



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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, 2019

Rs. in Lakhs

Sl. No.	Particulars	3 Months ended December 31, 2019	Preceding 3 Months ended September 30, 2019	Corresponding 3 Months ended in the previous year December 31, 2018	Year to date figures for the current period ended December 31, 2019	Year to date figures for the pervious period ended December 31, 2018	Previous year ended March 31, 2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
	Continuing operations						
I	Revenue from operations	73,244	71,509	56,989	213,333	156,219	217,837
II	Other income	1,222	1,299	965	3,546	2,426	4,084
III	Total income (I + II)	74,466	72,808	57,954	216,879	158,645	221,921
	IV Expenses						
	(a) Cost of materials consumed	27,754	25,799	19,667	84,469	73,283	100,205
	(b) Purchases of stock-in-trade	3,883	3,354	8,245	11,060	14,364	18,715
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(5,529)	737	109	(7,946)	(7,980)	(10,400)
	(d) Employee benefits expense	11,164	10,970	7,808	31,847	24,617	32,944
	(e) Finance costs (Refer note 3)	3,963	4,042	2,190	11,539	5,593	7,929
	(f) Depreciation and amortisation expense (Refer note 3)	4,347	4,200	2,787	12,836	8,774	11,739
	(g) Other expenses (Refer note 3)	17,888	15,990	13,944	48,799	35,604	50,807
	(h) Foreign exchange (gain) / loss - net	(143)	(108)	1,110	18	1,376	1,335
	Total expenses (IV)	63,327	64,984	55,860	192,622	155,631	213,274
V	Profit before exceptional items and tax (III - IV)	11,139	7,824	2,094	24,257	3,014	8,647
VI	Exceptional items - net gain / (loss) (Refer note 8)	1,563	8,344	1,361	9,242	567	2,162
VII	Profit before tax (V + VI)	12,702	16,168	3,455	33,499	3,581	10,809
VIII	Share of profit / (loss) of joint ventures and associates	(2,339)	(2,125)	(687)	(6,245)	(2,538)	(4,570)
IX	Profit before tax (VII + VIII)	10,363	14,043	2,768	27,254	1,043	6,239
X	Tax expense						
	- Current tax	811	1,608	951	3,969	1,301	2,892
	- Deferred tax	319	(870)	(974)	(1,789)	(3,231)	(5,578)
	Total tax expense (X)	1,130	738	(23)	2,180	(1,930)	(2,686)
XI	Profit after tax from continuing operations (IX - X)	9,233	13,305	2,791	25,074	2,973	8,925
XII	Discontinued operations						
	- Profit / (Loss) from discontinued operations	-	(256)	326	(1,842)	676	966
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	-	1,142	27,182	1,142	26,978	27,231
	- Tax expense / (benefit) of discontinued operations	-	-	656	659	2,110	4,135
XIII	Profit/(loss) after tax from discontinued operations	-	886	26,852	(1,359)	25,544	24,062
XIV	Profit for the period (XI + XIII)	9,233	14,191	29,643	23,715	28,517	32,987



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FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

