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

TO THE BOARD OF DIRECTORS OF
SOLARA ACTIVE PHARMA SCIENCES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **SOLARA ACTIVE PHARMA SCIENCES LIMITED** ("the Company"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Sathya P Koushik
(Partner)
(Membership No. 206920)
(UDIN: 21206920AAAAMS4489)

Place: Bengaluru
Date: November 11, 2021

SOLARA
Active Pharma Sciences

SOLARA ACTIVE PHARMA SCIENCES LIMITED
CIN: L24230MH2017PLC291636
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 UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

(Rs. in Crores except per share data)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Revenue from operations	401.61	405.57	397.56	807.18	745.98	1,616.88
II	Other income	3.51	5.80	5.68	9.31	10.26	28.41
III	**Total income (I + II)**	**405.12**	**411.37**	**403.24**	**816.49**	**756.24**	**1,645.29**
IV	**Expenses**						
	(a) Cost of materials consumed	245.47	227.79	173.45	473.26	301.14	683.76
	(b) Purchases of stock-in-trade	16.91	22.80	14.10	39.71	17.12	42.80
	(c) Changes in inventories of finished goods, stock-in-trade and work in progress	(75.27)	(72.13)	(13.39)	(147.40)	5.57	(2.15)
	(d) Employee benefits expense	65.06	60.36	57.67	125.42	111.75	227.63
	(e) Finance costs	17.07	18.92	19.37	35.99	39.20	84.47
	(f) Depreciation and amortisation expenses	28.30	27.60	27.52	55.90	53.66	108.31
	(g) Other expenses	77.27	74.89	68.58	152.16	129.77	279.51
	Total expenses (IV)	**374.81**	**360.23**	**347.30**	**735.04**	**658.21**	**1,424.33**
V	**Profit before exceptional items and tax (III - IV)**	**30.31**	**51.14**	**55.94**	**81.45**	**98.03**	**220.96**
VI	Exceptional item profit / (loss) (Refer Note 7)	(0.08)	(0.58)	-	(0.66)	-	-
VII	**Profit before tax (V - VI)**	**30.23**	**50.56**	**55.94**	**80.79**	**98.03**	**220.96**
VIII	**Tax expense**						
	- Current tax	5.93	8.84	9.77	14.77	17.19	38.64
	- Deferred tax	(5.93)	(8.84)	(9.77)	(14.77)	(17.19)	(38.64)
	Total tax expense (VIII)	-	-	-	-	-	-
IX	**Profit for the period (VII -VIII)**	**30.23**	**50.56**	**55.94**	**80.79**	**98.03**	**220.96**
X	**Other comprehensive income**						
A	**Items that will not be reclassified subsequently to profit or loss:**						
	(i) Remeasurement gains/(losses) of defined benefit plans	0.42	-	(3.18)	0.42	(3.18)	(2.53)
	(ii) Income tax relating to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
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 (X)	**0.42**	**-**	**(3.18)**	**0.42**	**(3.18)**	**(2.53)**
XI	**Total comprehensive income for the period (IX + X)**	**30.65**	**50.56**	**52.76**	**81.21**	**94.85**	**218.43**
XII	Paid-up equity share capital (face value of Rs. 10/- each)	35.92	35.92	35.81	35.92	35.81	35.92
XIII	Other equity						1,556.86
	Earnings per equity share (face value of Rs. 10/- each)						
	(a) Basic (in Rs.)	8.42	14.07	18.97	22.49	34.64	68.86
	(b) Diluted (in Rs.)	8.37	14.00	17.02	22.37	31.49	64.40
	See accompanying notes to the financial results						

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS

FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

STANDALONE BALANCE SHEET

(Rs. In Crores)

