



SOLARA
Active Pharma Sciences

Communication Address

Solara Active Pharma Sciences Limited
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October 22, 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

Please refer our letter dated October 14, 2019 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 (October 22, 2019) the Directors inter-alia amongst other subject approved the following:

- Unaudited financial results (standalone and consolidated) of the Company for the quarter and half year ended September 30, 2019 pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. A copy of the unaudited financial results (standalone and consolidated) for the quarter and half year ended September 30, 2019 along with the Limited Review Report by the auditors and the press release on the same is attached.
- Allotment of 18,000 equity shares against the Solara Employee Stock Option Plan 2018. Consequent to the said allotment, the paid-up share capital of the Company will increase from ₹ 25,77,42,670.00 consisting of 2,57,74,267 equity shares of ₹ 10.00 each to ₹ 25,79,22,670 consisting of 2,57,92,267 equity shares of ₹ 10.00 each.

The Board Meeting commenced at 10.00 AM and concluded at 11.55 AM

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 Standalone Unaudited Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company") for the quarter and six months ended September 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.
Attention is drawn to Note 5 of the Statement which states that the statement of cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.
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

Place: CHENNAI

Date: October 22, 2019

UDIN: 19206920 A A A A C T 8948



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 AND HALF YEAR ENDED SEPTEMBER 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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	Continuing operations						
I	Revenue from operations	35,036	31,409	33,641	66,445	63,922	1,36,726
II	Other income	441	297	21	738	64	679
III	Total Income (I + II)	35,477	31,706	33,662	67,183	63,986	1,37,405
IV	Expenses						
	(a) Cost of materials consumed	15,969	14,903	17,364	30,872	35,521	71,906
	(b) Purchases of stock-in-trade	2,337	501	126	2,838	212	908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,204)	(1,113)	(149)	(2,317)	(3,208)	(2,928)
	(d) Employee benefits expense	4,823	4,631	4,521	9,454	8,758	17,992
	(e) Finance costs	2,027	1,864	1,994	3,891	3,816	8,242
	(f) Depreciation and amortisation expense	2,147	2,105	1,878	4,252	3,781	7,873
	(g) Other expenses	5,699	6,283	7,008	11,982	13,220	26,243
	Total expenses (IV)	31,798	29,174	32,742	60,972	62,100	1,30,236
V	Profit/(loss) before tax (III - IV)	3,679	2,532	920	6,211	1,886	7,169
VI	Tax expense						
	- Current tax	527	566	190	1,093	396	1,596
	- Deferred tax	(527)	(566)	(127)	(1,093)	(333)	(1,395)
	Total tax expense (VI)	-	-	63	-	63	201
VII	Profit/(loss) after tax from continuing operations (V - VI)	3,679	2,532	857	6,211	1,823	6,968
	Discontinued operations						
	- Profit/(loss) from discontinued operations	-	-	(100)	-	(768)	(992)
	- Tax expense of discontinued operations	-	-	-	-	-	224
VIII	Profit/(loss) after tax from discontinued operations	-	-	(100)	-	(768)	(768)
IX	Profit/(loss) for the period (VII + VIII)	3,679	2,532	757	6,211	1,055	6,200
X	Other comprehensive Income/(loss)						
A	(i) Items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(205)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-	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)
XI	Total comprehensive Income for the period (IX + X)	3,679	2,532	757	6,211	1,055	6,066
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)						
	(a) Basic (Rs.)	14.27	9.82	2.40	24.09	5.50	25.88
	(b) Diluted (Rs.)	14.20	9.75	2.40	23.95	5.50	25.84
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)						
	(a) Basic (Rs.)	-	-	(0.41)	-	(3.11)	(3.11)
	(b) Diluted (Rs.)	-	-	(0.41)	-	(3.11)	(3.11)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)						
	(a) Basic (Rs.)	14.27	9.82	1.99	24.09	2.39	22.77
	(b) Diluted (Rs.)	14.20	9.75	1.99	23.95	2.39	22.74
	See accompanying notes to these Financial Results						



**SOLARA****SOLARA ACTIVE PHARMA SCIENCES LIMITED**

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

Corp. Office: No 28, Sardar Patel Road, Gulindy, Chennai - 600 032

**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019****BALANCE SHEET AS AT SEPTEMBER 30, 2019**

(Rs. In Lakhs)

