



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

Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

Rs. in Lakhs

Sl. No.	Particulars	3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (Recast as per Note 2 and 3)
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
		(1)	(2)	(3)	(4)	(5)
1	Income from operations					
	(a) Sales / Income from Operations (inclusive of excise duty)	87,629	92,217	83,365	264,308	209,441
	(b) Other Operating Income	5,764	3,130	3,389	11,989	10,123
	Total Income from operations	93,393	95,347	86,754	276,297	219,564
2	Expenses					
	(a) Cost of material consumed	27,083	28,375	36,105	82,259	98,367
	(b) Purchases of stock-in-trade	19,918	16,511	7,390	52,715	13,721
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6,791)	(4,871)	(770)	(14,739)	(4,512)
	(d) Employee benefits expense	15,482	19,062	13,182	51,049	36,072
	(e) Depreciation and amortisation expense	4,938	4,675	4,023	14,451	10,753
	(f) Other expenses	17,923	20,815	15,614	56,468	43,373
	Total expenses	78,553	84,567	75,544	242,203	197,774
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	14,840	10,780	11,210	34,094	21,790
4	Other Income	2,619	4,232	938	10,060	6,152
5	Profit/ (Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	17,459	15,012	12,148	44,154	27,942
6	Finance costs	5,698	6,172	5,394	17,912	11,532
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	11,761	8,840	6,754	26,242	16,410
8	Exceptional Items:					
	- Exchange Fluctuation (loss) / gain (Net) (Refer note 13)	(1,697)	944	(572)	(2,076)	(2,149)
	- Merger and restructuring costs	(648)	(537)	(571)	(1,644)	(1,338)
	- Net gain on discontinued businesses and products (Refer note 8 & 10)	11,310	1,139	1,262	12,449	1,262
	- Recovery of loans & advances written off in earlier years	-	-	-	487	131
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	-	-	-	(1,682)
	- Fair valuation of derivative instruments	(286)	(309)	(81)	(762)	(170)
9	Profit / (Loss) from Ordinary Activities before tax (7+ 8)	20,440	10,077	6,792	34,696	12,464
10	Tax expense	810	1,524	953	3,256	2,955
11	Net Profit / (Loss) after tax (9-10)	19,630	8,553	5,839	31,440	9,509
12	Share of profit / (loss) from associates and Joint ventures	(13)	(10)	(14)	(33)	(453)
13	Net Profit after taxes and share of loss of associates and joint ventures but before minority interest (11+12)	19,617	8,543	5,825	31,407	9,056
14	Share of profit / (loss) attributable to Minority interest (net)	885	1,134	(65)	2,662	(238)
15	Net Profit / (Loss) after taxes and minority interest and share of loss of associates and joint ventures (13-14) [A]	18,732	7,409	5,890	28,745	9,294
16	Other Comprehensive Income (OCI) (net of tax) [B]	(6,842)	730	2,604	(9,769)	(1,023)
17	Total Comprehensive Income for the period [A+B]	11,890	8,139	8,494	18,976	8,271
18	Paid-up Equity Share Capital (Face value of Rs.10/-each)	8,936.87	8,936.60	8,927.10	8,936.87	8,927.10
19	Earnings per share (face value of Rs. 10/- each) - not annualised					
	(a) Basic EPS (Rs.)	20.96	8.29	5.52	32.17	9.83
	(b) Diluted EPS (Rs.)	20.93	8.28	5.51	32.11	9.76
	See accompanying notes to the Financial Results					



Notes:

- 1 The above statement of consolidated unaudited financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 03, 2017. The statutory auditors of the Company have carried out the limited review of the results.
- 2 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of the Listing Regulation, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures for the earlier periods. The results for the quarter and period ended December 31, 2015 have been recasted to be Ind AS compliant. Income from Operations includes revenues from sale of products, product development services, royalties, export entitlements etc. Cost of material consumed is net of rebates, discounts, supplier reimbursements against additional purchase costs incurred, etc.
- 3 During the previous year, pursuant to the court approved Scheme of Amalgamation, Shasun Pharmaceuticals Limited (the 'Shasun') has been amalgamated with the Company w.e.f. the appointed date of April 01, 2015 and the effective date of merger was November 19, 2015. Hence, the results for the quarter and nine months period ended December 31, 2015 have been recast to reflect the merger of Shasun with the Company.

Ind AS 103 'Business Combination' is not applicable to the above referred merger in view of the Scheme sanctioned by the Hon'ble High Courts of Judicature under section 391 to 394 of the Companies Act, 1956.

The Company has followed the 'Pooling of Interest method' as per the court approved Scheme of Amalgamation for the accounting of Assets and Liabilities of erstwhile Shasun. The impact of aligning the accounting policies between the two entities on the assets and liabilities taken over on merger amounting to Rs. 1,682 lakhs has been expensed off in the results for the quarter and nine months period ended December 31, 2015 under exceptional items.

