:52:16
+05'30'

S. Murali Krishna
Company Secretary

Encl. as above

Annexure A
Additional details as required under Regulation 30 and other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Re-appointment of Mr. Nirmal Bhogilal as an Independent Director

#	Particulars	Remarks
1.	Reason for change viz., appointment, resignation, removal, death or otherwise	Reappointment of Mr. Nirmal Bhogilal (DIN: 00173168) as an Independent Director of the Company for a second term of five years from April 11, 2023, up to April 10, 2028, subject to the approval of shareholders of the Company.
2.	Date of appointment/ cessation (as applicable) & terms of appointment	
3.	Brief Profile	<p>Mr. Nirmal Bhogilal is the Chairman of the Batliboi Group. The Group's operations are in Machine Tools and Textile Machinery activities, Air Engineering & Pollution Control Equipment, Rotating Machines, Wind Energy and Logistics</p> <p>He was Past President and Committee Member of the Indian Machine Tool Manufacturers Association (IMTMA). He has been Chairman of various committees in CII (Confederation of Indian Industry). He is a Committee Member and Past President of Indo-German Chamber of Commerce. He is holding directorship in several companies.</p> <p>At Solara, Mr. Nirmal Bhogilal is the Chairperson of the Nomination and Remuneration Committee, Risk Management Committee, Stakeholders relationship committee and is a Member of the Audit Committee.</p>
4.	Disclosure of relationship between directors (in case of appointment of Director)	Mr. Nirmal Bhogilal is not related to any of the Directors of the Company.
5.	Information as required under Circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/02 dated June 20, 2018, issued by the BSE and NSE, respectively.	Mr. Nirmal Bhogilal is not debarred from holding office of a director by virtue of any SEBI Order or any other such Authority

Re-appointment of Mr. R. Ramakrishnan as an Independent Director

#	Particulars	Remarks
1.	Reason for change viz., appointment, resignation, removal, death or otherwise	Reappointment of Mr. R. Ramakrishnan (DIN: 00161542) as an Independent Director of the Company for a second term of five years from April 11, 2023, up to April 10, 2028, subject to the approval of shareholders of the Company.
2.	Date of appointment/ cessation (as applicable) & terms of appointment	
3.	Brief Profile	<p>Mr. R Ramakrishnan is a Fellow Member of The Institute of Chartered Accounts of India and a Law Graduate from Bangalore University. He is a practicing Chartered Accountant and a Management Consultant at Bangalore having an experience of 36 years in Direct tax matters, Audit and Assurances. He was nominated by KSIIDC for few listed Companies and currently holds directorships in reputed companies. He is also a Managing Trustee for RRK Foundation – a foundation financially supporting more than 100 students for Higher Secondary School to economically weaker sections and Trustee for few philanthropic organizations.</p> <p>At Solara, Mr. R. Ramakrishnan is the Chairperson of the Audit Committee and member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee.</p>
4.	Disclosure of relationship between directors (in case of appointment of Director)	Mr. R. Ramakrishnan is not related to any of the Directors of the Company.
5.	Information as required under Circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/02 dated June 20, 2018, issued by the BSE and NSE, respectively.	Mr. R. Ramakrishnan is not debarred from holding office of a director by virtue of any SEBI Order or any other such authority

Re-appointment of Dr. Kausalya Santhanam as an Independent Director

#	Particulars	Remarks
1.	Reason for change viz., appointment, resignation, removal, death or otherwise	Reappointment of Dr. Kausalya Santhanam as an (DIN: 06999168) Independent Director of the Company for a second term of five years from April 11, 2023, up to April 10, 2028, subject to the approval of shareholders of the Company.
2.	Date of appointment/ cessation (as applicable) & terms of appointment	
3.	Brief Profile	<p>Dr. Kausalya Santhanam, Founder of SciVista IP & Communication (www.scivistaip.com), is a Patent attorney registered with the Indian Patent Office as well as the US Patent and Trademark Office.</p> <p>She holds a Ph.D. in Cell Biology and Immunology from Post Graduate Institute of Medical Education and Research (PGIMER) Chandigarh.</p> <p>Her Post-Doctoral training was in Cancer Biology at Centre for Cellular and Molecular Biology (CCMB), Hyderabad, where she has published her studies in peer reviewed journals. Later she was a National Research Council (NRC) Fellow to Walter Reed Army Institute of Research, Washington DC where her studies involved molecular mechanisms of inflammation. Following that, at Albert Einstein College of Medicine, New York, she worked towards understanding the mechanisms of an apoptotic molecule. All the research work has been published in reputed journals.</p> <p>At Solara, Dr. Kausalya Santhanam is the Chairperson of Corporate Social Responsibility Committee and member of Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.</p>
4.	Disclosure of relationship between directors (in case of appointment of Director)	Dr. Kausalya Santhanam is not related to any of the Directors of the Company.
5.	Information as required under Circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/02 dated June 20, 2018, issued by the BSE and NSE, respectively.	Dr. Kausalya Santhanam is not debarred from holding office of a director by virtue of any SEBI Order or any other such authority

