



SOLARA
Active Pharma Sciences

Communication Address :
Solara Active Pharma Sciences Limited
Batra Centre
No. 28, Sardar Patel Road, Post Box 2630
Guindy, Chennai - 600 032, India
Tel : +91 44 43446700, 22207500
Fax : +91 44 22350278

August 13, 2019

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

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board of Directors at their meeting held today i.e., on August 13, 2019 have approved the unaudited financial results (standalone and consolidated) of the Company for the quarter ended June 30, 2019.

A copy of the unaudited financial results (standalone and consolidated) for the quarter ended June 30, 2019 along with the Limited Review Report by the auditors and the press release on the same is attached.

The Board Meeting commenced at 10.30 a.m. and concluded at 11:50 a.m.

We request you to take the same on record.

Thanking you,

Yours faithfully,
For Solara Active Pharma Sciences Limited


S. Murali Krishna
Company Secretary



Encl.: as above

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

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. The Statement includes the results of the Parent and the following entities:

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The consolidated unaudited financial results includes the interim financial results of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenues of Rs. 366 Lakhs for the quarter ended June 30, 2019, total profit after tax of Rs. 291 Lakhs and total comprehensive income of Rs. 291 Lakhs for the quarter ended June 30, 2019, as considered in the Statement. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

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

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



Sathya P. Koushik
Partner
Membership No. 206920

BENGALURU, August 13, 2019
UDIN : 19206920AAAADI6078



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

**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
 FOR THE QUARTER ENDED JUNE 30, 2019**

(Rs. in Lakhs except per share data)

Sl. No.	Particulars	3 months ended		Corresponding 3 Months ended in the previous year	
		31.03.2019		31.03.2018	
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		UNAUDITED	AUDITED (Refer Note 5)	UNAUDITED	AUDITED
	Continuing operations				
I	Revenue from operations	33,017	38,531	30,281	1,38,668
II	Other income	436	663	48	1,238
III	Total Income (I + II)	33,453	39,194	30,329	1,39,906
IV	Expenses				
	(a) Cost of materials consumed	16,306	18,377	18,157	72,954
	(b) Purchases of stock-in-trade	501	251	86	908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,636)	1,511	(3,059)	(3,379)
	(d) Employee benefits expense	4,863	4,825	4,275	18,581
	(e) Finance costs	1,865	2,172	1,822	8,242
	(f) Depreciation and amortisation expense	2,289	2,340	1,911	8,309
	(g) Other expenses	6,615	7,102	6,212	27,523
	Total expenses (IV)	30,803	36,578	29,404	1,33,138
V	Profit/(loss) before tax (III - IV)	2,650	2,616	925	6,768
VI	Tax expense				
	- Current tax	566	640	206	1,596
	- Current tax of subsidiary - reversal of excess provision of prior year	-	(143)	-	(143)
	- Deferred tax	(566)	(501)	(206)	(1,395)
	Total tax expense (VI)	-	(4)	-	58
VII	Profit/(loss) after tax from continuing operations (V - VI)	2,650	2,620	925	6,710
	Discontinued operations				
	- Profit/(loss) from discontinued operations	-	-	(668)	(992)
	- Tax expense of discontinued operations	-	-	-	224
VIII	Profit/(loss) after tax from discontinued operations	-	-	(668)	(768)
IX	Profit/(loss) for the period (VII + VIII)	2,650	2,620	257	5,942
X	Other comprehensive income				
A	(i) Items that will not be reclassified to statement of profit and loss	-	(201)	-	(201)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	71	-	71
B	(i) Items that may be reclassified to statement of profit and loss	-	(143)	(8)	(153)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-
	Total other comprehensive income for the period (X)	-	(273)	(8)	(283)
XI	Total comprehensive income for the period (IX + X)	2,650	2,347	249	5,659
	Profit for the year attributable to:				
	- Equity shareholders of the Company	2,652	2,632	256	5,952
	- Non-controlling interests	(2)	(12)	1	(10)
	Other Comprehensive Income:				
	- Equity shareholders of the Company	-	(273)	(8)	(283)
	- Non-controlling interests	-	-	-	-
	Total Comprehensive Income:	2,652	2,359	248	5,669
	- Equity shareholders of the Company	2,652	2,359	248	5,669
	- Non-controlling interests	(2)	(12)	1	(10)
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)				
	(a) Basic (Rs.)	10.29	10.17	2.94	24.88
	(b) Diluted (Rs.)	10.22	10.13	2.94	24.84
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)				
	(a) Basic (Rs.)	-	-	(2.71)	(3.11)
	(b) Diluted (Rs.)	-	-	(2.71)	(3.11)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)				
	(a) Basic (Rs.)	10.29	10.17	0.23	21.77
	(b) Diluted (Rs.)	10.22	10.13	0.23	21.73
	See accompanying notes to these Financial Results				





