



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 HALF YEAR ENDED SEPTEMBER 30, 2023**

Rs. in Million

| Sl. No. | Particulars | 3 Months ended September 30, 2023 | Preceding 3 Months ended June 30, 2023 | Corresponding 3 Months ended in the previous year September 30, 2022 | Year to date figures for the period ended September 30, 2023 | Year to date figures for the previous period ended September 30, 2022 | Previous year ended March 31, 2023 |
|---------|--|--------------------------------------|--|---|---|--|--|
| | | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| | | (1) | (2) | (3) | (4) | (5) | (6) |
| | Continuing operations | | | | | | |
| I | Revenue from operations | 9,994.27 | 9,299.94 | 8,970.97 | 19,294.21 | 18,371.71 | 36,883.87 |
| II | Other income | 358.48 | 86.45 | 234.59 | 444.93 | 370.07 | 903.28 |
| III | Total income (I + II) | 10,352.75 | 9,386.39 | 9,205.56 | 19,739.14 | 18,741.78 | 37,787.15 |
| IV | Expenses | | | | | | |
| | (a) Cost of materials consumed | 3,423.03 | 2,698.46 | 3,726.86 | 6,121.49 | 8,653.81 | 14,416.81 |
| | (b) Purchases of stock-in-trade | 636.40 | 565.03 | 123.06 | 1,201.43 | 716.20 | 1,878.70 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 121.49 | 585.97 | 20.95 | 707.46 | (783.12) | (26.66) |
| | (d) Employee benefits expense | 1,999.30 | 1,675.32 | 1,916.91 | 3,674.62 | 3,753.51 | 7,320.23 |
| | (e) Finance costs | 785.85 | 764.20 | 676.40 | 1,550.05 | 1,221.81 | 2,611.42 |
| | (f) Depreciation and amortisation expense | 601.05 | 595.90 | 617.02 | 1,196.95 | 1,221.02 | 2,432.52 |
| | (g) Other expenses | 2,282.78 | 2,109.24 | 2,201.90 | 4,392.02 | 4,448.49 | 8,992.98 |
| | Total expenses (IV) | 9,849.90 | 8,994.12 | 9,283.10 | 18,844.02 | 19,231.72 | 37,626.00 |
| V | Profit/ (loss) before exceptional items and tax (III - IV) | 502.85 | 392.27 | (77.54) | 895.12 | (489.94) | 161.15 |
| VI | Exceptional items - net gain / (loss) (Refer note 5) | (1,649.28) | (59.79) | 145.20 | (1,709.07) | (512.53) | (170.32) |
| VII | Profit / (loss) before tax (V + VI) | (1,146.43) | 332.48 | 67.66 | (813.95) | (1,002.47) | (9.17) |
| VIII | Share of loss of joint venture and associates | (422.54) | (329.29) | (448.38) | (751.83) | (1,012.29) | (2,852.83) |
| IX | Profit/ (loss) before tax (VII + VIII) | (1,568.97) | 3.19 | (380.72) | (1,565.78) | (2,014.76) | (2,862.00) |
| X | Tax expense / (benefit) | | | | | | |
| | - Current tax | 139.72 | 71.37 | (181.15) | 211.09 | (139.56) | (316.97) |
| | - Deferred tax | (214.14) | 25.42 | (202.89) | (188.72) | (525.22) | (236.04) |
| | Total tax expense / (benefit) (X) | (74.42) | 96.79 | (384.04) | 22.37 | (664.78) | (553.01) |
| XI | Profit/(loss) after tax from continuing operations (IX - X) | (1,494.55) | (93.60) | 3.32 | (1,588.15) | (1,349.98) | (2,308.99) |
| XII | Discontinued operations | | | | | | |
| | - Profit / (loss) from discontinued operations | - | - | - | - | - | - |
| | - Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 13) | - | - | 185.69 | - | 185.69 | 185.69 |
| | - Tax expense of discontinued operations | - | - | - | - | - | - |
| XIII | Profit/(loss) after tax from discontinued operations | - | - | 185.69 | - | 185.69 | 185.69 |
| XIV | Profit / (loss) for the period (XI + XIII) | (1,494.55) | (93.60) | 189.01 | (1,588.15) | (1,164.29) | (2,123.30) |



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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

