



January 29, 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 – Unaudited Financial Results (Standalone & Consolidated)  
for the quarter and nine months ended December 31, 2018**

We are pleased to enclose the Unaudited Financial Results (Standalone and Consolidated) of the Company along with Limited Review Report of the Statutory Auditors for the quarter and nine months ended December 31, 2018, as approved by the Board of Directors of the Company at their meeting held today, along with a press release issued in this regard.

The board meeting commenced at 11:30 hrs and concluded at 12:30 hrs.

This is for your information and record.

Thanks & Regards,

**For Strides Pharma Science Limited**

A handwritten signature in blue ink that reads 'Manjula R.'.

**Manjula Ramamurthy**  
Company Secretary



**Strides Pharma Science Limited**

(Formerly Strides Shasun Limited)

CIN: L24230MH1990PLC057062

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## Strides announces improved Q3FY19 performance led by regulated markets

*Significant growth in regulated markets which now contribute 82% of the total revenues*

**Bangalore, India, January 29 2019-** Strides Pharma Science Ltd (BSE: 532531, NSE: STAR) today announced its Q3 FY19 results.

### Key Performance Highlights – Q3 FY19

*All Values in ₹m*

Particulars	Q3 FY18	Q2 FY19	Q3 FY19	YoY %	QoQ %	9M FY18	9M FY19	YoY %
Revenues	7,534	7,381	<b>7,984</b>	6%	8%	21,803	<b>22,061</b>	1%
EBITDA	1,401	1,009	<b>1,209</b>	(14%)	20%	3,364	<b>3,114</b>	(7%)
EBITDA %	18.6%	13.7%	<b>15.1%</b>	(350 bps)	140 bps	15.4%	<b>14.1%</b>	(130 bps)
Adj PAT			<b>303</b>				<b>350</b>	
Adj EPS			<b>3.4</b>				<b>3.9</b>	

*For Q3 FY19 adjusted for Biotech share of loss ₹0.5 m, Business restructuring expenses and others ₹81 m. For 9M FY 19 adjusted for Biotech share of loss ₹55 m, Business restructuring expenses and others ₹124 m*

### Business Updates

- **US business delivers a stellar performance**, reported 30% QoQ growth to ₹2,850m (\$41m), outdoes Australia business to become the largest market for Strides in Q3FY19
- **Flat quarter in Australia** with revenues of ₹2,407m (AUD 48m), performance on expected lines due to year-end channel de-stocking
- **Build up in Other Regulated Markets** continues with 55% YoY & 14% QoQ growth in revenues to ₹1,254m, driven by portfolio and market expansion
- **Brands Africa reports a modest sequential growth** with ₹601m revenue and break even, completes activities on primary and secondary sales hygiene
- **Subdued performance in Institutional business** with ₹871m revenues as we continue to face headwinds in this business unit

**Arun Kumar**, Founder and Group CEO, remarked, *“We are happy to report a healthy performance in this quarter. The progress for Strides has fairly been on track, and we are particularly satisfied with the outcomes of our course-corrected strategy in the US Market. With the number of corporate actions announced, we are looking forward to a right-sized growth with improved margins and strengthened balance sheet.”*

**A detailed investor communication is attached on the performance of the company**

## Corporate Actions Announced Today

The Company today announced several corporate actions. Individual press releases have been issued separately giving details of the transaction.

These strategic decisions will add new levers to Strides's growth in the near term and create a future revenue build up.

1. Strides to exit Arrow for a value of AUD 394m, retaining 40-50% of existing EBITDA with preferred 10 year supply contract and IP for all products
2. Bolt-on acquisitions to accelerate front end driven growth in the US
  - A. Acquisition of 100% stake in Vensun Pharmaceuticals, Inc. to take control of the partnered products
  - B. Converting its 50:50 JVs with Vivimed to 100% ownership to take control of partnered ANDAs and USFDA approved manufacturing facility
3. Acquisition of 80% stake in Pharmapar Inc. to build out Canadian Operations

## 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](http://www.strides.com)

## For further information, please contact:

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# Building the future

Q3FY19 EARNINGS RELEASE

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JANUARY 29, 2019



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# WHAT'S INSIDE

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QUARTER HIGHLIGHTS



MARKET WISE PERSPECTIVE



FINANCIAL PERFORMANCE



BOARD UPDATE





# Quarter Highlights

# Healthy quarter performance led by regulated markets

Significant growth in regulated markets which now contribute 82% of the total revenues delivering ~19% post R&D EBITDA margins

## STELLAR PERFORMANCE IN US

- > **30% growth** from \$32m in Q2FY19 to \$41m in Q3FY19, outdoes Australia to become **the largest market** for Strides in Q3FY19
- > Quarter turns **EBITDA positive** with significant **margin uptick** in spite of increased R&D spend
- > Continued filing (YTD 16 filings) & approval momentum(YTD 11 approvals), on track to meet **upper end** of guidance
- > Announced **corporate actions** which will add ~\$40m annualized sales
- > Several **partnered products returned** to Strides for revenue build out in Q4FY19

## A FLAT QUARTER FOR AUSTRALIA

- > Flat quarter with revenues of ₹2,407m(AUD 48m), performance on expected lines due to year end **channel de-stocking**
- > Completes strategic overview of Australian investments, **exits Arrow** for a value of **AUD 433m<sup>1</sup>**, retaining **40-50%** of **existing EBITDA** with preferred supply contract and **IP for all products** ([Click here for more details](#))

## BUILD UP CONTINUES IN OTHER REGULATED MKTs.

- > **55% YoY & 14% QoQ** growth in revenues to ₹1,254m, driven by portfolio and client expansion
- > Announced inorganic transaction in **Canada** to provide nucleus for **future growth**.

## BRANDS AFRICA REVIVES TO BREAK EVEN

- > Brands Africa reports a **modest sequential growth** with ₹601m revenue, completes activities on **primary and secondary sales hygiene**

## SUBDUED PERFORMANCE IN INSTITUTIONAL BUSINESS

- > Institutional business degrades to ₹871m, as we continue to **take a guarded approach** and **not execute low margin contracts**

₹7,984 Million

Q3FY19 revenues, 8% QoQ ▲

₹22,061 Million

9MFY19 revenues, 1% YoY ▲

₹1,209 Million

Q3FY19 EBITDA, 20% QoQ ▲

₹3,114 Million

9MFY19 EBITDA, 7% YoY ▼



We are happy to report a healthy performance in this quarter. The progress for Strides has fairly been on track and we are particularly satisfied with the outcomes of our course-corrected strategy in the US Market. With the number of corporate actions announced, we are looking forward to a right sized growth with improved margins and strengthened balance sheet.

**Arun Kumar,**  
**Founder and Group CEO**



1. Strides to receive AUD 394 m while merged entity will pay-out AUD 39 m minority interest. The transaction will be subject to certain other conditions and approval of the shareholders of Strides. The transaction also remains subject to the successful completion of the Arrow/Apotex merger which is expected to complete by March 31, 2019.