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

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2019

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2019. The above results for the quarter ended June 30, 2019 has been subjected to limited review by Deloitte Haskins & Sells LLP, the statutory auditor of the Company. The report of the statutory auditor is unmodified.
- Effective 01 April 2019, the Group applied Ind AS 116 – Leases to applicable lease contracts existing as on 01 April, 2019. The Group has used the modified retrospective method prescribed under Ind AS 116 and accordingly, the comparative numbers have not been retrospectively adjusted. The application of Ind AS 116 did not have a significant impact on the profit and earnings per share for the quarter ended 30 June, 2019.
- On May 19, 2018, the Board of Directors of the Company approved for investment by the Company in Strides Chemicals Private Limited. On August 31, 2018, the Company entered into a share purchase agreement with Strides Pharma Science Limited (formerly known as Strides Shasun Limited) and acquired 100% of the Investments in Strides Chemicals Private Limited for a consideration of Rs. 13,100 Lakhs with effect from September 01, 2018 (acquisition date). Accordingly the results of the above business reflect only from period September 01, 2018 onwards. The impact of acquisition of this business on the results is given below:

(Rs. In Lakhs)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 Months ended in the previous year	Previous Financial Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
I	Total Revenue	1,925	1,150	-	3,013
II	Total Expenses	2,092	1,463	-	3,321
III	Profit/(loss) before Tax (I-II)	(167)	(313)	-	(308)
IV	Tax expenses	-	-	-	-
V	Profit/(loss) after Tax (III-IV)	(167)	(313)	-	(308)

- The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.
- The above results includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the previous financial year.
- During the current quarter, pursuant to the approval of Nomination and remuneration committee, 40,000 options were granted to the eligible employee.

7 Information on Standalone Results:

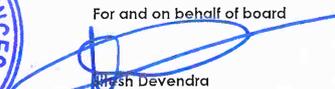
(Rs. In Lakhs)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 Months ended in the previous year	Previous Financial Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
I	Total Revenue from continuing operations	31,706	38,373	30,324	1,37,405
II	Profit before Tax from continuing operations	2,532	2,844	966	7,169
III	Profit after Tax from continuing operations	2,532	2,706	966	6,968
IV	Profit/(loss) before Tax from discontinued operations	-	-	(668)	(992)
V	Profit/(loss) after Tax from discontinued operations	-	-	(668)	(768)

Place : Bengaluru
 Date : August 13, 2019



For and on behalf of board


 Vish Devendra
 Managing Director

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

TO THE BOARD OF DIRECTORS OF SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company") for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Sathya P. Koushik

Partner

Membership No. 206920

BENGALURU, August 13, 2019

UDIN : 19206920AAAADH5373



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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
 FOR THE QUARTER ENDED JUNE 30, 2019

