



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2022**

Rs. in Million

Sl. No.	Particulars	3 Months ended June 30, 2022	Preceding 3 Months ended March 31, 2022	Corresponding 3 Months ended in the previous year June 30, 2021	Previous year ended March 31, 2022
		UNAUDITED	AUDITED (Refer note 10)	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)
	Income				
I	Revenue from operations	4,231.90	4,556.57	5,087.90	19,790.03
II	Other income	74.65	848.29	87.48	1,234.85
III	Total income (I + II)	4,306.55	5,404.86	5,175.38	21,024.88
	IV Expenses				
	(a) Cost of materials consumed	2,931.76	2,433.88	2,434.23	9,354.24
	(b) Purchases of stock-in-trade	59.68	190.91	145.77	518.32
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(145.43)	33.95	159.79	1,142.56
	(d) Employee benefits expense	674.57	534.10	794.38	2,720.91
	(e) Finance costs	260.17	215.47	180.91	742.41
	(f) Depreciation and amortisation expense	242.96	244.09	266.36	1,043.66
	(g) Other expenses	1,179.45	1,237.87	1,501.23	5,263.18
	(h) Foreign exchange loss/(gain) - net	142.19	(52.48)	(29.38)	24.52
	Total expenses (IV)	5,345.35	4,837.79	5,453.29	20,809.80
V	Profit / (Loss) before exceptional items and tax (III - IV)	(1,038.80)	567.07	(277.91)	215.08
VI	Exceptional Item	-	-	-	-
VII	Profit / (Loss) before tax (V + VI)	(1,038.80)	567.07	(277.91)	215.08
VIII	Tax expense / (benefit)				
	- Current tax (Refer note 9)	-	(1,584.71)	-	(1,584.71)
	- Deferred tax	(376.26)	146.74	(65.60)	(2.09)
	Total tax expense / (benefit) (VIII)	(376.26)	(1,437.97)	(65.60)	(1,586.80)
IX	Profit / (Loss) for the period (VII - VIII)	(662.54)	2,005.04	(212.31)	1,801.88



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2022**

Rs. in Million

Sl. No.	Particulars	3 Months ended June 30, 2022	Preceding 3 Months ended March 31, 2022	Corresponding 3 Months ended in the previous year June 30, 2021	Previous year ended March 31, 2022
		UNAUDITED	AUDITED (Refer note 10)	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)
X	Other comprehensive income				
A	(i) Items that will not be reclassified to statement of profit and loss	-	(2.51)	-	(2.51)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	0.88	-	0.88
B	(i) Items that may be reclassified to statement of profit and loss	10.31	(49.64)	(19.50)	(59.30)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	(3.60)	17.34	6.81	20.72
	Total other comprehensive income for the period (X)	6.71	(33.93)	(12.69)	(40.21)
XI	Total comprehensive income for the period (IX + X)	(655.83)	1,971.11	(225.00)	1,761.67
	Earnings per equity share (face value of Rs. 10/- each)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (Rs.)	(7.38)	22.33	(2.37)	20.08
	(b) Diluted (Rs.)	(7.38)	22.33	(2.37)	20.07
	See accompanying notes to the Financial Results				



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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

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

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2022**

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 July 29, 2022. The statutory auditor has reviewed the results for the quarter June 30, 2022 and have issued an unmodified opinion.
- 3 The Company has incurred loss of Rs. 662.54 million and continues to have negative operating cash flows for the quarter ended June 30, 2022 on account of continuing pricing pressure in some of its key geographies consequent to effects of COVID. Management of the Company had obtained relaxations for compliance with financial covenants for year ended March 31, 2022, as these were not met as of the previous year end. Further, as of June 30, 2022, the Company has provided guarantees aggregating to Rs. 9,561 million (out of which Rs. 5,889 million is outstanding as of June 30, 2022) in relation to the borrowings of its Associate company ("the Associate"), for which there is a material uncertainty to continue as a going concern. The Associate has requested for temporary relaxations for compliance with these financial covenants from the lenders as these have not been met as of the date of these financial results, which are yet to be received. Also refer Note 7 of these financial results.