Rs. in Million

| Sl. No. | Particulars | 3 Months ended September 30, 2023 | Preceding 3 Months ended June 30, 2023 | Corresponding 3 Months ended in the previous year September 30, 2022 | Year to date figures for the period ended September 30, 2023 | Year to date figures for the previous period ended September 30, 2022 | Previous year ended March 31, 2023 |
|------------|---|-----------------------------------|--|--|--|---|------------------------------------|
| | | 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 | (28.09) | 11.40 | (14.00) | (16.69) | (29.65) | (542.17) |
| | (ii) Income tax relating to items that will not be reclassified to statement of profit and loss | 0.32 | (0.11) | 2.16 | 0.21 | 3.34 | (25.88) |
| B | (i) Items that may be reclassified to statement of profit and loss | (34.30) | 24.33 | 197.13 | (9.97) | 463.23 | 647.70 |
| | (ii) Income tax relating to items that may be reclassified to statement of profit and loss | (4.39) | (44.45) | 26.85 | (48.84) | 19.17 | (0.49) |
| | Total other comprehensive income for the period (XV) | (66.46) | (8.83) | 212.14 | (75.29) | 456.09 | 79.16 |
| XVI | Total comprehensive income for the period (XIV + XV) | (1,561.01) | (102.43) | 401.15 | (1,663.44) | (708.20) | (2,044.14) |
| | Profit for the period attributable to: | | | | | | |
| | - Owners of the Company | (1,313.43) | (71.13) | 228.25 | (1,384.56) | (1,130.67) | (2,026.35) |
| | - Non-controlling interests | (181.12) | (22.47) | (39.24) | (203.59) | (33.62) | (96.95) |
| | | (1,494.55) | (93.60) | 189.01 | (1,588.15) | (1,164.29) | (2,123.30) |
| | Other comprehensive income for the period | | | | | | |
| | - Owners of the Company | (87.19) | 2.40 | 206.84 | (84.79) | 448.55 | 139.68 |
| | - Non-controlling interests | 20.73 | (11.23) | 5.30 | 9.50 | 7.54 | (60.52) |
| | | (66.46) | (8.83) | 212.14 | (75.29) | 456.09 | 79.16 |
| | Total comprehensive income for the period | | | | | | |
| | - Owners of the Company | (1,400.62) | (68.73) | 435.09 | (1,469.35) | (682.12) | (1,886.67) |
| | - Non-controlling interests | (160.39) | (33.70) | (33.94) | (194.09) | (26.08) | (157.47) |
| | | (1,561.01) | (102.43) | 401.15 | (1,663.44) | (708.20) | (2,044.14) |
| | Earnings per equity share (face value of Rs. 10/- each) (for continuing operations) | (not annualised) | (not annualised) | (not annualised) | (not annualised) | (not annualised) | (annualised) |
| | (1) Basic (in Rs.) | (14.54) | (0.79) | 0.47 | (15.33) | (14.62) | (24.56) |
| | (2) Diluted (in Rs.) | (14.54) | (0.79) | 0.47 | (15.33) | (14.62) | (24.56) |
| | Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations) | | | | | | |
| | (1) Basic (in Rs.) | - | - | 2.07 | - | 2.07 | 2.07 |
| | (2) Diluted (in Rs.) | - | - | 2.07 | - | 2.07 | 2.07 |
| | Earnings per equity share (face value of Rs. 10/- each) (for total operations) | | | | | | |
| | (1) Basic (in Rs.) | (14.54) | (0.79) | 2.54 | (15.33) | (12.58) | (22.49) |
| | (2) Diluted (in Rs.) | (14.54) | (0.79) | 2.54 | (15.33) | (12.58) | (22.49) |
| | See accompanying notes to the Financial Results | | | | | | |



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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

CONSOLIDATED BALANCE SHEET

| | | Rs. in Million | |
|-----------|---|-----------------------------|-------------------------|
| | Particulars | As at September 30, 2023 | As at March 31, 2023 |
| | | UNAUDITED | AUDITED |
| A | ASSETS | | |
| I | Non-current assets | | |
| | (a) Property, plant and equipment | 8,198.39 | 11,397.40 |
| | (b) Capital work-in-progress | 457.93 | 482.59 |
| | (c) Right -of -use assets | 1,068.90 | 1,845.53 |
| | (d) Investment property | 122.37 | 125.79 |
| | (e) Goodwill | 5,166.04 | 5,137.58 |
| | (f) Other Intangible assets | 4,427.92 | 4,603.68 |
| | (g) Intangibles assets under development | 935.14 | 1,027.25 |
| | (h) Investment in associates and joint ventures | 3,004.81 | 3,859.19 |
| | (i) Financial assets | | |
| | (i) Investments | 519.33 | 530.41 |
| | (ii) Other financial assets | 1,375.94 | 408.63 |
| | (j) Deferred tax assets (net) | 2,907.45 | 2,650.32 |
| | (k) Income tax assets (net) | 1,117.03 | 1,616.96 |
| | (l) Other non-current assets | 184.73 | 265.26 |
| | Total non-current assets | 29,485.98 | 33,950.59 |
| II | Current assets | | |
| | (a) Inventories | 11,376.26 | 11,465.05 |
| | (b) Financial assets | | |
| | (i) Investments | 631.20 | 508.40 |
| | (ii) Trade receivables | 12,318.83 | 12,994.02 |
| | (iii) Cash and cash equivalents | 988.71 | 3,035.01 |
| | (iv) Other balances with banks | 1,643.17 | 124.62 |
| | (v) Loans | 572.12 | 77.80 |
| | (vi) Other financial assets | 1,066.70 | 917.80 |
| | (c) Other current assets | 2,681.63 | 2,229.80 |
| | Total current assets | 31,278.62 | 31,352.50 |
| | Assets held for sale (Refer note 6) | 2,613.44 | 1,081.11 |
| | Total Assets | 63,378.04 | 66,384.20 |