(Rs. in Lakhs except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 Months ended in the previous year	Previous Financial Year ended
		30.06.2019	31.03.2019	30.06.2018	31.03.2019
		UNAUDITED	AUDITED (Refer Note 5)	UNAUDITED	AUDITED
	Continuing operations				
I	Revenue from operations	31,409	38,010	30,281	1,36,726
II	Other income	297	363	43	679
III	Total income (I + II)	31,706	38,373	30,324	1,37,405
IV	Expenses				
	(a) Cost of materials consumed	14,903	17,858	18,157	71,906
	(b) Purchases of stock-in-trade	501	251	86	908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,113)	1,896	(3,059)	(2,928)
	(d) Employee benefits expense	4,631	4,582	4,237	17,992
	(e) Finance costs	1,864	2,172	1,822	8,242
	(f) Depreciation and amortisation expense	2,105	2,132	1,903	7,873
	(g) Other expenses	6,283	6,638	6,212	26,243
	Total expenses (IV)	29,174	35,529	29,358	1,30,236
V	Profit/(loss) before tax (III - IV)	2,532	2,844	966	7,169
VI	Tax expense				
	- Current tax	566	640	206	1,596
	- Deferred tax	(566)	(502)	(206)	(1,395)
	-	-	138	-	201
	Total tax expense (VI)				
VII	Profit/(loss) after tax from continuing operations (V - VI)	2,532	2,706	966	6,968
	Discontinued operations				
	- Profit/(loss) from discontinued operations	-	-	(668)	(992)
	- Tax expense of discontinued operations	-	-	-	224
VIII	Profit/(loss) after tax from discontinued operations			(668)	(768)
IX	Profit/(loss) for the period (VII + VIII)	2,532	2,706	298	6,200
X	Other comprehensive income/(loss)				
A	(i) Items that will not be reclassified to statement of profit and loss	-	(205)	-	(205)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	71	-	71
B	(i) Items that may be reclassified to statement of profit and loss	-	-	-	-
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	-	-	-	-
	Total other comprehensive income/(loss) for the period (X)		(134)		(134)
XI	Total comprehensive income for the period (IX + X)	2,532	2,572	298	6,066
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)				
	(a) Basic (Rs.)	9.82	10.48	3.10	25.88
	(b) Diluted (Rs.)	9.75	10.44	3.10	25.84
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)				
	(a) Basic (Rs.)	-	-	(2.71)	(3.11)
	(b) Diluted (Rs.)	-	-	(2.71)	(3.11)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)				
	(a) Basic (Rs.)	9.82	10.48	0.39	22.77
	(b) Diluted (Rs.)	9.75	10.44	0.39	22.73
	See accompanying notes to these Financial Results				





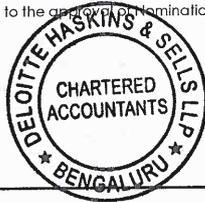
SOLARA ACTIVE PHARMA SCIENCES LIMITED
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: No 28, Sardar Patel Road, Guindy, Chennai - 600 032

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2019

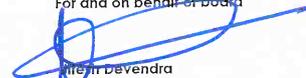
Notes:

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2019. The above results for the quarter ended June 30, 2019 has been subjected to limited review by Deloitte Haskins & Sells LLP, the statutory auditor of the Company. The report of the statutory auditor is unmodified.
- 2 The Company's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.
- 3 Effective 01 April 2019, the Company applied Ind AS 116 – Leases to applicable lease contracts existing as on 01 April, 2019. The Company has used the modified retrospective method prescribed under Ind AS 116 and accordingly, the comparative numbers have not been retrospectively adjusted. The application of Ind AS 116 did not have a significant impact on the profit and earnings per share for the quarter ended 30 June, 2019.
- 4 The Board of Directors of the Company in their meeting held on September 28, 2018, have approved a Scheme of Amalgamation of its wholly owned subsidiary - Strides Chemicals Private Limited with the Company from the appointed date of September 1, 2018. The Scheme will be given effect after obtaining necessary regulatory approvals.
- 5 The above results includes the results for the quarter ended March 31, 2019 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the previous financial year.
- 6 During the current quarter, pursuant to the approval of nomination and remuneration committee, 40,000 options were granted to the eligible employee.

Place : Bengaluru
Date : August 13, 2019



For and on behalf of board


Manish Devendra
Managing Director



Solara announces Q1FY20 Financial Results

- » Revenues at ₹3,345 Mn up by 10% YoY with 42% YoY growth in EBITDA to ₹663 Mn
- » 3x growth in PAT to ₹265 Mn in Q1FY20
- » Reported highest ever EPS in a quarter at ₹10.29
- » Demonstrated >20% operating EBITDA margins sequentially for three quarters in a row

Bengaluru, India – August 13, 2019: Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE Code: 541540), a leading Active Pharmaceutical Ingredient provider today announced the financial results for the **first quarter (Q1FY20)**.