The Company has issued 21,017,329 equity shares of Rs. 10/- each to the shareholders of erstwhile Shasun in terms of the Scheme of Amalgamation. These shares have been considered for the purpose of calculation of earnings per share.

- 4 Reconciliation of Net Profit for the quarter and nine months period ended December 31, 2015 as reported earlier in accordance with previous Indian GAAP and now being reported in accordance with Ind AS, as stated in note 2 above is as follows:

Particulars	Rs. in Lakhs	
	3 Months ended 31.12.2015	Year to date figures for the period ended 31.12.2015
	UNAUDITED	UNAUDITED
Net profit as reported under previous GAAP	5,881	11,270
Add / (Less): Adjustments for GAAP Differences		
Impact of measuring ESOP at fair value	(99)	(241)
Impact of measuring financial Instruments at fair value through profit or loss	47	(3,372)
Unwinding effect of discounted long-term liabilities	(81)	(170)
Impact of amortisation of Intangible assets over the revised useful life	109	288
Tax impact on Ind AS adjustments	108	2,040
Other Ind AS adjustments	(75)	(521)
Net profit for the quarter as per Ind AS	5,890	9,294



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- 5 During the nine months ended December 31, 2016, 20,000 equity shares and 2,717 equity shares were allotted by the Company under the Strides Arcolab ESOP 2011 Scheme and Strides Arcolab ESOP 2015 Scheme, respectively, on exercising equal number of options.
- 6 During the current quarter, names of the following entities were changed:
 - Strides Pharma (UK) Limited, UK has been renamed to Strides Pharma Global (UK) Limited, UK w.e.f November 28, 2016
 - Strides Shasun (UK) Limited, UK has been renamed to Strides Pharma (UK) Limited, UK w.e.f November 28, 2016
- 7 As part of ongoing restructuring in the group, the following changes have been made during the period within the Strides group:
 - Investment held in Aponia Laboratories Inc, USA has been transferred from Strides Shasun Limited, India to Strides Arcolab International Limited, UK.
- 8 The Board of Directors of the Company and the Members of Company in their meeting held on May 16, 2016 and June 28, 2016, subject to the approval of applicable laws, consents, permission and sanctions as may be necessary, approved the divestment of investment in Shasun Pharma Solutions Limited (SPSL), UK, a wholly owned step-down subsidiary of the Company to a Company to set up by the management team of SPSL and members of the promoter group of the Company. SPSL is in the business of Contract Research and Manufacturing. During the quarter ended September 30, 2016, on achieving condition precedents and closing conditions, the Company completed the divestment of its investments in SPSL and a sum of Rs. 1,408 Lakhs had been recognised as profit on sale of investments under Exceptional items. The results of discontinued operations included in the profit for the period are set out below:

Sl. No.	Particulars	Rs. in Lakhs				
		3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	3 Months ended 31.12.2015	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1	Income from operations	-	7,883	8,928	15,841	23,933
2	Total expenses	-	7,347	7,575	15,164	22,085
3	Profit from discontinued operations before other income, finance cost & exceptional items (1-2)	-	536	1,353	677	1,848
4	Other income	-	17	62	47	96
5	Profit from discontinued operations before finance cost & exceptional items (3+4)	-	553	1,415	724	1,944
6	Finance cost	-	225	583	428	807
7	Profit / (Loss) from discontinued operations before exceptional items (5-6)	-	328	832	296	1,137
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from discontinued operations before tax (7+8)	-	328	832	296	1,137
10	Tax expense	-	119	54	145	96
11	Profit / (Loss) from discontinued operations for the period (9-10)	-	209	778	151	1,041

