Communication Address:
Solara Active Pharma Sciences Limited
TICEL Bio Park., 6th floor
Module No. 601, 602, 603, Phase II – CSIR Road,
Taramani, Chennai, Tamil Nadu – 600113.
Tel: +91 44 47406200
Fax: +91 44 47406190
E-mail: investors@solara.co.in
www.solara.co.in

May 21, 2025

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, 890202	Scrip Code: SOLARA, SOLARAPP

Dear Sir / Madam,

Subject: Transcript of the earnings conference call for the quarter ended March 31, 2025

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the earnings conference call for the quarter ended March 31, 2025, conducted after the meeting of Board of Directors held on May 15, 2025, for your information and records.

The above information is also available on the website of Company at: https://solara.co.in/investor-relations/investor-update

Thanking you,
Yours faithfully,

For Solara Active Pharma Sciences Limited

POOJA JAYA KUMAR
Digitally signed by POOJA JAYA KUMAR
Date: 2025.05.21 15:06:43 +05'30'

Pooja Jaya Kumar
Company Secretary and Compliance Officer
Membership No.: A57415

Encl.: As above

“Solara Active Pharma Sciences Limited

Q4 FY '25 Earnings Conference Call”

May 15, 2025

MANAGEMENT: **MR. ARUN KUMAR – FOUNDER AND NON-EXECUTIVE DIRECTOR – SOLARA ACTIVE PHARMA SCIENCES LIMITED**
MR. SANDEEP RAO – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER– SOLARA ACTIVE PHARMA SCIENCES LIMITED
MR. SARAT KUMAR – CHIEF FINANCIAL OFFICER– SOLARA ACTIVE PHARMA SCIENCES LIMITED
MR. ABHISHEK SINGHAL – INVESTOR RELATIONS – SOLARA ACTIVE PHARMA SCIENCES LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Solara Active Pharma Sciences Limited Q4 FY '25 Earnings Conference Call. As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek. Thank you and over to you, sir.

Abhishek Singhal: Thank you, Zico. A very good afternoon to all of you and thank you for joining us today for Solara Active Pharma Sciences' earnings conference call for the fourth quarter and full year ended financial year 2025.

Today, we have with us Arun, Solara's Founder and Non-Executive Director; Sandeep Rao, MD and CEO; and Sarat Kumar, CFO, to share the highlights of the business and financials for the quarter.

I hope you've gone through our results release and quarterly investor presentation, which have been uploaded on our website as well as stock exchange website. The transcript for the above call will be available in a week's time on the company website. Please note that today's discussion may be forward looking in nature and must be viewed in relation to risks pertaining to our business. After the end of this call, in case you have any further questions, please feel free to reach out to the investor relations team.

I now hand over the call to Arun to make his opening remarks.

Arun Kumar: Thank you, Abhishek. And good afternoon, everybody, and thank you for joining us today. I'm taking this opportunity to introduce our new leadership team that we brought in, in February. And both Sandeep and Sarat will introduce themselves. And while it's been a very difficult year from an operating standpoint for Solara, especially given where we were in FY '24, I believe that, in spite of having missed the guidance both on revenue and EBITDA, we have come back strongly as a company very focused on operational excellence, compliance track recording, getting our cost structures ready.

And while we were heavily impacted by the Ibuprofen franchise that has been our mainstay, I think the growth in our other businesses have been more or less made up for the negativity around the Ibuprofen loss of sales. And our focus on staying invested on high-gross-margin business, shifting the company back from a very low regulated market to a now very high-end, historically higher than our average, regulated market play, has been our primary focus for the Board and for me as the promoter, to stay invested and continue to be excited about the journey that Solara has ahead of it. And now with the new management team, I'm very confident and very pleased that we are on the right track.

The last four quarters has been important. Although growth has been tepid, it is the first time that all our four quarters delivered EBITDAs. We were definitely hoping for a much stronger Q4 outlook, but we decided not to compromise on our margin focus which has played through very well. And I think, from here, we can grow. We have an outlook which supports growth on revenue, so we hope to break the tepid or flat growth that we had in FY '25 to get back Solara to a more solid footing.

I'm also very pleased with the improved focus on our balance sheet, our cost of money and our network optimization. I think the teams across the board, including some of our existing leadership, had stayed throughout the year to focus on those key outcomes. And consequently, we've got some great FDA outcomes in our facilities. All our plants are now in a good state of control, as always has been the case.