Commenting on the performance, **Jitesh Devendra, MD and CEO** said “We are pleased to start the financial year with a satisfying performance. While we reported a 10% YoY growth in revenues, we had a significant 42% growth in EBITDA, resulting in a 3x growth in PAT and an EPS of ₹10.29. That said, the performance was partially offset by the seasonality, and we expect to stay on course to achieve our yearly revenue and profitability guidance.

On the operational front, we are happy to have sustained our compliance record as our Cuddalore facility clears an FDA inspection with zero 483s. This is our third successive zero 483 inspection for Solara in the last three quarters.

We continue to see green shoots in the industry and remain focussed on “growth through efficiency” which is our theme for the ongoing financial year.”

Financial Highlights for Q1FY20

Particulars	Q1FY20	Q1FY19	YoY
Revenue	3,345	3,033	10%
Operating EBITDA	787	630	25%
Operating EBITDA Margins	23.5%	20.8%	270 bps
R&D Cost	-115	-97	
Forex gain/(Loss)	-9	-68	
Reported EBITDA	663	465	42%
Reported EBITDA Margins	19.8%	15.3%	450 bps
PAT	265	92	188%
EPS (₹ per share)	10.29	2.94	

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

Financial Updates

- » Operating EBITDA improvement led by changed product mix and favorable outcomes from cost improvement program
- » 19% YoY increase in R&D Spent as a result of new product development and cost improvement initiatives
- » Forex loss of ₹9mn as against loss of ₹68mn in Q1FY19.
- » Reported EBITDA margins at 19.8%, up by 450 bps YoY.

Business Updates

- » The regulated markets grew 6% YoY and represents 75% of the total revenue.
- » Commercialised one new product in the quarter. New products as percent of total revenues now at 7%
- » Cuddalore API facility cleared FDA inspection with zero 483s
- » Accreditation of Foreign Manufacturers (AFM) certificate by PMDA, Japan received for Mangalore facility

EBITDA Reconciliation

Particulars	Q1FY20	Q1FY19
Profit/(loss) before tax as per SEBI reporting (Continuing Operations)	265	92
Add : Finance costs	187	182
Add : Depreciation and amortisation expense	229	192
Less: Interest income	-18	-1
Consolidated Reported EBITDA as per press release	663	465

All figures in ₹mn for continuing operations

Earnings Conference Call

The Company will conduct an Earnings call at **3.00 PM IST on August 13th, 2019** where the Management will discuss the Company's performance and answer questions from participants. To participate in this conference call, please dial the numbers provided below ten minutes ahead of the scheduled start time. The dial-in numbers for this call are **+91 22 6280 1346 or +91 22 7115 8247**. Other numbers are listed in the conference call invite which is posted on our website. Please note that the transcript of the conference call will be uploaded on the Company website in due course.

About Solara

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

Investor / Analyst contact

Dikshita Jain

Christensen Investor Relations

✉ djain@christensenir.com

☎ +91 22 4215 0210

Statutory and corporate affairs

Murali Krishna S

Raghavan. V

✉ investors@solara.co.in

☎ +91 44 4344 6700

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

GROWTH THROUGH EFFICIENCY

Q1'20 Earnings Update
August 13, 2019



Agenda



PERFORMANCE HIGHLIGHTS



BUSINESS UPDATES



CORPORATE UPDATES



FUTURE OUTLOOK



Q1'20 delivers a stellar financial performance



We are pleased to start the financial year with a satisfying performance. While we reported a 10% YoY growth in revenues, we had a significant 42% growth in EBITDA, resulting in a 3x growth in PAT and an EPS of ₹10.29. That said, the performance was partially offset by the seasonality, and we expect to stay on course to achieve our overall growth for the year.

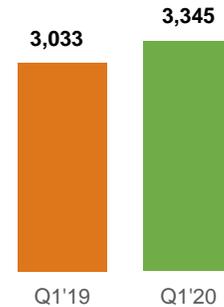
On the operational front, we are happy to have sustained our compliance record as our Cuddalore facility clears an FDA inspection with zero 483s. This is our third successive zero 483 inspection for Solara in the last three quarters.

