

B S R & Co. LLP

Chartered Accountants

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Limited review report

To
Board of Directors of Strides Pharma Science Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Strides Pharma Science Limited (“the Company”) for the quarter ended 30 September 2019 and year to date results for the period from 01 April 2019 to 30 September 2019 (“the Statement”).
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

for B S R & Co. LLP
Chartered Accountants

Firm’s Registration No.: 101248W/W-100022



Sampad Guha Thakurta

Partner

Membership No: 060573

UDIN: 19060573AAAADL6516

Place: Bengaluru

Date: 25 October 2019

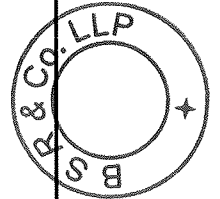


STRIDES PHARMA SCIENCE LIMITED

Regd. Office: No. 201, Devavriata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

Sl. No.	Particulars	Rs. In Lakhs					
		3 Months ended September 30, 2019	Preceding 3 Months ended June 30, 2019	Corresponding 3 Months ended in the previous year September 30, 2018	Year to date figures for the current period ended September 30, 2019	Year to date figures for the previous period ended September 30, 2018	Previous year ended March 31, 2019
		UNAUDITED (1)	UNAUDITED (2)	UNAUDITED (3)	UNAUDITED (4)	UNAUDITED (5)	AUDITED (6)
I	Continuing operations						
II	Revenue from operations	42,541	44,253	33,843	86,794	68,820	153,744
III	Other income	3,220	2,308	2,036	5,528	3,613	11,461
	Total income (I + II)	45,761	46,561	35,879	92,322	72,433	165,205
IV	Expenses						
	(a) Cost of materials consumed	16,198	28,350	20,873	44,548	44,535	90,377
	(b) Purchases of stock-in-trade	566	1,146	255	1,712	1,157	2,058
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	5,733	(3,305)	(829)	2,428	(4,039)	(4,552)
	(d) Employee benefits expense	5,605	5,156	6,903	10,761	12,138	22,321
	(e) Finance costs	1,488	1,712	1,137	3,200	2,284	5,409
	(f) Depreciation and amortisation expense	2,269	2,324	2,123	4,593	4,126	8,300
	(g) Other expenses	7,982	8,106	6,575	16,088	12,193	27,985
	(h) Foreign exchange (gain)/ loss- net	98	38	-	136	-	1,652
	Total expenses (IV)	39,939	43,527	37,037	83,466	72,394	153,550
V	Profit/(loss) before exceptional items and tax (III - IV)	5,822	3,034	(1,158)	8,856	39	11,655
VI	Exceptional item gain/ (loss) (net) (Refer note 9)	-	-	(1)	-	(6)	(352)
VII	Profit/(loss) before tax (V + VI)	5,822	3,034	(1,159)	8,856	33	11,303
VIII	Tax expense						
	- Current tax	1,283	929	-	2,212	-	2,463
	- Deferred tax expense / (benefit)	(1,611)	(363)	(132)	(524)	5	(2,601)
	Total tax expense (VIII)	1,122	566	(132)	1,688	5	(138)
IX	Profit/(loss) after tax from continuing operations (VII - VIII)	4,700	2,468	(1,027)	7,168	28	11,441
X	Discontinued operations						
	- Profit/(loss) from discontinued operations	-	-	-	-	-	-
	- Gain/ (loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	-	-	(469)	-	(470)	(470)
XI	Profit/(loss) before tax from discontinued operations	-	-	(469)	-	(470)	(470)
	- Tax expense / (benefit) of discontinued operations	-	-	(66)	-	(66)	(66)
XII	Profit/(loss) after tax from discontinued operations	-	-	(403)	-	(404)	(404)
XIII	Profit/(loss) for the period (IX + XII)	4,700	2,468	(1,430)	7,168	(376)	11,037





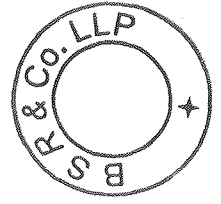
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**STATEMENT OF STANDALONE UNAUDITED RESULTS
 FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

