



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 AND HALF YEAR ENDED SEPTEMBER 30, 2022**

Rs. in Million

Sl. No.	Particulars	3 Months ended September 30, 2022	Preceeding 3 Months ended June 30, 2022	Corresponding 3 Months ended in the previous year September 30, 2021	Year to date figures for the current period ended September 30, 2022	Year to date figures for the previous period ended September 30, 2021	Previous year ended March 31, 2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
	Income						
I	Revenue from operations	4,812.35	4,231.90	5,749.97	9,044.25	10,837.87	19,790.03
II	Other income	204.71	74.65	224.10	279.36	311.58	1,234.85
III	Total income (I + II)	5,017.06	4,306.55	5,974.07	9,323.61	11,149.45	21,024.88
	IV Expenses						
	(a) Cost of materials consumed	2,858.07	2,931.76	2,162.96	5,789.83	4,597.19	9,354.24
	(b) Purchases of stock-in-trade	96.94	59.68	174.80	156.62	320.57	518.32
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	148.40	(145.43)	556.83	2.97	716.62	1,142.56
	(d) Employee benefits expense	700.79	674.57	716.43	1,375.36	1,510.81	2,720.91
	(e) Finance costs	346.60	260.17	180.03	606.77	360.94	742.41
	(f) Depreciation and amortisation expense	243.51	242.96	270.89	486.47	537.25	1,043.66
	(g) Other expenses	918.95	1,179.45	1,545.70	2,098.40	3,046.93	5,263.18
	(h) Foreign exchange loss - net	144.51	142.19	123.61	286.70	94.23	24.52
	Total expenses (IV)	5,457.77	5,345.35	5,731.25	10,803.12	11,184.54	20,809.80
V	Profit / (Loss) before exceptional items and tax (III - IV)	(440.71)	(1,038.80)	242.82	(1,479.51)	(35.09)	215.08
VI	Exceptional Item	-	-	-	-	-	-
VII	Profit / (Loss) before tax (V + VI)	(440.71)	(1,038.80)	242.82	(1,479.51)	(35.09)	215.08
VIII	Tax expense / (benefit)						
	- Current tax benefit (Refer note 9)	(194.81)	-	-	(194.81)	-	(1,584.71)
	- Deferred tax (benefit)/ expense	(205.93)	(376.26)	57.64	(582.19)	(7.96)	(2.09)
	Total tax (benefit) / expense (VIII)	(400.74)	(376.26)	57.64	(777.00)	(7.96)	(1,586.80)
IX	Profit / (Loss) for the period (VII -VIII)	(39.97)	(662.54)	185.18	(702.51)	(27.13)	1,801.88



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Rs. in Million

Sl. No.	Particulars	3 Months ended September 30, 2022	Preceding 3 Months ended June 30, 2022	Corresponding 3 Months ended in the previous year September 30, 2021	Year to date figures for the current period ended September 30, 2022	Year to date figures for the previous period ended September 30, 2021	Previous year ended March 31, 2022
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
X	Other comprehensive income						
A	(i) Items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(2.51)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-	0.88
B	(i) Items that may be reclassified to statement of profit and loss	(118.63)	10.31	60.12	(108.32)	40.62	(59.30)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	41.45	(3.60)	(21.00)	37.85	(14.19)	20.72
	Total other comprehensive income for the period (X)	(77.18)	6.71	39.12	(70.47)	26.43	(40.21)
XI	Total comprehensive income for the period (IX + X)	(117.15)	(655.83)	224.30	(772.98)	(0.70)	1,761.67
	Earnings per equity share (face value of Rs. 10/- each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (Rs.)	(0.44)	(7.38)	2.06	(7.82)	(0.30)	20.08
	(b) Diluted (Rs.)	(0.44)	(7.38)	2.06	(7.82)	(0.30)	20.07
	See accompanying notes to the Financial Results						

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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022**

STANDALONE BALANCE SHEET

Rs. in Million

	Particulars	As at	As at
		September 30, 2022	March 31, 2022
		UNAUDITED	AUDITED
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	5,248.46	5,343.60
	(b) Capital work in progress	153.16	304.51
	(c) Right of Use Assets	279.12	335.92
	(d) Investment property	124.91	128.16
	(e) Other intangible assets	315.09	361.40
	(f) Intangibles assets under development	334.48	252.64
	(g) Financial assets		
	(i) Investments	24,647.68	23,997.62
	(ii) Loans receivable	1,379.67	1,246.09
	(iii) Other financial assets	229.25	199.30
	(h) Deferred tax assets (net)	1,395.84	775.80
	(i) Income tax assets (net)	1,448.07	1,571.99
	(j) Other non-current assets	52.32	69.09
	Total non-current assets	35,608.05	34,586.12
II	Current assets		
	(a) Inventories	4,790.90	5,130.63
	(b) Financial assets		
	(i) Trade receivables	13,764.38	12,963.19
	(ii) Cash and cash equivalents	199.31	121.24
	(iii) Other balances with banks	27.67	23.22
	(iv) Loans receivable	86.85	43.02
	(v) Other financial assets	1,085.15	630.56
	(c) Other current assets	984.08	840.60
	Total current assets	20,938.34	19,752.46
	Total assets	56,546.39	54,338.58