We continue to see green shoots in the industry and remain focussed on “growth through efficiency” which is our theme for the ongoing financial year.”

Jitesh Devendra
(MD & CEO)

REVENUE

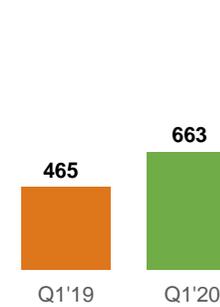
(₹ in million)



↑ 10%

EBITDA

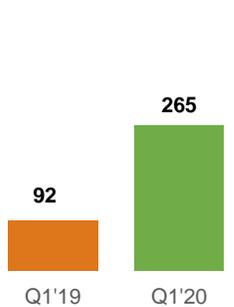
(₹ in million)



↑ 42%

PAT

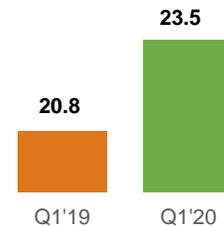
(₹ in million)



↑ 188%

OPERATING MARGINS

(%)



↑ 270bps

EBITDA MARGINS

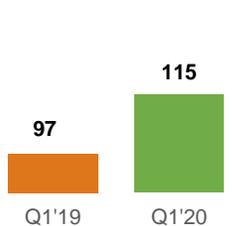
(%)



↑ 450bps

R&D SPEND

(₹ in million)



↑ 19%

Margin expansion continues despite increased R&D activity

YEAR ON YEAR MOVEMENT

Particulars	Q1 FY20	Q1 FY19	Change
Revenue	3,345	3,033	10%
Operating EBITDA	787	630	25%
Operating EBITDA Margins	23.5%	20.8%	270 bps
R&D Cost	-115	-97	
Forex gain/(Loss)	-9	-68	
Reported EBITDA	663	465	42%
Reported EBITDA Margins	19.8%	15.3%	450 bps

QUARTER ON QUARTER MOVEMENT

Particulars	Q1 FY20	Q4 FY19	Change
Revenue	3,345	3,919	-15%
Operating EBITDA	787	806	-2%
Operating EBITDA Margins	23.5%	20.6%	300 bps
R&D Cost	-115	-136	
Forex gain/(Loss)	-9	31	
Reported EBITDA	663	701	-5%
Reported EBITDA Margins	19.8%	17.9%	190 bps

QUARTERLY PERFORMANCE UPDATES

- ➔ Operating EBITDA improvement led by changed product mix and favorable outcomes from cost improvement program
- ➔ 19% YoY increase in R&D Spent as a result of new product development and cost improvement initiatives
- ➔ Forex loss of ₹9mn as against loss of ₹68mn in Q1FY19.
- ➔ Reported EBITDA margins at 19.8%, up by 450 bps YoY and up by 190 bps QoQ.

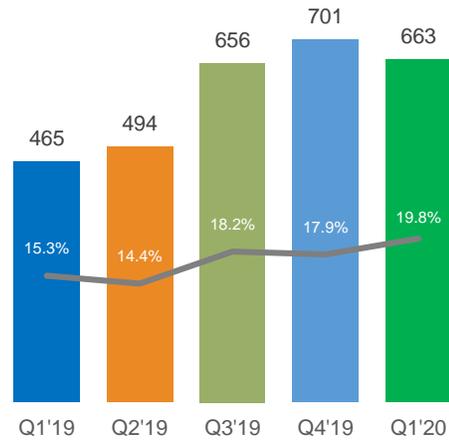
OPERATIONS AND BUSINESS HIGHLIGHTS

- ➔ The regulated markets grew 6% YoY and represents 75% of the total revenue.
- ➔ Commercialised one new product in the quarter. New products as percent of total revenues now at 7%
- ➔ Top 10 customers and 10 products account for 51% and 75% of revenues respectively
- ➔ Cuddalore API facility cleared FDA inspection with zero 483s
- ➔ Accreditation of Foreign Manufacturers (AFM) certificate by PMDA, Japan received for Mangalore facility