	Particulars	As at	As at
		September 30, 2019	March 31, 2019
		UNAUDITED	AUDITED
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	63,174	63,715
	(b) Capital work in progress	9,304	3,365
	(c) Investment property	566	575
	(d) Goodwill	35,838	35,838
	(e) Right of use assets	804	358
	(f) Other intangible assets	9,244	9,835
	(g) Financial assets		
	(i) Investments	14,904	14,913
	(ii) Loans	2	2
	(iii) Other financial assets	1,139	967
	(h) Income tax assets (net)	97	240
	(i) Other non-current assets	3,763	2,232
	Total non-current assets	1,38,835	1,32,040
II	Current assets		
	(a) Inventories	23,852	20,163
	(b) Financial assets		
	(i) Trade receivables	25,320	26,895
	(ii) Cash and cash equivalents	11,636	7,313
	(iii) Other balances with banks	73	70
	(iv) Loans	143	234
	(v) Other financial assets	3,922	2,183
	(c) Other current assets	4,319	4,584
	Total current assets	69,265	61,442
	Total assets	2,08,100	1,93,482
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share capital	2,577	2,577
	(b) Other equity	98,937	93,996
	Total Equity	1,01,514	96,573
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	21,119	22,497
	(ii) Other financial liabilities	42	42
	(b) Provisions	969	867
	(c) Deferred tax liabilities (net)	2,175	3,283
	(d) Other non-current liabilities	7,187	7,658
	Total Non-current liabilities	31,492	34,347
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	37,225	21,446
	(ii) Trade payables		
	Total outstanding dues of micro enterprises and small	186	161
	Total outstanding dues of creditors other than micro	23,637	22,287
	enterprises and small		
	(iii) Other financial liabilities	12,043	16,182
	(b) Other current liabilities	1,659	2,256
	(c) Provisions	168	150
	(d) Current income tax liabilities	176	80
	Total current liabilities	75,094	62,562
	Total equity and liabilities	2,08,100	1,93,482





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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Standalone cashflow statement for the period ended September 30, 2019

(Rs. In Lakhs)

	Particulars	Year to date figures for the current period ended	Year to date figures for the previous period ended
		30.09.2019	30.09.2018
		UNAUDITED	UNAUDITED
A	Cash flow from operating activities		
	Profit / (loss) before tax from		
	Continuing operations	6,211	1,886
	Discontinued operations	-	(768)
	Adjustments for:		
	Depreciation and amortisation	4,252	3,781
	Interest expense on loans	3,899	3,375
	Share based compensation expenses	320	(13)
	Rental income from investment property	(42)	-
	Interest income	(522)	-
	Liabilities / provisions no longer required written back	(27)	(21)
	Profit on sale of property, plant and equipment's	25	-
	Provision for doubtful receivables and advances	30	22
	Unrealised exchange (gain)/loss (net)	314	502
	Operating profit before working capital changes	14,460	8,764
	Changes in working capital:		
	Adjustments for (Increase) / decrease in operating assets:		
	Inventories	(3,689)	(2,609)
	Trade receivables	1,587	(3,058)
	Other assets (financial & non-financial)	619	1,307
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	1,375	(4,879)
	Other liabilities (financial & non-financial)	(948)	262
	Cash generated from operations	13,404	(213)
	Net income tax (paid) / refunds	(855)	(664)
	Net cash flow from / (used in) operating activities (A)	12,549	(877)
B	Cash flow from investing activities		
	Capital expenditure for property, plant and equipment's and intangible assets, including capital advances	(10,433)	(3,305)
	Rental income from investment property	42	-
	Loan given to subsidiaries	(2,140)	-
	Proceeds from sale of fixed assets	22	1,800
	Payment made for investment in Subsidiary	(5,510)	(2,126)
	Proceeds from sale of investments in other entities	9	-
	(Increase)/decrease in balance held as margin money	-	(1)
	Interest received	522	13
	Net cash flow from / (used in) investing activities (B)	(17,488)	(3,619)
C	Cash flow from financing activities		
	Share issue expenses	-	(465)
	Proceeds from non-current borrowings	3,462	10,613
	Repayment of non-current borrowings	(4,280)	(7,164)
	Net increase / (decrease) in current borrowings	15,449	591
	Interest paid	(3,807)	(3,307)
	Dividend paid	(1,289)	-
	Dividend distribution taxes paid	(273)	-
	Net cash flow from / (used in) financing activities (C)	9,262	268
	Net increase in cash and cash equivalents (A+B+C)	4,323	(4,228)
	Cash and cash equivalents at the beginning of the period	7,313	4,587
	Less: Cash and cash equivalents on account of disposal of business	-	(15)
	Cash and cash equivalents at the end of the period	11,636	344

Reconciliation of cash and cash equivalents with the Balance Sheet:

Particulars	30.09.2019	30.09.2018
Cash and cash equivalents as per Balance Sheet	11,636	344
Cash and cash equivalents at the end of the period*	11,636	344
* Comprises:		
Cash on hand	21	13
Balance with banks:		
- In current account	15	330
- In EEFC accounts	-	1
- In deposit account	11,600	-
Total	11,636	344





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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 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 October 22, 2019. The above results for the quarter ended and half year ended September 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 and half year ended 30 September, 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 standalone cash flow statement for the corresponding six months ended September 30, 2018, have been approved by the Company's Board of Directors, but have not been subjected to review by the auditors.
- 6 Previous period figures have been regrouped to conform with the classification adopted in these financial results.

