

May 12, 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 Sirs,

Sub: Outcome of Board Meeting

Please refer our letter dated May 4, 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 (May 12, 2023) the Directors has inter-alia amongst other subject approved the following:

- Audited financial results (standalone and consolidated) of the Company for the quarter and Year ended March 31, 2023, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A copy of the audited financial results (standalone and consolidated) for the quarter and year ended March 31, 2023, along with the Auditors report for the said period and press release on the same is attached.

The Board Meeting commenced at 11.36 a.m. and concluded at 2.15 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.



Communication Address:

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2nd Floor, Admin Block
27, Vandaloor Kelambakkam Road,
Keelakottaiyur Village, Melakottaiyur (Post)
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www.solara.co.in

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Dear Sirs,

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

Ref.: Unmodified opinion in the Auditors' Report for the financial year 2022-23

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby declare that M/s. Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company have issued the Auditors' Report with unmodified opinion in respect to the Audited Financial Results (Standalone and Consolidated) for the financial year ended March 31, 2023.

We request you to take the same on record.

Thanking you,

Yours faithfully,

For Solara Active Pharma Sciences Limited

S. Murali Krishna
Company Secretary

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2023 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2023" of **Solara Active Pharma Sciences Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss of its subsidiaries for the quarter and year ended March 31, 2023, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit reports of the other auditors on separate financial statements of subsidiaries referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2023:

(i) 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

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive loss and other financial information of the Group for the year ended March 31, 2023.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2023

With respect to the Consolidated Financial Results for the quarter ended March 31, 2023, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below and based on the consideration of the review reports of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2023, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2023

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2023 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2023, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the consolidated net loss and consolidated other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



Deloitte Haskins & Sells LLP

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2023 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

CW

Deloitte Haskins & Sells LLP

- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Annual Consolidated Financial Results, which have been audited by the other auditors, other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2023

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2023 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 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 SAs specified under section 143(10) of the Act 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.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

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.

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.

Handwritten signature or initials in black ink, appearing to be 'CW'.

Deloitte Haskins & Sells LLP

- We did not audit the financial statements of 3 Subsidiaries included in the consolidated financial results whose financial statements reflect total assets of Rs. 22.90 Crores as at March 31, 2023 and total revenues of Rs (3.18) Crores and Rs. 1.45 Crores for the quarter and year ended March 31, 2023 respectively, total net loss after tax of Rs 2.69 Crores and Rs. 0.07 Crores for the quarter and year ended March 31, 2023 respectively and total comprehensive income/(loss) of Rs. (2.05) Crores and Rs. 0.37 Crores for the quarter and year ended March 31, 2023 respectively and net cash flows of Rs. 0.07 Crores for the year ended March 31, 2023, as considered in Statement. The financial statements have been audited, by the other auditors whose reports have been furnished to us, and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and reports of the other auditors.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Sathya P. Koushik

(Membership No. 206920)

(UDIN 23206920BGYMEB8475)

Place: Bengaluru

Date: 12 May 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 AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

AND UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 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	Financial Year ended	Previous Financial Year ended
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Refer Note 7)	UNAUDITED	(Refer Note 7)	AUDITED	AUDITED
I	Revenue from operations	380.62	394.75	360.82	1,443.81	1,268.34
II	Other income	4.68	7.17	6.07	22.55	20.02
III	Total income (I + II)	385.30	401.92	366.89	1,466.36	1,288.36
IV	Expenses					
	(a) Cost of materials consumed	195.09	213.24	156.95	773.89	858.86
	(b) Purchases of stock-in-trade	2.77	2.40	14.07	7.88	53.78
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(5.43)	(4.25)	63.14	7.05	(258.75)
	(d) Employee benefits expense	60.19	58.45	43.73	228.63	236.34
	(e) Finance costs	21.96	23.64	21.47	90.06	75.28
	(f) Depreciation and amortisation expense	26.45	27.98	27.82	111.19	112.32
	(g) Other expenses	79.23	79.91	69.40	292.47	298.14
	Total expenses (IV)	380.26	401.37	396.58	1,511.17	1,375.97
V	Profit/(loss) before exceptional items and tax (III - IV)	5.04	0.55	(29.69)	(44.81)	(87.61)
VI	Exceptional item profit / (loss) (Refer Note 6)	-	-	(1.31)	-	(3.49)
VII	Profit/(loss) before tax (V - VI)	5.04	0.55	(31.00)	(44.81)	(91.10)
VIII	Tax expense					
	- Current tax	(0.56)	(0.10)	0.17	(0.09)	0.17
	- Deferred tax	1.84	0.22	(32.98)	(22.48)	(32.98)
	Total tax expense (VIII)	1.28	0.12	(32.81)	(22.57)	(32.81)
IX	Profit/(loss) for the period (VII - VIII)	3.76	0.43	1.81	(22.24)	(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	(1.04)	-	2.67	(2.70)	3.09
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	0.36	-	(1.08)	0.94	(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	(0.06)	0.01	(0.06)	(0.30)	(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)	(0.74)	0.01	1.53	(2.06)	1.89
XI	Total comprehensive income/(loss) for the period (IX + X)	3.02	0.44	3.34	(24.30)	(56.40)
XII	Profit for the year attributable to:					
	- Equity shareholders of the Company	3.77	0.45	1.88	(22.17)	(58.15)
	- Non-controlling interests	(0.01)	(0.02)	(0.07)	(0.07)	(0.14)
XIII	Other Comprehensive income attributable to:					
	- Equity shareholders of the Company	(0.74)	0.01	1.53	(2.06)	1.89
	- Non-controlling interests	-	-	-	-	-
XIV	Total Comprehensive income attributable to:					
	- Equity shareholders of the Company	3.03	0.46	3.41	(24.23)	(56.26)
	- Non-controlling interests	(0.01)	(0.02)	(0.07)	(0.07)	(0.14)
XV	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	36.00	36.00	36.00
XVI	Other equity excluding Non-controlling interest				1,464.22	1,488.87
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)					
	(a) Basic (in Rs.)	1.05	0.12	0.53	(6.16)	(16.18)
	(b) Diluted (in Rs.)	1.05	0.12	0.53	(6.16)	(16.18)
	See accompanying notes to the financial results					





