

May 10, 2019

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip code: 532531

The National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051
Scrip code: STAR

Dear Sirs,

Sub: Outcome of Board Meeting – Audited Financial Results (Standalone & Consolidated) for the quarter/ year ended March 31, 2019

The Board of Directors at their meeting held today i.e., on May 10, 2019, have approved and adopted the Audited Financial Statements along with the Auditors' Report for the quarter/ year ended March 31, 2019.

In this regard, please find enclosed herewith the following:

- a) Audited Financial Statements (Standalone and Consolidated) along with Auditors' Report for the financial year ended March 31, 2019.
- b) Press Release titled 'Strides announces a strong Q4FY19 performance to exit FY19 on a high'

The board meeting commenced at 11:30 hrs and concluded at 13:00 hrs.

This is for your information and record.

Thanks & Regards,

For **Strides Pharma Science Limited**



Manjula Ramamurthy
Company Secretary



Strides Pharma Science Limited

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

Corp Off: Strides House, Bilekahalli, Bannerghatta Road, Bangalore - 560 076, India

Tel: +91 80 6784 0000 Fax: +91 80 6784 0700

Regd Off: 201, Devavrata, Sector 17, Vashi, Navi Mumbai – 400 703, India

Tel: +91 22 2789 2924 / 3199 Fax: +91 22 2789 2942

info@strides.com; www.strides.com

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Dear Sirs,

Sub: Declaration pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Ref: Unmodified Opinion in the Auditors' Report for Financial Year 2018-19

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, we hereby declare that M/s. BSR & Co. LLP, the Statutory Auditors of the Company have issued the Auditors' Report with unmodified opinion in respect to the Audited Financial Results (Standalone and Consolidated) for the Financial Year ended March 31, 2019, the copies of which are annexed.

We request you to kindly take the above information on record.

Thanks & Regards,

For **Strides Pharma Science Limited**



Manjula Ramamurthy
Company Secretary



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Strides announces a strong Q4FY19 performance to exit FY19 on a high

- Q4FY19 YoY revenues up by 24% at ₹8,389m with EBITDA of ₹1,581m, up by 57% YoY
- Healthy growth across regulated markets & operating leverage led to a 400 bps improvement in Q4FY19 EBITDA margins
- FY19 revenues up by 6% at ₹30,264m with EBITDA of ₹4,695m, up by 7%
- Board recommends a dividend of ₹3/- per equity share of face value of ₹10/-

Bangalore, India, May 10, 2019- Strides Pharma Science Ltd (BSE: 532531, NSE: STAR) today announced its Q4FY19 and FY19 results.

KEY PERFORMANCE HIGHLIGHTS – Q4FY19 AND FY19

All Values in ₹m

| Particulars | Q4FY18 | Q3FY19 | Q4FY19 | YoY % | QoQ % | FY18 | FY19 | YoY % |
|-------------|--------|--------|--------|---------|---------|--------|--------|--------|
| Revenues | 6,775 | 7,917 | 8,389 | 24% | 6% | 28,578 | 30,264 | 6% |
| EBITDA | 1,005 | 1,209 | 1,581 | 57% | 31% | 4,369 | 4,695 | 7% |
| EBITDA % | 14.8% | 15.3% | 18.8% | 400 bps | 350 bps | 15.3% | 15.5% | 20 bps |
| Adj PAT | | | 609 | | | | 1,067 | |
| Adj EPS | | | 7 | | | | 12 | |

PAT for Q4FY19 Adjusted for Biotech share of gain ₹10m, CHC loss of ₹160m, Business restructuring expenses of ₹212m, net revaluation gain on Vivimed JV acquisition of ₹218m.

PAT for FY19 Adjusted for Biotech share of loss ₹145m, CHC loss of ₹160m, Business restructuring expenses of ₹341m, net revaluation gain on Vivimed JV acquisition of ₹115m

Arun Kumar, Founder and Group CEO, remarked, “Starting the year with several challenges, we are satisfied with our FY19 exit quarter performance as most of the strategic outcomes have met our expectations. We are particularly happy with the regulated market performance which exceeds our internal target in delivering ~20% EBITDA margins in spite of increased spending on R&D. Moving into the new fiscal, our emerging market and institutional business will get our highest attention and priority. We believe significant work on course correction of these markets is now complete, and we are well suited to drive profitable growth going forward.”

BUSINESS UPDATES

A. Regulated Markets

Regulated markets for Strides comprise of the US, Australia, and other regulated markets (UK, European Union, South Africa, and Canada). In the Q4FY19, these markets delivered a stellar 16% QoQ and 42% YoY growth accounting for over 89% of the group revenues with ~20% Post-R&D EBITDA margins. The group revenue contribution from the regulated markets increased to 81% in FY19 as compared to 71% in FY18 registering a 21% YoY growth.

US

- Growth remains buoyant with Q4FY19 reported revenues at ₹3,732m(\$53m), up 31% QoQ and 181% YoY
- The Frontend performance was largely driven by market share gains in the base portfolio and healthy traction for recently launched products.

- US is now the largest market for Strides contributing ₹10,514m(\$150m) to the FY19 revenues, growing 36% over FY18.
- The business now annualises to a run-rate over ~ ₹14,000m (\$200m).

Other Regulated Markets

- Sustained the growth momentum with Q4FY19 revenues at ₹1,370m.
- 9% QoQ and 14% YoY growth in the quarter despite disruptions on account of recently introduced serialisation standards
- Other regulated markets revenues stood at ₹4,685m growing 39% over FY18, to become the fastest growing market for Strides

Australia

- Q4FY19 revenues at ₹2,349m reflecting flat QoQ movement and YoY decline of 13%. FY19 Revenues at ₹9,331m recording a modest 1% growth over FY18 with >20% EBITDA margins as a result of backward integration initiatives
- Received Shareholders approval to exit Arrow investments on 27th March 2019. The transaction is pending for other closing conditions including completion of the merger of Arrow and Apotex and closure of 10-year preferred supply contract

B. Emerging Markets and Institutional Business

The emerging markets and institutional business witnessed challenges as a result of a weak business environment. For the quarter, the emerging markets contributed ₹938m to the revenues, a QoQ and YoY decline of 36% and 39% respectively. The revenues for FY19 were at ₹5,735m decreasing by 31% YoY.

Africa and Emerging Markets

- Q4FY19 revenues at ₹493m, down by 15% YoY and 18% QoQ
- FY19 revenues at ₹2,081m versus ₹2,643m in FY18
- A major portion of course correction strategy achieved its outcomes, expected to deliver a turnaround in the coming period.

Institutional Business

- Remained affected by sluggish procurement trend by donor funding agencies and pricing challenges
- Q4FY19 revenues at ₹445m, down by 53% YoY and 49% QoQ
- FY19 revenues down to ₹3,654m versus ₹5,610m in FY18, a decline of 35%
- Completed all the contractual obligations of low margin institutional supplies partnered under long-term contracts. The business is now recalibrated to focus on profitable contracts and to take a guarded approach with a margin led focus.

Detailed investor communication on the performance of the company is attached

CONFERENCE CALL DETAILS

| | |
|---|---|
| Date: Friday, 10th May 2019 | Time: 03:30pm IST / 11:00am BST / 06:00am EDT / 06:00pm HKT |
| India Primary | +91 22 6280 1434 / +91 22 7115 8838 |
| All other regions | +91-7045671221 |
| USA | 18667462133 |
| UK | 08081011573 |
| Singapore | 8001012045 |
| Hongkong | 800964448 |
| URL: | https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=86286&linkSecurityString=1f450c80 |
| Playback | +912271945757 / +912266635757 Playback Code: 23909 |

ABOUT STRIDES

Strides, listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical Company headquartered in Bangalore, India. The Company mainly operates in the regulated markets and has an “in Africa for Africa” strategy along with an institutional business to service donor-funded markets. The Company’s global manufacturing sites are located in India- Bangalore (two sites), Pondicherry, and Chennai, Singapore, Italy- Milan, and Kenya- Nairobi. The Company focusses on “difficult to manufacture” products that are sold in over 100 countries. Additional information is available at the Company’s website at www.strides.com

For further information, please contact:

| | |
|---|---|
| <p><u>Strides</u></p> <p>Badree Komandur Executive Director - Finance +91 80 6784 0747</p> <p><u>Investor Relations:</u></p> <p>Kannan. N: +91 98450 54745 Vikesh Kumar: +91 80 6784 0827 Sandeep Baid: +91 80 6784 0791 Email: sandeep.baid@strides.com</p> <p><u>Strides Pharma Science Limited</u> <i>(Formerly Strides Shasun Limited)</i> CIN: L24230MH1990PLC057062 Regd. Office: 201, ‘Devavrata’, Sector - 17, Vashi, Navi Mumbai - 400 703 Corp. Office: Strides House, Bannerghatta Road, Bangalore – 560076</p> | <p><u>PR Consultancy</u></p> <p>Fortuna PR K Srinivas Reddy: +91 90005 27213 srinivas@fortunapr.com</p> <p>K Priya: +91 95354 25418 priya@fortunapr.com</p> |
|---|---|



Reset. Resurgent.

