



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 ENDED JUNE 30, 2020

Rs. in Million

Sl. No.	Particulars	3 Months ended June 30, 2020	Preceding 3 Months ended March 31, 2020	Corresponding 3 Months ended in the previous year June 30, 2019	Previous year ended March 31, 2020
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)
	Continuing operations				
I	Revenue from operations	7,817.97	6,186.44	6,857.99	27,519.71
II	Other income	123.05	176.51	102.53	531.13
III	Total income (I + II)	7,941.02	6,362.95	6,960.52	28,050.84
IV	Expenses				
	(a) Cost of materials consumed	2,766.94	1,756.61	3,091.61	10,203.49
	(b) Purchases of stock-in-trade	440.39	363.40	382.33	1,469.43
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(184.78)	346.52	(315.40)	(448.11)
	(d) Employee benefits expense	1,297.83	1,240.90	971.25	4,425.58
	(e) Finance costs	369.10	403.27	353.40	1,557.20
	(f) Depreciation and amortisation expense	491.32	453.40	428.91	1,737.02
	(g) Other expenses	1,987.48	1,642.11	1,492.10	6,522.00
	(h) Foreign exchange (gain) / loss - net	(38.93)	186.52	26.94	188.34
	Total expenses (IV)	7,129.35	6,392.73	6,431.14	25,654.95
V	Profit / (loss) before exceptional items and tax (III - IV)	811.67	(29.78)	529.38	2,395.89
VI	Exceptional items - net gain / (loss) (Refer note 7)	449.18	(1,700.99)	(66.46)	(776.80)
VII	Profit / (loss) before tax (V + VI)	1,260.85	(1,730.77)	462.92	1,619.09
VIII	Share of loss of joint ventures and associates	(209.60)	(447.80)	(178.08)	(1,072.29)
IX	Profit/ (loss) before tax (VII + VIII)	1,051.25	(2,178.57)	284.84	546.80
X	Tax expense				
	- Current tax	68.10	(116.79)	155.04	280.07
	- Deferred tax	(35.27)	12.12	(123.80)	(166.84)
	Total tax expense (X)	32.83	(104.67)	31.24	113.23
XI	Profit / (loss) after tax from continuing operations (IX - X)	1,018.42	(2,073.90)	253.60	433.57
XII	Discontinued operations				
	- Profit / (loss) from discontinued operations	-	-	(158.59)	(184.16)
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	-	8.24	-	122.44
	- Tax expense / (benefit) of discontinued operations	-	-	65.89	65.89
XIII	Profit/(loss) after tax from discontinued operations	-	8.24	(224.48)	(127.61)
XIV	Profit / (loss) for the period (XI + XIII)	1,018.42	(2,065.66)	29.12	305.96



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FOR THE QUARTER ENDED JUNE 30, 2020**

Rs. in Million

Sl. No.	Particulars	3 Months ended June 30, 2020	Preceding 3 Months ended March 31, 2020	Corresponding 3 Months ended in the previous year June 30, 2019	Previous year ended March 31, 2020
		UNAUDITED (1)	AUDITED (2)	UNAUDITED (3)	AUDITED (4)
XV	Other comprehensive income				
A	(i) Items that will not be reclassified to statement of profit and loss	186.89	(45.10)	(80.12)	(147.24)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(39.83)	8.30	-	8.32
B	(i) Items that may be reclassified to statement of profit and loss	283.93	18.20	(305.82)	329.80
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	(59.22)	140.40	7.70	179.82
	Total other comprehensive income for the period (XV)	371.77	121.80	(378.24)	370.70
XVI	Total comprehensive income for the period (XIV + XV)	1,390.19	(1,943.86)	(349.12)	676.66
	Profit for the period attributable to:				
	- Owners of the Company	1,035.64	(2,039.26)	37.05	363.91
	- Non-controlling interests	(17.22)	(26.40)	(7.93)	(57.95)
		1,018.42	(2,065.66)	29.12	305.96
	Other comprehensive income for the period				
	- Owners of the Company	371.56	124.60	(370.52)	378.52
	- Non-controlling interests	0.21	(2.80)	(7.72)	(7.82)
		371.77	121.80	(378.24)	370.70
	Total comprehensive income for the period				
	- Owners of the Company	1,407.20	(1,914.66)	(333.47)	742.43
	- Non-controlling interests	(17.01)	(29.20)	(15.65)	(65.77)
		1,390.19	(1,943.86)	(349.12)	676.66
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)				
	(1) Basic (in Rs.)	11.56	(22.86)	3.11	5.68
	(2) Diluted (in Rs.)	11.56	(22.85)	3.11	5.68
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)				
	(1) Basic (in Rs.)	-	0.09	(2.70)	(1.62)
	(2) Diluted (in Rs.)	-	0.09	(2.70)	(1.62)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)				
	(1) Basic (in Rs.)	11.56	(22.77)	0.41	4.06
	(2) Diluted (in Rs.)	11.56	(22.76)	0.41	4.06
	See accompanying notes to the Financial Results				



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER ENDED JUNE 30, 2020

Notes:

- 1 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.
- 2 The above consolidated results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 5, 2020 . The statutory auditors have reviewed the results for the quarter ended June 30, 2020 and have issued an unmodified opinion.
- 3 The Group effective the current quarter have reported its results in Indian Rupees "Millions" instead of Indian Rupees "Lakhs" till the previous quarter ended 31 March 2020. Pursuant to such change, all comparative numbers have been presented in Indian Rupees millions and have been rounded off to two decimal places
- 4 During the previous year, 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 Arotex. The resulting gain from the disposal of Rs.122 Million 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:

		Rs. in Million			
Sl. No.	Particulars	3 Months ended June 30, 2020	Preceding 3 Months ended March 31, 2020	Corresponding 3 Months ended in the previous year June 30, 2019	Previous year ended March 31, 2020
		UNAUDITED	AUDITED	UNAUDITED	AUDITED
I	Total Revenue	-	-	2,304.97	2,304.97
II	Total Expenses	-	-	2,345.42	2,370.99
III	Profit/(loss) before exceptional items and tax (I - II)	-	-	(40.45)	(66.02)
IV	Exceptional items	-	-	(113.17)	(113.17)
V	Profit/(loss) before tax (III + IV)	-	-	(153.62)	(179.19)
VI	Share of profit / (loss) of joint ventures and associates	-	-	(4.97)	(4.97)
VII	Profit/(loss) before tax (V + VI)	-	-	(158.59)	(184.16)
VIII	Gain / (loss) on disposals (net)	-	8.24	-	122.44
IX	Tax expense / (benefit)	-	-	65.89	65.89
X	Profit/(loss) from discontinued operations (VII+ VIII - IX)	-	8.24	(224.48)	(127.61)



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5 During the quarter, the Group gained controlling interest in Fairmed Healthcare AG, Switzerland, thereby making it a subsidiary of the group. Pursuant to the acquisition of controlling interest in Fairmed, in accordance with Ind AS 103 "Business Combinations", the group recorded a gain of Rs. 25.30 Million, being the difference in the fair value of non-controlling interest held and carrying value of equity in Fairmed.

6 On March 31, 2020, US Food and Drug Administration (USFDA or the Agency) issued letters to all manufacturers of Ranitidine across dosage forms requesting withdrawal of all prescription (Rx) and over-the-counter (OTC) ranitidine drugs from the market immediately. This step was based on their ongoing investigation of the N-Nitrosodimethylamine (NDMA) impurity in ranitidine medications. As a result, effective 1 April 2020, the Group has ceased further distribution of the product and is currently in the process of withdrawing the product from the market.

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

Rs. in Million

Particulars	3 Months ended June 30, 2020	Preceding 3 Months ended March 31, 2020	Corresponding 3 Months ended in the previous year June 30, 2019	Previous year ended March 31, 2020
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
- Exchange gain/ (loss) on long-term foreign currency loans, derivatives, deferred consideration and intra-group loans	528.70	(594.13)	(22.38)	(547.99)
- Write down of inventory and other expenses on account of Ranitidine withdrawal (refer note 6)	(84.83)	(1,131.12)	-	(1,131.12)
- Impairment of Goodwill	-	-	-	(94.89)
- Fair valuation gain on acquisition of controlling shares in Fairmed Healthcare (Refer note 5)	25.30	-	-	-
- Business combination and restructuring expenses	(0.04)	(7.55)	(17.16)	(42.60)
-Unwinding/ cancellation of gross obligations and contingent consideration(Refer note 8)	(19.95)	35.59	(26.92)	1,043.58
- Fair valuation of derivative instruments	-	(3.78)	-	(3.78)
Total	449.18	(1,700.99)	(66.46)	(776.80)

8 During the previous year, 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. 1,092.9 million has been reversed to the Statement of Profit and Loss under exceptional items.



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9 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group has considered available internal and external information while finalizing various estimates in relation to its financial results upto the date of approval of the financial results by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial results for the quarter ended June 30, 2020.

As of 30 June 2020, the Group's current liabilities exceed its current assets and it has provided certain guarantees in relation to the borrowings of its Associates. However, the Group, based on the fact that it expects to generate positive operating cash flows in future periods and its ability to raise new financing facilities / replace existing facilities, believes it will be able to continue to generate sufficient cash to meet its obligations as they fall due.

10 Information on Standalone Results : -

Rs. in Million

Particulars	3 Months ended June 30, 2020	Preceding 3 Months ended March 31, 2020	Corresponding 3 Months ended in the previous year June 30, 2019	Previous year ended March 31, 2020
	UNAUDITED	AUDITED	UNAUDITED	AUDITED
Total Revenue from continuing operations	4,246.71	4,690.02	4,656.15	17,743.13
Profit before tax from continuing operations	61.40	477.63	303.43	1,518.58
Profit after tax from continuing operations	41.63	263.71	246.88	1,116.99
Profit/(loss) before tax from discontinued operations	-	-	-	-
Profit/(loss) after tax from discontinued operations	-	-	-	-

- 11 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.
- 12 The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect to full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which are subjected to limited review.
- 13 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
Managing Director & CEO**

Bengaluru, August 5, 2020