Significant improvement in profitability over last 5 quarters

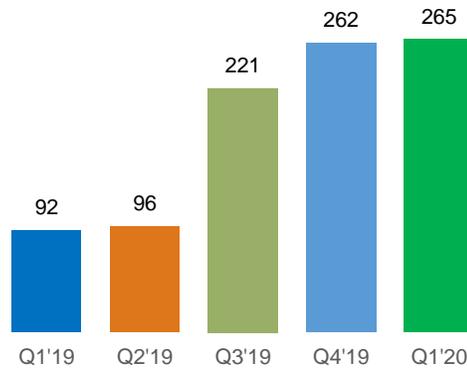
REPORTED EBITDA

(₹ in million)



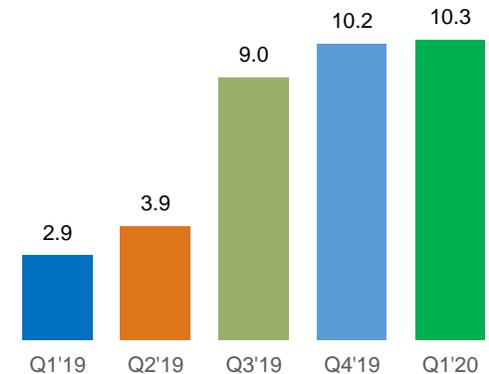
NET PROFIT AFTER TAX

(₹ in million)



EARNINGS PER SHARE

(₹/share)



KEY UPDATES

- ➔ Growth in Reported EBITDA margins over last 5 quarters
- ➔ Steady progress through the proactive cost improvement programs
- ➔ Fast expanding portfolio of new products and new customers to access new markets for existing products
- ➔ Strong leverage situation supporting better EBITDA to EPS conversion

Right sized balance sheet with improvements in key ratios

SOURCES OF FUND

Particulars	Mar'18	Mar'19	Jun'19
Shareholders' funds	7,640	9,559	9,837
<i>Less: Goodwill</i>	<i>-3,634</i>	<i>-3,587</i>	<i>-3,587</i>
Net worth	4,006	5,972	6,250
Term Loan	3,026	3,236	3,144
Working Capital	3,302	3,625	3,479
Gross Debt	6,328	6,861	6,623
<i>Less: Cash</i>	<i>-470</i>	<i>-2,245</i>	<i>-1,639</i>
Net Debt	5,858	4,616	4,984
Total	9,864	10,588	11,234

APPLICATION OF FUND

Particulars	Mar'18	Mar'19	Jun'19
Net Tangible Fixed Assets	6,703	8,034	8,359
Net Non-current Assets	1,068	190	238
Net Current Assets	2,093	2,364	2,637
Total	9,864	10,588	11,234