And I think this has been a year of reset. Did we hit all the numbers and the revenue and the EBITDA? Obviously, we are disappointed, but I think it has got all the elements of a very successful FY '26 going forward. We have decided not to give a guidance. We've given more like an outlook. And we believe that we need the whole year to constantly perform on our balance sheet, improve our free cash generation and then start focusing on aggressive growth.

So, with this, I request Sandeep and Sarat to take over the meeting.

Sandeep Rao: Thanks, Arun. And good morning, good afternoon and good evening. And thank you all for joining in today for our Q4 '25 earnings Call. I sincerely appreciate your presence in this call.

To introduce myself. I am Sandeep Rao and I have taken charge as Managing Director and CEO of Solara Pharma from the 21st of February this year. At the outset, I want to thank the Board as well as Arun for providing me this opportunity to lead Solara as we enter the next phase of our journey, which is pivoting to growth from resets. To give a little more about my background: Prior to this, I spent more than 25 years in the pharma space at Biocon and legacy Mylan Viatris.

Joining this new team along with me is Sarat Kumar, our Chief Finance Officer, who is also on this call. I would also like to thank our shareholders for their continued support and trust in our company.

Now specifically getting down to FY '25. With respect to our results, at the outset, as Arun mentioned, I'd like to say that we've had a very challenging year. And while we had all the efforts in place to improve the quality of the overall business through our focus on margin expansion, it is regrettable that we significantly missed our revenue and EBITDA guidance for the full year and for the exit quarter. We attribute this miss on Revenue and EBITDA guidance to intense competition that we've seen on the Ibuprofen range of products.

As we said, FY '25 was a reset year at Solara, primary focus being margin expansion and debt reduction and establishing and maintaining good governance. On all these points, I would say that we've done fairly well. Since you've been watching our results, you've seen that our gross margin has expanded from 37.8% in FY '24 to 51.5% in FY '25, an increase of almost 1,370 basis points. On EBITDA as well, EBITDA margin has expanded from negative numbers in FY '24 to 16.5% in FY '25, an increase of almost 2,360 basis points.

Our contribution from our profitable markets, which is the regulated markets, continues to be strong. We are currently clocking that at 76% of our overall business that is attributable to the regulated markets. We've been successfully able to steer the company from lower-margin products to more profitable products. Our reliance on plain Ibuprofen business has been coming down. At the same time, we continue to grow in what I call as the value-added Ibuprofen or the Ibuprofen derivatives business and the non-ibuprofen range of products. We've also taken up additional capacities. We're also building additional capacities, incremental capacities as I would say, to try and debottleneck our higher-margin products.

And on the regulatory compliance front, I am proud to say that we continue our stellar performance on this front. We've been through six inspections since April '24, two of them being U.S. FDA inspections. The first was Vizag in May '24, and more recently, Ambernath in May '25. Both these inspections were cleared with zero 483 inspectional observations. We've received WHO approvals for our facilities in Mangalore, Ambernath and Pondicherry. And our Mangalore facility has received the EU GMP certificate as well.

Going forward, we will re-pivot the company to what we call as profitable growth with continued focus on market expansion. We will continue with our tight cost control mechanisms, leading to margin expansion, and also focus on debt reduction. And from an outlook standpoint, as we pivot from reset to growth during FY '26, we will build on the foundation that we've laid out in FY '25. And we expect the business top line to grow by around 10% and the EBITDA to grow around 15% to 20%.

And lastly, before I hand over the mic to Sarat, I'd like to give an update on CRAMS and polymers. On the CRAMS and polymers new entity update, it's subject to regulators' approval. We coined a new name for the company. That new company is called Synthix Global Pharma Solutions Limited. We incorporated that company in April 2025, and that was subsequent with in-principle approval that we received from the Board during the last quarters. Now going forward, we will initiate the next steps with respect to securing shareholders and various statutory approvals in the coming quarters.

With this, I will now hand over the call to Sarat to give his introductory remarks.

Sarat Kumar: Thank you, Sandeep. Good morning, good afternoon and good evening, ladies and gentlemen. And thank you for joining in today's Q4 Earnings Call for Solara Active Pharma Sciences Limited. I'm Sarat Kumar and I'm glad to address you as CFO of Solara.

First of all, I would like to take this opportunity to actually thank Arun, Sandeep and the Board for their trust and providing me with this opportunity wherein I can help Solara pivot towards growth along with our leadership team. In terms of my brief introduction, I have roughly 18-plus years of working across industry, in multiple finance roles, both in India and overseas. And I have also had an exciting stint with one of our group companies, Strides Pharma, for roughly 6 years-plus. And then more recently, I was working as CFO of BioCina, a PE-Backed Biotech CDMO based out of Australia.