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WHATS INSIDE



Performance Highlights



Marketwide Perspective



Financial Performance

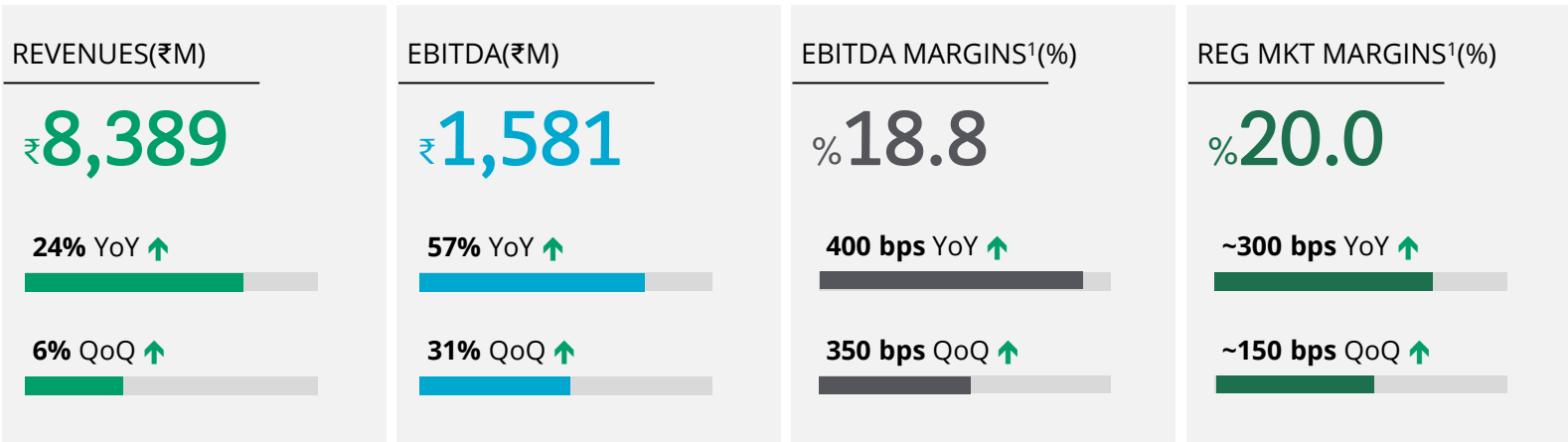


Performance Highlights

Sequential growth in the quarters delivering an improved FY19 performance

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Q4FY19 PERFORMANCE



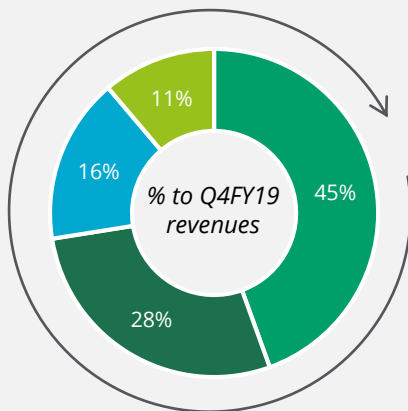
Starting the year with several challenges, we are satisfied with our FY19 exit quarter performance as most of the strategic outcomes have met our expectations. We are particularly happy with the regulated market performance which exceeds our internal target in delivering ~20% EBITDA margins in spite of increased spending on R&D.

Moving into the new fiscal, our emerging market and institutional business will get our highest attention and priority. We believe significant work on course correction of these markets is now complete, and we are well suited to drive profitable growth going forward."

Arun Kumar,
Founder and Group CEO



Q4FY19 REVENUE BY MARKETS

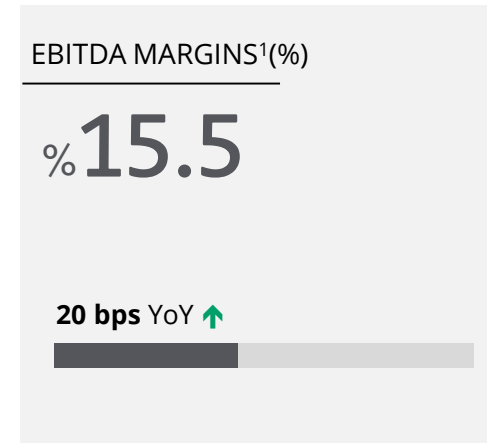
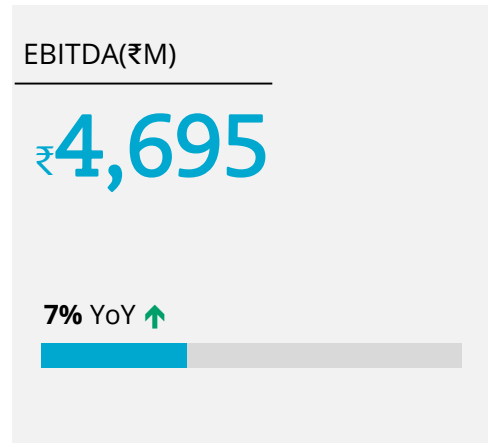
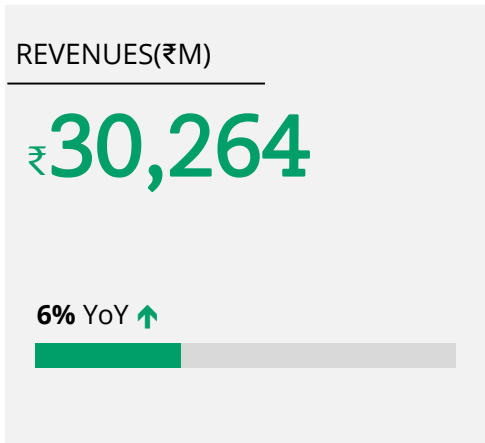


| # | Market | Revenues | % to Qtr | YoY % | QoQ % |
|-----------------------|--------------------|----------------|-------------|--------------|--------------|
| 1 | US | ₹3,732m | 45% | 181% ↑ | 31% ↑ |
| 2 | Australia | ₹2,349m | 28% | -13% ↓ | ↔ |
| 3 | Other Reg Mkt | ₹1,370m | 16% | 14% ↑ | 9% ↑ |
| Total Reg Mkt | | ₹7,451m | 89% | 42% ↑ | 16% ↑ |
| 4 | Emerging Mkts | ₹493m | 6% | -15% ↓ | -18% ↓ |
| 5 | Institutional Biz. | ₹445m | 5% | -53% ↓ | -49% ↓ |
| Total Revenues | | ₹8,389m | 100% | 24% ↑ | 6% ↑ |

An Improved FY19 performance post a challenging FY18

Regulated market revenues contribution at 81% from 71% in FY18.

FINANCIAL PERFORMANCE



REVENUE BY MARKETS




1. Post R&D Margins
2. Post R&D EBITDA Margins from regulated markets

Favorable outcomes in US and other Regulated markets, headwinds continue with emerging markets and Institutional business




US

- + Q4FY19 revenues at **₹3,732m(\$53m)** , up 31% QoQ and 181% YoY, achieves an **annualised run rate of \$200m**
- + FY19 revenues at **₹10,514m (\$150m)** up 36% YoY
- + Delivered healthy performance in the **base portfolio** with market share gains for several molecules and no **price drops**
- + **10+ products** with **\$10m run rate**
- + **Singapore facility** receives USFDA approval
- × Unfavourable outcomes from the recent inspection at Puducherry facility. **Limited growth impact** as approved portfolio is aligned for significant growth. **Marginal impact/delays** in approval of 10 ANDA (~1b market opportunity) approvals out of the 34 pending ANDAs




AUSTRALIA

- + Q4FY19 revenues at **₹2,349m(A\$46m)** reflecting a flat QoQ movement and YoY decline of 13%
- + FY19 Revenues at **₹9,331m (A\$184m)** with **>20% EBITDA** margins as a result of **backward integration initiatives**
- + **Completed site transfers** of all major products to Strides with supplies for most product going live during the year
- + Received **Shareholders approval** to exit Arrow on 27th March 2019. The transaction is pending for other closing conditions including completion of **merger of Arrow and Apotex** and closure of **10-year preferred supply contract**



OTHER REG. MARKETS

- + Other regulated markets was the **fastest growing business** for Strides in FY19
- + Q4FY19 revenues at **₹1,370m** were up 9% QoQ and 14% YoY despite disruptions on account of recently **introduced serialization standards**
- + Revenues for FY19 at ₹4,685m up **39% YoY** and business contributed **16% of FY19 revenues**
- + UK front end delivered a strong performance during the year driven by **increased wholesaler listings**
- + Growth in other regulated market ex - UK was driven by addition of **new products to the portfolio and entry into new markets**



EMERGING MARKETS

- + **Course correction** that was under play in FY19 achieves major strategic outcomes
- + Revamped **business leadership**, field force & agency in key markets
- + Steady secondary sales growth in **key focused markets**
- × Q4FY19 revenues at ₹493m , down by 15% YoY and 18% QoQ
- × FY19 revenues **declines to ₹2,081m** versus ₹2,643m in FY18



INSTITUTIONAL BUSINESS

- + Completed all the contractual obligations of **low margin institutional supplies** partnered under long-term contracts
- + Business recalibrated to focus on profitable contracts and to take a guarded approach **with a margin driven focus**
- × Muted performance in a challenging business environment, Q4FY19 revenues at ₹445m , down by 53% YoY and 49% QoQ
- × FY19 revenues **down to ₹3,654m** versus ₹5,610m in FY18





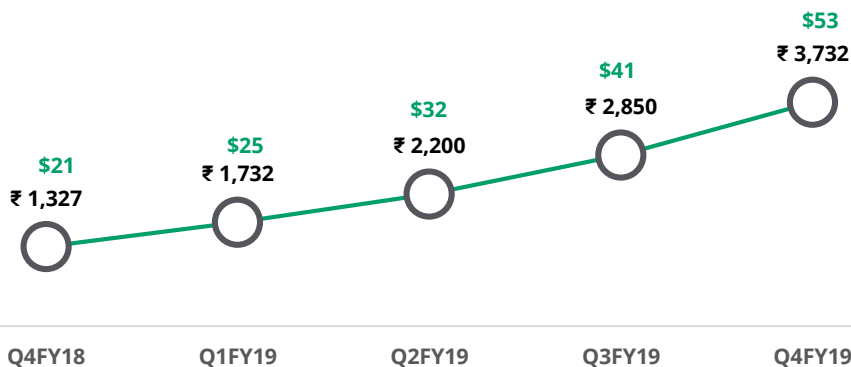
Regulated Markets

Led by the US, the regulated markets attained ~20% margins and critical scale for a sustainable growth

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Performance driven by significant momentum in frontend portfolio on the back of new product launches

FINANCIAL PERFORMANCE (₹/\$m)



| In ₹m | FY19 | FY18 | YoY | QoQ |
|--------------------|---------|--------|--------|-------|
| Fiscal | ₹10,514 | ₹7,744 | 36% ↑ | - |
| 4th Quarter | ₹3,732 | ₹1,327 | 181% ↑ | 31% ↑ |