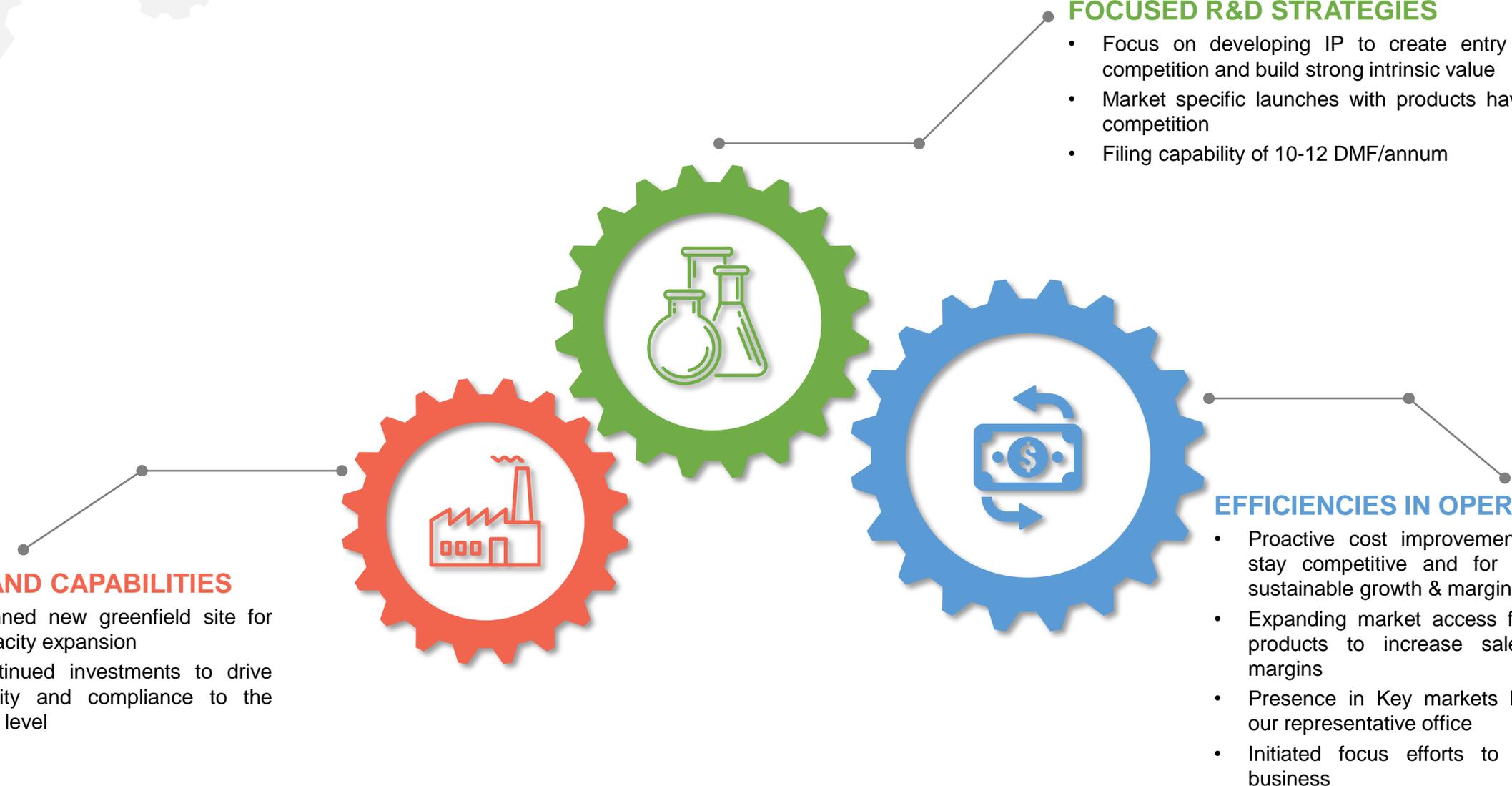
KEY UPDATES

- ➔ Improvements in financial ratios led by a right sized balance sheet position
- ➔ Net Debt to EBITDA comfortable at <2x range
- ➔ Net Debt to Equity at ~0.8x



Future Outlook

FY20 growth led through efficiencies



EXPAND CAPABILITIES

- Planned new greenfield site for capacity expansion
- Continued investments to drive quality and compliance to the next level

FOCUSED R&D STRATEGIES

- Focus on developing IP to create entry barrier for competition and build strong intrinsic value
- Market specific launches with products having limited competition
- Filing capability of 10-12 DMF/annum

EFFICIENCIES IN OPERATIONS

- Proactive cost improvement programs to stay competitive and for contributing to sustainable growth & margin expansion
- Expanding market access for our existing products to increase sales and gross margins
- Presence in Key markets by establishing our representative office
- Initiated focus efforts to build CRAMS business

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



BUSINESS CONTINUITY

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



WORLD WIDE PRESENCE

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



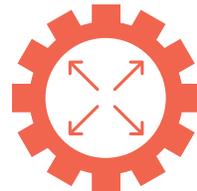
CUSTOMER ADVOCACY

A unilateral focus on customer delight



COST RATIONALIZATION

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



CAPACITY BUILDING

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



RESEARCH DRIVE

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

Thank you

REGISTERED OFFICE

201, Devavrata, Sector 17, Vashi, Navi Mumbai - 400 703.
Tel.: +91 22 2789 2924 Fax No. +91 22 2789 2942
Email: investors@solara.co.in
Website: www.solara.co.in
CIN: L24230MH2017PLC291636

CORPORATE OFFICE

3rd & 4th Floor, Batra Centre, No.28,
Sardar Patel Road, Guindy, Chennai - 600 032
Tel.: +91 44 4344 6700 / 2220 7500
Fax No. +91 44 2235 0278