For and on behalf of board

Jitesh Devendra
Managing Director

Place : Chennai
Date : October 22, 2019



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

**TO THE BOARD OF DIRECTORS OF
SOLARA ACTIVE PHARMA SCIENCES LIMITED**

1. We have reviewed the accompanying Statement of 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 and six months ended September 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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
Attention is drawn to Note 6 to the Statement which states that the statement of consolidated cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.
4. The Statement includes the results of the Parent and the following subsidiaries:

Sl. No.	Name of the entities
1	Strides Chemicals Private Limited
2	Sequent Penems Private Limited
3	Chemsynth Laboratories 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 information of 3 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of Rs. 2,785 Lakhs as at September 30, 2019, total revenue of Rs. 64 Lakhs and Rs. 430 Lakhs for the quarter and six months ended September 30, 2019 respectively, total loss after tax of Rs. 63 Lakhs for the quarter ended September 30, 2019, total profit after tax of Rs. 227 Lakhs for the six months ended September 30, 2019 and total comprehensive loss of Rs. 63 Lakhs for the quarter ended September 30, 2019, total comprehensive income of Rs. 227 Lakhs for the six months ended September 30, 2019 and net cash outflows of Rs. 202 Lakhs for the six months ended September 30, 2019, as considered in the Statement.

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

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

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



Sathya P. Koushik
Partner
Membership No. 206920

Place: CHENNAI
Date: October 22, 2019
UDIN: 19206920AAAA9U4306



SOLARA ACTIVE PHARMA SCIENCES LIMITED
 Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	Continuing operations						
I	Revenue from operations	35,113	33,017	34,233	68,130	64,514	1,38,668
II	Other income	495	436	139	931	187	1,238
III	Total income (I + II)	35,608	33,453	34,372	69,061	64,701	1,39,906
IV	Expenses						
	(a) Cost of materials consumed	15,880	16,306	17,522	32,186	35,679	72,954
	(b) Purchases of stock-in-trade	2,337	501	126	2,838	212	908
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,255)	(1,636)	(42)	(2,891)	(3,101)	(3,379)
	(d) Employee benefits expense	5,063	4,863	4,605	9,926	8,880	18,581
	(e) Finance costs	2,029	1,865	1,994	3,894	3,814	8,242
	(f) Depreciation and amortisation expense	2,350	2,289	1,937	4,639	3,848	8,309
	(g) Other expenses	6,286	6,615	7,212	12,901	13,424	27,523
	Total expenses (IV)	32,690	30,803	33,354	63,493	62,758	1,33,138
V	Profit/(loss) before tax (III - IV)	2,918	2,650	1,018	5,568	1,943	6,768
VI	Tax expense						
	- Current tax	557	566	190	1,123	396	1,596
	- Current tax of subsidiary - reversal of excess provision of prior year	-	-	-	-	-	(143)
	- Deferred tax	(527)	(566)	(127)	(1,093)	(333)	(1,395)
	Total tax expense (VI)	30	-	63	30	63	58
VII	Profit/(loss) after tax from continuing operations (V - VI)	2,888	2,650	955	5,538	1,880	6,710
	Discontinued operations						
	- Profit/(loss) from discontinued operations	-	-	(100)	-	(768)	(992)
	- Tax expense of discontinued operations	-	-	-	-	-	224
VIII	Profit/(loss) after tax from discontinued operations	-	-	(100)	-	(768)	(768)
IX	Profit/(loss) for the period (VII + VIII)	2,888	2,650	855	5,538	1,112	5,942
X	Other comprehensive income						
A	(i) Items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(201)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-	71
B	(i) Items that may be reclassified to statement of profit and loss	(11)	-	(14)	(11)	(23)	(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)	(11)	-	(14)	(11)	(23)	(283)
XI	Total comprehensive income for the period (IX + X)	2,877	2,650	841	5,527	1,089	5,659
	Profit for the year attributable to:						
	- Equity shareholders of the Company	2,891	2,652	854	5,543	1,110	5,952
	- Non-controlling interests	(3)	(2)	1	(5)	2	(10)
	Other Comprehensive Income:						
	- Equity shareholders of the Company	(11)	-	(14)	(11)	(23)	(283)
	- Non-controlling interests	-	-	-	-	-	-
	Total Comprehensive Income:						
	- Equity shareholders of the Company	2,880	2,652	840	5,532	1,087	5,669
	- Non-controlling interests	(3)	(2)	1	(5)	2	(10)
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)						
	(a) Basic (Rs.)	11.21	10.29	3.87	21.50	5.73	24.88
	(b) Diluted (Rs.)	11.16	10.22	3.87	21.38	5.73	24.84
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)						
	(a) Basic (Rs.)	-	-	(0.41)	-	(3.11)	(3.11)
	(b) Diluted (Rs.)	-	-	(0.41)	-	(3.11)	(3.11)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)						
	(a) Basic (Rs.)	11.21	10.29	3.46	21.50	2.62	21.77
	(b) Diluted (Rs.)	11.16	10.22	3.46	21.38	2.62	21.73
	See accompanying notes to these Financial Results						