Further, to mitigate the situation, the Company has raised long-term and other financing facilities amounting to Rs. 500 million during the current quarter and has issued equity warrants to the entity which is part of the Promoter group that is expected to provide additional equity of Rs. 884 million by March 31, 2023. The Company has cash and cash equivalents of Rs. 115 million as of June 30, 2022 and also undrawn borrowing facilities available from certain lenders. Further, Group expects to improve operating profits from the newly acquired business in the US and from cost reductions consequent to capacity optimization at some of its manufacturing locations from April 2022 and by monitoring of freight and other expenses. Accordingly, based on the fact that the Company had generated positive operating cash flows in the earlier years and expects to generate positive operating cash flows in future periods, temporary relaxations from lenders for compliance with financial covenants related to borrowings, its ability to raise new financing facilities, full utilisation of existing facilities, expected equity infusion in the year ending March 31, 2023 and the steps undertaken by management as noted above, management believes that the Company will be able to continue to generate sufficient cash in the foreseeable future to meet its obligations as they fall due.



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2022**

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

Effective quarter ended March 31, 2021, the Company pursuant to its assessment that the business has now evolved from its incubation stage and to align to the decision to demerge certain parts of its business, implemented operational changes in how its CODM evaluates its businesses, including resource allocation and performance assessment. As a result of the aforesaid change, the Company now has two operating segments, representing the individual businesses that are managed separately. The Company's new reportable segment are as follows; "Pharmaceutical" and "Bio-pharmaceutical". The Company had restated segment information for the historical periods presented herein to conform to the current presentation. This change in segments had no impact on the Company's historical standalone statements of profit and loss, balance sheets.

Sl. No.	Particulars	Rs. in Million			
		3 Months ended June 30, 2022	Preceding 3 Months ended March 31, 2022	Corresponding 3 Months ended in the previous year June 30, 2021	Previous year ended March 31, 2022
		UNAUDITED	AUDITED (Refer note 10)	UNAUDITED	AUDITED
1	Segment Revenue				
	a) Pharmaceutical business	4,231.90	4,556.57	5,087.90	19,790.03
	b) Bio-pharmaceutical business	-	-	-	-
	Revenue from operations	4,231.90	4,556.57	5,087.90	19,790.03
2	Segment results				
	a) Pharmaceutical business	(1,038.80)	567.07	(277.91)	215.08
	b) Bio-pharmaceutical business	-	-	-	-
	Profit / (loss) before tax (I)	(1,038.80)	567.07	(277.91)	215.08
	Tax expense / (benefit) (II)	(376.26)	(1,437.97)	(65.60)	(1,586.80)
	Profit / (loss) for the period (I-II)	(662.54)	2,005.04	(212.31)	1,801.88

Sl. No.	Particulars	Rs. in Million			
		3 Months ended June 30, 2022	Preceding 3 Months ended March 31, 2022	Corresponding 3 Months ended in the previous year June 30, 2021	Previous year ended March 31, 2022
		UNAUDITED	AUDITED (Refer note 10)	UNAUDITED	AUDITED
1	Segment Assets				
	a) Pharmaceutical business	50,597.03	49,020.47	47,879.37	49,020.47
	b) Bio-pharmaceutical business	5,316.99	5,318.11	5,396.93	5,318.11
	Total Segment Assets	55,914.02	54,338.58	53,276.30	54,338.58
2	Segment Liabilities				
	a) Pharmaceutical business	22,277.15	20,271.75	20,930.65	20,271.75
	b) Bio-pharmaceutical business	-	-	75.11	-
	Total Segment Liabilities	22,277.15	20,271.75	21,005.76	20,271.75