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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

AND UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2023

CONSOLIDATED BALANCE SHEET

(Rs. In Crores)

Sl. No.	Particulars	As at March 31, 2023 (AUDITED)	As at March 31, 2022 (AUDITED)
A	Assets		
I	Non-current assets		
	(a) Property, plant and equipment	866.81	842.28
	(b) Right of use assets	53.77	56.49
	(c) Capital work in progress	238.47	238.65
	(d) Investment property	23.94	24.61
	(e) Goodwill	365.09	365.09
	(f) Other intangible assets	54.35	67.94
	(g) Financial assets		
	(i) Investments	1.70	0.42
	(ii) Loans	-	0.27
	(iii) Other financial assets	14.46	12.52
	(h) Deferred tax assets (net)	78.56	55.14
	(i) Income tax assets (net)	4.52	18.29
	(j) Other non-current assets	10.07	24.00
	Total non-current assets	1,711.74	1,705.70
II	Current assets		
	(a) Inventories	558.09	575.55
	(b) Financial assets		
	(i) Trade receivables	536.99	489.67
	(ii) Cash and cash equivalents	8.73	46.38
	(iii) Bank balances other than (ii) above	0.16	0.87
	(iv) Loans	32.62	51.58
	(v) Other financial assets	13.23	9.53
	(c) Other current assets	37.50	65.70
	Total current assets	1,187.32	1,239.28
	Total Assets (I+II)	2,899.06	2,944.98
B	Equity and liabilities		
I	Equity		
	(a) Equity Share capital	36.00	36.00
	(b) Other equity	1,464.22	1,488.87
	Equity attributable to the owners of the Company	1,500.22	1,524.87
	Non-controlling interests	2.24	2.31
	Total Equity	1,502.46	1,527.18
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	235.10	283.04
	(ii) Lease liabilities	11.15	10.70
	(iii) Other financial liabilities	0.42	0.42
	(b) Provisions	10.67	9.49
	(c) Other non-current liabilities	38.36	50.71
	Total Non-current liabilities	295.70	354.36
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	766.05	741.53
	(ii) Lease liabilities	0.55	2.10
	(iii) Trade payables		
	- Dues of micro and small enterprises	11.96	8.07
	- Dues of other than micro and small enterprises	293.90	267.94
	(iv) Other financial liabilities	13.92	17.82
	(b) Provisions	2.08	3.44
	(c) Current tax liabilities (net)	0.01	0.33
	(d) Other current liabilities	12.43	22.21
	Total current liabilities	1,100.90	1,063.44
	Total liabilities	1,396.60	1,417.80
	Total Equity and Liabilities (I+II)	2,899.06	2,944.98





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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

AND UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

(Rs. In Crores)

Sl. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
		AUDITED	AUDITED
A	Cash flow from operating activities		
	Profit / (loss) before tax for the period	(44.81)	(91.10)
	Adjustments for:		
	Depreciation and amortisation	111.21	112.32
	Interest expense on loans	90.06	75.28
	Share based compensation expenses (net of reversals)	0.05	(1.31)
	Rental income from investment property	(4.45)	(5.59)
	Interest income	(5.78)	(7.76)
	Liabilities / provisions no longer required written back	(10.02)	(1.75)
	Loss/(Profit) on sale of property, plant and equipment	0.45	0.77
	Provision / (reversal) for doubtful receivables and advances	5.66	8.82
	Unrealised exchange (gain)/loss (net)	(0.38)	0.18
	Operating profit before working capital changes	141.99	89.86
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	17.32	(280.58)
	Trade receivables	(52.80)	(14.55)
	Other assets (financial & non-financial)	22.54	(29.49)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	38.90	(23.88)
	Other liabilities (financial & non-financial)	(25.24)	34.71
	Cash generated from operations	142.71	(223.93)
	Net income tax (paid) / refunds	13.54	(18.10)
	Net cash flow from operating activities (A)	156.25	(242.03)
B	Cash flow from investing activities		
	Capital expenditure for property, plant and equipments and intangible assets, including capital advances	(111.31)	(208.62)
	Rental income from investment property	4.45	5.59
	Intercompany deposit (given) / received	17.65	(50.00)
	Proceeds from sale of property, plant and equipment	1.30	0.13
	Investments in other entities	(1.28)	-
	(Increase)/decrease in balance held as margin money	0.70	-
	Interest received	7.35	10.05
	Net cash flow used in investing activities (B)	(81.14)	(242.85)
C	Cash flow from financing activities		
	Proceeds from issue of equity shares	-	2.90
	Proceeds from non-current borrowings	68.30	262.40
	Repayment of non-current borrowings	(130.62)	(93.76)
	Net increase / (decrease) in current borrowings	39.44	248.67
	Lease payments	(2.43)	(2.46)
	Interest paid	(87.45)	(73.40)
	Dividend paid	-	(10.78)
	Net cash flow from financing activities (C)	(112.76)	333.57
	Net increase in cash and cash equivalents (A+B+C)	(37.65)	(151.31)
	Cash and cash equivalents at the beginning of the period	46.38	197.69
	Cash and cash equivalents at the end of the period	8.73	46.38