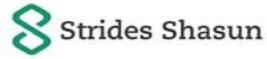
- 9 On December 4, 2013, the Company and its wholly owned subsidiary, Strides Pharma Asia Pte Limited ("the Singapore Subsidiary"), completed the sale of investments in Agila Specialties Private Limited and Agila Specialties Global Pte Limited (together, "Agila") to Mylan Laboratories Limited and Mylan Institutional Inc. (together, "Mylan") pursuant to separate agreements, each dated as of February 27, 2013 (the "SPAs"). Pursuant to the SPAs, the Strides Group established escrow arrangements to fund certain potential indemnification liabilities, including specified employee, tax and regulatory remediation costs from such consideration. These escrow arrangements include a US\$ 100 million 'General Claims Escrow' deposit (out of which US\$ 8.00 million has been settled in earlier year to be paid to Mylan in relation to certain claims) and a US\$ 100 million 'Regulatory Escrow' deposit. Pursuant to the SPAs, the Company has also provided a corporate guarantee to Mylan for US\$ 200 million (valid up to December 4, 2020) on behalf of Singapore Subsidiary which can be used for discharging financial obligations, if any, of the Singapore Subsidiary to Mylan.
- Under the terms of the SPAs, claims against the Company / the Singapore subsidiary (as the case may be) can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings. The Company had received a consolidated notification of claims from Mylan under the terms of the SPAs.
- These claims were related to third party claims, tax claims, claims against the regulatory escrows and general claims. During the quarter ended December 31, 2016, a significant portion of these claims have been settled and the Company has received approximately USD 28 Million as full and final settlement of claims against Regulatory Escrow deposit. Further, the Company and Mylan have agreed on full and final settlement of warranty and indemnity claims forming part of 'General Claims Escrow'
- Considering the terms of the SPAs, the nature of the pending claims and the balance available in the General Claims Escrow deposit, the Company believes that any further outflow of resources is not probable.
- 10 Net gain on discontinued businesses and products for the quarter and nine months period ended December 31, 2016 includes net gain recognised consequent to the settlement stated in Note 9 above and is net off (a) asset impairments and (b) provision / write-down of amounts relating to discontinued products; aggregating to Rs. 10,413 Lakhs.
- 11 The Company has entered into definitive agreement with Perrigo Group for acquisition of Perrigo API India Private Limited. As at December 31, 2016, pending completion of certain conditions precedent and other customary closing condition, this acquisition has not been completed.
- 12 During the current quarter, Strides Arcolab International, UK, a wholly owned subsidiary of the Company has entered into an agreement with Moberg Pharma, Sweden to acquire the 'PediaCare' brand. The transaction achieved closure on 19th December 2016.
- 13 Exchange fluctuation gain/loss (net) included under Exceptional Items comprises the exchange gain / loss arising on account of restatement and settlement of long term foreign currency loans and intra-group loans.



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14 The Group's operations have been classified into two business segments viz., "Pharmaceutical business" and "Biotech business". Segment wise Revenue. Details of respective segments :

		Rs. in Lakhs				
	Particulars	3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (Recast as per Note 2 and 3)
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1	Segment Revenue					
	a) Pharmaceutical business	93,393	95,347	86,754	276,297	219,564
	b) Biotech business	-	-	-	-	-
	Revenue from operations	93,393	95,347	86,754	276,297	219,564
2	Segment results Profit/(Loss) allocable					
	a) Pharmaceutical business	17,088	12,220	12,182	39,230	27,064
	b) Biotech business	(1,442)	(71)	(732)	(1,758)	(1,664)
	Total	15,646	12,149	11,450	37,472	25,400
	Add / (Less): Unallocable Income/(expenses):					
	Other Income	1,813	2,863	698	6,821	2,673
	Finance cost	(5,698)	(6,172)	(5,394)	(17,912)	(11,532)
	<i>Items considered under exceptional items:</i>					
	- Exchange (loss) / gain on long-term foreign currency loans, intra-group loans	(1,697)	944	(572)	(2,076)	(2,149)
	- Merger and restructuring costs	(648)	(537)	(571)	(1,644)	(1,338)
	- Net gain / (loss) on discontinued businesses (Refer note 8 & 10)	11,310	1,139	1,262	12,449	1,262
	- Recovery of loans & advances written off in earlier years	-	-	-	348	-
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	-	-	-	(1,682)
	- Fair valuation of derivative instruments	(286)	(309)	(81)	(762)	(170)
	Profit before tax from continuing and discontinued operations	20,440	10,077	6,792	34,696	12,464
	Tax expense	810	1,524	953	3,256	2,955
	Profit before allocation to minority interest	19,630	8,553	5,839	31,440	9,509
	Share of profit / (loss) from associates and Joint ventures	(13)	(10)	(14)	(33)	(453)
	Net Profit after taxes and share of loss of associates and joint ventures but before minority interest	19,617	8,543	5,825	31,407	9,056
	Share of profit / (loss) attributable to Minority interest (net)	885	1,134	(65)	2,662	(238)
	Profit for the period	18,732	7,409	5,890	28,745	9,294
		Rs. in Lakhs				
	Particulars	As at 31.12.2016	As at 30.09.2016	As at 31.12.2015		
3	Segment Assets					
	a) Pharmaceutical business	635,118	601,147	551,357		
	b) Biotech business	31,586	26,878	18,842		
	c) Unallocable	163,762	150,210	146,057		
	Total Segment Assets	830,466	778,235	716,256		
4	Segment Liabilities					
	a) Pharmaceutical business	115,583	86,169	80,163		
	b) Biotech business	117	4,027	713		
	c) Unallocable	440,823	425,918	358,379		
	Total Segment Liabilities	556,523	516,114	439,255		



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15 Information on Standalone Results : -

Particulars	Rs. in Lakhs				
	3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (Recast as per Note 2 and 3)
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Total Income from operations	58,044	51,660	50,640	161,107	153,346
Profit before Tax	(2,008)	3,317	5,398	4,304	9,913
Profit after Tax	(2,452)	3,072	4,911	3,338	7,699

For and on behalf of the Board

Arun Kumar
Executive Vice Chairman & Managing Director

Bengaluru, February 03, 2017