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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

CONSOLIDATED BALANCE SHEET

Rs. in Millions

| | Particulars | As at September 30, 2023 | As at March 31, 2023 |
|-----------|--|-----------------------------|-------------------------|
| | | UNAUDITED | AUDITED |
| B | EQUITY AND LIABILITIES | | |
| I | Equity | | |
| | (a) Equity share capital | 903.33 | 903.03 |
| | (b) Other equity | 19,631.81 | 21,219.55 |
| | Equity attributable to owners of the Company | 20,535.14 | 22,122.58 |
| | Non- Controlling interests | (599.95) | (393.75) |
| | Total equity | 19,935.19 | 21,728.83 |
| II | Liabilities | | |
| 1 | Non-current liabilities | | |
| | (a) Financials liabilities | | |
| | (i) Borrowings | | |
| | - Borrowings US revolver facility | 4,959.56 | 5,671.99 |
| | - Borrowings others | 4,729.53 | 5,725.93 |
| | (ii) Lease Liabilities | 842.34 | 2,036.74 |
| | (iii) Other financial liabilities | 127.27 | 120.51 |
| | (b) Provisions | 846.91 | 734.20 |
| | (c) Deferred tax liabilities (net) | 557.76 | 445.71 |
| | (d) Other non-current liabilities | - | 18.28 |
| | Total non-current liabilities | 12,063.37 | 14,753.36 |
| 2 | Current liabilities | | |
| | (a) Financials liabilities | | |
| | (i) Borrowings | 17,042.72 | 16,346.67 |
| | (ii) Lease liabilities | 372.36 | 514.39 |
| | iii) Trade payables | | |
| | (a) total outstanding dues of micro enterprises and small enterprises and | 254.31 | 169.38 |
| | (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 9,153.07 | 9,654.05 |
| | (iv) Other financial liabilities | 825.43 | 960.69 |
| | (b) Provisions | 1,097.52 | 1,224.92 |
| | (c) Current tax liabilities | 387.73 | 267.11 |
| | (d) Other current liabilities | 686.73 | 764.80 |
| | Total current liabilities | 29,819.87 | 29,902.01 |
| | Liabilities directly associated with assets classified as held for sale (Refer Note 6) | 1,559.61 | - |
| | Total Equity and liabilities | 63,378.04 | 66,384.20 |



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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

CONSOLIDATED STATEMENT OF CASH FLOW

| Sl. No. | Particulars | Rs. In Million | | |
|-----------|--|---|--|--|
| | | For the current period ended September 30, 2023 | For the previous period ended September 30, 2022 | For the previous year ended March 31, 2023 |
| | | UNAUDITED | UNAUDITED | AUDITED |
| A. | Cash flow from operating activities | | | |
| | Profit / (loss) before tax from: | | | |
| | Continuing operations | (1,565.78) | (2,014.76) | (2,862.00) |
| | Discontinued operations | - | 185.69 | 185.69 |
| | | (1,565.78) | (1,829.07) | (2,676.31) |
| | Adjustments for: | | | |
| | - Depreciation and amortisation expense | 1,196.95 | 1,221.02 | 2,432.52 |
| | - Share of loss of joint ventures and associates | 751.83 | 1,012.29 | 2,852.83 |
| | - Gain on sale of property, plant and equipment, other intangible assets and investment property (net) | (275.21) | (34.76) | (41.07) |
| | - Share based compensation expense | 9.14 | (0.29) | 13.01 |
| | - Unwinding/ cancellation of gross obligations and contingent consideration | 8.99 | (129.26) | (568.59) |
| | - Interest expense on borrowings & others | 1,550.05 | 1,221.81 | 2,611.42 |
| | - Interest and dividend income | (128.82) | (289.79) | (745.28) |
| | - Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) | - | (185.69) | (185.69) |
| | - Rental income from investment property | (9.59) | (8.89) | (19.00) |
| | - Liability / provision no longer required written back | - | - | (8.40) |
| | - Bad debts written off / provision for doubtful trade and other receivables | 54.74 | 131.54 | 344.17 |
| | - Write down of other assets | - | 47.35 | 330.40 |
| | - Impairment and cost associated with disposal of facility | 1,497.62 | - | - |
| | - Sales returns, write down of inventory and other expenses on account of Product withdrawal | 71.48 | 156.79 | 248.82 |
| | - Dilution gain on loss of control / significant influence | - | - | (156.88) |
| | - Gain on lease modifications | - | - | (17.20) |
| | - Gain on dilution of investment in associates | - | (613.84) | (656.07) |
| | - Loss on sale of business unit | 114.06 | - | - |
| | - Realised exchange loss on deferred consideration | - | - | 671.64 |
| | - Unrealised exchange gain / (loss) (net) | 9.11 | 371.00 | (284.71) |
| | Operating profit before working capital changes | 3,284.57 | 1,070.21 | 4,145.61 |
| | Changes in working capital: | | | |
| | Increase / (Decrease) in trade and other receivables | (30.13) | (1,011.41) | (3,473.79) |
| | Decrease / (Increase) in inventories | 170.65 | (99.88) | (81.38) |
| | Decrease in trade and other payables | (811.66) | (664.49) | (1,022.78) |
| | Net change in working capital | (671.14) | (1,775.78) | (4,577.95) |
| | Cash generated from / (utilised in) operations | 2,613.43 | (705.57) | (432.34) |
| | Income taxes refund received | 407.53 | 267.20 | 876.45 |
| | Net cash flow generated from / (utilised in) operating activities | 3,020.96 | (438.37) | 444.11 |