Now coming back to our results of Q4 and FY '25, although as part of leadership team, I equally regret the fact that we had missed on our revenue, as well as EBITDA guidance by a fair margin. But I'm partially satisfied as the CFO that we have been able to achieve significant gross margin expansion and a healthy EBITDA metric, which actually demonstrates the fact that we as a business are actually operating in the right product and customer mix. This combined with our stringent monitoring of the operating costs, I'm sure that this will help us drive healthy EBITDA metrics going forward.

I'm also glad to report to you all that as a company we have reduced our operating cost base by close to INR1,300 million year-on-year, which reflects roughly 22% reduction in our operating costs. And from a quarterly exit run rate of close to INR130-odd crores in FY '24, we are currently at INR109 crores cost base in FY '25 Q4. As we continue our growth in FY '26, with focus on cost and margin expansion, any incremental business growth and at healthier gross margins would have a positive flow-through to EBITDA.

In this journey of maintaining a healthier balance sheet during FY '25, we have been able to reduce our debt significantly from a historic number of close to INR1,000-odd crores in FY '24 to roughly INR776 crores as we ended FY '25. Further, we are in the process of realization of our first call money of the rights issue which was there for last year, which hopefully, we should be able to utilize those funds this week or early next week. And with that, we are looking to reduce our debt further to close to around INR650-odd crores by end of May.

Further, we actually have a line of sight, once we have our second call money of the rights issue realized in May '26, by Q1 FY '27. We expect our net debt-to-EBITDA to come down to a range of 1.7 to 1.8. Subject to the shareholders and statutory approvals, once we have our new CRAMS and polymer entity carved out, we plan to further have a push down of debt of close to INR200-odd crores to the new entity, which should make our catalogue business balance sheet much lighter, and our net debt-to-EBITDA will be somewhere around 1.5 times of EBITDA.

As we continued to have a stretched working capital scenario during FY '25, which was partially driven by our muted revenue growth, we had to access certain short-term debt for some short-term intervals at an incremental borrowing cost. And hence, we see close to INR 11 crores incremental finance cost in FY '25. As we step into FY '26 with a focus on our profitable growth and gross margin expansion and as we work through our working capital optimization, I'm sure that we would ease out the finance cost significantly in FY '26.

Going ahead, as was mentioned by Arun and Sandeep, we will continue our ongoing actions on improving profitability for the business through cost improvement programs, operating cost optimization across our operational network and also optimizing the entire working capital cycle and debt. As an organization, we will be looking to pivot from reset to growth in FY '26.

Thank you for your time. And now we are happy to take questions.

Abhishek Singhal: Ziko, can we take the QA, please?

Moderator: Thank you very much. Our first question comes from the line of Akash Jain from Moneycurve Analytics.

Akash Jain: Thank you for giving me the opportunity. I have a few questions actually. I think, as you guys also mentioned, I think, clearly last 2 quarters have been a little bit of a not-so-good results, for investors' point of view. I think, from some of us who have been holding and who have been invested for a while, I think somehow I don't feel that I appreciate or understand the problems that you are facing with ibuprofen quite well, so I will really appreciate if you can, in a way, also tell us really what exactly is happening. Is it demand issues? Is it higher competition? What kind of price pressures are we seeing?

So, I think some sort of understanding of what really the problem is will really help us also understand where we are. So, I think that is one part. I don't really understand the problem, so maybe a little more detail in terms of what exactly is happening. That will be really appreciated.

The second point. I think, last time, you didn't mention it this time, but I think in the last call you mentioned that we are having a problem with ibuprofen, but we are defocusing on the plain ibuprofen business. And we are focusing a little more on the derivative business, where the challenges seem to be a little lesser. So, what is happening over there? What percentage of our revenue currently is from plain ibuprofen? And how much of it is from derivatives of ibuprofen? What is the strategy going forward for both plain and derivative derived or derivatives of ibuprofen? Is -- please, if you can spend more time on this.

Arun Kumar: Yes, sure. So, this is Arun here. So, I'll answer your second point, first. It's not true that we haven't spoken about. Sandeep has very clearly articulated that our focus on ibuprofen has shifted from plain ibuprofen to derivatives. And we are gaining market share in that space. So that has been addressed. As regards why our ibuprofen franchise is getting severe competitive pressure is because there is an excess capacity currently, mainly coming out of India, India with new plants and with newer plants, newer technologies. And obviously the routes of synthesis used by the newer players are far more efficient.