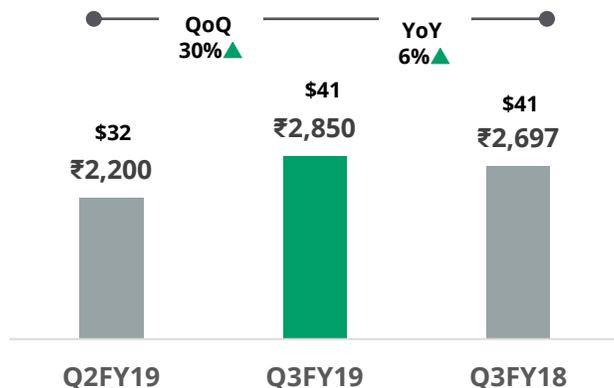


## Regulated Markets-

Contributed 82% to revenues in Q3FY19 with ~19% Post R&D EBITDA margins compared to 75% revenues & ~15% margins in Q1FY19

Achieves profitability, surpasses Australia business to become #1 regulated market for Strides in Q3

## Q3FY19 PERFORMANCE (₹/US\$ m)



- > Strong business momentum driven by **new product launches and healthy volume trajectory** for base portfolio, **10 frontend products** now amongst **top 3** in **US** by market share
- > In spite of increased R&D spent, course corrected strategy delivered **positive post R&D EBITDA** for the first time in FY19.
- > US strategy execution tracking ahead of plan, **healthy orderbook visibility** driven by significant order wins during the quarter
- > Witnessing **steady pricing environment** with no price drops in the portfolio
- > **Successful completion of US FDA inspection** at the flagship facility in Bangalore with **Zero 483s**

## BUILDING BUSINESS WITH A RESURGENT STRATEGY

### ORGANIC GROWTH WITH NEW LAUNCHES & CONTINUED FILING MOMENTUM



- > **Market share for key frontend molecules** - Methoxsalen 61%, Ergocalciferol 54%, Acarbose 39%, Ranitidine 33%, Benzonatate 22%, Dutasteride 22%, Ketoconazole 20%, Calcitriol 19%, Efavirenz 17%, Mycophenolate 11%, and Buspirone 10%
- > Received **11 approvals** product in YTD FY19, continued success with the **new product launches**
- > R&D investment at **₹350m** for the quarter, R&D spend as % of US sales at **~12.3%** for the quarter
- > Healthy ANDA filing momentum with **16 YTD filings**, on track to meet upper end of guidance
- > Organic ANDA portfolio of **86 filings** with **31** products pending approval

### CORPORATE ACTIONS : VENSUN AND VIVIMED TRANSACTION TO ADD ~\$40M ADDITIONAL SALES & RESULT IN COMBINED PORTFOLIO OF 100+ ANDAs



#### Acquisition of Vensun Pharmaceuticals, Inc

- > Portfolio of **16 commercialized ANDAs**, four of which are partnered with Strides
- > Unencumbered access to **Strides CGT designated product** with \$400m opportunity

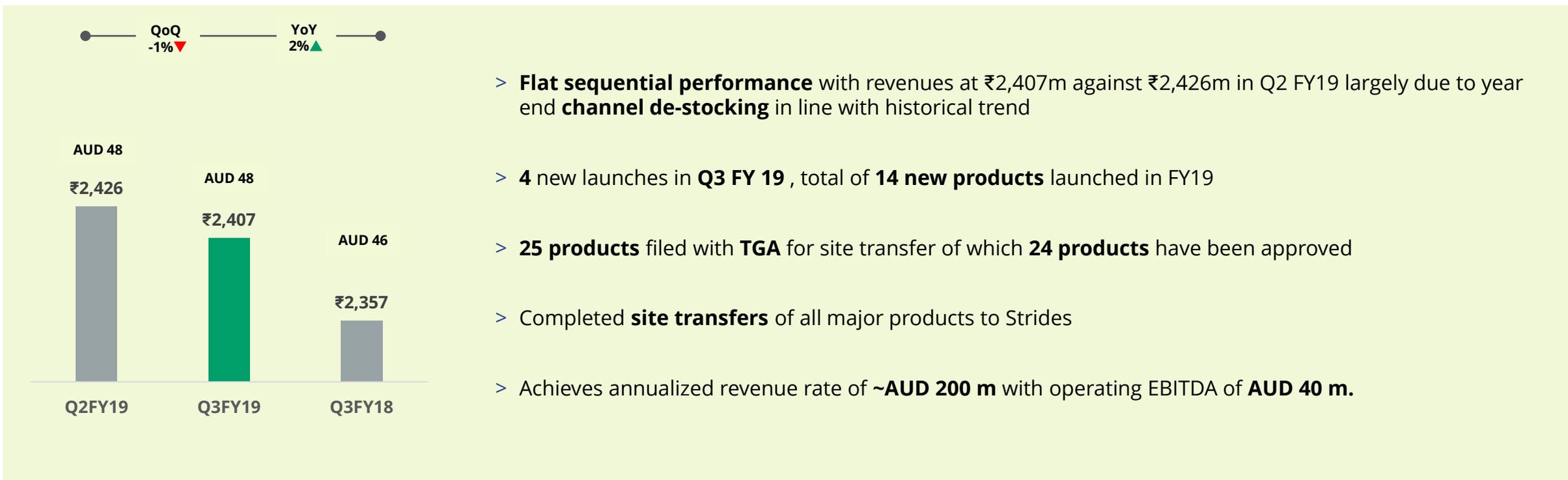


#### 100% ownership in JV with Vivimed Labs

- > Alathur facility will support Strides's growing front end demand, to de-risk **manufacturing concentration**
- > All **10 ANDAs** previously partnered to third parties, will revert to Strides
- > Potential annualized revenues of **\$25m starting** from FY20.



## Q3FY19 PERFORMANCE (₹/AUD\$ m)





## BACKGROUND

- > Strides re-entered the Australian market in September 2015 as Arrow through the acquisition of generics portfolio from Aspen
- > In May 2018, Arrow and Apotex Inc. (Apotex) announced their intention to merge their businesses in Australia to build the largest player in the Australian generic pharmaceutical market
- > The merger transaction would have delivered Strides a minimum ownership of 50% in the merged entity.
- > Strides **considered acquiring 100%** ownership of the combined entity which, however, would have resulted in significant increase of debt on the balance sheet and the **estimated combined synergies & EBITDA** could not support the **leverage the company was comfortable with**
- > Post ACCC approval and additional due diligence, Strides **preferred an exit strategy which is in the best interest of shareholders**
- > Consequently, the Board recommended selling of our ownership in Arrow



## STRATEGIC RATIONALE

- > Proposed transaction allows Strides to enter into a **10-year preferred supplier contract** with the merged entity while enabling Strides to retain ongoing earnings of **40%-50% of current EBITDA at Arrow**
- > Strides will also **retain access to the IP of 140 products** in the Arrow portfolio with fungibility in other global markets including key regulated markets
- > **Strengthened balance sheet** with significant reduction in debt in spite of retaining substantial EBITDA
- > Transaction would be **immediately EPS accretive**



## TRANSACTION STRUCTURE

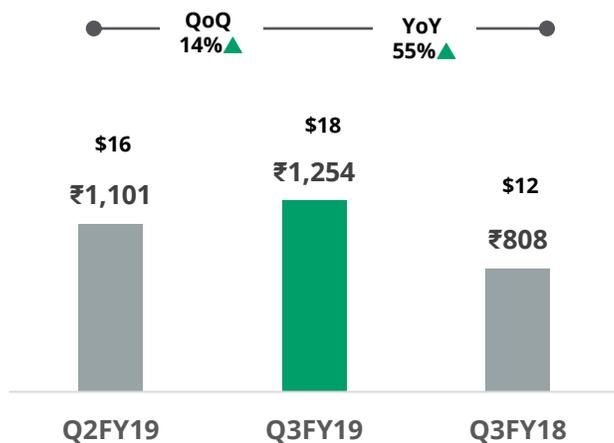
- > Strides will sell its **complete stake** in Arrow to entities owned and operated by Dennis Bastas, Executive Chairman and Co-founder of Arrow.
- > **Arrow will merge with Apotex to create the new entity - Arrotex**
- > Strides to receive **AUD 394 m** while Arrotex will pay-out **AUD 39 m** minority interest.
- > Strides will **receive AUD 300 m** as upfront payment at the closure of transaction while the balance AUD 94 m to be deferred through a secured instrument.
- > The initial net proceeds of **AUD 300 m (US\$ 213 m)** along with additional **US\$ 42 m** released from the general claims escrow account on Agila transaction will be deployed to pare debt and retain growth capital
- > The transaction will be subject to certain other conditions & approval of the shareholders of Strides. It also remains **subject to the completion of the Arrow/Apotex** which is expected to complete by March 31, 2019.