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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

BALANCE SHEET AS AT SEPTEMBER 30, 2019

(Rs. In Lakhs)

	Particulars	As at	As at
		September 30, 2019	March 31, 2019
		UNAUDITED	AUDITED
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	71,936	72,038
	(b) Capital work in progress	9,445	4,037
	(c) Investment property	2,904	2,944
	(d) Goodwill	36,509	36,509
	(e) Right of use assets	1,760	1,320
	(f) Other intangible assets	9,653	10,287
	(g) Financial assets		
	(i) Investments	32	41
	(ii) Loans	2	2
	(iii) Other financial assets	1,286	1,111
	(h) Deferred tax assets (net)	7	7
	(i) Income tax assets (net)	307	430
	(j) Other non-current assets	3,828	2,469
	Total non-current assets	1,37,669	1,31,195
II	Current assets		
	(a) Inventories	25,943	21,488
	(b) Financial assets		
	(i) Trade receivables	26,450	28,786
	(ii) Cash and cash equivalents	11,734	7,484
	(iii) Other balances with banks	161	162
	(iv) Loans	143	234
	(v) Other financial assets	1,137	1,652
	(c) Other current assets	4,897	5,003
	Total current assets	70,465	64,809
	Total assets	2,08,134	1,96,004
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share capital	2,577	2,577
	(b) Other equity	97,271	93,009
	Total Equity	99,848	95,586
	Non-controlling interest	433	438
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	21,119	22,497
	(ii) Other financial liabilities	72	72
	(b) Provisions	991	889
	(c) Deferred tax liabilities (net)	2,175	3,283
	(d) Other non-current liabilities	7,214	7,689
	Total Non-current liabilities	31,571	34,430
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	37,225	21,446
	(ii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises and small enterprises	212	162
	Total outstanding dues of creditors other than micro enterprises and small enterprises	24,459	24,277
	(iii) Other financial liabilities	12,166	16,306
	(b) Other current liabilities	1,804	2,918
	(c) Provisions	175	156
	(d) Current income tax liabilities	241	285
	Total current liabilities	76,282	65,550
	Total Liabilities	2,08,134	1,96,004



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SOLARA

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 AND HALF YEAR ENDED SEPTEMBER 30, 2019

Consolidated cashflow statement for the period ended September 30, 2019

(Rs. In Lakhs)

	Particulars	Year to date figures for the current period ended	Year to date figures for the previous period ended
		30.09.2019	30.09.2018
		UNAUDITED	UNAUDITED
A	Cash flow from operating activities		
	Profit / (loss) before tax from		
	Continuing operations	5,568	1,943
	Discontinued operations	-	(768)
	Adjustments for:		
	Depreciation and amortisation	4,639	3,848
	Interest expense on loans	3,901	3,376
	Share based compensation expenses	320	-
	Rental income from investment property	(293)	(80)
	Interest income	(421)	(13)
	Liabilities / provisions no longer required written back	(27)	(21)
	Profit on sale of property, plant and equipments	(24)	-
	Provision for doubtful receivables and advances	30	22
	Unrealised exchange (gain)/loss (net)	313	878
	Operating profit before working capital changes	14,006	9,185
	Changes in working capital:		
	Adjustments for (Increase) / decrease in operating assets:		
	Inventories	(4,455)	(2,414)
	Trade receivables	2,348	(3,255)
	Other assets (financial & non-financial)	573	307
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	232	(5,232)
	Other liabilities (financial & non-financial)	(1,479)	(153)
	Cash generated from operations	11,225	(1,572)
	Net income tax (paid) / refunds	(1,045)	(649)
	Net cash flow from / (used in) operating activities (A)	10,180	(2,221)
B	Cash flow from investing activities		
	Capital expenditure for property, plant and equipments and intangible assets, including capital advances	(10,439)	(2,246)
	Rental income from investment property	293	80
	Proceeds from sale of disposal of business	-	1,800
	Proceeds from sale of fixed assets	22	-
	Payment made for investment in Subsidiary	(5,510)	(2,096)
	Proceeds from sale of investments in other entities	9	(36)
	(Increase)/decrease in balance held as margin money	5	-
	Interest received	430	10
	Net cash flow from / (used in) investing activities (B)	(15,190)	(2,488)
C	Cash flow from financing activities		
	Proceeds from non-current borrowings	3,462	6,000
	Repayment of non-current borrowings	(4,280)	(2,594)
	Net increase / (decrease) in current borrowings	15,449	342
	Interest paid	(3,809)	(3,303)
	Dividend paid	(1,289)	-
	Dividend distribution taxes paid	(273)	-
	Net cash flow from / (used in) financing activities (C)	9,260	445
	Net increase in cash and cash equivalents (A+B+C)	4,250	(4,264)
	Cash and cash equivalents at the beginning of the period	7,484	4,587
	Add: Cash and cash equivalents acquired on account of business combination	-	267
	Less: Cash and cash equivalents on account of disposal of business	-	(15)
	Cash and cash equivalents at the end of the period	11,734	575