Sl. No.	Particulars	3 Months ended September 30, 2019	Preceding 3 Months ended June 30, 2019	Corresponding 3 Months ended in the previous year September 30, 2018	Year to date figures for the current period ended September 30, 2019	Year to date figures for the previous period ended September 30, 2018	Previous year ended March 31, 2019
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
XIV	Other comprehensive income						
A	(i) Items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(77)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	5	32
B	(i) Items that may be reclassified to statement of profit and loss	(1,403)	296	(1,906)	(1,107)	(4,181)	1,502
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	491	(104)	666	387	1,460	(526)
	Total other comprehensive income for the period (XIV)	(912)	192	(1,240)	(720)	(2,716)	931
XV	Total comprehensive income for the period (XIII + XIV)	3,788	2,660	(2,670)	6,448	(3,092)	11,968
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)						
	(a) Basic (Rs.)	5.25	2.76	(1.15)	8.00	0.03	12.78
	(b) Diluted (Rs.)	5.25	2.75	(1.15)	8.00	0.03	12.77
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)						
	(a) Basic (Rs.)	-	-	(0.45)	-	(0.45)	(0.45)
	(b) Diluted (Rs.)	-	-	(0.45)	-	(0.45)	(0.45)
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)						
	(a) Basic (Rs.)	5.25	2.76	(1.60)	8.00	(0.42)	12.33
	(b) Diluted (Rs.)	5.25	2.75	(1.60)	8.00	(0.42)	12.32

See accompanying notes to the Financial Results



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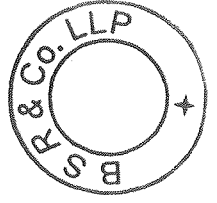
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STATEMENT OF STANDALONE UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

BALANCE SHEET AS AT SEPTEMBER 30, 2019 AND MARCH 31, 2019

Particulars	As at September 30, 2019		As at March 31, 2019
	UNAUDITED	AUDITED	
A			
ASSETS			
I			
Non-current assets			
(a) Property, plant and equipment	46,073	44,459	
(b) Capital work in progress	7,281	7,257	
(c) Right of Use Assets	2,667	-	
(d) Investment property	7,462	7,688	
(e) Other intangible assets	4,661	5,214	
(f) Intangibles assets under development	4,649	4,990	
(g) Financial assets			
(i) Investments	202,459	199,459	
(ii) Loans receivable	13,834	9,161	
(iii) Other financial assets	1,578	-	
(h) Deferred tax assets (net)	9,133	8,012	
(i) Income tax assets (net)	11,602	11,613	
(j) Other non-current assets	2,148	2,069	
Total non-current assets	313,547	299,922	
II			
Current assets			
(a) Inventories	42,448	47,334	
(b) Financial assets			
(i) Investments	790	15,429	
(ii) Trade receivables	68,874	58,256	
(iii) Cash and cash equivalents	4,982	6,947	
(iv) Other balances with banks	5,865	11,134	
(v) Loans receivable	276	2,760	
(vi) Other financial assets	4,555	11,275	
(c) Other current assets	12,479	13,224	
Total current assets	140,269	166,359	
Total assets	453,816	466,281	

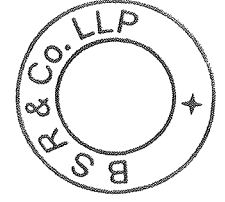


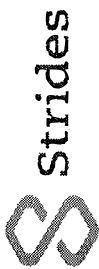
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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

Particulars	As at	
	September 30, 2019	March 31, 2019
	UNAUDITED	AUDITED
B EQUITY AND LIABILITIES		
I Equity		
(a) Equity Share capital	8,955	8,955
(b) Other equity	307,298	316,725
Total Equity	316,253	325,680
II Liabilities		
1 Non-current liabilities		
(a) Financial liabilities		
(i) Lease liability	2,439	-
(ii) Borrowings	4	15
(iii) Other financial liabilities	351	334
(b) Provisions	1,501	1,288
(c) Other non-current liabilities	-	64
Total Non-current liabilities	4,295	1,701
2 Current liabilities		
(a) Financial liabilities		
(i) lease liability	879	208
(ii) Borrowings	80,121	80,880
(iii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	661	574
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	44,562	50,367
(iii) Other financial liabilities		
(b) Provisions	1,822	2,385
(c) Current tax liabilities	2,384	2,131
(d) Other current liabilities	1,344	13
Total current liabilities	1,495	2,342
Total equity and liabilities	133,268	138,900
	453,816	466,281



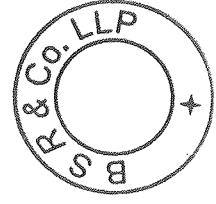


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STATEMENT OF STANDALONE CASH FLOWS