Reconciliation of cash and cash equivalents with the Balance Sheet

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents as per Balance Sheet	8.73	46.38
Cash and cash equivalents at the end of the year*	8.73	46.38
* Comprises		
Cash on hand	0.10	0.04
Balance with banks:		
- In current account	8.58	3.87
- In deposit account	0.05	42.47
Total	8.73	46.38



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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

AND UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 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 May 12, 2023. The results for the year ended March 31, 2023 has been audited and the quarter ended March 31, 2023 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have expressed an unmodified opinion on the financial results for the year ended March 31, 2023 and have issued an unmodified conclusion in respect of the limited review for the quarter ended March 31, 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	Financial Year ended	Previous Financial Year ended
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Refer Note 7)	UNAUDITED	(Refer Note 7)	AUDITED	AUDITED
I	Total Income	385.74	401.52	365.51	1,465.95	1,287.10
II	Profit/(loss) before tax	8.31	0.53	(32.88)	(44.78)	(91.66)
III	Profit/(loss) after tax	6.46	0.42	0.22	(22.21)	(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	Financial Year ended	Previous Financial Year ended
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Refer Note 7)	UNAUDITED	(Refer Note 7)	AUDITED	AUDITED
I	Business combination and restructuring expenses	-	-	(1.31)	-	(3.49)

- The figures for the current quarter and quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and March 31, 2022, respectively and published year to date figures up to third quarter ended December 31, 2022 and December 31, 2021, respectively.

For and on behalf of board

Jyeshth Devendra
Managing DirectorPlace : Bengaluru
Date : May 12, 2023

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2023 and (b) reviewed the Standalone Financial Results for the quarter ended March 31st, 2023 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31 2023" of **Solara Active Pharma Sciences Limited** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2023:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2023

With respect to the Standalone Financial Results for the quarter ended March 31, 2023, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2023, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2023

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2023 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte Haskins & Sells LLP

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2023 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2023 that give a true and fair view of the net loss and other comprehensive Loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2023

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2023 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Deloitte Haskins & Sells LLP

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2023

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2023 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 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 SAs specified under section 143(10) of the Act 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.

CW

Deloitte Haskins & Sells LLP

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)



Sathya P. Koushik

(Membership No. 206920)

(UDIN 23206920BGYMEA6114)

Place: Bengaluru

Date: 12 May 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 AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023
AND UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 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	Financial Year ended	Previous Financial Year ended
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Refer Note 6)	UNAUDITED	(Refer Note 6)	AUDITED	AUDITED
I	Revenue from operations	380.62	394.75	360.82	1,443.81	1,268.34
II	Other income	5.12	6.77	4.69	22.14	18.76
III	Total income (I + II)	385.74	401.52	365.51	1,465.95	1,287.10
IV	Expenses					
	(a) Cost of materials consumed	195.10	213.25	156.96	773.90	858.86
	(b) Purchases of stock-in-trade	2.77	2.40	14.07	7.88	53.78
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(5.43)	(4.25)	63.14	7.05	(258.75)
	(d) Employee benefits expense	60.20	58.27	43.69	228.05	234.20
	(e) Finance costs	21.96	23.64	21.46	90.06	75.27
	(f) Depreciation and amortisation expenses	26.40	27.89	27.74	110.90	112.01
	(g) Other expenses	76.43	79.79	70.02	292.89	299.90
	Total expenses (IV)	377.43	400.99	397.08	1,510.73	1,375.27
V	Profit/(loss) before exceptional items and tax (III - IV)	8.31	0.53	(31.57)	(44.78)	(88.17)
VI	Exceptional item profit / (loss) (Refer Note 5)	-	-	(1.31)	-	(3.49)
VII	Profit/(loss) before tax (V - VI)	8.31	0.53	(32.88)	(44.78)	(91.66)
VIII	Tax expense					
	- Current tax	-	(0.11)	-	(0.11)	-
	- Deferred tax	1.85	0.22	(33.10)	(22.46)	(33.10)
	Total tax expense (VIII)	1.85	0.11	(33.10)	(22.57)	(33.10)
IX	Profit/(loss) for the period (VII - VIII)	6.46	0.42	0.22	(22.21)	(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	(1.04)	-	2.67	(2.70)	3.09
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	0.36	-	(1.08)	0.94	(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)	(0.68)	-	1.59	(1.76)	2.01
XI	Total comprehensive income/(loss) for the period (IX + X)	5.78	0.42	1.81	(23.97)	(56.55)
XII	Paid-up equity share capital (face value of Rs. 10/- each)	36.00	36.00	36.00	36.00	36.00
XIII	Other equity				1,467.13	1,491.05
	Earnings per equity share (face value of Rs. 10/- each) (not annualised for quarters)					
	(a) Basic (in Rs.)	1.79	0.12	0.06	(6.17)	(16.29)
	(b) Diluted (in Rs.)	1.79	0.12	0.06	(6.17)	(16.29)
	See accompanying notes to the financial results					





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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

AND UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2023

STANDALONE BALANCE SHEET

(Rs. In Crores)