Consequently, even if we adapt to newer technology, newer ways of manufacturing ibuprofen, there are big regulatory changes that will be required in our files of our customers. And consequently, we are very focused on retaining 100% of our branded big pharma customers, which we have for the last 25 years, while on the generic space we have let gone of market. The pricing that currently prevails in the market, which we can't be very specific, does not even cover our costs of manufacturing, so it doesn't make any sense for us to invest high working capital in a business that doesn't deliver value for now.

We have the cycles in ibuprofen every once in 15 years, 15, 20 years. And we see and we are a player for 35 years, so we have invested in the platform. It's not that we are running away from it. We are doing enough work to make our plain ibuprofen business also competitive, but we are not yet ready, from a regulatory standpoint, to adopt those new processes. So that should address your first question, on the ibuprofen platform.

On the derivatives, like I said, if the ibuprofen business in absolute terms has not dropped, it's because of improved sales and derivatives. And that is why, in comparison to FY '24, there is a significant increase in margins, both in gross margins and in EBITDA, because of that.

Akash Jain: And Arun, what is the share of ibuprofen in the business?

Arun Kumar: We don't give specifics. We don't give any specifics on products, typically it used to be as high as 60%, but now currently it is less than 45%, including derivatives.

Akash Jain: And you don't see challenges on ibuprofen, both on pricing as well as demand from the existing regulated market clients that we have.

Arun Kumar: No. We work with all the big pharma companies. They have been in our accounts for more than 20 years. We don't see them moving away for pricing because they are all branded products, but at the same time, we have to be conscious of the pricing environment. And we are working through it. We think that we should solve for ibuprofen from a competitive landscape standpoint by the end of the financial year. And that is why we still have a muted view on ibuprofen for the current year.

Akash Jain: And Arun, on the...

Arun Kumar: I think you -- if you don't mind, can you just come back on the queue? We'll obviously answer your question.

Akash Jain: Sure.

Moderator: Our next question comes from the line of Anand Mundra from Soar Wealth. Please go ahead.

Anand Mundra: Good evening, sir. I wanted to...

Arun Kumar: We can't hear you. Can you speak up?

Moderator: Mr. Anand, sorry to interrupt you. May I request you to use your handset when you ask your questions, please?

Anand Mundra: One second. Can you hear me now?

Arun Kumar: Yes...

Moderator: Yes. Now this is better.

Anand Mundra: Yes. Sir, wanted to understand about gross margin. What are the efforts we have taken that led to significant gross margin expansion despite competition in ibuprofen?

Arun Kumar: So, like Sandeep alluded in his opening statement, the gross margin improvement is in programs in products that have been recently launched or launched last year where we get higher market share, newer product launches. And existing products' greater market share or -- and getting -- and not being fully invested in ibuprofen. If you don't sell a lot of ibuprofen at low price, automatically your base gross margins will improve. So, we'll continue to focus on that this year and build from where we left off as a gross margin standpoint.

Anand Mundra: And sir, what is the sustainable gross margin for this business going forward, both the entities, the Catalog API business and the CRAMS and Polymer business?

Arun Kumar: And currently the gross margin on the CRAMS and Polymers business, the base is significantly smaller, is higher at around 65%. And the current gross margin on the Catalog business at around 53%-55% is sustainable, in our view. And that is, if we don't have to sell more ibuprofen plain, which we are not doing, those gross margins will be maintained. And growth will continue to come from the non-ibuprofen platform, which the company is heavily invested in.

Anand Mundra: Okay. And sir, the second question is with respect to your guidance on EBITDA margin, yes, as per the guidance for FY '26 implies around 17% to 18% EBITDA margin. What is the optimal level of EBITDA margin which we can generate from this business in the next 2, 3 years?

Arun Kumar: We haven't given a guidance. We've given an outlook. And there is obviously -- it's more like a goal. We have currently achieved our guidance of last year to be in that 17% range, from a negative EBITDA. I think we have the ability to move this by 200, 300 basis points. Will it happen in the next financial, i.e. this financial year? Yes, that's what we hope so but yes, that is why we have shared our outlook that demonstrates a higher percentage of EBITDA growth than our top line growth.

Anand Mundra: Okay. So then, sir, one compliance question. I'm holding partly paid-up shares. And I was surprised the trading of the shares were stopped much before the payment due date, but I don't know why it...