Reconciliation of cash and cash equivalents with the Balance Sheet

Particulars	30.09.2019	30.09.2018
Cash and cash equivalents as per Balance Sheet	11,734	575
Cash and cash equivalents at the end of the period*	11,734	575
* Comprises		
Cash on hand	20	13
Balance with banks:		
- In current account	114	561
- In EEFC accounts	-	1
- In deposit account	11,600	-
Total	11,734	575



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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Notes:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 22, 2019. The above results for the quarter ended and half year ended September 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 and half year ended 30 September, 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.

During the current quarter ended September 30, 2019, the initial accounting in respect of inventory acquired from this business has been finalised prior to the completion of one year from the acquisition date. Pursuant to this finalisation of initial accounting, the Company has restated the balance sheet as at March 31, 2019 in accordance with Ind AS 103 'Business Combinations', as a result of which, the goodwill as at March 31, 2019 has been increased and inventories as of March 31, 2019 have been reduced by Rs. 646.21 Lakhs pursuant to this adjustment.
- The Group's operations relate to only one reportable segment viz Active Pharmaceutical Ingredient (API). Accordingly no separate disclosure of segment information is required.

5 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	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
I	Total Revenue from continuing operations	35,477	31,706	33,662	67,183	63,986	1,37,405
II	Profit before Tax from continuing operations	3,679	2,532	920	6,211	1,886	7,169
III	Profit after Tax from continuing operations	3,679	2,532	857	6,211	1,823	6,968
IV	Profit/(loss) before Tax from discontinued operations	-	-	(100)	-	(768)	(992)
V	Profit/(loss) after Tax from discontinued operations	-	-	(100)	-	(768)	(768)

- The consolidated cash flow statement for the corresponding six months ended September 30, 2018, have been approved by the Company's Board of Directors, but have not been subjected to review by the auditors.
- Previous period figures have been regrouped to conform with the classification adopted in these financial results.

For and on behalf of board

Jitesh Devendra
Managing Director

Place : Chennai

Date : October 22, 2019



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Solara announces Q2FY20 Financial Results

- » Revenues at ₹3,561 Mn up by 4% YoY, EBITDA up 43% YoY at ₹705 Mn
- » Continued momentum resulting in >20% operating margins for four quarters in a row
- » 2x growth in PAT to ₹289 Mn in Q2FY20
- » Reported highest ever EPS in a quarter at ₹11.21

Chennai, India – October 22, 2019: Solara Active Pharma Sciences Ltd (Solara) (NSE: SOLARA; BSE: 541540), a leading Active Pharmaceutical Ingredient provider today announced the financial results for the **second quarter (Q2FY20)**.

Jitesh Devendra, MD and CEO commented “ We are happy to report yet another quarter of consistent performance thereby delivering profitable growth. While we had a 4% growth in the revenues, our EBITDA grew by over 43% resulting in a fourth successive quarter of >20% Operating margins. This performance also led to a two times growth in the PAT, which is now at ₹289Mn.

From a business standpoint, our combined growth of base business and new products continue to perform on the expected lines and receive traction from the new customers and existing partners alike. We sustained our focus on R&D and filed one additional drug master file for the US markets and did market extensions for three of our existing products to four new markets. With our basket of commercialised APIs and R&D pipeline, We are reasonably placed for the growing industry opportunities. On the CRAMS front, we have had a series of positive customer interactions and progression in the funnel build-out, thereby indicative of a promising future. The CRAMS business is still in incubation, and with our relentless efforts, we are hopeful of achieving a commercial breakthrough in the near term.

During the quarter, one of our top 10 products Ranitidine Hydrochloride experienced regulatory headwinds due to USFDA’s notification around the NDMA impurity in the product, and we had voluntarily suspended our sales and production of the product. While the USFDA has suggested all the drug substance manufacturers to conduct some specific tests on this issue, it did not notify any product recalls for the Ranitidine formulations. We have completed our internal assessment on the criteria indicated and are now collaborating with the agency and our customers to understand the next set of actions. We firmly believe that the issue is temporary and should not impact the prospects of our performance this fiscal. We continue to remain optimistic about meeting our growth outlook.”