Sl. No.	Particulars	As at March 31, 2023	As at March 31, 2022
		AUDITED	AUDITED
A	Assets		
I	Non-current assets		
	(a) Property, plant and equipment	860.20	835.67
	(b) Right of use assets	53.77	56.49
	(c) Capital work in progress	238.47	238.65
	(d) Investment property	8.79	9.15
	(e) Goodwill	364.90	364.90
	(f) Other intangible assets	54.35	67.94
	(g) Financial assets		
	(i) Investments	16.05	14.77
	(ii) Loans	-	0.27
	(iii) Other financial assets	14.41	12.46
	(h) Deferred tax assets (net)	78.54	55.14
	(i) Income tax assets (net)	4.53	18.13
	(j) Other non-current assets	10.07	24.00
	Total non-current assets	1,704.08	1,697.57
II	Current assets		
	(a) Inventories	558.09	575.55
	(b) Financial assets		
	(i) Trade receivables	539.65	489.67
	(ii) Cash and cash equivalents	8.55	46.27
	(iii) Bank balances other than (ii) above	0.16	0.87
	(iv) Loans	32.62	51.58
	(v) Other financial assets	14.09	10.26
	(c) Other current assets	37.71	65.67
	Total current assets	1,190.87	1,239.87
	Total Assets (I+II)	2,894.95	2,937.44
B	Equity and liabilities		
I	Equity		
	(a) Equity share capital	36.00	36.00
	(b) Other equity	1,467.13	1,491.05
	Total equity	1,503.13	1,527.05
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	235.10	283.04
	(ii) Lease liabilities	11.15	10.70
	(iii) Other financial liabilities	0.42	0.42
	(b) Provisions	10.67	9.49
	(c) Other non-current liabilities	38.36	50.71
	Total Non-current liabilities	295.70	354.36
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	766.05	741.53
	(ii) Lease liabilities	0.55	2.10
	(iii) Trade payables		
	- Dues of micro and small enterprises	11.96	8.07
	- Dues of other than micro and small enterprises	288.73	260.47
	(iv) Other financial liabilities	14.33	18.22
	(b) Provisions	2.08	3.44
	(c) Other current liabilities	12.42	22.20
	Total current liabilities	1,096.12	1,056.03
	Total liabilities	1,391.82	1,410.39
	Total equity and liabilities (I+II)	2,894.95	2,937.44





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STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023

AND UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2023

STANDALONE STATEMENT OF CASH FLOWS

(Rs. In Crores)

Sl. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
		AUDITED	AUDITED
A	Cash flow from operating activities		
	Profit/(loss) before tax for the period	(44.78)	(91.66)
	Adjustments for:		
	Depreciation and amortisation	110.90	112.01
	Interest expense on loans	90.06	75.27
	Share based compensation expenses (net of reversals)	0.05	(1.31)
	Rental income from investment property	(4.45)	(5.59)
	Interest income	(5.92)	(7.92)
	Liabilities / provisions no longer required written back	(9.49)	(0.25)
	Loss/(Profit) on sale of property, plant and equipment	0.45	0.77
	Provision / (reversal) for doubtful receivables and advances	5.66	8.82
	Unrealised exchange (gain)/loss (net)	(0.38)	0.18
	Operating profit before working capital changes	142.10	90.32
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	17.46	(280.58)
	Trade receivables	(55.46)	(14.61)
	Other assets (financial & non-financial)	22.29	(29.30)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	41.30	(24.50)
	Other liabilities (financial & non-financial)	(25.23)	34.95
	Cash generated from operations	142.46	(223.72)
	Net income tax (paid) / refunds	13.71	(18.05)
	Net cash flow from operating activities (A)	156.17	(241.77)
B	Cash flow from investing activities		
	Capital expenditure for property, plant and equipments and intangible assets, including capital advances	(111.31)	(208.87)
	Rental income from investment property	4.45	5.59
	Intercorporate deposit (given) / received	17.65	(50.00)
	Proceeds from sale of property, plant and equipment	1.30	0.13
	Investments in other entities	(1.28)	-
	(Increase)/decrease in balance held as margin money	0.70	-
	Interest received	7.36	10.07
	Net cash flow used in investing activities (B)	(81.13)	(243.08)
C	Cash flow from financing activities		
	Proceeds from issue of equity shares	-	2.91
	Proceeds from non-current borrowings	68.30	262.40
	Repayment of non-current borrowings	(130.62)	(93.76)
	Net increase / (decrease) in current borrowings	39.44	248.67
	Lease payments	(2.43)	(2.46)
	Interest paid	(87.45)	(73.39)
	Dividend paid	-	(10.78)
	Net cash flow from financing activities (C)	(112.76)	333.59
	Net increase in cash and cash equivalents (A+B+C)	(37.72)	(151.26)
	Cash and cash equivalents at the beginning of the period	46.27	197.53
	Cash and cash equivalents at the end of the period	8.55	46.27

Reconciliation of cash and cash equivalents with the Balance Sheet:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents as per Balance Sheet	8.55	46.27
Cash and cash equivalents at the end of the year*	8.55	46.27
* Comprises		
Cash on hand	0.10	0.04
Balance with banks:		
- In current account	8.40	3.76
- In deposit account	0.05	42.47
Total	8.55	46.27



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**STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2023
AND UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 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 May 12, 2023. The results for the year ended March 31, 2023 has been audited and the quarter ended March 31, 2023 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have expressed an unmodified opinion on the financial results for the year ended March 31, 2023 and have issued an unmodified conclusion in respect of the limited review for the quarter ended March 31, 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 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	Financial Year ended	Previous Financial Year ended
		31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Refer Note 6)	UNAUDITED	(Refer Note 6)	AUDITED	AUDITED
1	Business combination and restructuring expenses	-	-	(1.31)	-	(3.49)

- 6 The figures for the current quarter and quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and March 31, 2022, respectively and published year to date figures up to third quarter ended December 31, 2022 and December 31, 2021, respectively.