Sl. No.	Particulars	As at September 30, 2021	As at March 31, 2021
		(UNAUDITED)	(AUDITED)
A	**Assets**		
1	**Non-current assets**		
	(a) Property, plant and equipment	834.27	845.31
	(b) Right of use assets	57.88	59.30
	(c) Capital work in progress	177.56	87.72
	(d) Investment property	9.34	9.52
	(e) Goodwill	364.90	364.90
	(f) Other intangible assets	75.01	79.98
	(g) Financial assets		
	(i) Investments	18.13	18.13
	(ii) Loans	1.54	1.65
	(iii) Other financial assets	12.62	11.65
	(h) Deferred tax assets (net)	40.31	25.55
	(i) Income tax assets (net)	2.07	0.08
	(j) Other non-current assets	48.42	48.39
	Total non-current assets	1,642.05	1,552.18
II	**Current assets**		
	(a) Inventories	495.22	294.97
	(b) Financial assets		
	(i) Trade receivables	701.34	463.81
	(ii) Cash and cash equivalents	95.39	197.53
	(iii) Bank balances other than (ii) above	0.86	0.85
	(iv) Loans	50.16	1.65
	(v) Other financial assets	19.55	28.36
	(c) Other current assets	46.81	50.82
	Total current assets	1,409.33	1,057.99
	Total Assets (I+II)	3,051.38	2,610.17
B	**Equity and liabilities**		
I	**Equity**		
	(a) Equity share capital	35.92	35.92
	(b) Other equity	1,631.09	1,556.86
	Total equity	1,667.01	1,592.78
II	**Liabilities**		
1	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	246.20	154.83
	(ii) Lease liabilities	11.19	11.77
	(iii) Other financial liabilities	0.42	0.42
	(b) Provisions	12.78	11.36
	(c) Other non-current liabilities	49.02	53.70
	Total Non-current liabilities	319.61	232.08
2	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	392.06	452.08
	(ii) Lease liabilities	2.15	2.05
	(iii) Trade payables		
	- Dues of micro and small enterprises	7.05	5.81
	- Dues of other than micro and small enterprises	410.20	259.82
	(iv) Other financial liabilities	14.85	4.62
	(b) Provisions	1.83	1.83
	(c) Current tax liabilities (net)	1.85	-
	(d) Other current liabilities	34.77	19.10
	Total current liabilities	1,064.76	785.31
	Total liabilities	1,384.37	1,017.39
	Total equity and liabilities (I+II)	3,051.38	2,610.17

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

STANDALONE STATEMENT OF CASH FLOWS

(Rs. In Crores)

Sl. No.	Particulars	Six months period ended 30-Sep-2021	Six months period ended 30-Sep-2020
		UNAUDITED	UNAUDITED
A	**Cash flow from operating activities**		
	Profit before tax for the period	80.79	98.03
	Adjustments for:		
	Depreciation and amortisation	55.90	53.66
	Interest expense on loans	35.99	39.20
	Share based compensation expenses	3.79	2.69
	Rental income from investment property	(2.78)	(2.80)
	Interest income	(3.97)	(5.33)
	Liabilities / provisions no longer required written back	-	(0.39)
	Loss/(Profit) on sale of property, plant and equipment	0.03	(0.04)
	Provision / (reversal) for doubtful receivables and advances	2.58	(0.07)
	Unrealised exchange (gain)/loss (net)	1.20	(1.62)
	Operating profit before working capital changes	173.53	183.31
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(200.25)	7.56
	Trade receivables	(219.63)	(64.94)
	Other assets (financial & non-financial)	(5.08)	(17.03)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	111.21	34.66
	Other liabilities (financial & non-financial)	27.25	(9.54)
	Cash generated from operations	(112.97)	134.02
	Net income tax (paid) / refunds	(14.91)	(11.65)
	Net cash flow from operating activities (A)	(127.88)	122.37
B	**Cash flow from investing activities**		
	Capital expenditure for property, plant and equipments and intangible assets, including capital advances	(118.02)	(64.19)
	Rental income from investment property	2.78	2.80
	Intercorporate deposit (given) / received	(50.00)	50.00
	Proceeds from sale of property, plant and equipment	0.10	0.05
	Proceeds from sale of investments in other entities	-	(0.10)
	Interest received	7.54	3.38
	Net cash flow used in investing activities (B)	(157.60)	(8.06)
C	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	-	295.64
	Proceeds from non-current borrowings	156.11	63.75
	Repayment of non-current borrowings	(42.92)	(51.28)
	Net increase / (decrease) in current borrowings	116.89	(24.94)
	Lease payments	(1.22)	(1.41)
	Interest paid	(34.74)	(39.41)
	Dividend paid	(10.78)	(5.37)
	Net cash flow from financing activities (C)	183.34	236.96
	Net increase in cash and cash equivalents (A+B+C)	(102.14)	351.27
	Cash and cash equivalents at the beginning of the period	197.53	55.84
	Cash and cash equivalents at the end of the period	95.39	407.11