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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022**

STANDALONE BALANCE SHEET

Rs. in Million

	Particulars	As at	As at
		September 30, 2022	March 31, 2022
		UNAUDITED	AUDITED
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share capital	902.90	897.90
	(b) Other equity	32,778.35	33,168.93
	Total Equity	33,681.25	34,066.83
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,476.88	1,246.95
	(ii) Lease liabilities	257.02	269.79
	(iii) Other financial liabilities	6.75	6.58
	(b) Provisions	361.82	334.68
	(c) Other non-current liabilities	0.37	0.51
	Total Non-current liabilities	3,102.84	1,858.51
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	12,120.30	11,199.37
	(ii) Lease liabilities	79.30	123.08
	(iii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	373.87	331.32
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,245.73	6,106.65
	(iv) Other financial liabilities	494.29	326.44
	(b) Provisions	228.63	204.53
	(c) Other current liabilities	220.18	121.85
	Total current liabilities	19,762.30	18,413.24
	Total equity and liabilities	56,546.39	54,338.58



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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022
STATEMENT OF STANDALONE CASH FLOWS**

Rs. In Million

Sl. No.	Particulars	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
		UNAUDITED	UNAUDITED	AUDITED
A.	Cash flow from operating activities			
	Profit / (Loss) before tax	(1,479.51)	(35.09)	215.08
		(1,479.51)	(35.09)	215.08
	Adjustments for:			
	- Depreciation and amortisation expense	486.47	537.25	1,043.66
	- Loss / (Gain) on sale/write off of property, plant and equipment, Investment Property and other intangible assets (net)	0.90	(106.73)	(107.63)
	- Share based compensation expense	(0.71)	19.95	(8.90)
	- Interest expense	606.77	360.94	742.42
	- Interest income	(196.34)	(78.97)	(887.49)
	- Income from current investment	-	(0.15)	(2.84)
	- Rental income from investment property	(8.60)	(51.44)	(59.79)
	- Bad debts written off / provision for doubtful trade receivables	38.00	37.51	38.35
	- Other receivables written off	-	-	15.85
	- Gain on account of lease modifications	-	-	(18.73)
	- Net unrealised exchange loss	15.07	136.80	(3.21)
	Operating profit before working capital changes	(537.95)	820.07	966.77
	Changes in working capital:			
	Increase in trade and other receivables	(1,227.42)	(3,368.73)	(4,651.21)
	Decrease in inventories	339.73	1,140.61	1,760.17
	Increase / (Decrease) in trade and other payables	304.20	(1,512.42)	(1,116.64)
	Net change in working capital	(583.49)	(3,740.54)	(4,007.68)
	Cash utilized in operations	(1,121.44)	(2,920.47)	(3,040.91)
	Income taxes refund net	336.77	259.05	214.06
	Net cash flow utilized in operating activities	(784.67)	(2,661.42)	(2,826.85)
		A		



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FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022
STATEMENT OF STANDALONE CASH FLOWS**

Rs. In Million

Sl. No.	Particulars	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
		UNAUDITED	UNAUDITED	AUDITED
B.	Cash flow from investing activities			
	Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(274.32)	(400.34)	(681.70)
	Proceeds from sale of property, plant and equipment and intangible assets	7.91	1.83	4.99
	Proceeds from sale of investment property	-	630.00	630.00
	Investments in mutual funds	-	(270.17)	(540.61)
	Proceeds from sale of investment in mutual funds	-	-	540.61
	Investments in subsidiary and associate	(650.06)	(51.13)	(51.13)
	Loan given	(584.54)	(202.41)	(463.88)
	Loan recovered	420.96	65.00	70.00
	Interest received (net of taxes)	6.17	36.57	63.71
	Dividend received (net of taxes)	-	124.79	127.46
	Rental income from investment property	8.46	53.00	61.41
	Security deposits Paid	0.68	6.96	(5.96)
	(Investment in) / Proceeds from fixed deposits with maturity of more than 3 months, net	(34.84)	433.31	432.86
	Net cash flow (utilised in) / generated from investing activities	(1,099.58)	427.41	187.76