- > Higher revenue and a steady cost base to drive operating leverage delivering **improved EBITDA performance**
- > Re-launched erstwhile partnership molecules through frontend witnessed **encouraging traction** and contributed to sequential ramp up in US business
- > Key **front end molecules** continue to track higher market share:

| | | | |
|----------------------|---------------------------------|---------------------|-----------------------------|
| Ergocalciferol 52% | Methoxsalen 57% | Acarbose 46% | Ranitidine ¹ 66% |
| Efavirenz 25% | Buspirone 7.5 52% | Acetazolamide 22% | Omega 3 ¹ 40% |
| Benzonatate 20% | Calcitriol SGC ¹ 57% | Vancomycin Caps 51% | Pot. Citrate Tabs 18% |
| Pot. Chloride ER 16% | PEG Rx(Nulytely) 23% | Mycophenolate 14% | Ketoconazole 19% |

PIVOTS FOR THE FUTURE GROWTH

FOCUS ON MAXIMIZING APPROVED ANDA OPPORTUNITY



| ANDAs | Count |
|--------------|------------|
| Filed | 102 |
| Approved | 68 |
| Pending App. | 34 |



| ANDAs | Count |
|--|-----------|
| Approved | 68 |
| Commercialized | 37 |
| Potential for commercialization | 31 |

- **60%+** of the currently commercialized portfolio is **amongst top 3** or have **significant share in the market**
- Expecting continued growth in the base portfolio with **market share gains** and **pricing improvements**
- **45%+** of the **previously approved ANDAs** have **potential market opportunity** given the changing market dynamics. (*Tacrolimus and Mycophenolate being the recent products to have demonstrated positive outcomes both in pricing and volume share*)

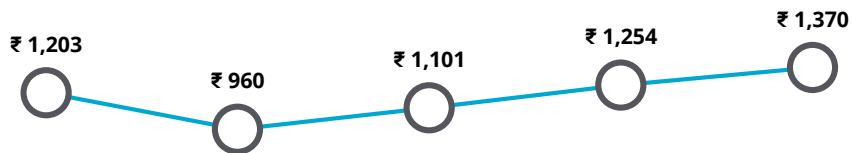
CONTINUED R&D MOMENTUM



- R&D spend for Q4FY19 at ₹320m and ₹1,290m for FY19 forming **12.3% of US revenues**
- Strong **filing momentum** with 21 filings during the year, in line with the guidance
- Received **15 product approvals** in FY19 including PARA IV approvals for Cinacalcet and Milnacipran Hydrochloride
- Continued **focus on R&D filings** with a **strategic shift towards complex** or speciality generics going forward

Business attains critical scale driven by portfolio maximization and new market entry

FINANCIAL PERFORMANCE (₹m)



| | Q4FY18 | Q1FY19 | Q2FY19 | Q3FY19 | Q4FY19 |
|-------------------------------|--------|--------|--------|--------|--------|
| <i>In ₹m</i> | | | | | |
| Fiscal | | | | | |
| | | FY19 | FY18 | YoY | QoQ |
| | | ₹4,685 | ₹3,381 | 39%↑ | - |
| 4th Quarter | | ₹1,370 | ₹1,203 | 14%↑ | 9%↑ |

- > Q4FY19 revenues were up 14% YoY and 9% QoQ despite disruptions on account of recently **introduced serialization standards**
- > UK front end delivered a strong performance during the year driven by increased **wholesaler listings for generics and branded portfolio**
- > Growth in other regulated market ex - UK was driven by addition of new products to the portfolio and entry into new markets including foray into **Canada and Nordic region**
- > South Africa front end **benefitted from better compliance** for portfolio and addition of new customer
- > **Strong order book visibility** going into FY 20

PIVOTS FOR THE FUTURE GROWTH

UK



95+ FILINGS

- Strategic focus to sell products through own **front-end**
- Tap **market scarcity** while maintaining significant market share in key molecules

EU



140+ FILINGS

- Focus on better **customer alignment** for long-term partnership
- Matured business, growth from **new product launches** and **adding new territories**

RSA



80+ PRODUCTS

- Growth driven by **Portfolio maximization** and site transfers to India
- Continued focus on **front end compliance** and **market efficiencies**

CAN

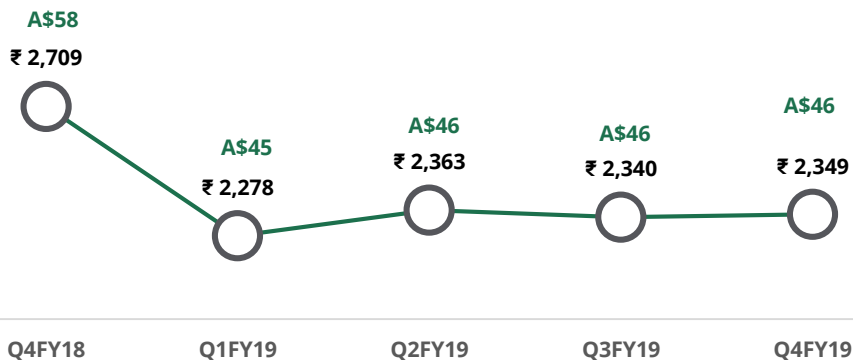


140+ IP OWNED PRODUCTS FOR COMMERCIALIZATION IN CANADA

- Foray into Canada through recent acquisition of Pharmapar, one of the leading players in the attractive Quebec market
- The cost of organic strategy will be **minimum** due to portfolio advantage

Continued margin expansion from backward integration to Strides manufacturing

FINANCIAL PERFORMANCE (₹/AUD m)



| In ₹m | FY19 | FY18 | YoY | QoQ |
|-------------------------------|--------|--------|------|-----|
| Fiscal | ₹9,331 | ₹9,200 | 1%↑ | - |
| 4th Quarter | ₹2,349 | ₹2,709 | 13%↓ | ↔ |

- > Delivered **over 20% margins** due to increase in the number of products that were integrated to **Strides supply chain**
- > **4 new launches** in Q4FY19, total of **18 new products** launched in FY19 in line with guidance
- > **Completed site transfers** of all major products to Strides with supplies for most product going live during the year

PIVOTS FOR THE FUTURE GROWTH

DRIVE SIGNIFICANT MARGINS WITH SUPPLY CHAIN EXCELLENCE



- Preferred supplier to Arrow to retain ongoing earnings of **40%-50% of current EBITDA at Arrow**
- Offer Supply chain assurance to encourage further backward integration and **deliver superior margins**

TRANSACTION UPDATE



- Received Shareholders approval to exit Arrow on 27th March 2019.
- The transaction is pending for other closing conditions including completion of merger of Arrow and Apotex and closure of 10-year preferred supply contract

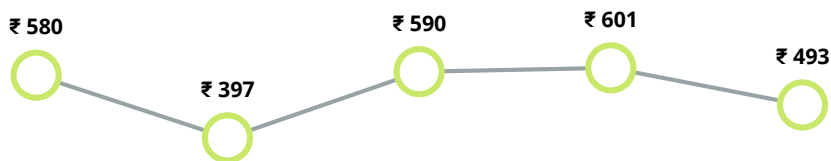


Emerging Markets

Disciplined execution in a challenging environment

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FINANCIAL PERFORMANCE (₹m)



| In ₹m | FY19 | FY18 | YoY | QoQ |
|--------------------|--------|--------|-------|-------|
| Fiscal | ₹2,081 | ₹2,643 | -21%↓ | - |
| 4th Quarter | ₹493 | ₹580 | -15%↓ | -18%↓ |

- > Course correction achieves major **strategic outcomes**
- > Revamped **business leadership**, field force & agency in key markets
- > Steady secondary sales growth in key focused markets
- > Key brands including **Renerve, Solcer, Combiart continue to maintain healthy market share**
- > Continued rationalization of **doctor-product matrix** to prioritize prescription driven brands

PIVOTS FOR THE FUTURE GROWTH



MAJOR COURSE CORRECTING INITIATIVES NOW BEHIND

- Market offers **sustainable growth** opportunity due to strong macro tailwinds and a large unmet need
- Strides remains focused to become a **PAN Africa branded generic player** with leadership position in key markets and therapies

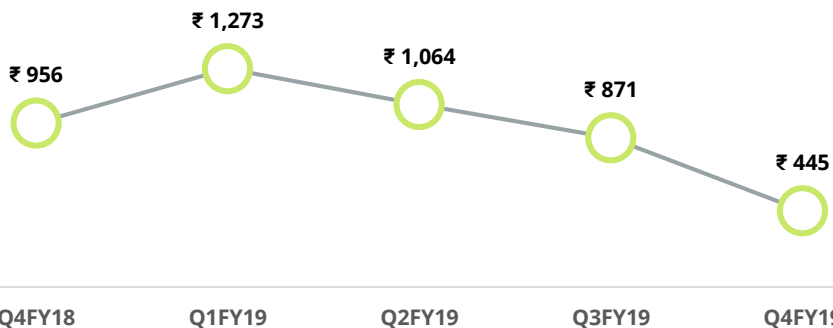


IMPROVEMENT IN BUSINESS PERFORMANCE INDICATORS

- Focus on profitable growth with relentless execution in creating brands across **life style therapies** with power brands covering significant portion of the revenues
- Implementation of tools for **better monitoring of the field force activities**
- Improve **targeting of KOL's** and specialists brand loyalist



FINANCIAL PERFORMANCE (₹m)



| In ₹m | FY19 | FY18 | YoY | QoQ |
|-------------------------------|--------|--------|-------|-------|
| Fiscal | ₹3,654 | ₹5,610 | -35%↓ | - |
| 4th Quarter | ₹445 | ₹956 | -53%↓ | -49%↓ |

- > Completed all **the contractual obligations** of low margin institutional supplies partnered under long-term contracts
- > **Business recalibrated** to focus on profitable contracts and to take a guarded approach with a margin driven focus
- > Procurement pool **has significantly shrunk** offering limited growth opportunities

PIVOTS FOR THE FUTURE GROWTH

LESS IS MORE APPROACH ON BUSINESS TO FOCUS ON PROFITABILITY



- Sustain **profitability** of the existing business through **focused pricing and tender participation**
- Focus on **profitable expansion** of the business with cost effective products and leveraging local manufacturing base in Kenya
- Future growth through the **introduction of next-generation combinations** drugs that will attract future funding



FY19

Strategic Reset for Strides

Coming from a difficult year, our focus in FY19 was to realign the priorities, maximize growth with focus on operational efficiencies

What have we achieved so far?