Reconciliation of cash and cash equivalents with the Balance Sheet:

Particulars	Six months period ended 30-Sep-2021	Six months period ended 30-Sep-2020
Cash and cash equivalents as per Balance Sheet	95.39	407.11
Cash and cash equivalents at the end of the year*	95.39	407.11
*** Comprises**		
Cash on hand	0.04	0.11
Balance with banks:		
- In current account	21.90	8.27
- In deposit account	73.45	398.73
Total	95.39	407.11

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FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

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 November 11, 2021. The results for the quarter ended and half year ended September 30, 2021 has been reviewed by Deloitte Haskins & Sells LLP, the statutory auditors of the Company. The statutory auditors of the Company have expressed an unmodified conclusion on the financial results for the quarter ended and half year ended September 30, 2021.

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 Board of Directors at their meeting held on April 09, 2021 had approved the amalgamation of Aurore Life Science Private Limited, Empyrean Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited with the Company. Due to Change in composite scheme of Amalgamation, the Board of Directors at their meeting held on November 11, 2021 has approved the revised scheme of amalgamation of Empyrean Lifesciences Private Limited and Hydra Active Pharma Sciences Private Limited and demerger of pharma business of Aurore Life Science Private Limited with the Company. The Appointed Date for the merger is October 01, 2021 and the merger process is expected to be completed in Q2 FY 2022-23. The merger is subject to certain conditions including approvals from stock exchanges, SEBI, shareholders, jurisdictional National Company Law Tribunal and other applicable statutory authorities.

5 COVID 19 is the infectious disease caused by the recently discovered coronavirus, SARS CoV 2. In March 2020 the WHO declared COVID 19, a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of the employees and ensure business continuity with minimal disruption.

In assessing the recoverability of property plant and equipment, investment property, goodwill, receivables and intangible assets, the Company has considered internal and external information upto the date of approval of these financial results. The impact of the global health pandemic may be different from that of estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

6 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.

7 **Exceptional items profit / (loss) :** (Rs. In Crores)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for the current period ended	Year to date figures for the previous period ended	Previous Financial Year ended
		30.09.2021	30.06.2021	30.09.2020	30.09.2021	30.09.2020	31.03.2021
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	Business combination and restructuring expenses	(0.08)	(0.58)	-	(0.66)	-	-

8 In line with the requirements of Ind AS 34, the Company recognises tax expenses during the interim reporting periods, based on the estimated effective tax rate for the fiscal year ending March 31. Considering the extent of carryforward losses (including depreciation claims) available based on returns filed the Company, the Company has estimated that the normal tax for the fiscal year ending March 31, 2022 would be nil. Accordingly, the Company has accrued for current taxes based on Minimum Alternate Tax (MAT) and has recognised MAT credits in respect of the same.
The Company will continue to opt for the old tax regime and will be offering its income for the year ending March 31, 2022 under the said regime

9 The financial information pertaining to prior period have been regrouped / reclassified wherever necessary to conform with the classification required in order to comply with the requirements of the amended Schedule III of the Companies Act, 2013 which was effective from April 01, 2021

For and on behalf of board

Bidrath R Sesha
Managing Director & CEO

SOLARA ACTIVE PHARMA SCIENCES LIMITED

Place : Bengaluru
Date : November 11, 2021