Financial Highlights for Q2FY20

Particulars	Q2FY20	Q1FY20	QoQ	Q2FY19	YoY	H1FY20	H1FY19	Change
Revenue	3,561	3,345	6%	3,437	4%	6,906	6,470	7%
Operating EBITDA	818	787	4%	669	22%	1,605	1,299	24%
Operating EBITDA Margins	23.0%	23.5%	-50 bps	19.5%	350 bps	23.2%	20.1%	310 bps
R&D Cost	-110	-115		-111		-225	-208	
Forex gain/(Loss)	-3	-9		-64		-12	-132	
Reported EBITDA	705	663	6%	494	43%	1,368	959	43%
Reported EBITDA Margins	19.8%	19.8%	0 bps	14.4%	540 bps	19.8%	14.8%	500 bps
PAT	289	265	9%	96	201%	554	188	195%
EPS (Rs. Per share)	11.21	10.29		3.87		21.50	5.73	

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

Financial Updates

- » Momentum across the cost improvement programs and a favourable product mix resulted into 350 basis point improvement in the Operating EBITDA margins over the same period in the previous year.
- » We reported a forex loss of ₹3mn in Q2FY20 as against the loss of ₹64mn in Q2FY19.
- » Our Reported EBITDA margins in Q2FY20 are at 19.8%, which is a 540 basis point expansion over the same period in the previous year

Business Updates

- » We continued to track healthy growth in the regulated markets which represent ~74% of our quarterly revenues
- » We filed one new DMF in the US market. Market extensions were done for three of our existing products to four new markets. The new products launched over the last few quarters are progressing well, and their percentage in the quarterly revenues were at ~5%
- » Top ten customers and ten products account for 51% and 79% of revenues respectively in Q2FY20.

EBITDA Reconciliation

Particulars	Q2FY20	Q1FY20	Q2FY19	H1FY20	H1FY19	FY19
Profit/(loss) before tax as per SEBI reporting (Continuing Operations)	292	265	102	557	194	677
Add : Finance costs	203	187	199	389	382	824
Add : Depreciation and amortisation expense	235	229	194	464	385	831
Less: Interest income	-25	-18	-1	-42	-2	-16
Consolidated Reported EBITDA as per press release	705	663	494	1,368	959	2,316

All figures in ₹mn for continued operations

Earnings Conference Call

The Company will conduct an earnings call at **3.00 PM IST on October 22nd, 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

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Statutory and corporate affairs

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Disclaimer: Certain statements in this document that 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.

GROWTH THROUGH EFFICIENCY

Q2'20 Earnings Update
October 22 , 2019



Agenda



PERFORMANCE HIGHLIGHTS



BUSINESS UPDATES



CORPORATE UPDATES



FUTURE OUTLOOK



Another consistent performance towards profitable growth



We are happy to report yet another quarter of consistent performance thereby delivering profitable growth. While we had a 4% growth in the revenues, our EBITDA grew by over 43% resulting in a fourth successive quarter of >20% Operating margins. This performance also led to a two times growth in the PAT, which is now at ₹289Mn.

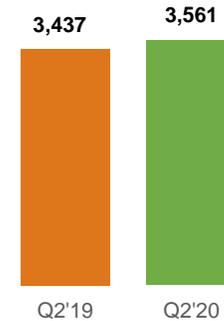
From a business standpoint, our combined growth of base business and new products continue to perform on the expected lines and receive traction from the new customers and existing partners alike. We sustained our focus on R&D and filed one additional drug master file for the US markets and did market extensions for three of our existing products to four new markets. With our basket of commercialised APIs and R&D pipeline, We are reasonably placed for the growing industry opportunities. On the CRAMS front, we have had a series of positive customer interactions and progression in the funnel build-out, thereby indicative of a promising future. The CRAMS business is still in incubation, and with our relentless efforts, we are hopeful of achieving a commercial breakthrough in the near term.

During the quarter, one of our top 10 products Ranitidine Hydrochloride experienced regulatory headwinds due to USFDA's notification around the NDMA impurity in the product, and we had voluntarily suspended our sales and production of the product. While the USFDA has suggested all the drug substance manufacturers to conduct some specific tests on this issue, it did not notify any product recalls for the Ranitidine formulations. We have completed our internal assessment on the criteria indicated and are now collaborating with the agency and our customers to understand the next set of actions. We firmly believe that the issue is temporary and should not impact the prospects of our performance this fiscal. We continue to remain optimistic about meeting our growth outlook."

Jitesh Devendra
(MD & CEO)

REVENUE

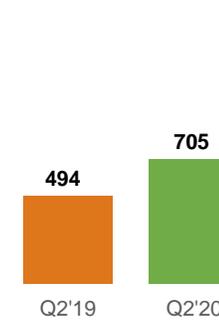
(₹ in million)



↑ 4%

EBITDA

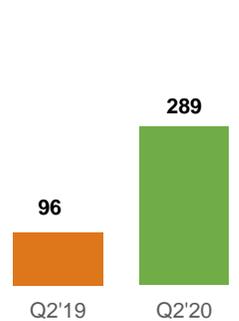
(₹ in million)



↑ 43%

PAT

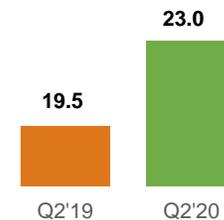
(₹ in million)