1. Strides to receive AUD 394 m while Arrotex will pay-out AUD 39 m minority interest.

Another strong quarter with improvement in margins given the operating leverage

## Q3FY19 PERFORMANCE (₹/US\$ m)



- > Revenue growth contributed by **improved business environment** in key European markets and **portfolio expansion**.
- > **Improving channel presence** in key markets towards full-line wholesalers giving better predictability
- > Margin expansion led by improved pricing, change in **GTM strategy** as well as new **product launches**.

## FASTEST GROWTH OPPORTUNITY FOR SIZE, SCALE & SCOPE

### PORTFOLIO MAXIMIZATION AND OPERATING LEVERAGE



- > Market strategy driven by improved market share in key molecules
- > Organic strategy with minimum cost as we are leveraging the R&D heads up for the US and Australia
- > Margin expansion with site transfers to highly compliant manufacturing base at Strides

### NEW MARKET EXPANSION



#### Build out in Canada(\$21b market) through 80% stake in Pharmapar

- > Head start in the Quebec private market with an established front end and distribution network.
- > Pharmapar has an annualized revenue base of CAD 10 m(~US\$ 8 m) and operational break-even



#### Other Markets

- > Kick-starting greenfield B2C operation in Nordics and Netherlands
- > Ramp up in filings in South Africa

## STRIDES IN OTHER REGULATED MARKETS TODAY

15+

COUNTRY SALES FOOTPRINT

110+

PRODUCT FILINGS IN UK

120+

PRODUCT FILINGS IN EUROPE

80+

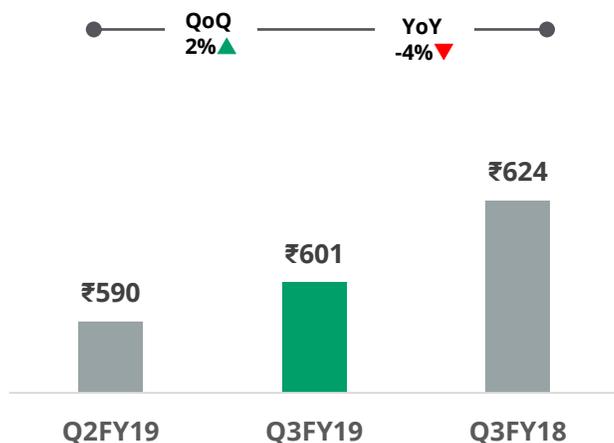
MOLECULES IN SOUTH AFRICA





# Emerging Markets: Improving “In Africa for Africa” outlook amidst a strategic reset

## Q3FY19 PERFORMANCE (₹m)



- > Exercise to align primary and secondary sales **achieves outcomes**
- > **Sequential growth** in revenues, **achieves break even** at operational level
- > Revamp of **field force & agency** in key markets alongside enhanced distributor engagement to maintain business hygiene
- > Rationalization of **doctor-product matrix** to prioritize prescription driven brands
- > Key brands including Renerve, Solcer, Combiart continue to **maintain healthy market share**

## FOCUSED ON BUILDING A PORTFOLIO OF BRANDS

### LONG TERM MARKET FACTORS INTACT



- > 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

### SUPERIOR PRODUCT AND MARKET PROFILE TO DRIVE GROWTH



- > Expanding footprint in **East Africa** to strengthen the branded generic platform in Africa
- > Focus on creating brands across **life style therapies** with power brands covering significant portion of the revenues

### IMPROVED PRODUCTIVITY TO LEAD MARGIN EXPANSION

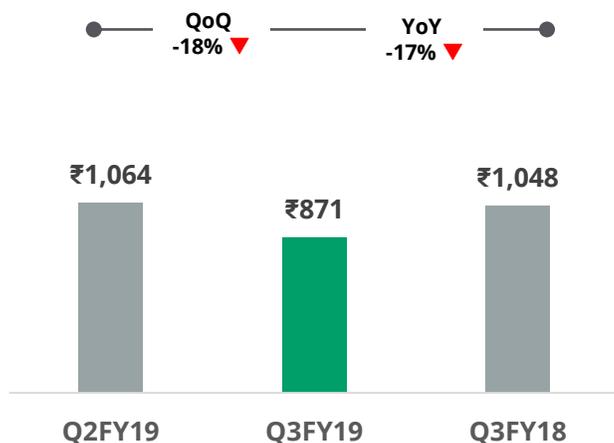


- > Implementation of tools for **better monitoring of the field force activities**
- > Improve **targeting of KOL's** and specialists brand loyalist



Sluggish procurement activity by donor funding agencies and API supply issues continue

## Q3FY19 PERFORMANCE (₹m)



- > Revenues down due to **muted procurement by donor funding agencies**
- > Another quarter of subdued contribution from **Anti malarial business**
- > ARV business continue to be impacted by API cost escalations, donor funding agencies yet to decide on **price improvements for suppliers**
- > Continue to take a **guarded approach** towards business with a margin driven focus

## FOCUS ON NEW PRODUCT REGIMEN TO DRIVE GROWTH

### MUTED OUTLOOK IN THE NEAR TERM



- > Business with existing portfolio continues to be **opportunistic** as we see **volatility in pricing** and donor funding.
- > Sustain **profitability** of the existing business through **focused pricing and tender participation**

### STAY INVESTED AS WE INVEST IN THE NEW PRODUCT REGIMEN



- > Leg up in ARV growth through the **introduction of next-generation combinations** drugs that will attract future funding
- > Local manufacturing of institutional portfolio at **WHO approved site in Kenya** to help improve market share for donor funded programs

### OUR PARTNERS IN GLOBAL PROGRAMS



## FY19 Preview

### Reset to the right size

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 **82%** of the revenues with **~18-19% EBITDA** margins inspite of increased R&D spend
- > **Continued momentum** in R&D as we are on track to achieve guidance both on filings and approvals
- > Recent product launches in US will **accelerate organic growth**
- > Corporate action in Australia will **strengthen balance sheet** and pare \$150-\$160m of **long term debt**
- > Rapid expansion in US and other regulated markets will **recoup for the revenues from Australia**
- > Continued **focus on compliance** with industry leading automation and quality framework

## Building on the pivots in FY20

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



**US Growth** to be driven by linearity in filings and approvals with significant upside from the new strategic acquisitions



Ten-year preferred supply agreement with the merged Arrow-Apotex entity, to result in potential annual EBITDA of AUD 15-20 m in **Australia**



Unlocking value of large and established portfolio in Australia and US through maximization strategy for **other regulated markets**