For and on behalf of board

Jitesh Devendra
Managing DirectorPlace : Bengaluru
Date : May 12, 2023

Press Release

Solara reports a healthy performance in FY23, 14% YoY Revenue growth and 63% YoY EBITDA growth in FY23

- ⇒ FY 23 Revenues at ₹14,663m up 14% YoY; EBITDA at ₹1,507m up 63% YoY;
- ⇒ Q4'23 Revenues stood at ₹3,853m
- ⇒ Gross margins at 50.3% in Q4'23 versus 47.3% in Q3'23; QoQ Improvement in Gross margins by 300 bps
- ⇒ Reported EBITDA at ₹515m, EBITDA margins at 13.4%; QoQ Improvement in EBITDA margins by 70 bps
- ⇒ Reduction in under-recoveries at Vizag

Bengaluru, India – May 12, 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 fourth quarter (Q4'23)

Financial Performance for Q4'23

Particulars (INR m)	Q4'23	Q3'23	Q4'22	QoQ%	YoY%	FY23	FY22	YoY%
Revenue	3,853	4,019	3,669	-4%	5%	14,663	12,884	14%
Gross margins	1,939	1,902	1,295	2%	50%	6,743	6,237	8%
Gross margins %	50.3%	47.3%	35.3%			46.0%	48.4%	
Operating EBITDA	705	710	404	-	75%	2,268	2,045	11%
Operating EBITDA %	18.3%	17.6%	11.0%			15.5%	15.9%	
EBITDA	515	510	176	1%	192%	1,507	922	63%
EBITDA Margins %	13.4%	12.7%	4.8%			10.3%	7.2%	

Commenting on the financial performance, **Jitesh Devendra, MD of the Company**, remarked, *“We are delighted to conclude fiscal year 23 on a positive note, having accomplished many of the goals we set for ourselves at the beginning of the year. The prior fiscal year (FY22) was a difficult one for the company, prompting the board to make several important decisions to ensure Solara returns to positive growth territory with sustained profitability. We had set forth 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.*

I am pleased to report that we are trending positively toward a broad range of outcomes, and our performance in FY23, particularly the second half, is indicative of the company's efforts to rebound. Additionally, to the FY23 results, we have made major strides toward founding a strong base, yielding even greater future performance as we keep expanding.

As we enter FY24, we are extremely optimistic about the business's prospects. We are confident that Solara will have another successful year. We remain committed to delivering value and thank our investors for their continued support.”

Commenting on the financial performance, **Poorvank Purohit, CEO of the Company**, remarked *“I am delighted to join Solara and be part of Solara's 3.0 growth journey. These improved financial results are a testament to the hard*

work and dedication of our employees and the strength of our product portfolio. Moving forward, we will continue to focus on outcomes that deliver value to all our stakeholders. The second half of Fiscal year 2023 has brought in more confidence in the fundamentals of the business. Our margins have risen, and we are working towards building new opportunities for sustainable growth.”

More details are included in the attached investor presentation.

EBITDA Reconciliation

Particulars (INR m)	Q4'23	Q3'23	Q4'22	FY23	FY22
Profit/(loss) before exceptional items and tax	50	6	(297)	(448)	(876)
Add : Finance costs	220	236	215	901	753
Add: Depreciation and amortisation expense	264	280	278	1,112	1,123
Less: Interest income	(19)	(12)	(20)	(58)	(78)
Consolidated Reported EBITDA as per press release	515	510	176	1,507	922

Earnings Conference Call

The Company will conduct earnings call at **3.30 PM IST on May 12, 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 70 countries. It has a manufacturing base comprising six globally compliant API facilities, with approvals including the USFDA, EU GMP, and PMDA in Japan.

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Disclaimer: Certain statements in this document 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 a healthy performance in FY23, returns to YoY growth

Q4'23 Earnings Update | May 12, 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.

Solara demonstrates a healthy recovery in FY23; reports a consistent overall performance in Q4'23



Growth

Base Business

- Strong growth momentum in Q4'23 for the base products over previous quarters
- CDE China's approval for Ibuprofen DMF received

R&D

- ▶ Filed 5 USDMFs in FY23.
- ▶ 12 market extensions were done for Fifteen existing products during FY23.

Vizag Business

- CEP approval to manufacture Ibuprofen received for the site
- The facility received USFDA approval
- Manufacturing of intermediates and final API started in Q3'23
- Reduction in under-recovery in Q4'23 compared with previous quarters
- Filed 3 out of 5 new USDMFs from Vizag



Profitability

- **Gross margins at 50.3%**; QoQ Improvement in GM by 300 bps
- **Operating EBITDA at ₹ 705 Mn**; Operating EBITDA margins improved by 70 bps
- **EBITDA at ₹ 515 Mn**; **EBITDA margins at 13.4%**;
- QoQ Improvement in EBITDA margins by 70 bps
- Achieved PAT of ₹ **38 Mn** in Q4'23



Cashflows

- Net Current Assets **reduction** by ₹ **576 Mn** in FY23
- Gross debt at ₹ **10,012 Mn**
- Gross debt has **reduced** by ₹ **234 Mn** during FY23

Q4'23 performance led to YoY expansion in absolute EBITDA

Performance with Vizag (₹ In Million)

Particulars	Q4'23	Q3'23	Q4'22	QoQ%	YoY%
Revenue	3,853	4,019	3,669	-4%	5%
Gross margins	1,939	1,902	1,295	2%	50%
Gross margins %	50.3%	47.3%	35.3%	300 bps	1500 bps
EBITDA	515	510	176	1%	192%
EBITDA Margins %	13.4%	12.7%	4.8%	70 bps	730 bps
PAT	38	4	18		