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

CONSOLIDATED STATEMENT OF CASH FLOW

Rs. In Million

| Sl. No. | Particulars | For the current period ended September 30, 2023 | For the previous period ended September 30, 2022 | For the previous year ended March 31, 2023 |
|-----------|---|---|--|--|
| | | UNAUDITED | UNAUDITED | AUDITED |
| B. | Cash flow from investing activities | | | |
| | Capital expenditure for property, plant and equipment, investment property and intangible assets, including capital advance | (396.08) | (484.72) | (949.38) |
| | Proceeds from sale of property, plant and equipment and intangible assets | 295.19 | 53.68 | 72.58 |
| | Short-term investments in funds | (116.26) | - | (508.19) |
| | Purchase of long-term investments including investment in associates | - | (638.50) | (1,062.25) |
| | Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash | - | 185.69 | 182.22 |
| | Deferred consideration received from sale of business | - | - | 5,193.08 |
| | Loan given to others | (500.00) | - | - |
| | Rent deposit given | - | (0.17) | (0.62) |
| | (Investment) / proceeds in fixed deposits with maturity of more than 3 months, net | (1,512.34) | (10.81) | 9.26 |
| | Rental income from investment property | 9.59 | 8.89 | 19.00 |
| | Interest and dividends received (net of tax on dividend) | 99.49 | 31.03 | 69.04 |
| | Net cash flow (utilised in) / generated from investing activities | (2,120.41) | (854.91) | 3,024.74 |
| C. | Cash flow from financing activities | | | |
| | Proceeds from issue of equity shares | 7.96 | 13.67 | 13.67 |
| | Proceeds from share application money pending allotment | 0.31 | - | - |
| | Proceeds from issue of share warrants | - | 371.00 | 371.00 |
| | Proceeds from long-term borrowings | 652.06 | 1,745.20 | 3,304.00 |
| | Repayment of long-term borrowings | (3,119.50) | (1,551.19) | (2,550.17) |
| | Net increase / (decrease) in working capital and short-term borrowings | 1,286.93 | 1,422.43 | (504.55) |
| | Lease payments | (288.02) | (265.33) | (531.10) |
| | Dividends paid (net of tax on dividend) | (123.10) | - | - |
| | Interest paid on borrowings | (1,352.26) | (1,038.33) | (2,242.06) |
| | Net cash flow (utilised in) / generated from financing activities | (2,935.62) | 697.45 | (2,139.21) |



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FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

CONSOLIDATED STATEMENT OF CASH FLOW

Rs. In Million

| Sl. No. | Particulars | For the current period ended September 30, 2023 | For the previous period ended September 30, 2022 | For the previous year ended March 31, 2023 |
|---------|---|---|--|--|
| | | UNAUDITED | UNAUDITED | AUDITED |
| | Net increase in cash and cash equivalents during the year (A+B+C) | (2,035.07) | (595.83) | 1,329.64 |
| | Cash and cash equivalents at the beginning of the year | 3,035.01 | 1,707.30 | 1,707.30 |
| | Effect of exchange differences on restatement of foreign currency cash and cash equivalents | (11.23) | 0.64 | 1.46 |
| | Cash and cash equivalents pursuant to deconsolidation of subsidiary | - | (3.39) | (3.39) |
| | Cash and cash equivalents at the end of the year* | 988.71 | 1,108.72 | 3,035.01 |
| | * Comprises: | | | |
| | Cash on hand | 2.66 | 2.63 | 2.68 |
| | Balance with banks: | | | |
| | - In current accounts | 854.74 | 1,016.57 | 573.11 |
| | - In deposit accounts | 65.13 | 16.80 | 1,909.58 |
| | - Funds-in-transit | 66.18 | 72.72 | 549.64 |
| | Total | 988.71 | 1,108.72 | 3,035.01 |