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

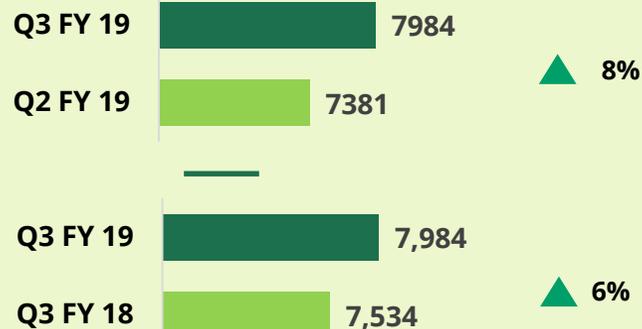




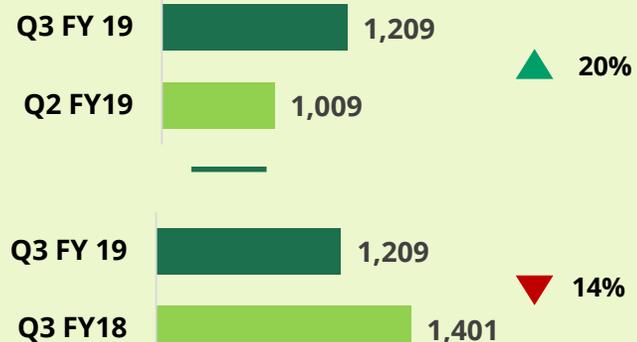
# Financial Performance

Regulated markets now deliver an adjusted EBITDA margin of ~18-19%

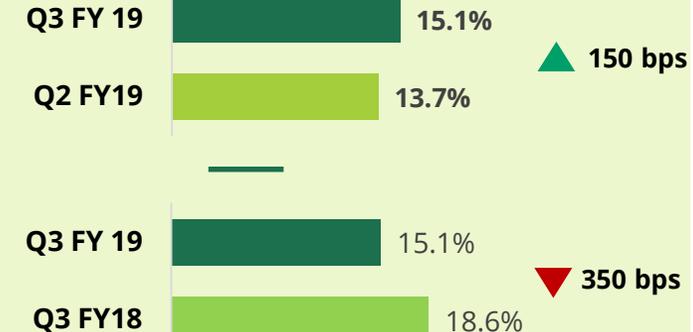
## Q3FY19 REVENUES (₹m)



## Q3FY19 EBITDA (₹m)



## EBITDA MARGIN (%)



## 9MFY19 REVENUES (₹m)



## 9MFY19 EBITDA (₹m)



## EBITDA MARGIN (%)



## INCOME STATEMENT (₹m)

Particulars	Q3 FY18	Q2 FY19	Q3 FY19	YoY %	QoQ %	9M FY18	9M FY19	YoY %
Revenues	7,534	7,381	<b>7,984</b>	6%	8%	21,803	<b>22,061</b>	1%
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Adj PAT#			<b>303</b>				<b>350</b>	
Adj EPS			<b>3.4</b>				<b>3.9</b>	

## RECONCILIATION OF EBITDA (₹m)

As per SEBI results	Q3 FY19	9MFY19
<b>Profit before exceptional items and tax</b>	<b>372</b>	<b>560</b>
<i>Less: Interest, Dividend income</i>	70	153
<i>Add : Depreciation and Amortization</i>	407	1,280
<i>Add : Finance costs</i>	501	1,427
<b>Consolidated EBITDA as per press release</b>	<b>1,209</b>	<b>3,114</b>

## NET DEBT (₹m)

**₹18,241** Million

Constant currency net debt in Q3FY19



# Board Update

## STRIDES TO EXIT INVESTMENTS IN ARROW FOR AUD 394 MN

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- > Strides's step-down subsidiary Strides Pharma Global Pte, Limited, has decided to sell its entire Australian business (Arrow). The Board of Directors of Strides have recommended this transaction in the best interest of Shareholders.
- > As part of the proposed transaction, Strides will enter into a 10-year preferred supplier contract with the merged entity while enabling Strides to retain ongoing earnings of 40%-50% of current EBITDA at Arrow. Strides will also retain access to the IP of 140 products in the Arrow portfolio.
- > Strides will receive AUD 300 mn as upfront payment at the closure of transaction while the balance AUD 94 mn to be deferred through a secured instrument. The initial net proceeds will be deployed to pare term debt of US\$150-160m strengthening the balance sheet. The balance proceeds will be infused as growth capital for other operating markets of Strides.

## ACQUISITION OF 100% STAKE IN VENSUN PHARMACEUTICALS, INC.

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- > Strides's step down subsidiary Strides Pharma, Inc has entered into an arrangement to acquire 100% stake in Vensun Pharmaceuticals, Inc. (Vensun), a US-based Generics Company.
- > Strides to get unencumbered access to its partnered IP with Vensun including the CGT designated product. If Strides is the first approved applicant, the product could be eligible for a potential 180-day CGT exclusivity which functions equivalently to the Patent Challenge exclusivity for ANDAs.
- > Strides existing ANDA portfolio of 86 filings with 31 files pending approval will have additional 12 commercialized ANDAs and 12 files pending approvals from Vensun

## CONVERT 50:50 JV WITH VIVIMED TO 100% OWNERSHIP, ANOTHER STEP TO FAST-TRACK US STRATEGY

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- > The Board of Directors of Strides and its step-down subsidiary Strides Pharma Global Pte Limited, Singapore have approved to convert their 50:50 JVs with Vivimed to 100% ownership. Consequently, Strides will acquire balance 50% stake in Vivimed Life Sciences Private Limited, India and its step-down subsidiary, Strides Pharma Global Pte, Limited Singapore will acquire the balance 50% stake in Strides Vivimed Pte Ltd, Singapore to own and operate the erstwhile joint venture companies fully.
- > Vivimed's portfolio of 10 approved ANDAs was earlier marketed by third parties, as part of the transaction, the portfolio will now revert to Strides to potentially add an annualized revenue of US\$ 25 mn starting from FY20.
- > The USFDA approved Alathur facility with a capacity of 1.5 billion oral solids will support better utilization of our facilities to service our increased demand in the fast-growing regulated markets business



## ACQUISITION OF 80% STAKE IN PHARMAPAR INC. TO BUILD OUT CANADIAN OPERATIONS

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- > Strides's step down subsidiary Strides Pharma Canada Inc, Canada has entered into an arrangement to acquire 80% stake in Pharmapar Inc. (Pharmapar), a Canada based specialized generics front end Company.
- > Transaction to enable Strides's foray in Canada which is a new market for Strides and one of top 10 global pharmaceutical markets. As per IQVIA, the market is estimated at US\$ 21 billion with a significant share of generics through retail pharmacies.
- > Strides to fast track growth in the region through rapid portfolio expansion driven by its fungible portfolio built in the markets of US, Europe and Australia



The Board of Directors of the Company on November 22nd, 2018 approved the participation of Strides in the Series B fundraiser of Stelis Biopharma Private Limited (Stelis) with a commitment of US\$ 15 million in a US\$100 million fund raise. [Click here for the press release](#)

The key updates shared on the developments in Stelis are as follows:

## Manufacturing Facility

Stelis has completed the construction of its modern state of the art biopharma manufacturing facility at Bengaluru. The Drug product block of this facility is in the final stages of validation and is expected to go commercial for manufacturing and high end CDMO services in the Q4 FY19. The Drug substance block will be commercially available by the end of Q1 FY20. Please find a link for a site walkthrough at <https://photos.app.goo.gl/GET5jq9CtGMcAhSy8>

## Advanced stage Assets

With regulatory filing milestones achieved for two key assets, Stelis is poised to emerge as an important player in the near term in the biopharma space.

Product	Therapeutic Area	Market Readiness	Market Opportunity
SBL001	Osteoporosis	<ul style="list-style-type: none"> <li>Successfully completed the pivotal phase 1 clinical study in Australia which meets filing requirements for EU, Australia, and Canada in CY19</li> <li>Phase 3 waiver for EU filing received</li> <li>Incremental phase 3 studies for US by end CY20</li> </ul>	~\$2 billion
SBL005	Osteoarthritis	<ul style="list-style-type: none"> <li>EU approval to commercialise as a device expected in Q1 FY20</li> <li>In advanced stages of concluding a co-marketing arrangement with a leading European player for EU markets</li> <li>Direct sales through distributors/Strides in other markets</li> <li>Incremental phase 3 studies for US by end CY20</li> </ul>	~\$2 billion

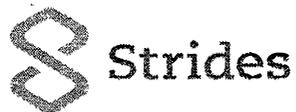
## Early Stage Assets

Stelis is building its unique positioning with pipeline of five commercially attractive assets in early stage development including development of first of a kind innovative biopharma product.