Arun Kumar: We don't control this. The stock exchanges do that.

Abhishek Singhal: We'll take this question off-line. We'll...

Arun Kumar: Yes, we'll take it off-line. It's a stock exchange decision, not our decision.

Moderator: Our next question comes from the line of Jasdeep from Clockvine Capital.

Jasdeep: Sir, your sales have been declining since the last 3 quarters. When do we start seeing sales grow quarter-on-quarter?

Arun Kumar: Well, we hope to start getting that sorted as early as this quarter.

Management: In 1Q '26, we should expect quarter-on-quarter growth.

Arun Kumar: Yes.

Jasdeep: Got it, sir. Also, sir, could you give us an idea of what kind of new products you have launched in the last year?

Arun Kumar: We don't give product specifics, as a policy, ever. The company doesn't do that, for competitive and other reasons.

Jasdeep: So, if you could talk about broad nature of the products, if you could describe it that way.

Arun Kumar: No. It's Catalog generics.

Jasdeep: Okay, got it. Sir, the way you have described issue in your ibuprofen business, it seems like the issue is structural, so does it make sense to stop this business and pivot the manufacturing to something else...?

Arun Kumar: No. It's not structural. We do believe, it still delivers a very significant revenue for us. And we are very confident that we will be able to, with our capital efforts that we are doing now. We are very confident that we will be a competitive player in within the plain ibuprofen. We are, like you rightly said, reducing capital allocation to that part of the P&L, but I don't see any reason for us to exit that business.

Moderator: Our next question comes from the line of Nigel Mascarenhas from EverFlow Partners.

Nigel Mascarenhas: A couple of questions from my end. Firstly, what is the nature of the CDMO of the business that we have? Is this contract manufacturing of patented drugs for innovator companies? Or is this contract manufacturing of complex drugs? If so, like what portion is...

Arun Kumar: That's now more the second.

Nigel Mascarenhas: More of the second. That's more of the complex drugs contract manufacturing.

Arun Kumar: Yes, correct.

Nigel Mascarenhas: Do you have any percentage that you could like throw some light on for that breakup maybe?

Arun Kumar: It's a very small business for us. It's just about INR100 crores.

Nigel Mascarenhas: Okay, sir, okay. And what sort of growth do you expect in the CDMO business over the next 2 to 3 years? And what's the margin profile of that business that you expect?

Arun Kumar: It's a little too early. We are in the process of working through our models and capital investments and stuff like that. And we will very soon proceed along with the NCLT process, we'll be in a situation to give you those answers.

Moderator: Our next question comes from the line of Abhishek from Padmaja Investments.

Abhishek: See my first question is on what the cost of money will be...

Arun Kumar: Can you please speak up?

Abhishek: Yes, yes. What will be -- the cost of finance for the financial year '26? For financial year '24, I think it is more like 11% to 12%, right? We are close to INR110 crores and INR990 crores debt, so what will be -- the cost of money be for the next financial year?

Arun Kumar: We are expecting this to reduce by about 200 basis points.

Abhishek: Okay. And next, my second question is -- so you're guiding for revenue growth of 10% and EBITDA growth of more than 15% to -- like in the range of 15% to 20%, so it is more on the operating cost reduction that we are actually planning this on. Or around more on...

Arun Kumar: It's more on -- it's a combination of gross margin expansion absolute terms and opex leverage because we currently do not operate our plants at 100% capacity utilization.

Abhishek: Okay. And I have another question. Should I ask now, or should I join back...

Arun Kumar: Please ask...

Abhishek: Yes, yes. My next -- my last question is this Vizag plant that you're planning to use it for the CRAMS business going forward. So that gross block of INR600-odd crores or INR700 crores will be separated into the demerged company. Is my understanding, right? Because then your income statement...

Arun Kumar: I'm not sure about the gross block number, but you're right. That is what is going to get de-merged, but all of it cannot be used for CRAMS. So, we'll come back to you with more specifics when we are closer to the scheme.

Moderator: Our next question comes from the line of Athi Srinivasan from CRISIL Limited.

Athi Srinivasan: Firstly, I appreciate on the results for '25. I think overall you're able to improve the top line and also reel in the margins. I have just one question. I want to understand the change in management which happened currently. I think CEO have changed currently. And the CFO who joined last year got changed. So just want understanding on how this new management is going to be, whether they are going to stay in the long term. And what are the plans?

Arun Kumar: You should ask them. They're on the call.