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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023****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 October 30, 2023. The statutory auditors have reviewed the results for the quarter and half year ended September 30, 2023 and have issued an unmodified opinion.
- 3 The Group has incurred loss of Rs. 1,588.15 million for the half year ended September 30, 2023. The Parent Company and its subsidiaries had not complied with certain financial covenants related to their respective borrowings for the fiscal year ended March 31, 2023 for which management obtained temporary relaxations from the respective lenders. One of its associates had also not met its covenants for March 2023 and their Management had initiated discussions with its lenders seeking certain temporary relaxations for compliance with financial covenants related to its borrowings, which have not yet been received. Further, the Company has also provided guarantees aggregating to Rs. 11,852 million in relation to the borrowings of its associate company ("the Associate"), out of which Rs. 6,585 million is outstanding as of September 30, 2023.

Continuing from previous fiscal year, the Group has continued to record positive EBITDA from operations which has improved its liquidity position. The Group has cash and cash equivalents of Rs. 989 million as at September 30, 2023 and also undrawn borrowing facilities available from certain lenders. Further, the Group had outstanding equity warrants to Promoter Group issued in previous periods, of Rs. 513 million, which subsequent to the quarter, has already been received and allotted.

Accordingly, based on the facts that the Group has generated positive cash flows in the previous year and expects to continue to generate positive operating cash flows in future periods, returned to positive EBITDA generation starting previous year, its ability to raise new financing facilities, additional equity infusion in the current year, management believes that the Group will be able to continue to generate sufficient cash in the foreseeable future to meet its obligations as they fall due.

- 4 During the quarter and half year ended September 30, 2023, Stelis Biopharma Limited ('the Associate') has continued to incur a loss of Rs. 1,137 million and Rs.2,208 million respectively and has a net negative working capital position amounting to Rs. 2,682 million, which includes the current maturities of non-current borrowings of Rs. 4,798 million as of September 30, 2023. The significant loss for the current quarter and half year ended September 30, 2023 has been on account of continuing operating losses, finance costs and others.

During the previous year, the Associate had inventories relating to Sputnik V, which remained unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF) and accordingly had recorded a provision for these inventories towards obsolescence.

The Associate has requested for temporary relaxations for compliance with the financial covenants from the lenders for fiscal 2022 and 2023 as these have not been met. However, during the year ended March 31, 2023, the shareholders / investors have infused Rs. 7,102 million by subscribing towards call against the partly paid-up shares, rights issues and as intercorporate debt. The Associate has also raised Rs. 3,205 million during the half year ended September 30, 2023 in the form of debt to continue to meet its operational expense and debt repayments obligations.

The Associate is expected to grow the business of Contract Development and Manufacturing Operations (CDMO) further during the year. During the previous financial year, Associate's facility in Bengaluru successfully completed inspection by several regulators including EMA and USFDA and one of its customer has also recently received approval from USFDA for a product filed from the site.

During the current period, the Associate entered into a Business Transfer Agreement (BTA) with Syngene International Limited for sale of Unit-3 (multimodal facility) on a slump sale basis for a consideration of Rs. 7,020 million. The consummation of the transaction is pending certain conditions precedent which are expected to be closed no later than December 31, 2023. This sale is expected to provide cash flows to the Associate to enable it to repay some of its debts.

As more fully described in Note 12, during the current quarter, the Company and Stelis has also announced a demerger from Strides and consolidation of CDMO business within Stelis by issuing shares to the shareholders of the Group and consequently listing Stelis in India.

The Associate has received letter of support from one of its shareholders who have committed to extend the necessary financial support. The Associate is also exploring various fund raising options including refinancing of debts and currently has received certain term sheets from investors / lenders which are being negotiated.

Given the mitigating factors discussed above, the Associate has concluded that it will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate. The Company has also reviewed the developments of the quarter and continues to believe that no impairment trigger exists as of the period end for its investment in the Associate.