**Thank You**



**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 STANDALONE UNAUDITED RESULTS  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

Sl. No.	Particulars	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
	<b>Continuing operations</b>						
I	Revenue from operations	41,468	33,843	35,303	110,288	108,059	146,961
II	Other income	2,207	2,036	293	5,820	10,674	15,620
III	<b>Total Income (I + II)</b>	<b>43,675</b>	<b>35,879</b>	<b>35,596</b>	<b>116,108</b>	<b>118,733</b>	<b>162,581</b>
	<b>IV Expenses</b>						
	(a) Cost of materials consumed	22,953	20,873	14,953	67,488	56,310	75,915
	(b) Purchases of stock-in-trade	488	255	21	1,645	3,415	3,989
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	576	(829)	2,417	(3,463)	2,991	(1,779)
	(d) Employee benefits expense	5,294	6,903	5,443	17,432	16,978	22,453
	(e) Finance costs	1,494	1,137	2,219	3,778	7,050	8,197
	(f) Depreciation and amortisation expense	2,023	2,123	2,025	6,149	5,712	7,781
	(g) Other expenses	8,872	6,575	6,365	21,065	19,138	26,673
	<b>Total expenses (IV)</b>	<b>41,700</b>	<b>37,037</b>	<b>33,443</b>	<b>114,094</b>	<b>111,594</b>	<b>143,229</b>
V	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>	<b>1,975</b>	<b>(1,158)</b>	<b>2,153</b>	<b>2,014</b>	<b>7,139</b>	<b>19,352</b>
VI	Exceptional Item gain/ (loss) (net) (Refer note 14)	(195)	(1)	797	(201)	205	(2,938)
VII	<b>Profit/(loss) before tax (V + VI)</b>	<b>1,780</b>	<b>(1,159)</b>	<b>2,950</b>	<b>1,813</b>	<b>7,344</b>	<b>16,414</b>
VIII	<b>Tax expense</b>						
	- Current tax	871	-	2,068	871	2,068	3,732
	- Deferred tax expense / (benefit)	(622)	(132)	(3,493)	(617)	(3,530)	(2,964)
	<b>Total tax expense (VIII)</b>	<b>249</b>	<b>(132)</b>	<b>(1,425)</b>	<b>254</b>	<b>(1,462)</b>	<b>768</b>
IX	<b>Profit/(loss) after tax from continuing operations (VII - VIII)</b>	<b>1,531</b>	<b>(1,027)</b>	<b>4,375</b>	<b>1,559</b>	<b>8,806</b>	<b>15,646</b>
X	<b>Discontinued operations</b>						
	- Profit/(loss) from discontinued operations	-	-	(5,648)	-	(8,497)	(9,218)
	- Gain/ (loss) on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	-	(469)	15,074	(470)	15,074	84,384
XI	<b>Profit/(loss) before tax from discontinued operations</b>	<b>-</b>	<b>(469)</b>	<b>9,426</b>	<b>(470)</b>	<b>6,577</b>	<b>75,166</b>
	- Tax expense/ (benefit) of discontinued operations	-	(66)	3,262	(66)	2,277	1,652
XII	<b>Profit/(loss) after tax from discontinued operations</b>	<b>-</b>	<b>(403)</b>	<b>6,164</b>	<b>(404)</b>	<b>4,300</b>	<b>73,514</b>
XIII	<b>Profit/(loss) for the period (IX + XII)</b>	<b>1,531</b>	<b>(1,430)</b>	<b>10,539</b>	<b>1,155</b>	<b>13,106</b>	<b>89,160</b>



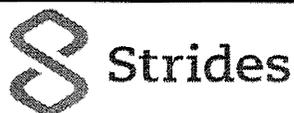


STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED )  
 Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.  
 Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.

STATEMENT OF STANDALONE UNAUDITED RESULTS  
 FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

Sl. No.	Particulars	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended In the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
<b>XIV</b>	<b>Other comprehensive income</b>						
<b>A</b>	(i) Items that will not be reclassified to statement of profit and loss	-	-	(131)	-	(131)	(13)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	45	5	45	5
<b>B</b>	(i) Items that may be reclassified to statement of profit and loss	4,094	(1,906)	368	(87)	(1,940)	(3,007)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	(1,431)	666	(128)	29	671	1,241
	<b>Total other comprehensive income for the period (XIV)</b>	<b>2,663</b>	<b>(1,240)</b>	<b>154</b>	<b>(53)</b>	<b>(1,355)</b>	<b>(1,974)</b>
<b>XV</b>	<b>Total comprehensive income for the period (XIII + XIV)</b>	<b>4,194</b>	<b>(2,670)</b>	<b>10,693</b>	<b>1,102</b>	<b>11,751</b>	<b>87,186</b>
	<b>Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)</b>						
	(a) Basic (Rs.)	1.71	(1.15)	4.89	1.74	9.84	17.49
	(b) Diluted (Rs.)	1.71	(1.15)	4.88	1.74	9.83	17.48
	<b>Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)</b>						
	(a) Basic (Rs.)	-	(0.45)	6.89	(0.45)	4.81	82.16
	(b) Diluted (Rs.)	-	(0.45)	6.88	(0.45)	4.80	82.13
	<b>Earnings per equity share (face value of Rs. 10/- each) (for total operations)</b>						
	(a) Basic (Rs.)	1.71	(1.60)	11.78	1.29	14.65	99.65
	(b) Diluted (Rs.)	1.71	(1.60)	11.76	1.29	14.63	99.61
	See accompanying notes to the Financial Results						





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**STATEMENT OF STANDALONE UNAUDITED RESULTS**

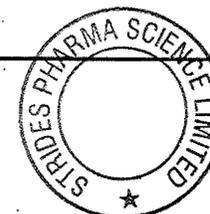
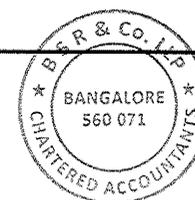
**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

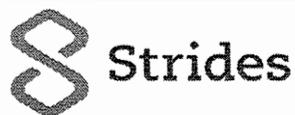
**Notes:**

- 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 January 29, 2019. The statutory auditors have carried out limited review of the above results for the quarter and nine months ended December 31, 2018 and have issued unmodified opinion.
- 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.
- During the previous quarter, 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 December 31, 2018 is Rs. 9,010 lakhs.
- 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 subject to adjustment and finalisation for Rs. 83 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.
- Results of discontinued operations (including discontinued operations of earlier periods)

Sl. No.	Particulars	Rs. in Lakhs					
		3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
I	Total Revenue	-	-	1,583	-	48,809	48,830
II	Total Expenses	-	-	7,199	-	57,180	57,922
III	<b>Profit/(loss) before exceptional items and tax (I - II)</b>	-	-	<b>(5,616)</b>	-	<b>(8,371)</b>	<b>(9,092)</b>
IV	Exceptional Items:	-	-	(32)	-	(126)	(126)
V	<b>Profit/(loss) before tax (III + IV)</b>	-	-	<b>(5,648)</b>	-	<b>(8,497)</b>	<b>(9,218)</b>
VI	Gain/ (loss) on disposals (net)	-	(469)	15,074	(470)	15,074	84,384
VII	Tax expense/ (benefit)	-	(66)	3,262	(66)	2,277	1,652
VIII	<b>Gain/ (loss) from discontinued operations (V+VI-VII)</b>	-	<b>(403)</b>	<b>6,164</b>	<b>(404)</b>	<b>4,300</b>	<b>73,514</b>

- Subsequent to the quarter, the group proposed to acquire the remaining 50% equity stake in Vivimed Life Sciences Private Limited, India (associate) and in Strides Vivimed Pte Ltd, Singapore (subsidiary) for an aggregate consideration of INR 7,500 Lakhs. The transaction is subject to conclusion of definitive agreements and closing conditions.
- Subsequent to the quarter, the group through its subsidiary Strides Pharma Inc. USA, proposed to acquire 100% equity stake in Vensun Pharmaceuticals Inc. USA for a base consideration of USD 182 Lakhs (USD 40 Lakhs towards equity and USD 142 Lakhs towards loan) and a deferred contingent consideration up to a maximum of USD 750 Lakhs to be paid over a maximum period of 6 years. The transaction is subject to conclusion of definitive agreements and closing conditions.
- Subsequent to the quarter, 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 40 Lakhs. The transaction is subject to conclusion of definitive agreements and closing conditions.