Annexure B
Details regarding incorporation of a Wholly owned subsidiary company in Brazil

1.	Name of the target entity, details in brief such as size, turnover etc.	The proposed wholly owned subsidiary company (“WoS”) of the Company to be incorporated in Brazil, to cater the new market opportunities.
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	After incorporation of the proposed WoS, it will become a related party of the Company.
3.	Industry to which the entity being acquired belongs	Pharmaceutical (API and CRAMS)
4.	Objects and effects of acquisition (Including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	In view of the growth potential for API & CRAMS business in Brazil and to explore the new business opportunities in Brazil, the proposed WoS in Brazil is to be incorporated.
5.	Brief details of any governmental or regulatory approvals required for the acquisition	None
6.	Indicative time period for completion of acquisition	Approximately 6 months,
7.	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
8.	Cost of acquisition or the price at which the shares are acquired	At par value, subject to maximum of 10000 Brazilian Reais.
9.	Percentage of shareholding / control acquired and/or number of shares acquired	The Company will subscribe 100% shares of the proposed WoS, at the time of incorporation of the proposed WoS
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	The proposed WoS is yet to be incorporated and said WoS will carry out new market for API & CRAMS business.

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

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2022 ("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.

WJ

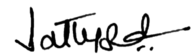
Deloitte Haskins & Sells LLP

6. The consolidated unaudited financial results includes the interim financial information of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of Rs. 23.81 Crores as at December 31, 2022, total revenue of Rs 0.41 Crores and Rs 4.63 Crores for the quarter and nine months ended December 31, 2022 respectively, total profit/(loss) after tax of Rs (0.03) Crores and Rs 2.62 Crores for the quarter and nine months ended December 31, 2022 respectively and Total comprehensive income/(loss) of Rs (0.02) Crores and Rs 2.42 Crores for the quarter and nine months ended December 31, 2022 respectively and net cash flows (net) of Rs. 0.03 Crores for the nine months ended December 31, 2022, 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: 23206920BGYMBJ11117)

Place: Bengaluru
Date: January 25, 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, Keelakottaiyur Village, Chennai 600 127
STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	394.75	338.37	100.34	1,063.19	907.52	1,268.34
II	Other income	7.17	3.72	4.73	17.87	13.95	20.02
III	Total income (I + II)	401.92	342.09	105.07	1,081.06	921.47	1,288.36
IV	Expenses						
	(a) Cost of materials consumed	213.24	182.85	228.65	578.80	701.91	858.86
	(b) Purchases of stock-in-trade	2.40	0.64	-	5.11	39.71	53.78
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(4.25)	5.90	(174.49)	12.48	(321.89)	(258.75)
	(d) Employee benefits expense	58.45	56.15	65.52	168.44	192.61	236.34
	(e) Finance costs	23.64	21.96	17.82	68.10	53.81	75.28
	(f) Depreciation and amortisation expense	27.98	28.63	28.44	84.74	84.50	112.32
	(g) Other expenses	79.91	65.26	77.50	213.24	228.74	298.14
	Total expenses (IV)	401.37	361.39	243.44	1,130.91	979.39	1,375.97
V	Profit/(loss) before exceptional items and tax (III - IV)	0.55	(19.30)	(138.37)	(49.85)	(57.92)	(87.61)
VI	Exceptional item profit / (loss) (Refer Note 6)	-	-	(1.52)	-	(2.18)	(3.49)
VII	Profit/(loss) before tax (V - VI)	0.55	(19.30)	(139.89)	(49.85)	(60.10)	(91.10)
VIII	Tax expense						
	- Current tax	(0.10)	-	(14.77)	0.47	-	0.17
	- Deferred tax	0.22	(9.32)	14.77	(24.32)	-	(32.98)
	Total tax expense (VIII)	0.12	(9.32)	-	(23.85)	-	(32.81)
IX	Profit/(loss) for the period (VII - VIII)	0.43	(9.98)	(139.89)	(26.00)	(60.10)	(58.29)
X	Other comprehensive income						
A	Items that will not be reclassified subsequently to profit or loss:						
	(i) Remeasurement gains/(losses) of defined benefit plans	-	(1.66)	-	(1.66)	0.42	3.09
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	0.58	-	0.58	-	(1.08)
B	Items that may be reclassified to subsequently to profit or loss:						
	(i) Exchange differences on translating the financial statements of foreign operations	0.01	(0.09)	0.03	(0.24)	(0.06)	(0.12)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-	-	-
	Total other comprehensive income for the period (X)	0.01	(1.17)	0.03	(1.32)	0.36	1.89
XI	Total comprehensive income/(loss) for the period (IX + X)	0.44	(11.15)	(139.86)	(27.32)	(59.74)	(56.40)
XII	Profit for the year attributable to:						
	- Equity shareholders of the Company	0.45	(9.96)	(139.87)	(25.94)	(60.03)	(58.15)
	- Non-controlling interests	(0.02)	(0.02)	(0.02)	(0.06)	(0.07)	(0.14)
XIII	Other Comprehensive income attributable to:						
	- Equity shareholders of the Company	0.01	(1.17)	0.03	(1.32)	0.36	1.89
	- Non-controlling interests	-	-	-	-	-	-
XIV	Total Comprehensive income attributable to:						
	- Equity shareholders of the Company	0.46	(11.13)	(139.84)	(27.26)	(59.67)	(56.26)
	- Non-controlling interests	(0.02)	(0.02)	(0.02)	(0.06)	(0.07)	(0.14)
XV	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	35.94	36.00	35.94	36.00
XVI	Other equity excluding Non-controlling interest						1,488.87
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)						
	(a) Basic (in Rs.)	0.12	(2.77)	(38.93)	(7.21)	(16.71)	(16.18)
	(b) Diluted (in Rs.)	0.12	(2.77)	(38.93)	(7.21)	(16.71)	(16.18)
	See accompanying notes to the financial results						