Performance Ex- Vizag (₹ In Million)

Particulars	Q4'23	Q3'23	Q4'22	QoQ%	YoY%
Revenue	3,707	3,947	3,669	-6%	1%
Gross margins	1,849	1,864	1,295	-1%	43%
Gross margins %	49.9%	47.2%	35.3%	266 bps	1458 bps
EBITDA	603	615	285	-2%	111%
EBITDA Margins %	16.3%	15.6%	7.8%	-67 bps	848 bps
PAT	125	109	127		



Jitesh Devendra,
Managing Director

We are delighted to conclude fiscal year 23 on a positive note, having accomplished many of the goals we set for ourselves at the beginning of the year. The prior fiscal year (FY22) was a difficult one for the company, prompting the board to make several important decisions to ensure Solara returns to positive growth territory with sustained profitability. We had set forth 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.

I am pleased to report that we are trending positively toward a broad range of outcomes, and our performance in FY23, particularly the second half, is indicative of the company's efforts to rebound. Additionally, to the FY23 results, we have made major strides toward founding a strong base, yielding even greater future performance as we keep expanding.

As we enter FY24, we are extremely optimistic about the business's prospects. We are confident that Solara will have another successful year. We remain committed to delivering value and thank our investors for their continued support.

Poorvank Purohit
CEO



I am delighted to join Solara and be part of Solara's 3.0 growth journey. These improved financial results are a testament to the hard work and dedication of our employees and the strength of our product portfolio. Moving forward, we will continue to focus on outcomes that deliver value to all our stakeholders. The second half of Fiscal year 2023 has brought in more confidence in the fundamentals of the business. Our margins have risen, and we are working towards building new opportunities for sustainable growth.

QoQ Performance (₹ In Million)

Particulars	Q4'23	Q3'23	Change
Revenue	3,853	4,019	-4%
Gross margins	1,939	1,902	2%
Gross margins %	50.3%	47.3%	300 bps
Operating EBITDA	705	710	-
Operating EBITDA Margins	18.3%	17.6%	70 bps
R&D Cost	(103)	(95)	
Under recovery – Vizag	(87)	(105)	
EBITDA	515	510	1%
EBITDA Margins	13.4%	12.7%	70 bps
PAT	38	4	
Basic EPS (₹/Share)	1.05	0.12	

YoY Performance (₹ In Million)

Particulars	Q4'23	Q4'22	Change
Revenue	3,853	3,669	5%
Gross margins	1,939	1,295	50%
Gross margins %	50.3%	35.3%	
Operating EBITDA	705	404	75%
Operating EBITDA Margins	18.3%	11.0%	
R&D Cost	(103)	(119)	
Under recovery - Vizag	(87)	(109)	
EBITDA	515	176	192%
EBITDA Margins	13.4%	4.8%	
PAT	38	18	108%
Basic EPS (₹/Share)	1.05	0.53	

Key Business Metrics

Base Business growth & profits are revived

- ▶ Regulated markets revenues at 72% of Q4'23 revenues (vs. 63% in Q4'22 and 72% in Q3'23)
- ▶ Increase in demand for Ibuprofen derivatives and other new products; New products accounted for 14% of Q4'23 revenues.
- ▶ CRAMS revenue at 5% of Q4'23 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 3 new USDMFs in Q4'23, taking the total filings in FY23 to five.
- ▶ 3 market extensions were done for three existing products during Q4'23.
- ▶ 3 market extension approvals were received in Q4'23.

Vizag is up and commercializing planned APIs

- ▶ Reduction in under-recoveries of ₹ 18 million in Q4'23
- ▶ USFDA approval received in Q4'23

FY23 performance led to 14% revenue uptick with 63% growth in absolute EBITDA

FY23 Performance (₹ In Million)

Particulars	FY23	FY22	Change
Revenue	14,663	12,884	14%
Gross margins	6,743	6,237	8%
Gross margins %	46.0%	48.4%	
Operating EBITDA	2,268	2,045	11%
Operating EBITDA Margins	15.5%	15.9%	
R&D Cost	(370)	(538)	
Under recovery – Vizag	(391)	(585)	
EBITDA	1,507	922	63%
EBITDA Margins	10.3%	7.2%	312 bps
PAT	(222)	(582)	

Key Business Metrics

Base Business growth & profits are revived

- ▶ Regulated markets revenues at 70% of FY23 revenues (vs. 62% in FY22)
- ▶ New products accounted for 14% of FY23 revenues
- ▶ CRAMS revenue at 5% of FY'23 revenues;

R&D velocity enhanced for the future growth

- ▶ Filed 5 USDMFs in FY23.
- ▶ 12 market extensions were done for Fifteen existing products during FY23.
- ▶ 10 market extension approvals were obtained in FY23.