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**STATEMENT OF STANDALONE UNAUDITED RESULTS**

**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

- 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 Company was in arbitration proceedings for certain third party claims.

During the current quarter, the arbitration proceedings with respect to the third party claims have been 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 27.182 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 into definitive agreements with India Life Sciences Fund III, LLC (ILF) for investment in Consumer Healthcare (CHC) business. During the current 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 Company continues to exercise significant influence and has classified its investments in CHC business as "Investment in Associates".

- 12 During the quarter ended June 30, 2018, 40,000 equity shares under the Strides Arcolab ESOP 2011 Scheme and 8,878 equity shares under Strides Arcolab ESOP 2015 Scheme were allotted by the Company, on exercising equal number of options.

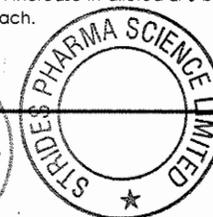
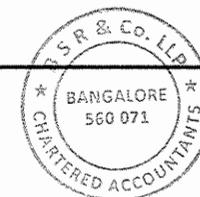
During the previous quarter ended September 30, 2018, 315,500 equity shares under the Strides Shasun ESOP 2016 Scheme were granted to the eligible employees.

During the current quarter ended December 31, 2018, 8,563 equity shares under Strides Arcolab ESOP 2015 Scheme were allotted by the company, on exercising equal number of options.

- 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. 1,430 lakhs as at March 31, 2018 and increase in Revenue from Operations by Rs. 2,456 lakhs with a corresponding increase in expenses by Rs. 2,343 lakhs (primarily on account of increased material costs) resulting in a net increase in profit after tax for the nine months ended by Rs. 97 Lacs and an increase in diluted EPS by Rs. 0.11 for the nine months ended December 31, 2018. Comparative periods were not restated given the Company adopted the standard using the cumulative effect approach.





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**STATEMENT OF STANDALONE UNAUDITED RESULTS**

**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

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

Sl. No.	Particulars	Rs. In Lakhs					
		3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
a	Exchange gain/(loss) on restatement and settlement of long term foreign currency loans and intra-group loans	-	-	654	-	477	194
b	Business combination and re-structuring expenses	(195)	(1)	(157)	(201)	(344)	(381)
c	Write down of inventory and other assets	-	-	-	-	(96)	(1,119)
d	Impairment of investment	-	-	-	-	-	(1,800)
e	Fair valuation of derivative instruments	-	-	300	-	168	168
	<b>Total</b>	<b>(195)</b>	<b>(1)</b>	<b>797</b>	<b>(201)</b>	<b>205</b>	<b>(2,938)</b>

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.

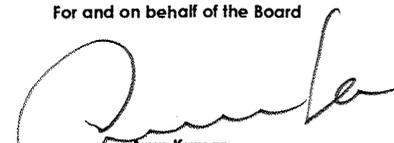
Based on additional due diligence and further deliberations, the Board of Directors proposed to divest its entire interest in the Australia business to Dennis Bastas- Executive Chairman of Arrow Pharmaceuticals Pty Limited, Australia (Arrow) for an upfront consideration and with the Company retaining product supply rights for future.

The transaction is subject to the Company's shareholders' approval, completion of the merger of Arrow and Apotex, execution of definitive sale agreements and completion of certain other closing conditions and accordingly has not been accounted for as of December 31, 2018

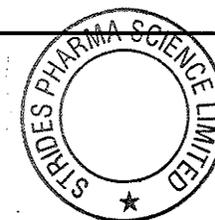
16 The Company's operations for the current and previous year relate only to the "Pharmaceutical business" and accordingly no separate disclosure for business segments is being provided.

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

For and on behalf of the Board

  
Arun Kumar  
Group CEO and Managing Director

Bengaluru, January 29, 2019



# B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre  
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Bangalore 560 071 India

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To  
The Board of Directors of Strides Pharma Science Limited

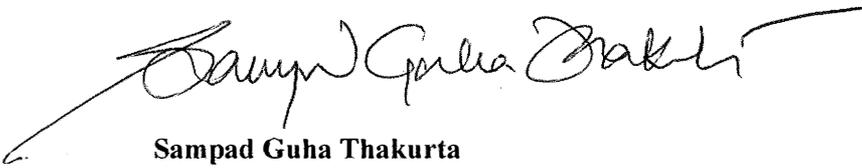
We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) ('the Company') for the quarter and nine months period ended 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

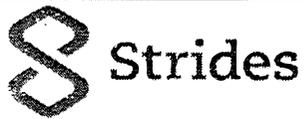
We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review 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.

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 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 Registration Number: 101248W/W-100022

  
**Sampad Guha Thakurta**  
*Partner*  
Membership Number: 060573

Place: Bengaluru  
Date: 29 January 2019



**STRIDES PHARMA SCIENCE LIMITED (FORMERLY STRIDES SHASUN LIMITED)**

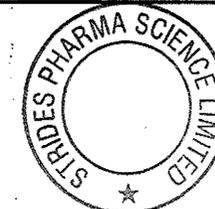
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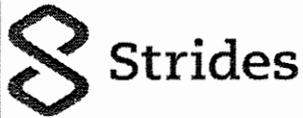
Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