- > Regulated markets now contribute to **89%(Q4FY19)** of the revenues with **~20% EBITDA** margins inspite of increased R&D spend
- > Major strategy reset initiatives behind in the **emerging markets**, focus on margin-led expansion
- > **Continued momentum** in R&D resulting in a significant build out of the portfolio for the global markets
- > Recent product launches and commercialised ANDAs in US to **support expansion of the base business**
- > Corporate action in Australia to **strengthen balance sheet** and pare **long term debt**
- > Rapid expansion in US and other regulated markets to **recoup for the revenues from Australia**

FY20- Resurgent growth

As we move into the future, we expect to build on the momentum with **profitable growth**, **superior cash flows**, and **operating leverage**.



US Growth to be driven by significant portfolio build out and additional upside from the **recently concluded** strategic acquisitions



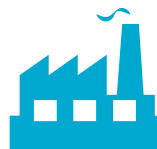
Create value in **Australia** through efficient supply chain execution



Leverage large and established portfolio in Australia and US through portfolio maximization strategy for **other regulated markets**



Immediate focus to drive profits in **emerging markets** and stay on the forefront with new treatment regimen in institutional business



Efforts to get a fast reclassification of **Pondicherry facility** and continue to drive outcomes in **quality, compliance and automation**





Financial Performance

Healthy EBITDA margin expansion in Q4FY19 driven by regulated markets growth and operating leverage

INCOME STATEMENT (₹ m)

| Particulars | Q4FY18 | Q3FY19 | Q4FY19 | YoY % | QoQ % | FY18 | FY19 | YoY % |
|-------------|--------|--------|--------------|---------|---------|--------|---------------|--------|
| Revenues | 6,775 | 7,917 | 8,389 | 24% | 6% | 28,578 | 30,264 | 6% |
| EBITDA | 1,005 | 1,209 | 1,581 | 57% | 31% | 4,369 | 4,695 | 7% |
| EBITDA % | 14.8% | 15.3% | 18.8% | 400 bps | 350 bps | 15.3% | 15.5% | 20 bps |
| Adj PAT# | | | 609 | | | | 1,067 | |
| Adj EPS | | | 7 | | | | 12 | |

PAT for Q4FY19 Adjusted for Biotech share of gain ₹ 10m, CHC loss of ₹ 160m, Business restructuring expenses of ₹ 212m, net revaluation gain on Vivimed JV acquisition of ₹ 218m

PAT for FY19 Adjusted for Biotech share of loss ₹ 145m, CHC loss of ₹ 160m, Business restructuring expenses of ₹ 341m, net revaluation gain on Vivimed JV acquisition of ₹ 115m

RECONCILIATION OF EBITDA (₹ M)

| As per SEBI results | Q4FY19 | FY19 |
|---|--------------|--------------|
| Profit before exceptional items and tax | 670 | 1230 |
| Less: Interest, Dividend income | (154) | (307) |
| Add : Depreciation and Amortization | 438 | 1719 |
| Add : Finance costs | 627 | 2053 |
| Consolidated EBITDA as per press release | 1,581 | 4,695 |

NET DEBT (₹ M)

₹21,213 Million

Constant currency net debt in FY19

Constant currency net debt includes cash receivables of ₹ 551m on account of divestment of SCPL and interest bearing investments of ₹ 724m



Thank You

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

Independent Auditor's Report on Annual Consolidated Financial Results of Strides Pharma Science Limited under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Strides Pharma Science Limited

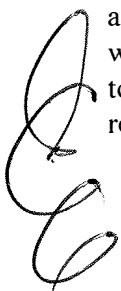
We have audited the consolidated annual financial results of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) ('the Company') for the year ended 31 March 2019, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the last quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these consolidated annual financial results are the balancing figures between consolidated audited figures in respect of the full financial year and the published year to date consolidated figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

These consolidated annual financial results have been prepared from consolidated annual financial statements and reviewed quarterly consolidated financial results which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated annual financial results based on our audit of such consolidated annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated annual financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.

We draw attention to:

1. We did not audit the financial statements of 9 subsidiaries included in the consolidated annual financial results, whose annual financial statements reflect total assets of Rs. 643,131 lakhs as at 31 March 2019 as well as the total revenue of Rs. 197,991 lakhs for the year ended 31 March 2019. These annual financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors.



We also refer to Note 7 of the Statement which more fully explains that, based on the report received from auditor of one of the subsidiaries, the comparative information for the year ended 31 March 2018 has been restated with respect to accounting for deferred taxes on business combinations.

2. The financial statements/financial information of 45 subsidiaries, whose financial statements/financial information reflect total assets of Rs. 297,639 lakhs as at 31 March 2019, total revenues of Rs. 27,197 lakhs for the year ended on 31 March 2019, as considered in the consolidated annual financial results, have not been audited either by us or by other auditors. The consolidated annual financial results also include the Group's share of net loss (and other comprehensive income) of Rs.3,762 lakhs for the year ended 31 March 2019, as considered in the consolidated annual financial results, in respect of 10 associates and joint ventures, whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on financial statements of the subsidiaries as aforesaid, these consolidated annual financial results:

- (i) include the annual financial results of the entities included in Annexure A;
- (ii) have been presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) give a true and fair view of the net consolidated profit and other comprehensive income and other financial information for the year ended 31 March 2019.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Sampad Guha Thakurta

Partner

Membership Number: 060573

Place: Bengaluru

Date: 10 May 2019

Strides Pharma Science Limited**Annexure A to the audit report**

| Sl. no. | Entity and the country of incorporation |
|----------------|--|
| 1 | Alliance Pharmacy Pty Limited, Australia |
| 2 | Altima Innovations Inc., United States |
| 3 | Amneal Pharma Australia Pty Limited, Australia |
| 4 | Amneal Pharmaceuticals Pty Limited, Australia |
| 5 | Apollo Life Sciences Holding Proprietary Limited, South Africa |
| 6 | Aponia Laboratories Inc, United States |
| 7 | Arrow Life Sciences (Malaysia) SDN BHD, Malaysia |
| 8 | Arrow Pharma (Private) Limited, Sri Lanka |
| 9 | Arrow Pharma Life Inc., Philippines |
| 10 | Arrow Pharma Pte Limited, Singapore |
| 11 | Arrow Pharma Pty Limited, Australia |
| 12 | Arrow Pharmaceuticals Pty Limited, Australia |
| 13 | Arrow Remedies Private Limited, India |
| 14 | Beltapharm SPA, Italy |
| 15 | Fagris Medica Private Limited, India |
| 16 | Generic Partners (Canada) Inc, Canada |
| 17 | Generic Partners (International) Pte Limited, Singapore |
| 18 | Generic Partners (M) SDN BHD, Malaysia |
| 19 | Generic Partners (NZ) Limited, New Zealand |
| 20 | Generic Partners (R&D) Pte Ltd., Singapore |
| 21 | Generic Partners (South Africa) Pty Limited, South Africa |
| 22 | Generic Partners Holding Co. Pty Limited, Australia |
| 23 | Generic Partners Pty Limited, Australia |
| 24 | Generic Partners UK Limited, United Kingdom |
| 25 | MyPak Solutions Australia Pty Ltd, Australia |
| 26 | MyPak Solutions Pty Ltd, Australia |
| 27 | Oraderm Pharmaceuticals Pty Limited, Australia |
| 28 | Pharmacy Alliance Group Holdings Pty Limited, Australia |
| 29 | Pharmacy Alliance Investments Pty Limited, Australia |
| 30 | Pharmacy Alliance Pty Limited, Australia |
| 31 | Practisoft Pty Limited, Australia |
| 32 | Regional Bio Equivalence Centre S.C, Ethiopia |
| 33 | Shasun Pharma Solutions Inc., United States |
| 34 | Smarterpharm Pty Limited, Australia |
| 35 | Stabilis Pharma Inc., United States |
| 36 | Stelis Biopharma (Malaysia) SDN. BHD., Malaysia |
| 37 | Stelis Biopharma Private Limited, India |
| 38 | Strides Arcolab (Australia) Pty Limited, Australia |
| 39 | Strides Arcolab International Limited, United Kingdom |

Strides Pharma Science Limited**Annexure A to the audit report (continued)**

| Sl. No. | Entity and the country of incorporation |
|----------------|--|
| 40 | Strides Chemicals Private Limited, India |
| 41 | Strides CIS Limited, Cyprus |
| 42 | Strides Consumer Private Limited, India |
| 43 | Strides Emerging Markets Limited, India |
| 44 | Strides Foundation Trust, India |
| 45 | Strides Global Consumer Healthcare Limited, United Kingdom |
| 46 | Strides Life Sciences Limited, Nigeria |
| 47 | Strides Pharma (Cyprus) Limited, Cyprus |
| 48 | Strides Pharma (SA) Pty Limited, South Africa |
| 49 | Strides Pharma Asia Pte Limited, Singapore |
| 50 | Strides Pharma Canada Inc, Canada |
| 51 | Strides Pharma Global (UK) Limited, United Kingdom |
| 52 | Strides Pharma Global Pte Limited, Singapore |
| 53 | Strides Pharma Inc., United States |
| 54 | Strides Pharma International Limited, Cyprus |
| 55 | Strides Pharma Science Limited |
| 56 | Strides Pharma Therapeutics Singapore Pte Ltd, Singapore |
| 57 | Strides Pharma UK Limited, United Kingdom |
| 58 | Strides Shasun Latina, SA de CV, Mexico |
| 59 | Strides Specialties (Holdings) Limited, Mauritius |
| 60 | Strides Vivimed Pte Limited, Singapore |
| 61 | SVADS Holdings SA, Switzerland |
| 62 | Trinity Pharma Proprietary Limited, South Africa |
| 63 | Universal Corporation Limited, Kenya |
| 64 | Vivimed Life Sciences Private Limited, India |
| 65 | Arco Lab Private Limited, India |
| 66 | Strides Consumer LLC. |
| 67 | Stelis Pte Ltd, Singapore |
| 68 | Vensun Pharmaceuticals Inc, USA |
| 69 | Pharmapar Inc, Canada |





STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)

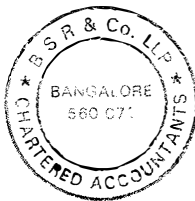
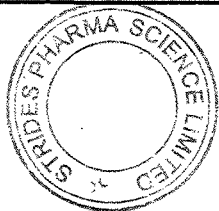
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