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

Rs. in Million

| Particulars | 3 Months ended September 30, 2023 | Preceding 3 Months ended June 30, 2023 | Corresponding 3 Months ended in the previous year September 30, 2022 | Year to date figures for the period ended September 30, 2023 | Year to date figures for the previous period ended September 30, 2022 | Previous year ended March 31, 2023 |
|--|--------------------------------------|---|--|--|--|---------------------------------------|
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| - Exchange gain/ (loss) on long-term foreign currency loans, deferred consideration and | 10.23 | (25.49) | (462.62) | (15.26) | (960.84) | (716.73) |
| - Sales returns and other expenses (including legal fees) on account of product withdrawal and recall (Refer note 7) | (42.10) | (29.38) | (134.91) | (71.48) | (156.79) | (248.82) |
| - Impairment and cost associated with disposal of facility (Refer note 6) | (1,497.62) | - | - | (1,497.62) | - | - |
| - Impairment/Write down of assets | - | - | (16.27) | - | (47.35) | (330.40) |
| - Gain on dilution of investment in associates | - | - | 464.73 | - | 464.73 | 656.07 |
| - Business combination and restructuring expenses | - | - | - | - | (0.88) | (0.88) |
| - Employee Severance and retrenchment expense | (1.20) | (0.46) | (5.84) | (1.66) | (89.77) | (255.03) |
| - Unwinding/ cancellation/ fair valuation of gross obligations and contingent consideration | (4.53) | (4.46) | 151.00 | (8.99) | 129.26 | 568.59 |
| - Gain / (loss) on sale of Investment in associate | - | - | - | - | - | - |
| - Gain on divestment / deconsolidation of subsidiaries (Refer note 8) | - | - | 149.11 | - | 149.11 | 156.88 |
| - Loss on sale of business units (Refer note 8) | (114.06) | - | - | (114.06) | - | - |
| Total | (1,649.28) | (59.79) | 145.20 | (1,709.07) | (512.53) | (170.32) |

6 Strides Pharma Global Pte. Limited, Singapore, entered into a binding agreement with Rxilient Biohub Pte Ltd (Rxilient Biohub) for the sale of its manufacturing facility including licenses, equipment, vendor contracts and leases for a total cash consideration of USD 15 million. As part of the transaction, Rxilient Biohub will also take over the long term lease obligation of the manufacturing site from Strides Pharma Global Pte. Limited.

Accordingly, the difference between the carrying value of the assets and the consideration has been accounted for as an impairment loss under exceptional items amounting to Rs. 1,497.62 million with a corresponding tax credit of Rs. 203.37 million, resulting in net loss of 1,294.25 million during the quarter and half year ended September 30, 2023. Consequently, an amount of Rs 2,613.44 million has been classified as 'Asset held for sale' and Rs. 1,559.61 million representing the lease obligations has been classified as 'Liabilities directly associated with assets classified as held for sale' in line with IND AS 105 - Non Current Assets held for Sale.

The transaction is expected to be consummated by December 2023 on receipt of necessary approvals and completion of customary closing conditions. Proceeds from the transaction is expected to be utilised for its own debt reduction.

7 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 April 1, 2020, the Group has ceased further distribution of the product and is currently in the process of withdrawing the product from the market.

During the current quarter and half year ended September 30, 2023, with respect to the above mentioned recall, the Group is carrying sufficient provision for sales return and has recorded an amount of Rs. 42.10 million and Rs. 71.48 million respectively, towards other expenses related to its product withdrawal. Furthermore, the expenses recorded also includes legal fees incurred by the Group in respect of its ongoing litigations with respect to these recalled products. These amounts, in line with earlier periods, have been recorded as an expense within Exceptional items in the statement of profit and loss during the period.

8 Universal Corporation, Kenya (UCL) would have a favorable opportunity to participate and win certain local tenders if the company is a local Kenyan company, i.e Kenyan shareholders own at-least 51% ownership in the company. In order to maximize the opportunities for UCL, the shareholders have jointly agreed to take the necessary steps that enables the company to be eligible and win such businesses enabling its future growth. During the previous year, to enable Universal Corporation, Kenya (UCL) to compete in local tender businesses in Africa which promotes local companies, the Group decided to reduce its equity shareholding below majority in UCL. Consequently, the Group also ceded away the control over the board of UCL in favour of the other existing shareholders. However, it continues to have board representation to exercise significant influence. Pursuant to above amendments, the Group concluded that it no longer exercises control over UCL and hence will account for its investment as an equity method associate. As per Ind AS 110 - Consolidated Financial Statements, the resulting gain of Rs. 156 million, on loss of control has been disclosed under exceptional items.

Subsequently, to enable UCL product portfolio and improve the manufacturing capacity utilisation, the Institutional Tender Business portfolio of the Group consisting of non-exclusive IP's, inventory and receivables were transferred to UCL during the period ended September 30, 2023 for an agreed consideration of USD 15.08 million which will be received by September, 2026. This transfer of business resulted in a loss of Rs. 114 million which has been accounted under exceptional items.



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9 Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group's performance based on an analysis of various performance indicators. The accounting principles used in the preparation of these financial results are consistently applied to record revenue and expenditure in individual segments.

Effective previous year, the Group pursuant to its assessment that the business has now evolved from its incubation stage and to align to the decision to demerge certain parts of its business, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of the aforesaid change, the Group has two operating segments, representing the individual businesses that are managed separately. The Group's reportable segment are as follows: "Pharmaceutical" & "Bio-pharmaceutical".