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2022**

- 5 The Board of Directors of the Company on February 10, 2022 have approved the Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013, between Strides Pharma Science Limited and Vivimed Lifesciences Private Limited with an appointed date of April 1, 2022. The Scheme of Amalgamation is yet to be filed with National Company Law Tribunal(NCLT) for approval. The Scheme was originally approved by the Board of Directors at their meeting held on October 29, 2020. However, the Company did not proceed with the Scheme at that time and the current Scheme supersedes the original Scheme.
- 6 Board of Directors of the Company on March 14, 2022 approved the issuance of upto 2,000,000 Equity Warrants at a price of Rs 442/- per warrant, which is higher than the floor price arrived at as stipulated in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, to Karuna Business Solutions LLP, a promoter group entity, with a right to apply for and get allotted, within a period of 18 (Eighteen) months from the date of allotment of Warrants, 1 (one) Equity Share of face value of Rs 10/- (Rupee Ten Only) each for each Warrant, for cash. The issue was approved by the shareholders of the Company at the Extra Ordinary General Meeting held on April 7, 2022 and has also received requisite listing approvals.
- 7 During the quarter ended June 30, 2022, Stelis Biopharma Limited ('the Associate') has incurred loss of Rs. 1,345 million and has a net negative working capital position amounting to Rs. 4,148 million, which includes the current maturities of non-current borrowings of Rs. 3,936 million as at June 30, 2022.
As of June 30, 2022, the Associate has inventories relating to Sputnik V with a carrying value of Rs. 2,804 million, which remains unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF). The Associate has received the Government of India's No Objection Certificate (NOC) to export the said inventories. However, it continues to face challenges in liquidating these inventories on account of the ongoing situation. All these inventories have remaining shelf life and the management of the Associate is confident of liquidating these inventories within the shelf life in the normal course of business.
The Associate's net profitability continues to be impacted by high un-utilized facility costs of the new facility which was commissioned during the previous year and has not yet contributed to revenues.
The Associate is expected to grow the business of Contract Development and Manufacturing Operations (CDMO) further during the year and is also anticipating to monetise some of its existing intangible assets under development through potential licensing / strategic partnerships.
The Associate has requested for temporary relaxations for compliance with the financial covenants from the lenders as these have not been met as of the date of these financial results. Also, the shareholders of the Associate have committed to extend the necessary financial support against the monies outstanding on the partly paid shares. During the quarter ended June 30, 2022, the shareholders have infused Rs. 995.71 million by subscribing towards call against the partly paid-up shares. The Associate is also exploring various fund raising options and refinancing its debts.
- Given the mitigating factors discussed above, while there is a reasonable expectation that the Associate will be able to generate/raise adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty in respect of the Associate's going concern. This also required the Company to undertake the Impairment assessment of the Company's investment in the Associate. The Company estimated the recoverable amount based on the value in use of the underlying businesses. The computation used cash flow forecasts based on the most recently approved financial budgets and strategic forecasts. The Company also considered the valuation at which funds were raised by the Associate during the previous year and significant increase in its revenues and contracting during the previous year. Accordingly, based on the above assessment, the Company has concluded that no impairment provision is required in the standalone financial results.



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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

**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2022**

- 8 The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation on March 29, 2022, which has been accepted by the Board of Directors (Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated August 20, 2020, he was entitled to a joining bonus of Rs. 141.9 million which had been paid in full by the Company in earlier periods. However, the employment terms contain a provision to claw back the joining bonus in full if he were to leave the Company before completing 36 months from the date of such payment. The Board has decided to recover the joining bonus in accordance with the terms of employment. Accordingly, in line with the requirements of Section 197(9), the Company has shown an amount of Rs. 141.9 million as a recoverable balance which is disclosed under current financial assets.
- 9 The Company during the earlier year had received certain refunds including interest of Rs. 1,790 million from tax authorities on account of certain tax credits for earlier years. The amount of refund pending issuance of order giving effect and other documentation was recorded as a liability during the year ended March 31, 2021. During the year ended March 31, 2022, on receipt of the required documentation from tax authorities, the Company recorded the refund received including other tax provision for such assessment year aggregating to Rs.1,600 million as a tax credit and the interest income amounting to Rs 748 million on the said refund under other income in these financial results.
- 10 The figures for the quarters ended March 31, 2022 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 that financial year, which are subjected to limited review.

For and on behalf of the Board

Bengaluru, July 29, 2022

**Arun Kumar
Executive Chairperson and Managing Director**