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

**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

Rs. in Lakhs

| Sl. No. | Particulars | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
|---------|--|----------------------------------|--|---|--------------------------------------|--|
| | | AUDITED (refer note 19) | UNAUDITED | AUDITED (refer note 19)* | AUDITED | AUDITED* |
| | | (1) | (2) | (3) | (4) | (5) |
| | Continuing operations | | | | | |
| I | Revenue from operations | 83,970 | 78,784 | 66,989 | 301,168 | 284,512 |
| II | Other income | 1,459 | 1,088 | 1,543 | 4,543 | 7,629 |
| III | Total income (I + II) | 85,429 | 79,872 | 68,532 | 305,711 | 292,141 |
| IV | Expenses | | | | | |
| | (a) Cost of materials consumed | 26,922 | 19,667 | 22,085 | 100,205 | 84,750 |
| | (b) Purchases of stock-in-trade | 13,427 | 16,240 | 10,941 | 60,869 | 43,915 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,289) | 2,365 | (3,747) | (14,473) | 9,219 |
| | (d) Employee benefits expense | 11,245 | 10,602 | 10,535 | 44,258 | 43,405 |
| | (e) Finance costs | 6,265 | 5,009 | 4,547 | 20,534 | 19,624 |
| | (f) Depreciation and amortisation expense | 4,382 | 4,067 | 4,434 | 17,185 | 15,403 |
| | (g) Other expenses | 17,792 | 17,201 | 17,949 | 63,689 | 62,995 |
| | (h) Foreign exchange (gain) / loss - net | (19) | 1,005 | (63) | 1,145 | (1,203) |
| | Total expenses (IV) | 78,725 | 76,156 | 66,681 | 293,412 | 278,108 |
| V | Profit before exceptional items and tax (III - IV) | 6,704 | 3,716 | 1,851 | 12,299 | 14,033 |
| VI | Exceptional items - net gain / (loss) (Refer note 16) | 897 | 74 | (2,165) | (262) | (4,358) |
| VII | (Loss) / Profit before tax (V + VI) | 7,601 | 3,790 | (314) | 12,037 | 9,675 |
| VIII | Share of profit / (loss) of joint ventures and associates | (2,115) | (696) | (521) | (4,832) | (1,680) |
| IX | (Loss) / Profit before tax (VII + VIII) | 5,486 | 3,094 | (835) | 7,205 | 7,995 |
| X | Tax expense | | | | | |
| | - Current tax | 1,592 | 2,534 | 1,177 | 5,437 | 4,851 |
| | - Deferred tax | (487) | (1,901) | (1,673) | (4,125) | (4,283) |
| | Total tax expense (X) | 1,105 | 633 | (496) | 1,312 | 568 |
| XI | (Loss) / Profit after tax from continuing operations (IX - X) | 4,381 | 2,461 | (339) | 5,893 | 7,427 |
| XII | Discontinued operations | | | | | |
| | - Profit / (Loss) from discontinued operations | - | - | (887) | - | (8,446) |
| | - Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) | 253 | 27,182 | 58,373 | 27,231 | 71,031 |
| | - Tax expense / (benefit) of discontinued operations | 164 | - | (625) | 137 | 1,573 |
| XIII | Profit/(loss) after tax from discontinued operations | 89 | 27,182 | 58,111 | 27,094 | 61,012 |
| XIV | Profit/(loss) for the period (XI + XIII) | 4,470 | 29,643 | 57,772 | 32,987 | 68,439 |





STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)

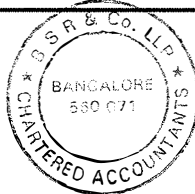
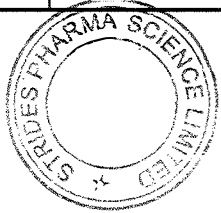
Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

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

**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

Rs. in Lakhs

| Sl. No. | Particulars | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
|------------|---|----------------------------------|---|---|--------------------------------------|--|
| | | AUDITED (refer note 19) | UNAUDITED | AUDITED (refer note 19)* | AUDITED | AUDITED* |
| | | (1) | (2) | (3) | (5) | (5) |
| XV | Other comprehensive income | | | | | |
| A | (i) Items that will not be reclassified to statement of profit and loss | 392 | (632) | (153) | (12) | (2,028) |
| | (ii) Income tax relating to items that will not be reclassified to statement of profit and loss | 38 | - | (40) | 43 | 5 |
| B | (i) Items that may be reclassified to statement of profit and loss | 449 | (3,977) | 837 | (6,200) | (619) |
| | (ii) Income tax relating to items that may be reclassified to statement of profit and loss | (442) | (1,237) | 370 | (190) | 1,041 |
| | Total other comprehensive income for the period (XV) | 437 | (5,846) | 1,014 | (6,359) | (1,601) |
| XVI | Total comprehensive income for the period (XIV + XV) | 4,907 | 23,797 | 58,786 | 26,628 | 66,838 |
| | Profit for the period attributable to: | | | | | |
| | - Owners of the Company | 4,751 | 29,342 | 56,884 | 32,461 | 66,452 |
| | - Non-controlling interests | (281) | 301 | 888 | 526 | 1,987 |
| | | 4,470 | 29,643 | 57,772 | 32,987 | 68,439 |
| | Other comprehensive income for the period | | | | | |
| | - Owners of the Company | 411 | (5,415) | 948 | (6,342) | (1,550) |
| | - Non-controlling interests | 26 | (431) | 66 | (17) | (51) |
| | | 437 | (5,846) | 1,014 | (6,359) | (1,601) |
| | Total comprehensive income for the period | | | | | |
| | - Owners of the Company | 5,162 | 23,927 | 57,832 | 26,119 | 64,902 |
| | - Non-controlling interests | (255) | (130) | 954 | 509 | 1,936 |
| | | 4,907 | 23,797 | 58,786 | 26,628 | 66,838 |
| | Earnings per equity share (face value of Rs. 10/- each) (for continuing operations) | | | | | |
| | (1) Basic (in Rs.) | 5.21 | 2.41 | (1.37) | 5.99 | 6.08 |
| | (2) Diluted (in Rs.) | 5.20 | 2.41 | (1.37) | 5.99 | 6.08 |
| | Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations) | | | | | |
| | (1) Basic (in Rs.) | 0.10 | 30.36 | 64.93 | 30.26 | 68.17 |
| | (2) Diluted (in Rs.) | 0.10 | 30.35 | 64.91 | 30.25 | 68.15 |
| | Earnings per equity share (face value of Rs. 10/- each) (for total operations) | | | | | |
| | (1) Basic (in Rs.) | 5.31 | 32.77 | 63.56 | 36.25 | 74.25 |
| | (2) Diluted (in Rs.) | 5.30 | 32.76 | 63.54 | 36.24 | 74.23 |
| | See accompanying notes to the Financial Results | | | | | |
| | * Restated | | | | | |





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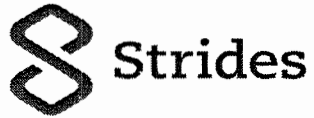
**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

CONSOLIDATED BALANCE SHEET

Rs in Lakhs

| | Particulars | As at | As at | As at |
|------------|---|----------------|----------------|----------------|
| | | March 31, 2019 | March 31, 2018 | April 1, 2017 |
| | | AUDITED | AUDITED* | AUDITED* |
| A | ASSETS | | | |
| I | Non-current assets | | | |
| | (a) Property, plant and equipment | 103,742 | 66,481 | 97,830 |
| | (b) Capital work-in-progress | 10,200 | 32,201 | 20,450 |
| | (c) Investment property | 7,737 | 7,358 | 7,060 |
| | (d) Goodwill | 136,911 | 108,269 | 113,084 |
| | (e) Other Intangible assets | 116,066 | 115,550 | 96,911 |
| | (f) Intangibles assets under development | 40,400 | 29,828 | 57,568 |
| | (g) Investment in associates and joint ventures | 40,578 | 26,636 | 21,356 |
| | (h) Financial assets | | | |
| | (i) Investments | 1,119 | 1,014 | 3,150 |
| | (ii) Loans receivable | 6,827 | 6,246 | 5,754 |
| | (iii) Other financial assets | 234 | 163 | - |
| | (i) Deferred tax assets (net) | 15,217 | 12,352 | 7,012 |
| | (j) Income tax assets (net) | 13,626 | 11,983 | 12,123 |
| | (k) Other non-current assets | 3,367 | 4,402 | 5,940 |
| | Total non-current assets | 496,024 | 422,483 | 448,238 |
| II | Current assets | | | |
| | (a) Inventories | 87,070 | 55,202 | 73,280 |
| | (b) Financial assets | | | |
| | (i) Investments | 28,475 | 31,148 | 127,954 |
| | (ii) Trade receivables | 98,718 | 88,218 | 99,591 |
| | (iii) Cash and cash equivalents | 36,589 | 25,616 | 32,233 |
| | (iv) Other balances with banks | 15,076 | 4,716 | 715 |
| | (v) Loans receivable | 5,415 | 2,907 | 723 |
| | (vi) Other financial assets | 8,067 | 3,482 | 12,649 |
| | (c) Other current assets | 25,116 | 33,364 | 32,037 |
| | Total current assets | 304,526 | 244,653 | 379,182 |
| III | Assets classified as held for sale | | | |
| | | - | 3,706 | - |
| | Total Assets | 800,550 | 670,842 | 827,420 |





STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)