Sandeep Rao: The opportunity, I said in my opening remarks I think this company has an excellent platform. There's a lot of discipline in the platform. And if we can re-pivot it to growth, which we're all working towards, with the theme of profit maximization and debt correction, I think the future is bright. So Sarat and I are here for the long term. That's all we can say.

Athi Srinivasan: Perfect. Congrats on that. And I hope you accomplish what you told.

Moderator: Our next question comes from the line of Darshil Pandya from Finterest Capital.

Darshil Pandya: Yes. Sir, what will be the capacity utilization currently?

Management: 60%.

Darshil Pandya: Pardon...

Arun Kumar: 60%.

Management: 60%.

Darshil Pandya: 60%. And sir, I also wanted to understand. During your opening remarks, you said debt will be around INR650 crores by May, which we are actually seeing on the balance sheet. Can you just confirm, what is the -- what will be the actual numbers post this money is received?

Arun Kumar: Sarat, do you want to address that?

Sarat Kumar: So, once we actually utilize this particular money, what we received from first call money of the rights issue, debt will come down to INR647 crores by end of May '25.

Darshil Pandya: First call money, we will be receiving in next 1 or 2 weeks...

Arun Kumar: No. It's there already in the bank. We have -- it's not yet got used -- this week.

Darshil Pandya: Okay, but sir, the borrowings in the current liabilities are seen at INR662 crores already.

Arun Kumar: Sarat, do you want to address that?

Sarat Kumar: So, we actually classified that as both noncurrent as well as current debt. So, we are actually talking about gross debt being INR647 crores.

Darshil Pandya: Okay, got it. And what was the interest cost on this for this year?

Sarat Kumar: So, this year, we are expecting an interest cost of close to INR85-odd crores.

Darshil Pandya: 85-odd crores, okay. And the second question probably would be on the Vizag plant. What are we expecting for this year in number terms or something, if you can just guide on?

Arun Kumar: There would be very small growth, 10%, 15% growth. We haven't yet started putting capital in Vizag to ensure that we can onboard customers. Until that is done, we are not on boarding customers.

Darshil Pandya: Okay. And the depreciation would be on the same line, sir, as what it is in FY '25.

Arun Kumar: Sarat...

Sarat Kumar: Depreciation. So...

Darshil Pandya: Around INR99 crores is what we have paid for this.

Sarat Kumar: Correct.

Arun Kumar: Yes. You should, for your model purposes, keep the same.

Moderator: Our next question comes from the line of Vinay Kumar from JVK Investment. Mr. Vinay Kumar your line has been unmuted.

Arun Kumar: Can you move to the next question?

Moderator: Yes, sir. Our next question comes from the line of Nireeksha Makam with Farley Capital.

Nireeksha Makam: I just had one question. Trump recently announced the "most-favored-nation" policy. I want to understand. How does this impact Solara? And because I understand you've recently expanded and -- from 3%...?

Arun Kumar: Most favored -- the MFN formula is mainly for branded pharmaceuticals and not -- it is not linked to APIs.

Nireeksha Makam: So, there won't be any direct impact, right?

Arun Kumar: No.

Nireeksha Makam: Okay.

Arun Kumar: Unless there are tariffs, which we don't know as yet.

Moderator: Our next question comes from the line of Nishant Bhat from Equity Works Limited.

Nishant Bhat: Yes, yes. So, my question to Mr. Arun Kumar was -- see. I know you have a pretty good polymer business, so could you please let us know, what kind of synergies does this have with the CRAMS business where you are stepping into? Like you...

Arun Kumar: We mentioned that first of all -- we are telling you that the CRAMS business -- and there was alluding to somebody -- an earlier question of another investor or an analyst. We are into difficult chemistry, okay, so let's not get -- the segregation of polymers is that there are not many people making polymers. It's a complex process. And polymers, therefore, is more -- the high non-Catalog generic APIs is what moves to the so-called CRAMS and Contract Development business.

Nishant Bhat: Got it, got it. And this also -- does this have some synergy with the peptide business which you are entering into?

Arun Kumar: No.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I now hand the conference over to the management for closing comments.

Arun Kumar: Thank you all for joining today. And if you have any questions, please feel free to write to Sarat or to Sandeep or to our Investor Desk. Thank you, appreciate your time.

Sandeep Rao: Thanks a lot, everybody.

Sarat Kumar: Thank you...

Moderator: Thank you. On behalf of Solara Active Pharma Sciences Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.