Rs. in Lakhs

Sl. No.	Particulars	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
		UNAUDITED	UNAUDITED	UNAUDITED*	UNAUDITED	UNAUDITED*	AUDITED*
		(1)	(2)	(3)	(4)	(5)	(6)
	<b>Continuing operations</b>						
I	Revenue from operations	79,450	73,263	74,879	219,059	217,523	283,938
II	Other income	83	773	1,566	1,920	7,226	9,406
III	<b>Total income (I + II)</b>	<b>79,533</b>	<b>74,036</b>	<b>76,445</b>	<b>220,979</b>	<b>224,749</b>	<b>293,344</b>
IV	<b>Expenses</b>						
	(a) Cost of materials consumed	19,667	26,003	16,194	73,283	62,665	84,750
	(b) Purchases of stock-in-trade	16,240	16,382	11,937	47,442	32,974	43,915
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,365	(7,160)	6,777	(13,184)	12,966	9,219
	(d) Employee benefits expense	10,602	11,875	11,315	33,013	32,870	43,405
	(e) Finance costs	5,009	4,848	4,977	14,269	15,077	19,624
	(f) Depreciation and amortisation expense	4,067	4,449	3,795	12,803	10,969	15,403
	(g) Other expenses	17,867	16,203	15,560	47,758	45,046	62,995
	<b>Total expenses (IV)</b>	<b>75,817</b>	<b>72,600</b>	<b>70,555</b>	<b>215,384</b>	<b>212,567</b>	<b>279,311</b>
V	<b>Profit before exceptional items and tax (III - IV)</b>	<b>3,716</b>	<b>1,436</b>	<b>5,890</b>	<b>5,595</b>	<b>12,182</b>	<b>14,033</b>
VI	Exceptional items - net gain / (loss) (Refer note 16)	74	(739)	(632)	(1,159)	(2,193)	(4,358)
VII	<b>(Loss) / Profit before tax (V + VI)</b>	<b>3,790</b>	<b>697</b>	<b>5,258</b>	<b>4,436</b>	<b>9,989</b>	<b>9,675</b>
VIII	Share of profit / (loss) of joint ventures and associates	(696)	(1,230)	(323)	(2,717)	(1,159)	(1,680)
IX	<b>(Loss) / Profit before tax (VII + VIII)</b>	<b>3,094</b>	<b>(533)</b>	<b>4,935</b>	<b>1,719</b>	<b>8,830</b>	<b>7,995</b>
X	<b>Tax expense</b>						
	- Current tax	2,534	1,097	3,266	3,845	3,674	4,851
	- Deferred tax	(1,901)	(936)	(3,065)	(3,638)	(2,610)	(4,283)
	<b>Total tax expense (X)</b>	<b>633</b>	<b>161</b>	<b>201</b>	<b>207</b>	<b>1,064</b>	<b>568</b>
XI	<b>(Loss) / Profit after tax from continuing operations (IX - X)</b>	<b>2,461</b>	<b>(694)</b>	<b>4,734</b>	<b>1,512</b>	<b>7,766</b>	<b>7,427</b>
XII	<b>Discontinued operations</b>						
	- Profit / (Loss) from discontinued operations	-	-	(5,721)	-	(7,559)	(8,446)
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	27,182	(203)	12,980	26,978	12,658	71,031
	- Tax expense / (benefit) of discontinued operations	-	(27)	3,182	(27)	2,198	1,573
XIII	<b>Profit/(loss) after tax from discontinued operations</b>	<b>27,182</b>	<b>(176)</b>	<b>4,077</b>	<b>27,005</b>	<b>2,901</b>	<b>61,012</b>
XIV	<b>Profit/(loss) for the period (XI + XIII)</b>	<b>29,643</b>	<b>(870)</b>	<b>8,811</b>	<b>28,517</b>	<b>10,667</b>	<b>68,439</b>





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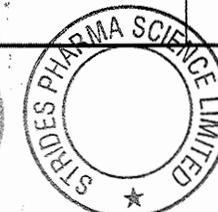
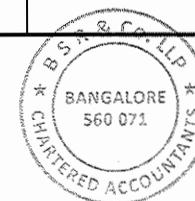
Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.

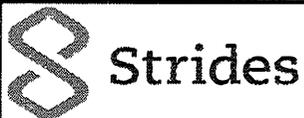
**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS**

**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

Rs. in Lakhs

Sl. No.	Particulars	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
		UNAUDITED	UNAUDITED	UNAUDITED*	UNAUDITED	UNAUDITED*	AUDITED*
		(1)	(2)	(3)	(4)	(5)	(6)
<b>XV</b>	<b>Other comprehensive income</b>						
<b>A</b>	(i) Items that will not be reclassified to statement of profit and loss	(632)	231	(21)	(404)	(1,875)	(2,028)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	45	5	45	5
<b>B</b>	(i) Items that may be reclassified to statement of profit and loss	(3,977)	350	(3,766)	(6,649)	(1,456)	(619)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	(1,237)	696	(128)	252	671	1,041
	<b>Total other comprehensive income for the period (XV)</b>	<b>(5,846)</b>	<b>1,277</b>	<b>(3,870)</b>	<b>(6,796)</b>	<b>(2,615)</b>	<b>(1,601)</b>
<b>XVI</b>	<b>Total comprehensive income for the period (XIV + XV)</b>	<b>23,797</b>	<b>407</b>	<b>4,941</b>	<b>21,721</b>	<b>8,052</b>	<b>66,838</b>
	<b>Profit for the period attributable to:</b>						
	- Owners of the Company	29,342	(1,201)	8,548	27,710	9,568	66,452
	- Non-controlling interests	301	331	263	807	1,099	1,987
		<b>29,643</b>	<b>(870)</b>	<b>8,811</b>	<b>28,517</b>	<b>10,667</b>	<b>68,439</b>
	<b>Other comprehensive income for the period</b>						
	- Owners of the Company	(5,415)	1,020	(3,753)	(6,753)	(2,498)	(1,550)
	- Non-controlling interests	(431)	257	(117)	(43)	(117)	(51)
		<b>(5,846)</b>	<b>1,277</b>	<b>(3,870)</b>	<b>(6,796)</b>	<b>(2,615)</b>	<b>(1,601)</b>
	<b>Total comprehensive income for the period</b>						
	- Owners of the Company	23,927	(181)	4,795	20,957	7,070	64,902
	- Non-controlling interests	(130)	588	146	764	982	1,936
		<b>23,797</b>	<b>407</b>	<b>4,941</b>	<b>21,721</b>	<b>8,052</b>	<b>66,838</b>
	<b>Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)</b>						
	(1) Basic (in Rs.)	2.41	(1.14)	5.00	0.79	7.45	6.08
	(2) Diluted (in Rs.)	2.41	(1.14)	4.99	0.79	7.44	6.08
	<b>Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)</b>						
	(1) Basic (in Rs.)	30.36	(0.20)	4.55	30.15	3.24	68.17
	(2) Diluted (in Rs.)	30.35	(0.20)	4.55	30.15	3.24	68.15
	<b>Earnings per equity share (face value of Rs. 10/- each) (for total operations)</b>						
	(1) Basic (in Rs.)	32.77	(1.34)	9.55	30.94	10.69	74.25
	(2) Diluted (in Rs.)	32.76	(1.34)	9.54	30.94	10.68	74.23
	<b>See accompanying notes to the Financial Results</b>						
	* Restated						





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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

**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 January 29, 2019. The statutory auditors have carried out limited review of the above results for the quarter and nine months ended December 31, 2018 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 During the previous quarter, 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 December 31, 2018 is Rs. 9,010 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. 83 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 quarter ended June 30, 2018, 40,000 equity shares under the Strides Arcolab ESOP 2011 Scheme and 8,878 equity shares under Strides Arcolab ESOP 2015 Scheme were allotted by the Company, on exercising equal number of options.

During the previous quarter ended September 30, 2018, 315,500 equity shares under the Strides Shasun ESOP 2016 Scheme were granted to the eligible employees.

During the current quarter ended December 31, 2018 563 equity shares under Strides Arcolab ESOP 2015 Scheme were allotted by the Company on exercising equal number of options.

- 7 The Group, during the previous 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. 16,794 lakhs and Rs.15,889 for goodwill and deferred tax liability 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 nine months and quarter ended 31 December 2017 was Rs.303 lakhs and Rs.101 lakhs respectively.

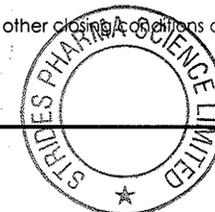
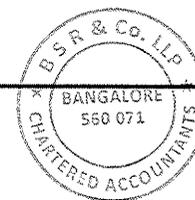
- 8 Pursuant to the approvals of the board of directors of the Company, the Group entered in to definitive agreements with India Life Sciences Fund III, LLC (ILF) for investment in Consumer Healthcare (CHC) business. During the current quarter, ILF invested in Strides Global Consumer Healthcare Ltd, 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".

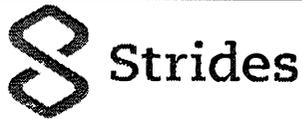
In accordance with the provisions of Ind AS 110 'Consolidated Financial Statements', the Group recognised gain of Rs.5,830 Lakhs, being the excess of fair value of retained investment in CHC business over the carrying value of net assets in CHC business on account of loss of control, under exceptional 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 interest in the Australia business to Dennis Bastas- Executive Chairman of Arrow Pharmaceuticals Pty Limited, Australia (Arrow) for an upfront consideration and with the group retaining product supply rights for future.