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**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

| | | Rs in Lakhs | | |
|-------------|--|-------------------------|-------------------------|------------------------|
| Particulars | | As at March 31, 2019 | As at March 31, 2018 | As at April 1, 2017 |
| | | AUDITED | AUDITED* | AUDITED* |
| B | EQUITY AND LIABILITIES | | | |
| I | Equity | | | |
| | (a) Equity share capital | 8,955 | 8,950 | 8,942 |
| | (b) Other equity | 255,916 | 237,416 | 266,445 |
| | Equity attributable to owners of the Company | 264,871 | 246,366 | 275,387 |
| | Non- Controlling interests | 15,296 | 15,465 | 13,350 |
| | Total equity | 280,167 | 261,831 | 288,737 |
| II | Liabilities | | | |
| 1 | Non-current liabilities | | | |
| | (a) Financials liabilities | | | |
| | (i) Borrowings | 180,656 | 155,132 | 163,771 |
| | (ii) Other financial liabilities | 45,653 | 39,241 | 39,181 |
| | (b) Provisions | 2,152 | 1,655 | 2,519 |
| | (c) Deferred tax liabilities (net) | 20,560 | 22,090 | 22,275 |
| | (d) Other non-current liabilities | 1,037 | 963 | 550 |
| | Total non-current liabilities | 250,058 | 219,081 | 228,296 |
| 2 | Current liabilities | | | |
| | (a) Financials liabilities | | | |
| | (i) Borrowings | 133,902 | 94,439 | 139,396 |
| | (ii) Trade payables | | | |
| | (a) total outstanding dues of micro enterprises and small enterprises | 574 | 447 | 215 |
| | (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 88,843 | 70,760 | 77,194 |
| | (iii) Other financial liabilities | 17,379 | 5,906 | 74,475 |
| | (b) Provisions | 16,201 | 5,701 | 4,666 |
| | (c) Current tax liabilities | 5,828 | 5,584 | 7,007 |
| | (d) Other current liabilities | 7,598 | 6,779 | 7,434 |
| | Total current liabilities | 270,325 | 189,616 | 310,387 |
| III | Liabilities directly associated with assets held for sale | - | 314 | - |
| | Total Equity and liabilities | 800,550 | 670,842 | 827,420 |
| | * Restated | | | |





STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)

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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

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 May 10, 2019. The statutory auditors have audited the results for the quarter and year ended March 31, 2019 and have issued unmodified opinion.
- 3 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.
- 4 On July 2, 2018, the Group obtained approval from the shareholders for sale of its wholly owned subsidiary 'Strides Chemicals Private Limited' to Solara Active Pharma Sciences Limited for a consideration of not less than Rs. 13,100 lakhs. Consequently, the subsidiary has been sold on August 31, 2018 for a consideration of Rs.13,100 lakhs. The balance consideration receivable as at March 31, 2019 is Rs. 5,510 lakhs.
- 5 On April 20, 2018, the Group entered into business purchase agreement with Solara Active Pharma Sciences Limited ("Solara") to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the Group at Strides API Research Centre (SRC) along with the employees for a consideration of Rs. 3,573 lakhs and working capital subject to adjustment and finalisation for Rs. 97 lakhs. The same was approved by the board of directors on March 31, 2018.

Accordingly, the results of the SRC unit are included in the discontinued operations for the respective period set out in Note 11 below.

- 6 During the current year, 40,000 equity shares under the Strides Arcolab ESOP 2011 Scheme and 9,441 equity shares under Strides Shasun ESOP 2015 Scheme were allotted by the Company, on exercising equal number of options.

During the current year, 338,000 equity shares under the Strides Shasun ESOP 2016 Scheme were granted to the eligible employees.

- 7 The Group, during the earlier quarter, restated its consolidated financial results for earlier periods to record deferred tax liability amounting to Rs.17,069 lakhs on business acquired from Aspen Pharma Pty Limited, Australia during the financial year ended 31 March 2016 with a corresponding adjustment to goodwill as of the acquisition date. The corresponding adjustment as of March 2018 amounted to Rs. 16,798 lakhs and Rs.15,889 for goodwill and deferred tax liability/asset respectively.

The above adjustment had a consequential impact in the statement of profit and loss on account of reversal of deferred tax liability on amortization of the related intangibles subsequent to the date of initial recognition amounting to Rs.185 lakhs, Rs.316 lakhs and Rs.405 lakhs for the years ended 31 March 2016, 2017 and 2018, which were not material to the results of the respective periods. The corresponding impact for the year and quarter ended 31 March 2018 was Rs.404 lakhs and Rs.101 lakhs respectively.

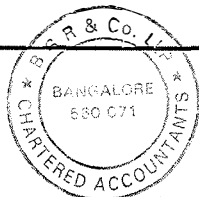
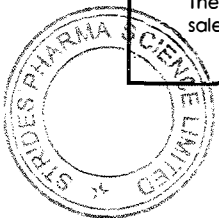
- 8 Pursuant to the approvals of the board of directors of the Company, the Group entered in to definitive agreements with India Lifescience Fund III, LLC (ILF) for investment in Consumer Healthcare (CHC) business. During the previous quarter, ILF invested in Strides Global Consumer Healthcare Ltd, UK and Strides Consumer Private Limited, India consequent to which the Group ceded its control over the entities carrying out CHC business. However, the group continues to exercise significant influence and has classified its investments in CHC business as "Investment in Associates".

In accordance with the provisions of Ind AS 110 'Consolidated Financial Statements', the Group recognised gain of Rs.5,879 Lakhs, being the excess of fair value of retained investment in CHC business over the carrying value of net assets in CHC business on account of loss of control, under exceptional items.

- 9 In May 2018, the Group and Apotex Inc (Apotex) announced the intention to merge their respective Australia business into a new Company. On September 30, 2018, The Australian Competition and Consumer Commission (ACCC) announced not to object to the proposed merger.

Based on additional due diligence and further deliberations, the Board of Directors proposed to divest its entire equity interest in the Australia business to Dennis Bastas- Executive Chairman of Arrow Pharmaceuticals Pty Limited, Australia (Arrow).

The group has obtained the approval from the Company's shareholders' in the EGM held on March 27, 2019. The transaction is subject to the completion of the merger of Arrow and Apotex . execution of definitive sale agreements and completion of certain other conditions and accordingly has not been accounted for as "held for sale" in these financial results.





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**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

10 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 included a US\$ 100 million 'General Claims Escrow' account and a US\$ 100 million 'Regulatory Escrow' account. 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. In the previous years, a significant portion of these claims were settled out of the Regulatory Escrow deposit and the remaining balance of the Escrow account was recognised as income on full and final settlement of related claims. Further, the Company and Mylan also agreed on full and final settlement of warranty and indemnity claims to be adjusted against the 'General Claims Escrow'. During the previous period, the Group and Mylan was in arbitration proceedings for certain third party claims.

During the current year, the arbitration proceedings with respect to the third party claims have been settled in favor of the Group and Mylan. The Group and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account. The group has recorded a net gain of INR 27,387 Lakhs (net off related expenses and outstanding tax claims) under discontinued operations (Refer Note 11 below).

11 Results of discontinued operations (including discontinued operations of earlier periods)

Rs. in Lakhs

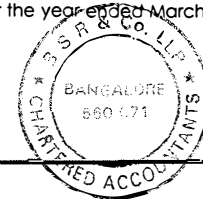
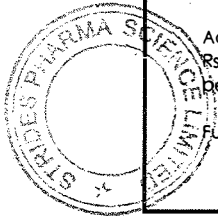
| Sl. No. | Particulars | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
|---------|--|-------------------------------|--|--|-----------------------------------|------------------------------------|
| | | AUDITED (refer note 19) | UNAUDITED | AUDITED (refer note 19) | AUDITED | AUDITED |
| I | Total Revenue | - | - | 10 | - | 50,049 |
| II | Total Expenses | - | - | 897 | - | 58,369 |
| III | Profit/(loss) before exceptional items and tax (I - II) | - | - | (887) | - | (8,320) |
| IV | Exceptional items | - | - | - | - | 126 |
| V | Profit/(loss) before tax (III - IV) | - | - | (887) | - | (8,446) |
| VI | Gain / (loss) on disposals (net) | 253 | 27,182 | 58,373 | 27,231 | 71,031 |
| VII | Tax expense / (benefit) | 164 | - | (625) | 137 | 1,573 |
| VIII | Profit/(loss) from discontinued operations (V + VI - VII) | 89 | 27,182 | 58,111 | 27,094 | 61,012 |

12 The Group has adopted Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018. The core principle of this standard is that the Group shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Under Ind AS 115, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer which is different from transfer of risk and rewards under the old revenue standard.

Further, pursuant to the requirements of the new standard, the Group also evaluated its open arrangements on out-licensing arrangements with reference to upfront license fees received in earlier periods and concluded that some of the performance obligations may not be distinct and hence would need to be bundled with the subsequent continuing obligations. Accordingly, the Group has recognised an incremental deferred revenue relating to such open contracts.

Adoption of this standard resulted in decrease in retained earnings by Rs. 6,109 lakhs as at March 31, 2018 and increase in Revenue from Operations by Rs.3,649 lakhs with a corresponding increase in expenses by Rs. 2,269 lakhs (primarily on account of increased material costs) resulting in a net increase in profit after tax by Rs. 1,243 lakhs and an increase in EPS by Rs. 1.39 for the year ended March 31, 2019. Comparative periods were not restated given the Group adopted the standard using the cumulative effect approach.

Further, the group has recorded the fee paid to wholesaler as a reduction of revenue and therefore, reclassified the earlier quarter reported figures to this effect.





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**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

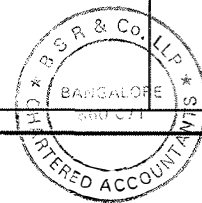
- 13 During the current year, the group acquired the remaining 50% equity stake in Vivimed Life Sciences Private Limited, India ("VLSPL", an associate) and in Strides Vivimed Pte Ltd, Singapore (subsidiary), thereby, making both the entities a wholly-owned subsidiaries of the group.
- Pursuant to the acquisition of remaining 50% controlling interest in VLSPL, in accordance with Ind AS 103 "Business Combinations", the group recorded a gain of Rs. 2,704 lakhs, being the difference in the fair value of non-controlling interest held and carrying value of equity in VLSPL.
- 14 During the current year, the group through its subsidiary Strides Pharma Inc. USA, acquired 100% equity stake in Vensun Pharmaceuticals Inc. USA for a consideration of USD 160.61 Lakhs including deferred contingent consideration. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements.
- 15 During the current year, the group through its subsidiary Strides Pharma Canada Inc. Canada, acquired 80% equity stake in Pharmapar Inc. Canada, for a consideration of CAD 38 Lakhs. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in these consolidated financial statements.