Vizag is up and commercializing planned APIs

- ▶ Vizag site started manufacturing intermediates and final API from Q3'23 onwards, reducing under-recoveries at Vizag.
- ▶ Reduction in under-recoveries of ₹ 194 million in FY23
- ▶ CEP approval to manufacture Ibuprofen from the facility has been received
- ▶ USFDA approval received in Q4'23

(₹ In Million)

Core Business
(Ex-Vizag)

Particulars	Q1'23	Q2'23	Q3'23	Q4'23	FY23
Revenue	3,371	3,421	3,947	3,707	14,446
EBITDA	355	500	709	705	2,268
EBITDA %	10.5%	14.6%	18.0%	19.0%	15.7%
Profit After Tax	127	218	321	333	999

R&D
Investments

Particulars	Q1'23	Q2'23	Q3'23	Q4'23	FY23
Revenue	-	-	-	-	-
EBITDA	-80	-94	-94	-102	-370
EBITDA %	-	-	-	-	-
Profit After Tax	-111	-127	-126	-114	-478

Vizag led
business

Particulars	Q1'23	Q2'23	Q3'23	Q4'23	FY23
Revenue	-	-	72	146	218
EBITDA	-94	-105	-105	-87	-391
EBITDA %	-	-	-	-	-
Profit After Tax	-181	-190	-192	-181	-744

Total Solara
business

Particulars	Q1'23	Q2'23	Q3'23	Q4'23	FY23
Revenue	3,371	3,421	4,019	3,853	14,663
EBITDA	181	301	510	515	1507
EBITDA %	5.4%	8.8%	12.7%	13.4%	10.3%
Profit After Tax	-165	-99	3	38	-222

Core Business:

- ▶ Q4'23 EBITDA at ₹ 705 million with 19% margins

R&D Investments:

- ▶ R&D cost at ₹ 102 million in Q4'23
- ▶ Filed 5 USDMFs in FY23

Vizag Under Recoveries:

- ▶ Under recoveries of ₹ 87 million in Q4'23, a reduction of ₹ 18 million from ₹ 105 million in Q3'23.
- ▶ Certain product supplies were made to less regulated markets in Q3'23 and Q4'23, and this will reduce the under-recoveries in the coming quarters.

Sources of funds (₹ In Million)

Particulars	Mar'22	Mar'23
Shareholders' funds	15,248	15,002
Less: Goodwill	-3,651	-3,651
Net worth	11,597	11,351
Term Loan	4,147	3,524
Working capital Loan	6,099	6,488
Gross Debt	10,246	10,012
Total	21,843	21,363

Use of funds (₹ In Million)