**SOLARA ACTIVE PHARMA SCIENCES LIMITED**

CIN: L24230MH2017PLC291436

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

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

**STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022****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 January 25, 2023. The results for the quarter ended and nine months ended December 31, 2022 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 and nine months ended December 31, 2022.
- 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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Total Income	401.52	342.14	105.10	1,080.21	921.59	1,287.10
II	Profit/(loss) before tax	0.53	(19.23)	(139.57)	(53.09)	(58.78)	(91.66)
III	Profit/(loss) after tax	0.42	(9.91)	(139.57)	(28.67)	(58.78)	(58.56)

- 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.

6 Exceptional item profit / (loss) :

(Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Business combination and restructuring expenses	-	-	(1.52)	-	(2.18)	(3.49)

For and on behalf of board

Jitesh Devendra
Managing DirectorPlace : Bengaluru
Date : January 25, 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 and nine months ended December 31, 2022 ("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:23206920BGYMBI8623)

Place: Bengaluru
Date: January 25, 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, Keelakottaiyur Village, Chennai 600 127

**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022**

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	394.75	338.37	100.34	1,063.19	907.52	1,268.34
II	Other income	6.77	3.77	4.76	17.02	14.07	18.76
III	Total income (I + II)	401.52	342.14	105.10	1,080.21	921.59	1,287.10
IV	Expenses						
	(a) Cost of materials consumed	213.25	182.85	228.64	578.80	701.90	858.86
	(b) Purchases of stock-in-trade	2.40	0.64	-	5.11	39.71	53.78
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(4.25)	5.90	(174.49)	12.48	(321.89)	(258.75)
	(d) Employee benefits expense	58.27	55.74	65.09	167.85	190.51	234.20
	(e) Finance costs	23.64	21.96	17.82	68.10	53.81	75.27
	(f) Depreciation and amortisation expenses	27.89	28.56	28.37	84.50	84.27	112.01
	(g) Other expenses	79.79	65.72	77.72	216.46	229.88	299.90
	Total expenses (IV)	400.99	361.37	243.15	1,133.30	978.19	1,375.27
V	Profit/(loss) before exceptional items and tax (III - IV)	0.53	(19.23)	(138.05)	(53.09)	(56.60)	(88.17)
VI	Exceptional item profit / (loss) (Refer Note 5)	-	-	(1.52)	-	(2.18)	(3.49)
VII	Profit/(loss) before tax (V - VI)	0.53	(19.23)	(139.57)	(53.09)	(58.78)	(91.66)
VIII	Tax expense						
	- Current tax	(0.11)	-	(14.77)	(0.11)	-	-
	- Deferred tax	0.22	(9.32)	14.77	(24.31)	-	(33.10)
	Total tax expense (VIII)	0.11	(9.32)	-	(24.42)	-	(33.10)
IX	Profit/(loss) for the period (VII - VIII)	0.42	(9.91)	(139.57)	(28.67)	(58.78)	(58.56)
X	Other comprehensive income						
A	Items that will not be reclassified subsequently to profit or loss:						
	(i) Remeasurement gains/(losses) of defined benefit plans	-	(1.66)	-	(1.66)	0.42	3.09
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	0.58	-	0.58	-	(1.08)
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)	-	(1.08)	-	(1.08)	0.42	2.01
XI	Total comprehensive income/(loss) for the period (IX + X)	0.42	(10.99)	(139.57)	(29.75)	(58.36)	(56.55)
XII	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	35.95	36.00	35.95	36.00
XIII	Other equity						1,491.05
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)						
	(a) Basic (In Rs.)	0.12	(2.75)	(38.85)	(7.96)	(16.36)	(16.29)
	(b) Diluted (In Rs.)	0.12	(2.75)	(38.85)	(7.96)	(16.36)	(16.29)
	See accompanying notes to the financial results						