Rs. in Lakhs

Sl. No.	Particulars	3 Months ended December 31, 2019	Preceding 3 Months ended September 30, 2019	Corresponding 3 Months ended in the previous year December 31, 2018	Year to date figures for the current period ended December 31, 2019	Year to date figures for the pervious period ended December 31, 2018	Previous year ended March 31, 2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
XV	Other comprehensive income						
A	(i) Items that will not be reclassified to statement of profit and loss	(137)	(83)	(632)	(1,021)	(404)	(12)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	5	43
B	(i) Items that may be reclassified to statement of profit and loss	2,532	3,642	(3,977)	3,116	(6,649)	(6,200)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	181	136	(1,237)	394	252	(190)
	Total other comprehensive income for the period (XV)	2,576	3,695	(5,846)	2,489	(6,796)	(6,359)
XVI	Total comprehensive income for the period (XIV + XV)	11,809	17,886	23,797	26,204	21,721	26,628
	Profit for the period attributable to:						
	- Owners of the Company	9,389	14,272	29,342	24,031	27,710	32,461
	- Non-controlling interests	(156)	(81)	301	(316)	807	526
		9,233	14,191	29,643	23,715	28,517	32,987
	Other comprehensive income for the period						
	- Owners of the Company	2,555	3,689	(5,415)	2,539	(6,753)	(6,342)
	- Non-controlling interests	21	6	(431)	(50)	(43)	(17)
		2,576	3,695	(5,846)	2,489	(6,796)	(6,359)
	Total comprehensive income for the period						
	- Owners of the Company	11,944	17,961	23,927	26,570	20,957	26,119
	- Non-controlling interests	(135)	(75)	(130)	(366)	764	509
		11,809	17,886	23,797	26,204	21,721	26,628
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)						
	(1) Basic (in Rs.)	10.48	14.95	3.23	28.54	3.61	10.71
	(2) Diluted (in Rs.)	10.48	14.95	3.23	28.54	3.61	10.71
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)						
	(1) Basic (in Rs.)	-	0.99	29.54	(1.71)	27.33	25.54
	(2) Diluted (in Rs.)	-	0.99	29.53	(1.72)	27.33	25.53
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)						
	(1) Basic (in Rs.)	10.48	15.94	32.77	26.83	30.94	36.25
	(2) Diluted (in Rs.)	10.48	15.94	32.76	26.82	30.94	36.24
	See accompanying notes to the Financial Results						



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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019**

Notes:

- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The above consolidated results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on January 29, 2020 and January 30, 2020 respectively. The statutory auditors have reviewed the results for the quarter and nine months ended December 31, 2019 and have issued an unmodified opinion.
- Effective April 1, 2019, the Group adopted Ind AS 116 'Leases', applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been restated. The effect of this adoption has resulted in recognition of Right-of-use assets (ROU) amounting to Rs.16,214 Lakhs and lease liability of Rs. 19,202 lakhs, resulting to a debit of Rs. 2,664 Lakhs (net of taxes) to retained earnings. Further, it has also resulted in decrease in other expenses of Rs. 2,155 lakhs, increase in Interest expenses (included under finance cost) of Rs.1,143 Lakhs and an increase in depreciation and amortisation expenses of Rs. 1,421 lakhs, resulting in a reduction in profit for nine months ended December 31, 2019 by Rs.409 lakhs.
- During the previous year, the Board of Directors had proposed to divest the Group's equity interest in the Australia business to Dennis Bastas- Executive Chairman of Arrow Pharmaceuticals Pty Limited, Australia (Arrow). Further, the group had obtained the approval from the Company's shareholders' in the EGM held on March 27, 2019.

On July 10, 2019, the Group completed the divestment of its Australia business for a consideration of AUD 406 Million (including a deferred consideration of AUD 106 Million) reduced by the bank debt settlement of AUD 22.47 Million. Additionally, the Group has retained global access to IP's of over 140 products and has concurrently entered into a preferred supply agreement with Arrotex. The resulting gain from the disposal of Rs.1,142 lakhs is accounted under the head "Gain on disposal of assets attributable to the discontinued operations (net)" and is presented as part of discontinued operations.

Accordingly, the Group has classified the Australia business operations as discontinued operations. The results of discontinued operations (including discontinued operations of earlier periods) are disclosed in the table below:

Sl. No.	Particulars	Rs. in Lakhs					
		3 Months ended December 31, 2019	Preceding 3 Months ended September 30, 2019	Corresponding 3 Months ended in the previous year December 31, 2018	Year to date figures for the current period ended December 31, 2019	Year to date figures for the previous period ended December 31, 2018	Previous year ended March 31, 2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Total Revenue	-	-	23,568	23,050	68,180	93,501
II	Total Expenses	-	256	21,946	23,710	65,599	89,849
III	Profit/(loss) before exceptional items and tax (I - II)	-	(256)	1,622	(660)	2,581	3,652
IV	Exceptional items	-	-	(1,287)	(1,132)	(1,726)	(2,424)
V	Profit/(loss) before tax (III + IV)	-	(256)	335	(1,792)	855	1,228
VI	Share of profit / (loss) of joint ventures and associates	-	-	(9)	(50)	(179)	(262)
VII	Profit/(loss) before tax (V + VI)	-	(256)	326	(1,842)	676	966
VIII	Gain / (loss) on disposals (net)	-	1,142	27,182	1,142	26,978	27,231
IX	Tax expense / (benefit)	-	-	656	659	2,110	4,135
X	Profit/(loss) from discontinued operations (VII+ VIII - IX)	-	886	26,852	(1,359)	25,544	24,062

- During the current quarter, the group through its subsidiary Strides Pharma Global Pte Limited, Singapore incorporated Strides Netherlands BV as a wholly owned subsidiary.
- During the current quarter, the group through its subsidiary Strides Pharma Global Pte Limited, Singapore invested in 49% equity stake of Sihuan Strides (HK) limited, a Joint venture entity between the Group and Sun Moral International (HK) Limited.
- The Group's operations for the current and previous year relate only to the "Pharmaceutical business" and accordingly no separate disclosure for business segments is being provided.



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8 Exceptional Item gain/ (loss) (net):

Particulars	Rs. in Lakhs					
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	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
- Exchange gain/ (loss) on long-term foreign currency loans, derivatives, deferred consideration and intra-group loans	1,868	(1,183)	(480)	461	(888)	(680)
- Impairment of Goodwill	-	(949)	(3,700)	(949)	(3,700)	(3,700)
- Fair valuation of investment	-	-	5,830	-	5,830	5,879
- Fair valuation gain on acquisition of controlling shares in Vivimed Life Sciences Private Ltd	-	-	-	-	-	2,704
- Business combination and restructuring expenses	(19)	(159)	(202)	(350)	(303)	(1,214)
-Unwinding/ cancellation of gross obligations and contingent consideration(Refer note below)	(286)	10,635	(87)	10,080	(228)	(683)
- Loss on sale of Investment in subsidiaries	-	-	-	-	(144)	(144)
Total	1,563	8,344	1,361	9,242	567	2,162

During the previous quarter, the Group has cancelled the obligation under the put option to acquire non-controlling interest (49%) of Universal Corporation Limited, Kenya. Consequently, the gross obligation liability accrued at the time of acquisition under the aforesaid put option(including subsequent unwinding) amounting to Rs. 10,929 lakhs has been reversed to the Statement of Profit and Loss under exceptional items.

9 Information on Standalone Results : -

Particulars	Rs. in Lakhs					
	3 Months ended December 31, 2019	Preceding 3 Months ended September 30, 2019	Corresponding 3 Months ended in the previous year December 31, 2018	Year to date figures for the current period ended December 31, 2019	Year to date figures for the previous period ended December 31, 2018	Previous year ended March 31, 2019
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Total Revenue from continuing operations	38,209	45,761	43,675	130,531	116,108	165,205
Profit before tax from continuing operations	1,553	5,822	1,780	10,409	1,813	11,303
Profit after tax from continuing operations	1,365	4,700	1,531	8,533	1,559	11,441
Profit/(loss) before tax from discontinued operations	-	-	-	-	(470)	(470)
Profit/(loss) after tax from discontinued operations	-	-	-	-	(404)	(404)

10 During the previous year, on July 2, 2018 and July 18, 2018, the Company received shareholders' approval and approval from Registrar of Companies, respectively, for change of name to Strides Pharma Science Limited.

11 Previous period figures have been regrouped to conform with the classification adopted in these financial results.

For and on behalf of the Board

**Dr. R Ananthanarayanan
CEO & Managing Director**

Bengaluru, January 30, 2020