↑ 201%

OPERATING MARGINS

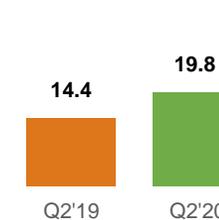
(%)



↑ 350bps

EBITDA MARGINS

(%)



↑ 540bps

R&D SPEND

(₹ in million)



↔ No change

Continued favourable outcomes with margins and efficiencies

YEAR ON YEAR MOVEMENT

Particulars	Q2 FY20	Q2 FY19	Change
Revenue	3,561	3,437	4%
Operating EBITDA	818	669	22%
Operating EBITDA Margins	23.0%	19.5%	350 bps
R&D Cost	-110	-111	
Forex gain/(Loss)	-3	-64	
Reported EBITDA	705	494	43%
Reported EBITDA Margins	19.8%	14.4%	540 bps

QUARTER ON QUARTER MOVEMENT

Particulars	Q2 FY20	Q1 FY20	Change
Revenue	3,561	3,345	6%
Operating EBITDA	818	787	4%
Operating EBITDA Margins	23.0%	23.5%	-50 bps
R&D Cost	-110	-115	
Forex gain/(Loss)	-3	-9	
Reported EBITDA	705	663	6%
Reported EBITDA Margins	19.8%	19.8%	

QUARTERLY PERFORMANCE UPDATES

- ➔ Momentum across the cost improvement programs and a favourable product mix resulted into 350 basis point improvement in the Operating EBITDA margins over the same period in the previous year.
- ➔ Forex loss of ₹3mn in Q2FY20 as against the loss of ₹64mn in Q2FY19.
- ➔ Reported EBITDA margins in Q2FY20 are at 19.8%, which is a 540 basis point expansion over the same period in the previous year

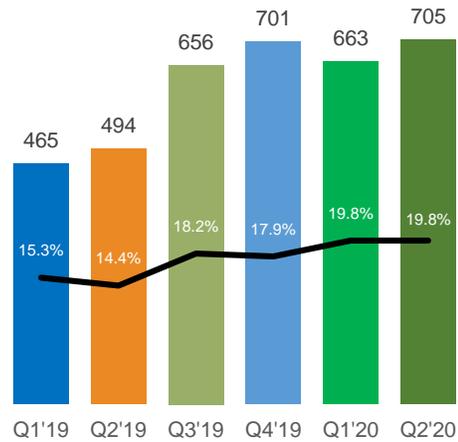
OPERATIONS AND BUSINESS HIGHLIGHTS

- ➔ The Company temporarily suspended supplies of its the Ranitidine Hydrochloride Drug Substance (Ranitidine) concerning the industry-wide NDMA impurity issue.
- ➔ Healthy growth in the regulated markets which represent ~74% of our quarterly revenues
- ➔ Filed one new DMF in the US market.
- ➔ Market extensions were done for three of our existing products to four new markets.
- ➔ New products launched over the last few quarters are progressing well, and their percentage in the quarterly revenues were at ~5%
- ➔ Top ten customers and ten products account for 51% and 79% of revenues respectively in Q2FY20.

Q2'20 reflects a new high for EPS in a single quarter

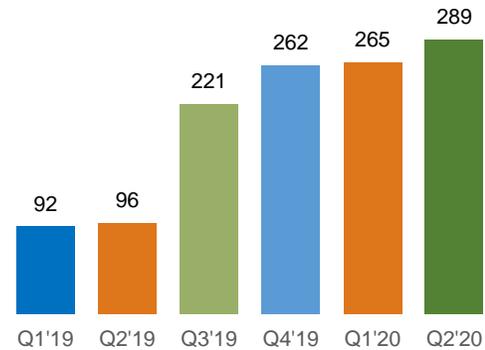
REPORTED EBITDA

(₹ in million)



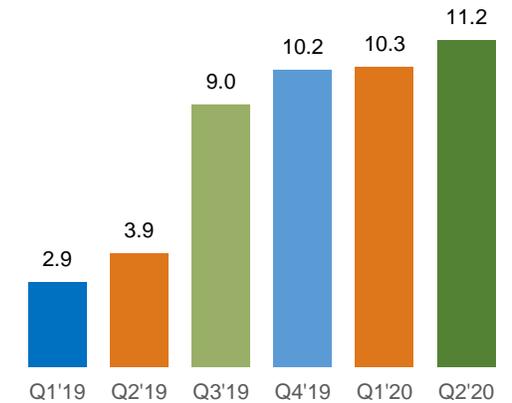
NET PROFIT AFTER TAX

(₹ in million)



EARNINGS PER SHARE

(₹/share)



KEY UPDATES

- ➔ Growth in Reported EBITDA margins over last 6 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

Significant focus to maintain capital ratios

SOURCES OF FUND

Particulars	Mar'18	Mar'19	Sep'19
Shareholders' funds	7,640	9,559	9,985
<i>Less: Goodwill</i>	-3,634	-3,651	-3,651
Net worth	4,006	5,908	6,334
Term Loan	3,026	3,236	3,154
Working Capital	3,302	3,625	3,723
Gross Debt	6,328	6,861	6,877
<i>Less: Cash</i>	-470	-2,245	-1,189
Net Debt	5,858	4,616	5,688
Total	9,864	10,524	12,022