Notes:

- The above standalone financial results of Solara Active Pharma Sciences Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on January 25, 2023. The results for the quarter ended and nine months ended December 31, 2022 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 and nine months ended December 31, 2022.
- These standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ("IND AS") and other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- The Company's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.
- The 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 Exceptional item profit / (loss) :

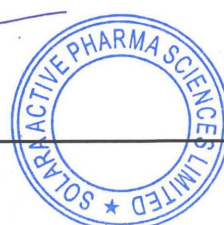
(Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Business combination and restructuring expenses	-	-	(1.52)	-	(2.18)	(3.49)

For and on behalf of board

Place : Bengaluru
Date : January 25, 2023


Jitesh Devendra
Managing Director



Press Release

Solara returns to positive growth; crosses ₹ 4,000m of quarterly revenues with improved EBITDA and PAT; growth and margin expansion momentum to continue.

- ⇒ **Quarterly Revenues stood at ₹4,019m, back to historical quarterly run-rate**
- ⇒ **Gross margins at 47.3% in Q3'23 versus 44.2% in Q2'23; QoQ Improvement in Gross margins by 308 bps**
- ⇒ **Reported EBITDA at ₹510m, EBITDA margins at 12.7%; QoQ Improvement in EBITDA margins by 392 bps**
- ⇒ **Reduction in under-recoveries at Vizag**
- ⇒ **Achieved positive PAT in Q3'23**

Bengaluru, India – January 25, 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 third quarter (Q3'23)

Financial Performance for Q3'23

Particulars (INR m)	Q3'23	Q2'23	Q3'22	QoQ%	YoY%	9m'23	9m'22	YoY%
Revenue	4,019	3,421	1,051	17%	282%	10,811	9,215	17%
Gross margins	1,902	1,514	493	26%	285%	4,801	4,963	-3%
Gross margins %	47.3%	44.2%	47.0%			44.4%	53.9%	
Operating EBITDA	700	526	(642)	33%	-	1,593	1,594	-
Operating EBITDA %	17.4%	15.3%	-61.1%			14.7%	17.3%	
EBITDA	510	300	(940)	70%	-	991	746	33%
EBITDA Margins %	12.7%	8.8%	-89.5%			9.2%	8.1%	

Commenting on the financial performance, **Jitesh Devendra**, Managing Director of the Company, remarked, "Q3'23 is a turnaround quarter for Solara as we achieved most of the targeted goals when we embarked on the course-correction journey last year. We have returned to positive growth territory, and our base business is also trending to historical performance levels on the margins. While this reset journey has taken its time, on behalf of the promoters, the Board, and the management, we thank all our investors for reposing faith in the Company as we build out Solara for the future.

We are on the right path of recovery. Our order book continues to improve each quarter, and cost improvement plans (CIPs) have started to deliver outcomes resulting in better profitability in the coming quarters.

The investments we have made in new products since the inception of Solara are yielding results. We continue to invest in our R&D for strengthening our generic API portfolio and CRAMS, to meet the growing demands for our existing products filed as part of increasing market share through market extensions, addressing regulatory requirements for new products.

We have commenced commercial production at our Vizag facility resulting in a reduction of under-recovery. We are making good progress for regulatory accreditations for our Vizag facility first one being CEP approval for Ibuprofen.

Overall, we have established a strong foundation which led to the improvements our business has shown, and we are very confident of the future ahead of us.

*We are pleased to announce that the Board has approved the appointment of **Mr. Poorvank Purohit** as **Chief Executive Officer**. Poorvank comes with 19+ years of strong B2B experience in both APIs and Finished dosage forms. He holds a strong, technical, commercial and management background. His experience will support Solara's growth strategy."*

More details are included in the attached investor presentation.

EBITDA Reconciliation

Particulars (INR m)	Q3'23	Q2'23	Q3'22	9m'23	9m'22	FY22
Profit/(loss) before exceptional items and tax	6	(193)	(1,384)	(499)	(579)	(876)
Add : Finance costs	236	220	178	681	538	753
Add: Depreciation and amortisation expense	280	286	284	847	845	1,123
Less: Interest income	(12)	(13)	(19)	(39)	(58)	(78)
Consolidated Reported EBITDA as per press release	510	300	(940)	991	746	922

Earnings Conference Call

The Company will conduct earnings call at **3.30 PM IST on January 25, 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

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Statutory and corporate affairs

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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 returns to historical growth;
growth and margin expansion
momentum to continue.**

Solara Active Pharma Sciences
Q3'23 Earnings Update | January 25, 2023

Staying Focused.
Rebuilding Resilience.



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.