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

| Particulars | Rs. in Lakhs | | | | |
|--|-------------------------------|--|--|-----------------------------------|------------------------------------|
| | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
| | AUDITED (refer note 19) | UNAUDITED | AUDITED (refer note 19) | AUDITED | AUDITED |
| - Exchange gain/ (loss) on long-term foreign currency loans, derivatives and intra-group loans | 244 | (797) | (63) | (882) | 332 |
| - Impairment of Goodwill | - | (3,700) | (141) | (3,700) | (141) |
| - Fair valuation of investment (Refer note 8) | 49 | 5,830 | - | 5,879 | - |
| - Fair valuation gain on acquisition of controlling shares in VLSPL (Refer note 13) | 2,704 | - | - | 2,704 | - |
| - Write down of inventories and other assets | - | - | (1,466) | - | (1,574) |
| - Business combination and restructuring expenses | (2,123) | (1,007) | (217) | (3,417) | (1,963) |
| - Unwinding of discount on gross obligations over written put options and contingent consideration | 23 | (252) | (278) | (702) | (1,012) |
| - Loss on sale of investment in subsidiaries | - | - | - | (144) | - |
| Total | 897 | 74 | (2,165) | (262) | (4,358) |

17 Information on Standalone Results :-

| Particulars | Rs. in Lakhs | | | | |
|---|-------------------------------|--|--|-----------------------------------|------------------------------------|
| | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
| | AUDITED (refer note 19) | UNAUDITED | AUDITED (refer note 19) | AUDITED | AUDITED |
| Total Revenue from continuing operations | 49,097 | 43,675 | 43,848 | 165,205 | 162,581 |
| Profit/(loss) before Tax from continuing operations | 9,490 | 1,780 | 9,070 | 11,303 | 16,414 |
| Profit/(loss) after Tax from continuing operations | 9,882 | 1,531 | 6,840 | 11,441 | 15,645 |
| Profit/(loss) before tax from discontinued operations | - | - | 68,589 | (470) | 75,165 |
| Profit/(loss) after tax from discontinued operations | - | - | 69,214 | (404) | 73,514 |



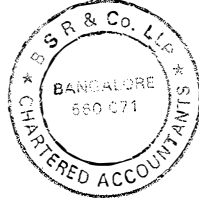


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**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

- 18 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.
- 19 The figures for the quarter ended March 31, 2019 and March 31, 2018 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.
- 20 The Board of Directors have proposed a final dividend of Rs. 3 per share, which is subject to approval by the shareholders' in the Annual General Meeting.
- 21 Previous period figures have been regrouped to conform with the classification adopted in these financial results.



Bengaluru, May 10, 2019

For and on behalf of the Board

Arun Kumar
Group CEO & Managing Director



K

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1, B Block, 2nd Floor
Inner Ring Road, Koramangala
Bangalore 560 071 India

Telephone +91 80 7134 7000
Fax +91 80 7134 7999

Independent Auditor's Report on Standalone Annual Financial Results of Strides Pharma Science Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of Strides Pharma Science Limited

1. We have audited the accompanying annual financial results of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) ('the Company') for the year ended 31 March 2019 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the quarter ended 31 March 2019 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

B S R & Co. LLP

In our opinion and to the best of our information and according to the explanations given to us these financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration Number: 101248W/W-100022



Sampad Guha Thakurta

Partner

Membership Number: 060573

Place: Bengaluru

Date: 10 May 2019



STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)

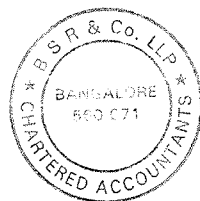
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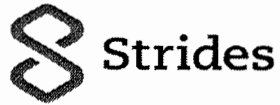
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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

Rs. in Lakhs

| Sl. No. | Particulars | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
|---------|--|-------------------------------|--|--|-----------------------------------|------------------------------------|
| | | AUDITED (Refer Note 17) | UNAUDITED | AUDITED (Refer Note 17) | AUDITED | AUDITED |
| | | (1) | (2) | (3) | (4) | (5) |
| | Continuing operations | | | | | |
| I | Revenue from operations | 43,456 | 41,468 | 38,902 | 153,744 | 146,961 |
| II | Other income | 5,641 | 2,207 | 4,946 | 11,461 | 15,620 |
| III | Total Income (I + II) | 49,097 | 43,675 | 43,848 | 165,205 | 162,581 |
| | IV Expenses | | | | | |
| | (a) Cost of materials consumed | 22,889 | 22,953 | 19,605 | 90,377 | 75,915 |
| | (b) Purchases of stock-in-trade | 413 | 488 | 574 | 2,058 | 3,989 |
| | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | (1,089) | 576 | (4,770) | (4,552) | (1,779) |
| | (d) Employee benefits expense | 4,889 | 5,294 | 5,475 | 22,321 | 22,453 |
| | (e) Finance costs | 1,631 | 1,494 | 1,147 | 5,409 | 8,197 |
| | (f) Depreciation and amortisation expense | 2,151 | 2,023 | 2,069 | 8,300 | 7,781 |
| | (g) Other expenses | 8,355 | 8,015 | 7,308 | 27,985 | 26,478 |
| | (h) Foreign exchange (gain)/ loss- net | 217 | 857 | 227 | 1,652 | 195 |
| | Total expenses (IV) | 39,456 | 41,700 | 31,635 | 153,550 | 143,229 |
| V | Profit/(loss) before exceptional items and tax (III - IV) | 9,641 | 1,975 | 12,213 | 11,655 | 19,352 |
| VI | Exceptional Item gain/ (loss) (net) (Refer note 14) | (151) | (195) | (3,143) | (352) | (2,938) |
| VII | Profit/(loss) before tax (V + VI) | 9,490 | 1,780 | 9,070 | 11,303 | 16,414 |
| VIII | Tax expense | | | | | |
| | - Current tax | 1,592 | 871 | 1,664 | 2,463 | 3,732 |
| | - Deferred tax expense / (benefit) | (1,984) | (622) | 566 | (2,601) | (2,964) |
| | Total tax expense (VIII) | (392) | 249 | 2,230 | (138) | 768 |
| IX | Profit/(loss) after tax from continuing operations (VII - VIII) | 9,882 | 1,531 | 6,840 | 11,441 | 15,646 |
| X | Discontinued operations | | | | | |
| | - Profit/(loss) from discontinued operations | - | - | (721) | - | (9,218) |
| | - Gain/ (loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) | - | - | 69,310 | (470) | 84,384 |
| XI | Profit/(loss) before tax from discontinued operations | - | - | 68,589 | (470) | 75,166 |
| | - Tax expense/ (benefit) of discontinued operations | - | - | (625) | (66) | 1,652 |
| XII | Profit/(loss) after tax from discontinued operations | - | - | 69,214 | (404) | 73,514 |
| XIII | Profit/(loss) for the period (IX + XII) | 9,882 | 1,531 | 76,054 | 11,037 | 89,160 |





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STATEMENT OF STANDALONE AUDITED RESULTS
 FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

| Sl. No. | Particulars | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
|------------|---|-------------------------------|--|--|-----------------------------------|------------------------------------|
| | | AUDITED (Refer Note 17) | UNAUDITED | AUDITED (Refer Note 17) | AUDITED | AUDITED |
| | | (1) | (2) | (3) | (4) | (5) |
| XIV | Other comprehensive income | | | | | |
| A | (i) Items that will not be reclassified to statement of profit and loss | (77) | - | 118 | (77) | (13) |
| | (ii) Income tax relating to items that will not be reclassified to statement of profit and loss | 27 | - | (40) | 32 | 5 |
| B | (i) Items that may be reclassified to statement of profit and loss | 1,589 | 4,094 | (1,067) | 1,502 | (3,007) |
| | (ii) Income tax relating to items that may be reclassified to statement of profit and loss | (555) | (1,431) | 370 | (526) | 1,041 |
| | Total other comprehensive income for the period (XIV) | 984 | 2,663 | (619) | 931 | (1,974) |
| XV | Total comprehensive income for the period (XIII + XIV) | 10,866 | 4,194 | 75,435 | 11,968 | 87,186 |
| | Earnings per equity share (face value of Rs. 10/- each) (for continuing operations) | | | | | |
| | (a) Basic (Rs.) | 11.04 | 1.71 | 7.64 | 12.78 | 17.49 |
| | (b) Diluted (Rs.) | 11.03 | 1.71 | 7.64 | 12.77 | 17.48 |
| | Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations) | | | | | |
| | (a) Basic (Rs.) | - | - | 77.33 | (0.45) | 82.16 |
| | (b) Diluted (Rs.) | - | - | 77.31 | (0.45) | 82.13 |
| | Earnings per equity share (face value of Rs. 10/- each) (for total operations) | | | | | |
| | (a) Basic (Rs.) | 11.04 | 1.71 | 84.97 | 12.33 | 99.65 |
| | (b) Diluted (Rs.) | 11.03 | 1.71 | 84.95 | 12.32 | 99.61 |
| | See accompanying notes to the Financial Results | | | | | |



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STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

BALANCE SHEET AS AT MARCH 31, 2019 AND MARCH 31, 2018

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2019 | March 31, 2018 |
| | AUDITED | AUDITED |
| A ASSETS | | |
| I Non-current assets | | |
| (a) Property, plant and equipment | 44,459 | 43,251 |
| (b) Capital work in progress | 7,257 | 8,689 |
| (c) Investment property | 7,688 | 6,600 |
| (d) Other intangible assets | 5,214 | 6,545 |
| (e) Intangibles assets under development | 4,990 | 5,696 |
| (f) Financial assets | | |
| (i) Investments | 199,459 | 146,519 |
| (ii) Loans receivable | 9,161 | 3,749 |
| (iii) Other financial assets | - | 39,893 |
| (g) Deferred tax assets (net) | 8,012 | 5,351 |
| (h) Income tax assets (net) | 11,613 | 11,065 |
| (i) Other non-current assets | 2,069 | 1,203 |
| Total non-current assets | 299,922 | 278,561 |
| II Current assets | | |
| (a) Inventories | 47,334 | 26,963 |
| (b) Financial assets | | |
| (i) Investments | 15,429 | 31,148 |
| (ii) Trade receivables | 58,256 | 44,938 |
| (iii) Cash and cash equivalents | 6,947 | 7,230 |
| (iv) Other balances with banks | 11,134 | 749 |
| (v) Loans receivable | 2,760 | 2,623 |
| (vi) Other financial assets | 11,275 | 13,279 |
| (c) Other current assets | 13,224 | 19,319 |
| Total current assets | 166,359 | 146,249 |
| Assets classified as held for sale | - | 3,706 |
| Total assets | 466,281 | 428,516 |



STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)

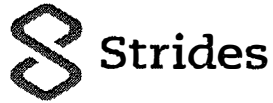
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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

| | Particulars | As at | As at |
|-----------|--|----------------|----------------|
| | | March 31, 2019 | March 31, 2018 |
| | | AUDITED | AUDITED |
| B | EQUITY AND LIABILITIES | | |
| I | Equity | | |
| | (a) Equity Share capital | 8,955 | 8,950 |
| | (b) Other equity | 316,725 | 307,252 |
| | Total Equity | 325,680 | 316,202 |
| II | Liabilities | | |
| 1 | Non-current liabilities | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 15 | 245 |
| | (ii) Other financial liabilities | 334 | 258 |
| | (b) Provisions | 1,288 | 1,332 |
| | (c) Other non-current liabilities | 64 | 75 |
| | Total Non-current liabilities | 1,701 | 1,910 |
| 2 | Current liabilities | | |
| | (a) Financial liabilities | | |
| | (i) Borrowings | 80,880 | 60,159 |
| | (ii) Trade payables | | |
| | (a) total outstanding dues of micro enterprises and small enterprises | 574 | 447 |
| | (b) total outstanding dues of creditors other than micro enterprises and small enterprises | 50,367 | 38,624 |
| | (iii) Other financial liabilities | 2,593 | 2,102 |
| | (b) Provisions | 2,131 | 2,684 |
| | (c) Current tax liabilities | 13 | 1,138 |
| | (d) Other current liabilities | 2,342 | 4,936 |
| | Total current liabilities | 138,900 | 110,090 |
| | Liabilities directly associated with assets classified as held for sale | - | 314 |
| | Total equity and liabilities | 466,281 | 428,516 |





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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019**

Notes:

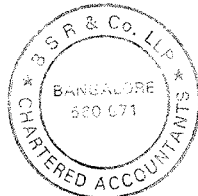
- 1 These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 2 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 10, 2019. The statutory auditors have audited the results for the quarter and year ended March 31, 2019 and have issued an unmodified opinion.
- 3 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.
- 4 On July 2, 2018, the Company obtained approval from the shareholders for sale of its wholly owned subsidiary 'Strides Chemicals Private Limited' to Solara Active Pharma Sciences Limited for a consideration of not less than Rs. 13,100 lakhs. Consequently, the subsidiary has been sold on August 31, 2018 for a consideration of Rs.13,100 lakhs. The balance consideration receivable as at March 31, 2019 is Rs. 5,510 lakhs.
- 5 On April 20, 2018, the Company entered into business purchase agreement with Solara Active Pharma Sciences Limited ('Solara') to sell the assets (consisting of Plant & machinery, equipment, computer software and other related capital work in progress) and business conducted by the company at Strides API Research Centre (SRC) along with the employees for a consideration of Rs. 3,573 lakhs and working capital adjustment of Rs. 97 Lakhs. The same was approved by the board of directors on March 31, 2018.

Accordingly, the results of the SRC unit are included in the discontinued operations for the respective period set out in Note 6 below.

- 6 Results of discontinued operations (including discontinued operations of earlier periods)

| Sl. No. | Particulars | Rs. In Lakhs | | | | |
|---------|--|-------------------------------|--|--|-----------------------------------|------------------------------------|
| | | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
| I | Total Revenue | - | - | 21 | - | 48,830 |
| II | Total Expenses | - | - | 742 | - | 57,922 |
| III | Profit/(loss) before exceptional items and tax (I - II) | - | - | (721) | - | (9,092) |
| IV | Exceptional Items: | - | - | - | - | (126) |
| V | Profit/(loss) before tax (III + IV) | - | - | (721) | - | (9,218) |
| VI | Gain/ (loss) on disposals (net) | - | - | 69,310 | (470) | 84,384 |
| VII | Tax expense/ (benefit) | - | - | (625) | (66) | 1,652 |
| VIII | Gain/ (loss) from discontinued operations (V+VI-VII) | - | - | 69,214 | (404) | 73,514 |

- 7 During the current year, the Company acquired the remaining 50% equity stake in Vivimed Life Sciences Private Limited, India ("VLSPL", an associate) and in Strides Vivimed Pte Ltd, Singapore (subsidiary) through its wholly owned subsidiary Strides Pharma Global Pte Limited, thereby, making both the entities wholly-owned subsidiaries of the group.
- 8 During the current year, the group through its subsidiary Strides Pharma Inc. USA, acquired 100% equity stake in Vensun Pharmaceuticals Inc. USA for a consideration of USD 160.61 Lakhs including deferred contingent consideration. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in the consolidated financial statements.
- 9 During the current year, the group through its subsidiary Strides Pharma Canada Inc. Canada, proposed to acquire 80% equity stake in Pharmapar Inc. Canada, for a consideration of CAD 38 Lakhs. The Group has accounted for this acquisition as a purchase of business in accordance with Ind AS 103 "Business Combinations" in the consolidated financial statements.





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STATEMENT OF STANDALONE AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

10 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 Laboratores 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 included a US\$ 100 million 'General Claims Escrow' account and a US\$ 100 million 'Regulatory Escrow' account. 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. In the previous years, a significant portion of these claims were settled out of the Regulatory Escrow deposit and the remaining balance of the Escrow account was recognised as income on full and final settlement of related claims. Further, the Company and Mylan also agreed on full and final settlement of warranty and indemnity claims to be adjusted against the 'General Claims Escrow'. During the previous period, the Company was in arbitration proceedings for certain third party claims.

During the quarter December 31, 2018, the arbitration proceedings with respect to the third party claims were settled in favour of the Company and Mylan. The Singapore subsidiary and Mylan have entered into an agreement whereby Mylan has released the pending balance in Escrow account. The Singapore subsidiary has recorded a net gain of INR 27,387 Lakhs (net off related expenses and outstanding tax claims) under discontinued operations.

11 Pursuant to the approvals of the board of directors of the Company, the Group entered in to definitive agreements with India Lifescience Fund III, LLC (ILF) for investment in Consumer Healthcare (CHC) business. During the quarter ended December 31, 2018, ILF invested in Strides Global Consumer Healthcare Ltd, UK and Strides Consumer Private Limited, India consequent to which the Group ceded its control over the entities carrying out CHC business. However, the Company continues to exercise significant influence and has classified its investments in CHC business as 'Investment in Associates'.

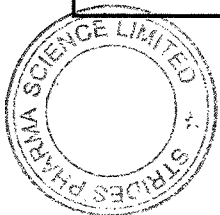
12 During the current year, 40,000 equity shares under the Strides Arcolab ESOP 2011 Scheme and 9,441 equity shares under Strides Shasun ESOP 2015 Scheme were allotted by the Company, on exercising equal number of options.

During the current year, 338,000 equity shares under the Strides Shasun ESOP 2016 Scheme were granted to the eligible employees.

13 The Company has adopted Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018. The core principle of this standard is that the Company shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Under Ind AS 115, the Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer which is different from transfer of risk and rewards under the old revenue standard.

Further, pursuant to the requirements of the new standard, the Company also evaluated its open arrangements on out-licensing arrangements with reference to upfront license fees received in earlier periods and concluded that some of the performance obligations may not be distinct and hence would need to be bundled with the subsequent continuing obligations. Accordingly, the Company has recognised an incremental deferred revenue relating to such open contracts on the transition date.

Adoption of this standard resulted in decrease in retained earnings by Rs. 930 lakhs (net of tax) as at March 31, 2018 and increase in Revenue from Operations by Rs. 1,994 lakhs with a corresponding increase in expenses by Rs. 2,133 lakhs (primarily on account of increased material costs) resulting in a net decrease in profit after tax for the year ended by Rs. 91 Lacs and an decrease in diluted EPS by Rs. 0.10 for year ended March 31, 2019. Comparative periods were not restated given the Company adopted the standard using the cumulative effect approach.





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STATEMENT OF STANDALONE AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

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

| Particulars | Rs. in Lakhs | | | | |
|--|----------------------------------|---|---|---|--|
| | 3 Months ended March 31, 2019 | Preceding 3 Months ended December 31, 2018 | Corresponding 3 Months ended in the previous year March 31, 2018 | Current year ended March 31, 2019 | Previous year ended March 31, 2018 |
| Exchange gain/(loss) on restatement and settlement of long term foreign currency loans and intra-group loans | - | - | (283) | - | 194 |
| Business combination and restructuring expenses | (151) | (195) | (37) | (352) | (381) |
| Write down of inventory and other assets | - | - | (1,023) | - | (1,119) |
| Impairment of investment | - | - | (1,800) | - | (1,800) |
| Fair valuation of derivative instruments | - | - | - | - | 168 |
| Total | (151) | (195) | (3,143) | (352) | (2,938) |

15 In May 2018, the Group and Apotex Inc (Apotex) announced the intention to merge their respective Australia business into a new Company. On September 30, 2018, The Australian Competition and Consumer Commission (ACCC) announced not to object to the proposed merger.

Based on additional due diligence and further deliberations, the Board of Directors proposed to divest its entire interest in the Australia business to Dennis Bastas- Executive Chairman of Arrow Pharmaceuticals Pty Limited, Australia (Arrow).

The Company has obtained the approval from the Company's shareholders' in the EGM held on March 27, 2019. The transaction is subject to the completion of the merger of Arrow and Apotex, execution of definitive sale agreements and completion of certain other conditions and accordingly has not been accounted for as "held for sale" in the financial results.

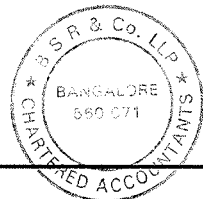
16 The Company's operations for the current and previous year relate only to the "Pharmaceutical business" and accordingly no separate disclosure for business segments is being provided.

17 The figures for the quarters ended March 31, 2019 and March 31, 2018 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.

18 The Board of Directors have proposed a final dividend of Rs. 3 Per share, which is subject to approval by the shareholders' in the annual general meeting.

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

Bengaluru, May 10, 2019



For and on behalf of the Board

[Signature]
Arun Kumar
Group CEO and Managing Director



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