The transaction is subject to the Company's shareholders' approval, completion of the merger of Arrow and Apotex, execution of definitive sale agreements and completion of certain other closing conditions and accordingly has not been accounted for as of December 31, 2018





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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS**

**FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

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 quarter, 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 27,182 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)**

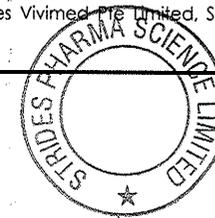
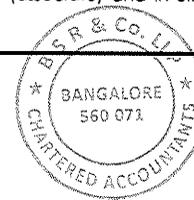
		Rs. in Lakhs					
Sl. No.	Particulars	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
I	Total Revenue	-	-	1,598	-	50,039	50,049
II	Total Expenses	-	-	7,288	-	57,472	58,369
III	<b>Profit/(loss) before exceptional items and tax (I - II)</b>	-	-	<b>(5,690)</b>	-	<b>(7,433)</b>	<b>(8,320)</b>
IV	Exceptional items	-	-	31	-	126	126
V	<b>Profit/(loss) before tax (III - IV)</b>	-	-	<b>(5,721)</b>	-	<b>(7,559)</b>	<b>(8,446)</b>
VI	Gain / (loss) on disposals (net)	27,182	(203)	12,980	26,978	12,658	71,031
VII	Tax expense / (benefit)	-	(27)	3,182	(27)	2,198	1,573
VIII	<b>Profit/(loss) from discontinued operations (V + VI - VII)</b>	<b>27,182</b>	<b>(176)</b>	<b>4,077</b>	<b>27,005</b>	<b>2,901</b>	<b>61,012</b>

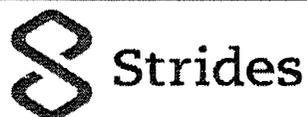
12 The Group has adopted Ind AS 115, Revenue from Contracts with Customers with effect from April 1, 2018. The core principle of this standard is that the Group shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which 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 on the transition date.

Adoption of this standard resulted in decrease in retained earnings by Rs. 6,098 lakhs as at March 31, 2018 and increase in Revenue from Operations by Rs.2,799 lakhs with a corresponding increase in expenses by Rs. 2,343 lakhs (primarily on account of increased material costs) resulting in a net increase in profit after tax by Rs. 431 lakhs and an increase in diluted EPS by Rs. 0.48 for nine months ended December 31, 2018. Comparative periods were not restated given the Group adopted the standard using the cumulative effect approach.

13 Subsequent to the quarter, the group proposed to acquire the remaining 50% equity stake in Vivimed Life Sciences Private Limited, India (associate) and in Strides Vivimed Pte Limited, Singapore (subsidiary) for an aggregate consideration of INR 7,500 Lakhs. The transaction is subject to conclusion of definitive agreements and closing conditions.





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**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018**

- 14 Subsequent to the quarter, the group through its subsidiary Strides Pharma Inc. USA, proposed to acquire 100% equity stake in Vensun Pharmaceuticals Inc. USA for a base consideration of USD 182 Lakhs (USD 40 Lakhs towards equity and USD 142 Lakhs towards loan) and a deferred contingent consideration up to a maximum of USD 750 Lakhs to be paid over a maximum period of 6 years. The transaction is subject to conclusion of definitive agreements and closing conditions.
- 15 Subsequent to the quarter, 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 40 Lakhs. The transaction is subject to conclusion of definitive agreements and closing conditions.
- 16 **Exceptional Item gain/ (loss) (net):**

Particulars	Rs. in Lakhs					
	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
- Exchange gain/ (loss) on long-term foreign currency loans, derivatives and intra-group loans	(797)	(166)	795	(1,126)	395	332
- Impairment of Goodwill	(3,700)	-	-	(3,700)	-	(141)
- Fair valuation of investment (Refer note 8)	5,830	-	-	5,830	-	-
- Write down of inventories and other assets	-	-	-	-	(108)	(1,574)
- Business combination and restructuring expenses	(1,007)	(176)	(900)	(1,294)	(1,746)	(1,963)
- Unwinding of discount on gross obligations over written put options and contingent consideration	(252)	(253)	(527)	(725)	(734)	(1,012)
- Loss on sale of Investment in subsidiaries	-	(144)	-	(144)	-	-
<b>Total</b>	<b>74</b>	<b>(739)</b>	<b>(632)</b>	<b>(1,159)</b>	<b>(2,193)</b>	<b>(4,358)</b>

**17 Information on Standalone Results :-**

Particulars	Rs. in Lakhs					
	3 Months ended December 31, 2018	Preceding 3 Months ended September 30, 2018	Corresponding 3 Months ended in the previous year December 31, 2017	Year to date figures for the current period ended December 31, 2018	Year to date figures for the previous period ended December 31, 2017	Previous year ended March 31, 2018
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Total Revenue from continuing operations	43,675	35,879	35,596	116,108	118,733	162,581
Profit/(loss) before Tax from continuing operations	1,780	(1,159)	2,950	1,813	7,344	16,414
Profit/(loss) after Tax from continuing operations	1,531	(1,027)	4,375	1,559	8,806	15,646
Profit/(loss) before tax from discontinued operations	-	(469)	9,426	(470)	6,577	75,166
Profit/(loss) after tax from discontinued operations	-	(403)	6,164	(404)	4,300	73,514

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



For and on behalf of the Board

*[Signature]*  
Arun Kumar  
Group CEO & Managing Director



Bengaluru, January 29, 2019

# B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre  
11-12/1 Inner Ring Road  
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Bangalore 560 071 India

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To  
The Board of Directors of Strides Pharma Science Limited

We have reviewed the accompanying statement of unaudited consolidated financial results (“Statement”) of Strides Pharma Science Limited (*formerly known as Strides Shasun Limited*) (“the Company”), its subsidiaries, its associates and its joint ventures (collectively referred to as ‘the Group’) (Refer Annexure 1), for the quarter and nine months period ended 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

This Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, ‘*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*’ specified under section 143(10) of the Companies Act, 2013. 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.

We draw attention to:

- We did not review the financial information of 6 subsidiaries included in the Statement, whose unaudited financial information reflect total revenue of Rs. 43,792 lakhs and Rs. 122,948 lakhs for the quarter and nine months period ended 31 December 2018 respectively. This unaudited financial information has been reviewed by other auditors whose reports have been furnished to us, and our conclusion on the unaudited consolidated financial results and the year-to-date results, to the extent they have been derived from such unaudited financial information 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 quarter ended 31 December 2017, nine months period ended 31 December 2017 and for the year ended 31 March 2018 has been restated with respect to accounting for deferred taxes on business combinations.

- We did not review the financial information of 57 subsidiaries, joint ventures and associates included in the Statement. These subsidiaries account for total revenue of Rs. 12,696 lakhs and Rs. 39,545 lakhs for the quarter and nine months period ended 31 December 2018 respectively. The Statement also includes the Group’s share of net loss (and other comprehensive income) of Rs. 696 lakhs and Rs. 2,717 lakhs for the quarter and nine months period ended 31 December 2018 respectively in respect of such associates and joint ventures. These unaudited financial information have been furnished to us by the Management and our opinion on the Statement is based solely on such unaudited financial information.

Our conclusion is not modified in respect of above matters.

**B S R & Co. LLP**

**Strides Pharma Science Limited**

**Limited review report (continued)**

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 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 Registration Number: 101248W/W-100022



**Sampad Guha Thakurta**

*Partner*

Membership Number: 060573

Place: Bengaluru

Date: 29 January 2019

**Strides Pharma Science Limited**

**Annexure 1 to the Limited Review report**

<b>Sl. no.</b>	<b>Entity and the country of incorporation</b>
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 1 to the Limited Review report (continued)**

<b>Sl. No.</b>	<b>Entity and the country of incorporation</b>
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