Growth



Base Business

- Strong growth momentum in Q3'23 compared to Q1'23 and Q2'23.
- Improvement in the new CRAMS business closure
- CDE China's approval for Ibuprofen DMF received

Vizag Business

- Vizag site started manufacture of intermediates and final API in Q3'23
- CEP approval to manufacture Ibuprofen from the flagship Vizag facility received
- USFDA inspection triggered by our Major Customer

R&D

- Filed two new DMFs in Q3'23.
- On track to file six DMFs in FY23

Profitability



- **Revenues** at ₹ **4,019 Mn**; at historical quarterly run-rate.
- **Gross margins** at **47.3%**; QoQ Improvement in GM by 308 bps
- **Operating EBITDA** at ₹ **700 Mn**; QoQ Improvement in Operating EBITDA margins by 203 bps
- **EBITDA** at ₹ **510 Mn**; **EBITDA margins** at **12.7%**; QoQ Improvement in EBITDA margins by 392 bps
- EBITDA grew by **70%** over Q2'23
- Achieved PAT positive in Q3'23

Cashflows



- Net Working Capital **reduction** by ₹ **419 Mn** in 9m'23
- Term loan **reduced** by ₹ **627 Mn** from ₹ 4,147 Mn to ₹ 3,520 Mn
- Working capital loan **increased** by ₹ **284 Mn** to support growth in the business.
- Net debt at ₹ **9,442 Mn**

Q3'23 performance led to 17% revenue growth with 70% uptick in EBITDA margins

Performance with Vizag (₹ In Million)

Particulars	Q3'23	Q2'23	Q3'22	QoQ%	YoY%
Revenue	4,019	3,421	1,051	17%	282%
Gross margins	1,902	1,514	493	26%	285%
Gross margins %	47.3%	44.2%	47.0%	308 bps	30 bps
EBITDA	510	300	(940)	70%	-
EBITDA Margins %	12.7%	8.8%	-89.5%	392 bps	-
PAT	4	(99)	(1,399)		

Performance Ex- Vizag (₹ In Million)

Particulars	Q3'23	Q2'23	Q3'22	QoQ%	YoY%
Revenue	3,947	3,421	1,051	15%	276%
Gross margins	1,845	1,514	493	22%	274%
Gross margins %	46.7%	44.2%	47.0%	250 bps	-
EBITDA	605	431	(777)	40%	-
EBITDA Margins %	15.3%	12.6%	-74.0%	274 bps	-
PAT	99	32	(1,236)		



Jitesh Devendra
Managing Director



Q3'23 is a turnaround quarter for Solara as we achieved most of the targeted goals when we embarked on the course-correction journey last year. We have returned to positive growth territory, and our base business is also trending to historical performance levels on the margins. While this reset journey has taken its time, on behalf of the promoters, the Board, and the management, we thank all our investors for reposing faith in the Company as we build out Solara for the future.

We are on the right path of recovery. Our order book continues to improve each quarter, and cost improvement plans(CIPs) have started to deliver outcomes resulting in better profitability in the coming quarters.

The investments we have made in new products since the inception of Solara are yielding results. We continue to invest in our R&D for strengthening our generic API portfolio and CRAMS, to meet the growing demands for our existing products filed as part of increasing market share through market extensions, addressing regulatory requirements for new products.

We have commenced commercial production at our Vizag facility resulting in a reduction of under-recovery. We are making good progress for regulatory accreditations for our Vizag facility first one being CEP approval for Ibuprofen.

Overall, we have established a strong foundation which led to the improvements our business has shown, and we are very confident of the future ahead of us.

QoQ improvement in growth and profitability reflects a stronger outlook for the future

QoQ Performance (₹ In Million)

Particulars	Q3'23	Q2'23	Change
Revenue	4,019	3,421	17%
Gross margins	1,902	1,514	26%
Gross margins %	47.3%	44.2%	308 bps
Operating EBITDA	700	526	33%
Operating EBITDA Margins	17.4%	15.3%	203 bps
R&D Cost	(95)	(95)	
Under recovery – Vizag	(95)	(131)	
EBITDA	510	300	70%
EBITDA Margins	12.7%	8.8%	392 bps
PAT	4	(99)	
Basic EPS (₹/Share)	0.12	(2.77)	

YoY Performance (₹ In Million)

Particulars	Q3'23	Q3'22	Change
Revenue	4,019	1,051	282%
Gross margins	1,902	493	285%
Gross margins %	47.3%	47.0%	
Operating EBITDA	700	(642)	
Operating EBITDA Margins	17.4%	-61.1%	
R&D Cost	(95)	(135)	
Under recovery - Vizag	(95)	(163)	
EBITDA	510	(940)	
EBITDA Margins	12.7%	-89.5%	
PAT	4	(1,399)	
Basic EPS (₹/Share)	0.12	(38.93)	

Key Business Metrics

Base Business growth & profits are revived

- ▶ Regulated markets revenues at 72% of Q3'23 revenues (vs. 53% in Q3'22 and 69% in Q2'23)
- ▶ Increase in demand for Ibuprofen derivatives and other new products; New products accounted for 12% of Q3'23 revenues
- ▶ CRAMS continued to deliver strong growth. CRAMS revenue at 5% of Q3'23 revenues;
- ▶ Continued focus on Operating cost reduction, continuous improvement program (CIP), and inventory management

R&D velocity enhanced for the future growth

- ▶ Re-initiated stronger focus on R&D and added 15+ new programs for the year; Filed two new DMFs in Q3'23 and on track to file four new DMFs in Q4'23 with a total plan of six new DMFs in FY23.
- ▶ Five market extensions were done for five existing products during Q3'23.
- ▶ Three market extension approvals were received in Q3'23.