Rs. in Million

| | Particulars | 3 Months ended | Preceding 3 Months | Corresponding 3 | Year to date figures | Year to date figures | Previous year ended |
|---|---|--------------------|---------------------|--|---|--|---------------------|
| | | September 30, 2023 | ended June 30, 2023 | Months ended in the previous year September 30, 2022 | for the period ended September 30, 2023 | for the pervious period ended September 30, 2022 | March 31, 2023 |
| | | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| 1 | Segment Revenue | | | | | | |
| | a) Pharmaceutical business | 9,994.27 | 9,299.94 | 8,970.97 | 19,294.21 | 18,371.71 | 36,883.87 |
| | b) Bio-pharmaceutical business | - | - | - | - | - | - |
| | Revenue from operations | 9,994.27 | 9,299.94 | 8,970.97 | 19,294.21 | 18,371.71 | 36,883.87 |
| 2 | Segment results | | | | | | |
| | (i) Profit/ (loss) before exceptional items and tax | | | | | | |
| | a) Pharmaceutical business | 502.85 | 392.27 | (77.54) | 895.12 | (489.94) | 161.15 |
| | b) Bio-pharmaceutical business | - | - | - | - | - | - |
| | | 502.85 | 392.27 | (77.54) | 895.12 | (489.94) | 161.15 |
| | (ii) Exceptional items - net gain / (loss) | | | | | | |
| | a) Pharmaceutical business | (1,649.28) | (59.79) | 145.20 | (1,709.07) | (512.53) | (361.66) |
| | b) Bio-pharmaceutical business | - | - | - | - | - | 191.34 |
| | | (1,649.28) | (59.79) | 145.20 | (1,709.07) | (512.53) | (170.32) |
| | (iii) Share of loss of joint ventures and associates | | | | | | |
| | a) Pharmaceutical business | (58.91) | 4.10 | (22.84) | (63.84) | (87.89) | (108.38) |
| | b) Bio-pharmaceutical business | (363.63) | (333.39) | (425.54) | (687.99) | (924.40) | (2,744.45) |
| | | (422.54) | (329.29) | (448.38) | (751.83) | (1,012.29) | (2,852.83) |
| | (iv) Profit/ (loss) before tax | | | | | | |
| | a) Pharmaceutical business | (1,205.34) | 336.58 | 44.82 | (877.79) | (1,090.36) | (308.89) |
| | b) Bio-pharmaceutical business | (363.63) | (333.39) | (425.54) | (687.99) | (924.40) | (2,553.11) |
| | Profit/ (loss) before tax [(i)+(ii)+(iii)] | (1,568.97) | 3.19 | (380.72) | (1,565.78) | (2,014.76) | (2,862.00) |
| | Tax expense | (74.42) | 96.79 | (384.04) | 22.37 | (664.78) | (553.01) |
| | (v) Profit/(loss) after tax from continuing operations | (1,494.55) | (93.60) | 3.32 | (1,588.15) | (1,349.98) | (2,308.99) |



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

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Rs. in Million

| | Particulars | 3 Months ended | Preceding 3 Months ended | Corresponding 3 Months ended in the | Year to date figures | Year to date figures | Previous year ended |
|---|----------------------------------|--------------------|--------------------------|-------------------------------------|----------------------|-------------------------------|---------------------|
| | | September 30, 2023 | June 30, 2023 | previous year | for the period ended | for the pervious period ended | March 31, 2023 |
| | | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| 1 | Segment Assets | | | | | | |
| | a) Pharmaceutical business | 61,036.04 | 61,799.35 | 64,206.20 | 61,036.04 | 64,206.20 | 63,352.63 |
| | b) Bio-pharmaceutical business | 2,342.00 | 3,206.03 | 4,242.37 | 2,342.00 | 4,242.37 | 3,031.57 |
| | Total Segment Assets | 63,378.04 | 65,005.38 | 68,448.57 | 63,378.04 | 68,448.57 | 66,384.20 |
| 2 | Segment Liabilities | | | | | | |
| | a) Pharmaceutical business | 43,442.85 | 43,371.04 | 45,430.58 | 43,442.85 | 45,430.58 | 44,655.37 |
| | b) Bio-pharmaceutical business | - | - | - | - | - | - |
| | Total Segment Liabilities | 43,442.85 | 43,371.04 | 45,430.58 | 43,442.85 | 45,430.58 | 44,655.37 |

10 The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation on March 29, 2022, which has been accepted by the Board of Directors (Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated August 20, 2020, he was entitled to a joining bonus of Rs. 141.90 million which had been paid in full by the Company in earlier periods. However, the employment terms contain a provision to claw back the joining bonus in full if he were to leave the Company before completing 36 months from the date of such payment. The Board has decided to recover the joining bonus in accordance with the terms of employment. Accordingly, in line with the requirements of Section 197(9), the Company has shown an amount of Rs. 141.90 million as a recoverable balance which is disclosed under current financial assets.