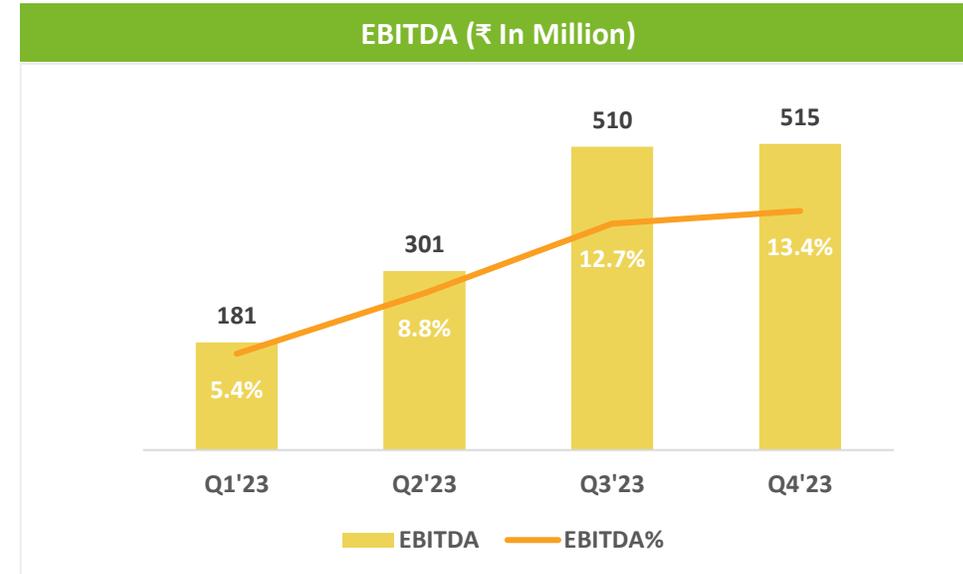
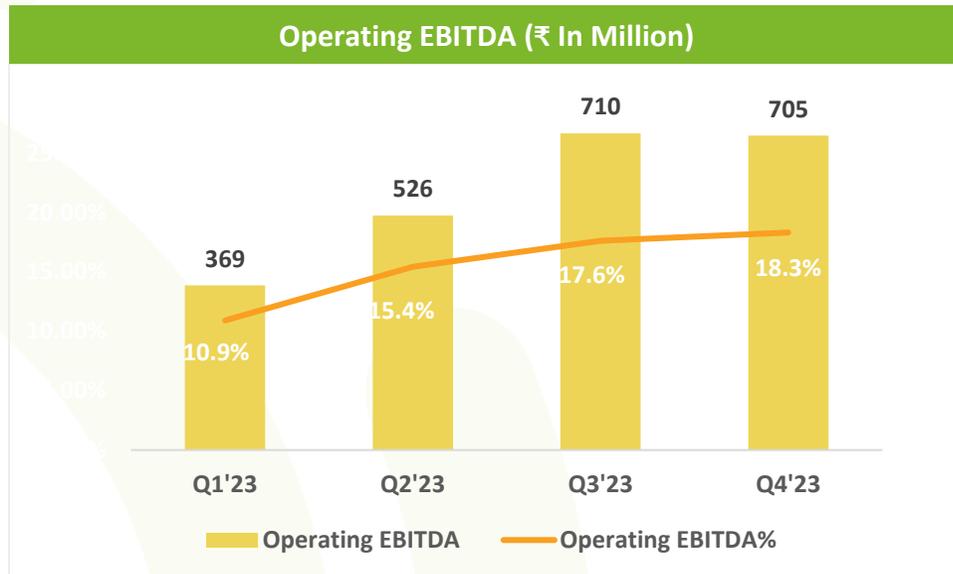
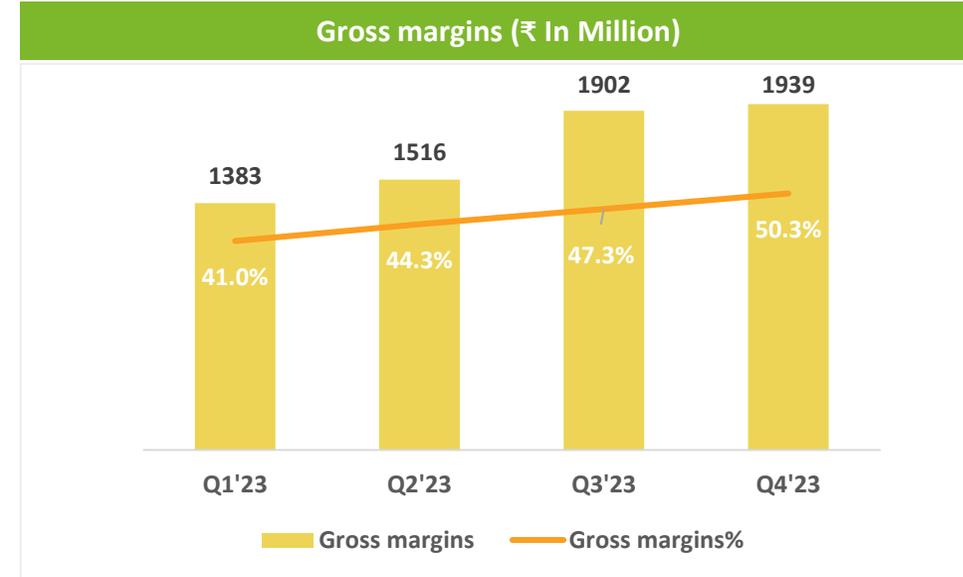
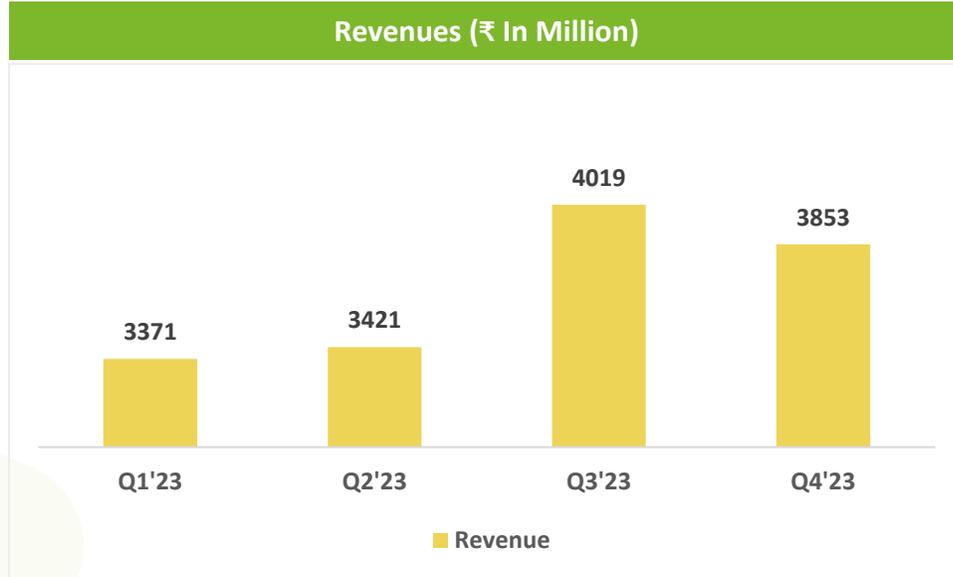
Particulars	Mar'22	Mar'23
Net Tangible Fixed Assets	11,620	11,830
Net Non-current Assets	1,124	1,010
Net Current Assets	9,099	8,523
Total	21,843	21,363

Gross Debt movement (₹ In Million)

Particulars	Term Loan	Working Capital	Gross Debt
Opening as on 1.4.2022	4,147	6,099	10,246
Add: Fresh Term loan	683	-	683
Less: Term loan repaid	(1,306)	-	(1,306)
Change in Working capital	-	389	389
Closing as on 31.03.2023	3,524	6,488	10,012

- ▶ Term loan reduced by ₹683 million during 9m'23 from ₹ 4,147 million to ₹ 3,524 million
- ▶ Gross debt has reduced by ₹ 234 million during FY23 from ₹ 10,246 million to ₹ 10,012 million.
- ▶ Net Current Assets reduced by ₹ 576 million during FY23 from ₹ 9,099 million to ₹ 8,523 million
- ▶ Actions to structurally right-size the working capital being implemented

FY23 has been a recovery year for Solara, and the Company has delivered to the planned outcomes



Ongoing actions

Expected Outcome



Improvement in offtake of Base Business and New products



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



Stronger revenue growth



Polymer Chemistry
Expanding our portfolio in polymer based chemistry products



Reduction in Vizag Under Recovery with sales initiated recently



EBITDA Improvement



Filings in focus markets (Brazil and China)



CIP & Backward Integration Execution



Improved Debt to EBITDA ratio

Solara Leadership Participants



Jitesh Devendra
Managing Director



Poorvank Purohit
Chief Executive Officer



S. Hariharan
Executive Director & CFO



15:30hrs , IST



Friday, May 12



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Pre-register here for
diamond pass*

Thank You



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