Sl. No.	Particulars	Rs. In Lakhs		
		For the half year ended September 30, 2019	For the half year ended September 30, 2018	For the year ended March 31, 2019
		UNAUDITED	UNAUDITED	AUDITED
A.	Cash flow from operating activities			
	Profit before tax from:			
	Continuing operations	8,856	33	11,303
	Discontinued operations	-	(470)	(470)
		8,856	(437)	10,833
	Adjustments for:			
	- Depreciation and amortisation expense			8,300
	- (profit)/Loss on sale of property, plant and equipment and intangibles	4,593	4,126	5
	- Loss on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	(1)	4	470
	- Share based compensation expense	131	282	90
	- Interest expense on borrowings & discounting of lease security deposits received	3,022	2,130	5,098
	- Interest and dividend income	(3,869)	(662)	(5,196)
	- Rental income from investment property	(515)	(375)	(841)
	- Bad debts written off / provision for doubtful trade and other receivables	198	76	576
	- Net unrealised exchange loss	407	1,256	517
		12,822	6,870	19,852
	Operating profit before working capital changes			
	Changes in working capital:			
	Increase in trade and other receivables	(15,092)	(6,306)	(3,393)
	Decrease / (increase) in inventories	4,886	(7,775)	(20,371)
	(Decrease) / Increase in trade and other payables	(5,163)	7,744	11,660
		(15,369)	(6,337)	(12,104)
	Net change in working capital			
	Cash generated from operations	(2,547)	533	7,748
	Income taxes paid	(870)	(1,524)	(3,751)
		(3,417)	(991)	3,997
	Net cash flow generated from/(utilised in) operating activities			
	A			





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STATEMENT OF STANDALONE UNAUDITED RESULTS

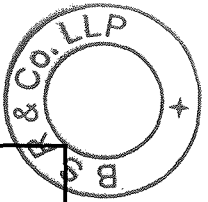
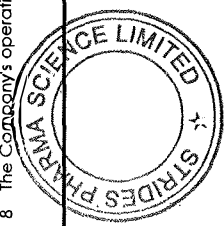
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

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 results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 25, 2019. The statutory auditors have reviewed the results for the quarter and half year ended September 30, 2019 and have issued an unmodified opinion.
- Effective April 1, 2019, the Company 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, comparative periods have not been restated. The effect of this adoption has resulted in recognition of Right-of-use assets (ROU) amounting to Rs.3,588 Lakhs and lease liability of Rs. 4,187 lakhs, resulting to a debit of Rs. 390 Lakhs (net of taxes) to retained earnings. Further, it has also resulted in decrease in other expenses of Rs. 525 lakhs, increase in interest expenses (included under finance cost) of Rs.152 Lakhs and an increase in depreciation and amortisation expenses of Rs. 401 lakhs, resulting in a reduction in profit for the half year ended September 30, 2019 by Rs.28 lakhs.
- Results of discontinued operations (including discontinued operations of earlier periods)

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		3 Months ended September 30, 2019	Preceding 3 Months ended June 30, 2019	Corresponding 3 Months ended in the previous year September 30, 2018	Year to date figures for the current period ended September 30, 2019	Year to date figures for the previous period ended September 30, 2018	Previous year ended March 31, 2019
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)	-	-	(469)	-	-	-
VI	Gain/ (loss) on disposals (net)	-	-	(66)	(470)	(470)	(470)
VII	Tax expense/ (benefit)	-	-	(66)	(66)	(66)	(66)
VIII	Gain/ (loss) from discontinued operations (V+VI-VII)	-	-	(403)	(404)	(404)	(404)

- During the current quarter, the Company through its subsidiary Strides Pharma Global Pte Limited, Singapore invested in 70% equity interest in Fair-med Healthcare AG, Switzerland.
- During the current quarter, the Company through its subsidiary Strides Pharma Inc., USA acquired USFDA approved manufacturing facility in Florida, USA for a cash consideration of USD 5 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 Arrowtex
- The Company'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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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

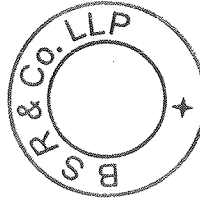
9 Exceptional item gain/ (loss) (net):

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a	Business combination and restructuring expenses	-	-	(1)	-	(6)	(352)
	Total	-	-	(1)	-	(6)	(352)

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 The Board of Directors at its meeting held on July 29, 2019 approved an interim dividend of Rs 12 per equity share and which was paid during the quarter.

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



For and on behalf of the Board
Atul Kumar
Group CEO and Managing Director

Bengaluru, October 25, 2019

Atul Kumar