11 Board of Directors of the Company on March 14, 2022 approved the issuance of upto 2,000,000 Equity Warrants at a price of Rs 442/- per warrant, to Karuna Business Solutions LLP, a promoter group entity, with a right to apply for and get allotted, within a period of 18 (Eighteen) months from the date of allotment of Warrants, 1 (one) Equity Share of face value of Rs 10/- (Rupee Ten Only) each for each Warrant, for cash. The issue was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on April 7, 2022 and has also received requisite listing approvals. An amount of Rs. 221 million equivalent to 25% of the Warrant Price was paid to the Company at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares pursuant to exercise of the options. During the year ended March 31, 2023, on exercise of options by Karuna Business Solutions LLP and on receipt of balance subscription money of Rs.150 million, the Company has fully converted 452,490 convertible warrants into Ordinary Shares. Equity warrants of 1,547,510 are pending to be allotted as on September 30, 2023. The Company has fully utilised the amounts of Rs. 371 million towards capital resources and operations. Subsequent to the quarter, the Company received Rs. 513 million towards subscription of balance equity warrants and the same has been allotted.

12 On September 25, 2023 the board of directors of the Company approved the Scheme of Arrangement between Strides Pharma Science Limited, Stelis Biopharma Limited and Steriscience Specialities Private Limited with an appointed date of April 01, 2024. The Scheme is subject to approval from Stock exchanges, SEBI, NCLT, Shareholders, Creditors, and other regulatory authorities.

Upon the scheme becoming effective, the identified CDMO and Softgel business of Strides would be demerged from the books of Strides Pharma Science Ltd and will get merged with existing Stelis business. The consideration would be issued to the shareholders of Strides in the form of shares in Stelis Biopharma Ltd with a consequential listing of Stelis in the Indian stock exchanges. The demerger would be accounted as per the guidance in Appendix A of Ind As10 (Distribution of Non-cash assets to the owners) once the Scheme is approved by the NCLT and all other conditions are met.

The Scheme has already been filed with the BSE and National Stock exchange for their approval.



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13 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"). Under the terms of SPA, the Group is entitled to the benefit of any refund of taxes in respect of any period ending on or before the completion date.

During the previous year, Mylan has received certain tax refund with respect to the period on or before the completion date, which has been remitted to the Group. The Group has recorded such receipt of Rs. 185.69 million as a gain under discontinued operations.

| Sl. No. | Particulars | Rs. in Million | | | | | |
|---------|--|-----------------------------------|--|--|--|---|------------------------------------|
| | | 3 Months ended September 30, 2023 | Preceding 3 Months ended June 30, 2023 | Corresponding 3 Months ended in the previous year September 30, 2022 | Year to date figures for the period ended September 30, 2023 | Year to date figures for the previous period ended September 30, 2022 | Previous year ended March 31, 2023 |
| | | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| I | Total Revenue | - | - | - | - | - | - |
| II | Total Expenses | - | - | - | - | - | - |
| III | Profit/(loss) before exceptional items and tax (I - II) | - | - | - | - | - | - |
| IV | Exceptional items | - | - | - | - | - | - |
| V | Profit/(loss) before tax (III + IV) | - | - | - | - | - | - |
| VI | Share of profit / (loss) of joint ventures and associates | - | - | - | - | - | - |
| VII | Profit/(loss) before tax (V + VI) | - | - | - | - | - | - |
| VIII | Gain on disposals of assets (net) | - | - | 185.69 | - | 185.69 | 185.69 |
| IX | Tax expense / (benefit) | - | - | - | - | - | - |
| X | Profit/(loss) from discontinued operations (VII+ VIII - IX) | - | - | 185.69 | - | 185.69 | 185.69 |

14 Information on Standalone Results : -

| Particulars | Rs. in Million | | | | | |
|---|-----------------------------------|--|--|--|---|------------------------------------|
| | 3 Months ended September 30, 2023 | Preceding 3 Months ended June 30, 2023 | Corresponding 3 Months ended in the previous year September 30, 2022 | Year to date figures for the period ended September 30, 2023 | Year to date figures for the previous period ended September 30, 2022 | Previous year ended March 31, 2023 |
| | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | UNAUDITED | AUDITED |
| Total Income from continuing operations | 5,626.28 | 4,869.69 | 5,017.06 | 10,495.97 | 9,323.61 | 19,385.62 |
| Profit/ (loss) before tax from continuing operations | 41.94 | 91.29 | (440.71) | 133.23 | (1,479.51) | (647.60) |
| Profit/ (loss) after tax from continuing operations | 12.83 | 80.02 | (39.97) | 92.85 | (702.51) | 46.82 |
| Profit/(loss) before tax from discontinued operations | - | - | - | - | - | - |
| Profit/(loss) after tax from discontinued operations | - | - | - | - | - | - |

15 On May 25, 2023, the board of directors had proposed a final dividend of Rs 1.5 per share, which was approved by Shareholders at the Annual General Meeting and the same has been paid during the quarter ended September 30, 2023.

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

For and on behalf of the Board

Arun Kumar

Executive Chairperson and Managing Director

Bangalore, October 30, 2023