APPLICATION OF FUND

Particulars	Mar'18	Mar'19	Sep'19
Net Tangible Fixed Assets	6,703	8,034	8,726
Net Non-current Assets	1,068	190	302
Net Current Assets	2,093	2,300	2,994
Total	9,864	10,524	12,022

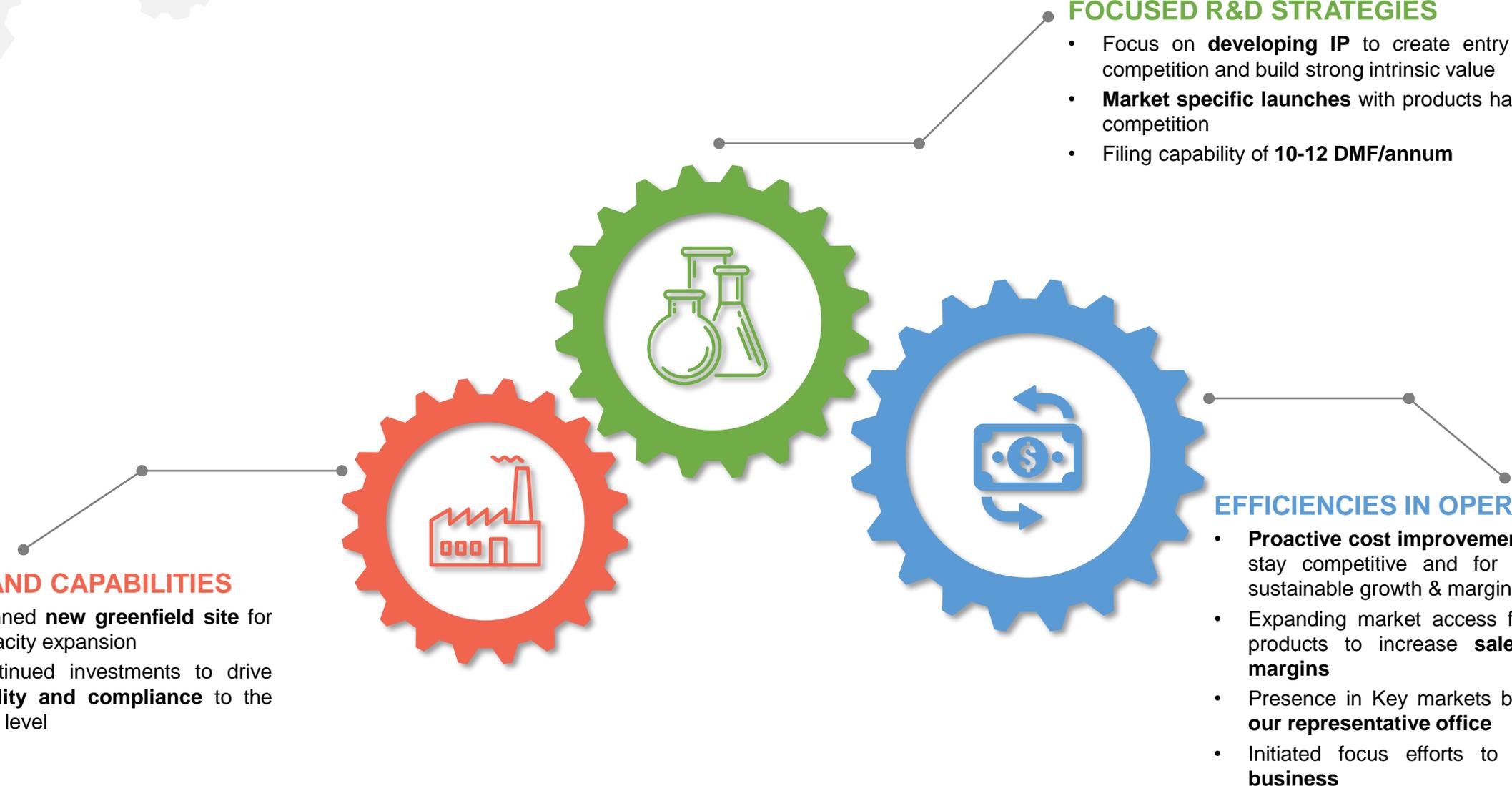
KEY UPDATES

- ➔ Improvements in financial ratios led by a **right sized balance sheet position**
- ➔ Net Debt to EBITDA comfortable **with 2x range**
- ➔ Net Debt to Equity at **~0.9x**



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



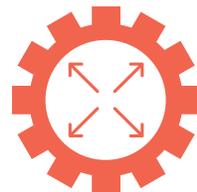
CUSTOMER ADVOCACY

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

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