Vizag is up and commercializing planned APIs

- ▶ Vizag site started manufacture of intermediates and final API in Q3'23, resulting in a reduction of under-recoveries at Vizag.
- ▶ CEP approval to manufacture Ibuprofen from the flagship Vizag facility has been received. EU Inspection expected in Q4'23.
- ▶ USFDA inspection triggered by our Major Customer

9m'23 performance led to 17% revenue growth with 33% uptick in EBITDA margins

9M Performance (₹ In Million)

Particulars	9m'23	9m'22	Change
Revenue	10,811	9,215	17%
Gross margins	4,811	4,963	-3%
Gross margins %	44.5%	53.9%	
Operating EBITDA	1,595	1,594	
Operating EBITDA Margins	14.7%	17.3%	
R&D Cost	(270)	(419)	
Under recovery – Vizag	(334)	(429)	
EBITDA	991	746	33%
EBITDA Margins	9.2%	8.1%	110 bps

Key Business Metrics

Base Business growth & profits are revived

- ▶ Regulated markets revenues at 70% of 9m'23 revenues (vs. 53% in 9m'22)
- ▶ Increase in demand for Ibuprofen derivatives and other new products; New products accounted for 12% of 9m'23 revenues
- ▶ CRAMS continued to deliver strong growth. CRAMS revenue at 5% of 9m'23 revenues;
- ▶ Continued focus on Operating cost reduction, continuous improvement program (CIP), and inventory management

R&D velocity enhanced for the future growth

- ▶ On track to file four new DMFs in Q4'23 with a total plan of six new DMFs in FY23.
- ▶ Nine market extensions were done for Fifteen existing products during 9M'23.
- ▶ Ten market extension approvals were obtained in 9m'23.

Vizag is up and commercializing planned APIs

- ▶ Vizag site started manufacture of intermediates and final API in Q3'23, resulting in a reduction of under-recoveries at Vizag.
- ▶ CEP approval to manufacture Ibuprofen from the flagship Vizag facility has been received. EU Inspection expected in Q4'23.
- ▶ USFDA inspection triggered by our Major Customer

Reduction in Vizag under-recoveries and the regulatory actions will drive near term opportunities

Core Business (Ex-Vizag)

(₹ In Million)

Particulars	Q1'23	Q2'23	Q3'23	9m'23
Revenue	3,371	3,421	3,947	10,739
EBITDA	369	526	700	1,595
EBITDA %	10.9%	15.4%	17.7%	14.9%
Profit After Tax	141	244	312	697

R&D Investments

Particulars	Q1'23	Q2'23	Q3'23	9m'23
Revenue	-	-	-	-
EBITDA	(80)	(95)	(95)	(270)
EBITDA %	-	-	-	-
Profit After Tax	(111)	(127)	(126)	(364)

Vizag led business

Particulars	Q1'23	Q2'23	Q3'23	9m'23
Revenue	-	-	72	72
EBITDA	(108)	(131)	(95)	(334)
EBITDA %	-	-	-	-
Profit After Tax	(195)	(216)	(183)	(594)

Total Solara business

Particulars	Q1'23	Q2'23	Q3'23	9m'23
Revenue	3,371	3,421	4,019	10,811
EBITDA	181	300	510	991
EBITDA %	5.4%	8.8%	12.7%	9.2%
Profit After Tax	(165)	(99)	4	(260)

Core Business:

- Q3'23 EBITDA at ₹ 700 million with 17.7% margins

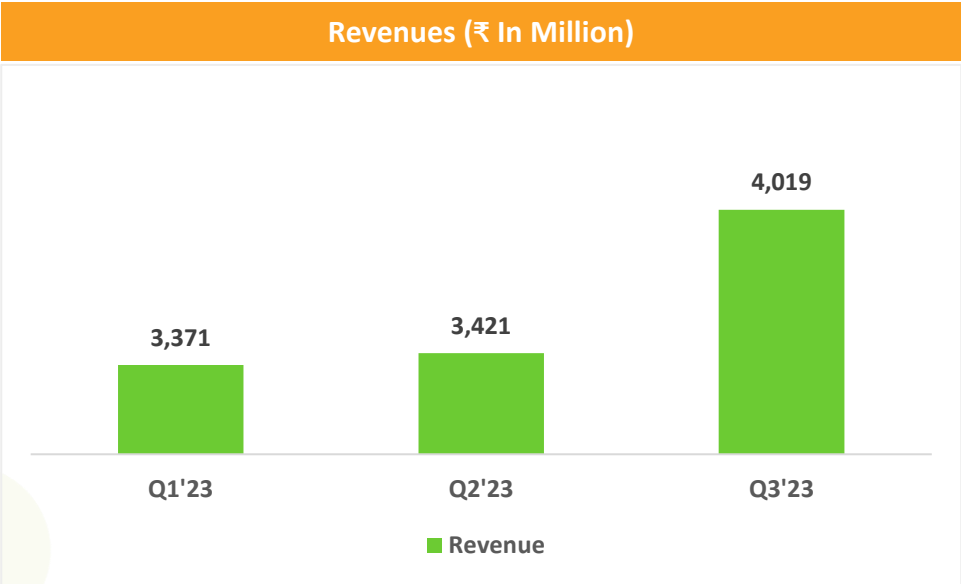
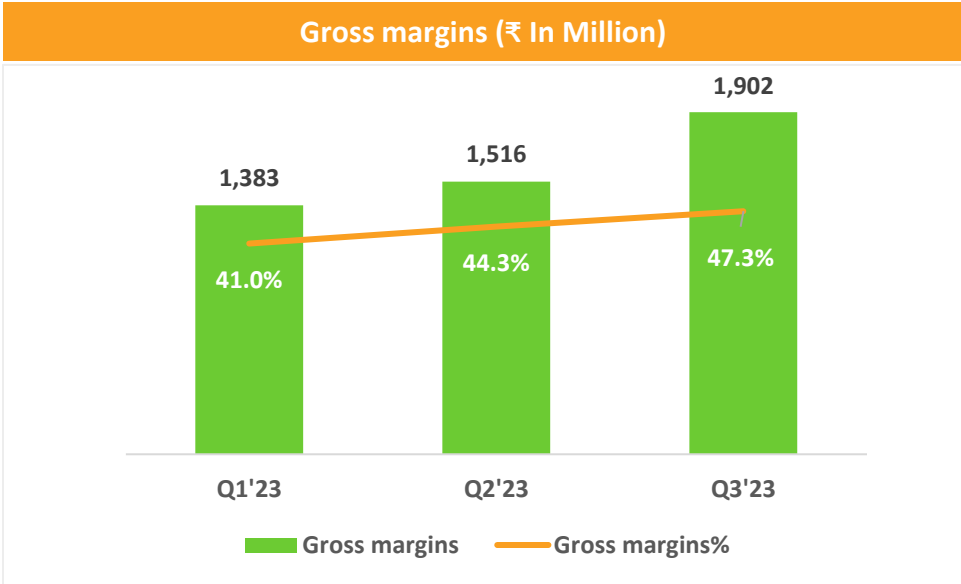
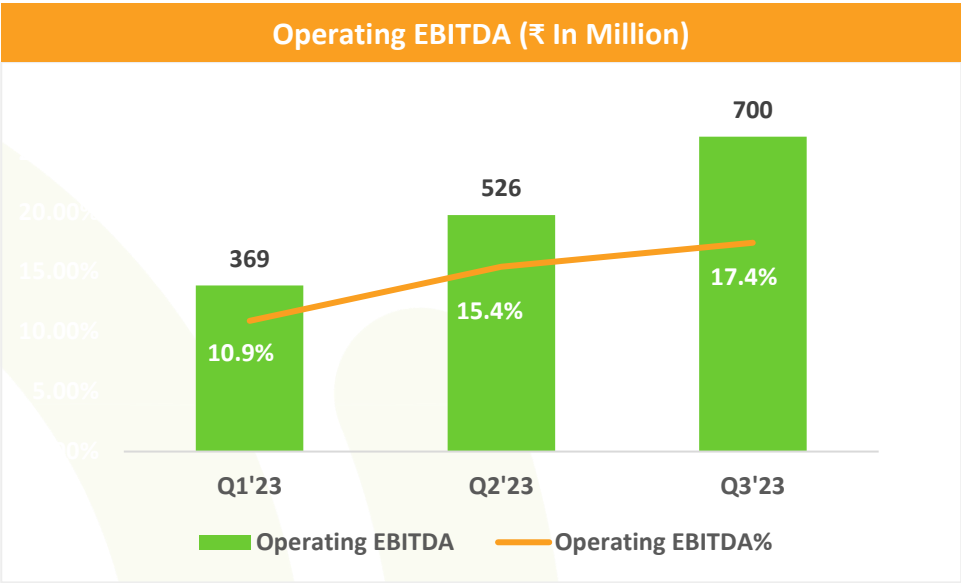
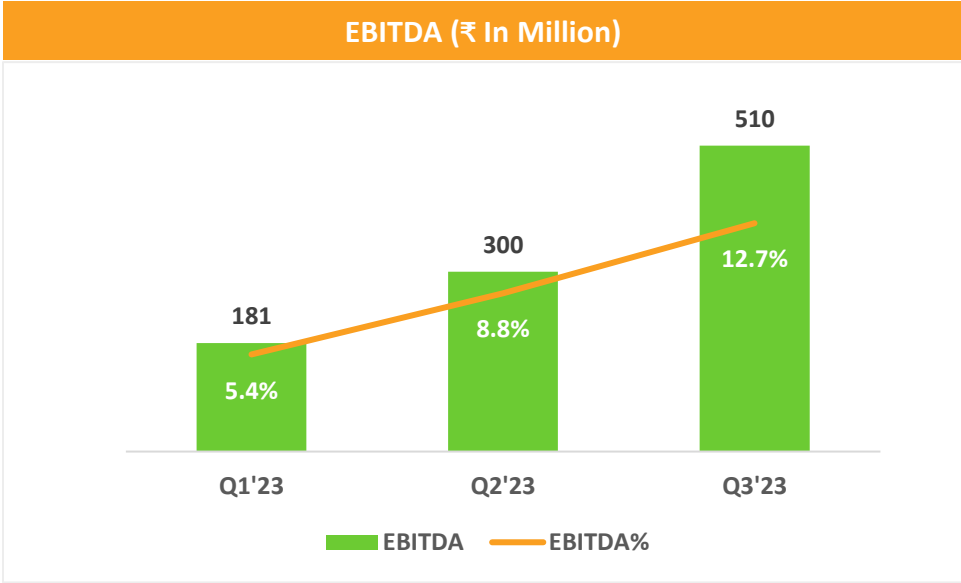
R&D Investments:

- R&D cost at ₹ 95 million.
- Plan to file another four USDMFs in Q4'23, with six USDMFs planned for FY23.
- Validation sales are expected in Q4'23.

Vizag Under Recoveries:

- Under recoveries of ₹ 95 million, a reduction of ₹ 36 million from ₹ 131 million in Q2'23.
- During the last quarter, the Company has initiated action for triggering a regulatory inspection.
- CEP approval to manufacture Ibuprofen from the flagship Vizag facility has been received.
- Certain product supplies were made to less regulated markets in Q3'23, and this will reduce the under-recoveries in the coming quarters.

We are on the right path of recovery demonstrated by QoQ improvement in performance



The balance sheet is moving towards the right size as we reduced term loans by ₹627m in 9m'23

Sources of funds (₹ In Million)

Particulars	Mar'22	Sep'22	Dec'22
Shareholders' funds	15,248	14,984	15,010
Less: Goodwill	-3,651	-3,651	-3,651
Net worth	11,597	11,333	11,359
Term Loan	4,147	3,464	3,520
Working capital Loan	6,099	6,146	6,383
Gross Debt	10,246	9,610	9,903
Less: Cash & Cash Equiv.	-973	-456	-461
Net Debt	9,273	9,154	9,442
Total	20,870	20,487	20,801

Use of funds (₹ In Million)

Particulars	Mar'22	Sep'22	Dec'22
Net Tangible Fixed Assets	11,620	11,691	11,695
Net Non-current Assets	1,124	1,328	1,399
Net Current Assets	8,126	7,468	7,707
Total	20,870	20,487	20,801

Net Debt movement (₹ In Million)

Particulars	Term Loan	Working Capital	Cash & CE	Net Debt
Opening as on 1.4.2022	4,147	6,099	(973)	9,273
Add: Fresh Term loan	358	-	-	358
Less: Term loan repaid	(985)	-	-	(985)
Change in Working capital	-	284	-	284
Capex / Others	-	-	(512)	(512)
Closing as on 31.12.2022	3,520	6,383	(461)	9,442

- ▶ Term loan reduced by ₹627 million during 9m'23 from ₹ 4,147 million to ₹ 3,520 million
- ▶ Net debt has increased by ₹ 169 million during 9m'23 from ₹ 9,273 million to ₹ 9,442 million.
- ▶ Net Current Assets reduced by ₹ 419 million during 9m'23 from ₹ 8,126 million to ₹ 7,707 million primarily due to reduction in Inventory and GST.
- ▶ Actions to structurally right-size the working capital being implemented

Ongoing actions



Improvement in offtake of Base Business



Growth in CRAMS Business



CIP & Backward Integration Execution



Reduction in Vizag Under Recovery with sales initiated recently



Filings in focus markets (Brazil and China)



Improvement in new products offtake



Expected Outcome



Stronger revenue growth



EBITDA Improvement – Mid teens EBITDA margins



PAT and EPS Improvement

Solara Leadership Participants



Jitesh Devendra
Managing Director



S. Hariharan
Executive Director & CFO



15:30hrs , IST



Wednesday, January 25



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Pre-register here for
diamond pass*

Thank You



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