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STATEMENT OF STANDALONE CASH FLOWS**

Rs. In Million

Sl. No.	Particulars	For the half year ended September 30, 2022	For the half year ended September 30, 2021	For the year ended March 31, 2022
		UNAUDITED	UNAUDITED	AUDITED
C.	Cash flow from financing activities			
	Proceeds from issue of equity shares	13.66	28.54	36.18
	Proceeds from issue and exercise of share warrants	371.00	-	-
	Proceeds from long-term borrowings	1,683.80	231.77	295.36
	Repayment of long-term borrowings	(332.26)	(149.77)	(399.72)
	Proceeds from short-term borrowings (net)	827.24	2,582.94	3,644.60
	Dividends paid (net of tax on dividend)	-	(224.31)	(224.31)
	Lease Payments	(75.61)	(75.56)	(150.40)
	Interest paid on borrowings	(525.51)	(332.18)	(694.41)
	Net cash flow generated from financing activities	1,962.32	2,061.43	2,507.30
		C		
	Net increase / (decrease) in cash and cash equivalents during the year	78.07	(172.58)	(131.79)
	Cash and cash equivalents at the beginning of the year	121.24	253.03	253.03
	Cash and cash equivalents at the end of the year*	199.31	80.45	121.24
	* Comprises:			
	Cash on hand	1.53	2.03	1.62
	Balance with banks:			
	- In current accounts	150.96	51.58	35.50
	- Funds-in-transit	46.82	26.84	84.12
	Total	199.31	80.45	121.24



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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 November 14, 2022. The statutory auditor has reviewed the results for the quarter and half year ended September 30, 2022 and have issued an unmodified opinion.

- 3 The Company has incurred loss of Rs. 702.51 million and continues to have negative operating cash flows for the half year ended September 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 September 30, 2022, the Company has provided guarantees aggregating to Rs. 11,182 million (out of which Rs. 6,175 million is outstanding as of September 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. 1,750 million during the half year 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. 119.31 million as of September 30, 2022. 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.



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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.

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		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	Segment Revenue						
	a) Pharmaceutical business	4,812.35	4,231.90	5,749.97	9,044.25	10,837.87	19,790.03
	b) Bio-pharmaceutical business	-	-	-	-	-	-
	Revenue from operations	4,812.35	4,231.90	5,749.97	9,044.25	10,837.87	19,790.03
2	Segment results						
	a) Pharmaceutical business	(440.71)	(1,038.80)	242.82	(1,479.51)	(35.09)	215.08
	b) Bio-pharmaceutical business	-	-	-	-	-	-
	Profit / (loss) before tax (I)	(440.71)	(1,038.80)	242.82	(1,479.51)	(35.09)	215.08
	Tax expense /(benefit) (II)	(400.74)	(376.26)	57.64	(777.00)	(7.96)	(1,586.80)
	Profit / (loss) for the period (I-II)	(39.97)	(662.54)	185.18	(702.51)	(27.13)	1,801.88



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		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	Segment Assets						
	a) Pharmaceutical business	51,230.54	50,597.03	47,594.90	51,230.54	47,594.90	49,020.47
	b) Bio-pharmaceutical business	5,315.85	5,316.99	5,396.93	5,315.85	5,396.93	5,318.11
	Total Segment Assets	56,546.39	55,914.02	52,991.83	56,546.39	52,991.83	54,338.58
2	Segment Liabilities						
	a) Pharmaceutical business	22,865.14	22,277.15	20,693.89	22,865.14	20,693.89	20,271.75
	b) Bio-pharmaceutical business	-	-	7.44	-	7.44	-
	Total Segment Liabilities	22,865.14	22,277.15	20,701.33	22,865.14	20,701.33	20,271.75

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.

As on September 30, 2022, the Company has received an amount of Rs. 370 million and allotted 452,490 equity shares against equivalent number of share warrants. Equity warrants of 1,547,510 are pending to be allotted as on September 30, 2022.



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7 During the half year ended September 30, 2022, Stelis Biopharma Limited ('the Associate') has incurred loss of Rs. 2,492 million and has a net negative working capital position amounting to Rs. 4,307 million, which includes the current maturities of non-current borrowings of Rs. 3,863 million as at September 30, 2022.

As of September 30, 2022, the Associate has inventories relating to Sputnik V with a carrying value of Rs. 2,839 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 half year ended September 30, 2022, the shareholders have infused Rs. 2,875 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 AND HALF YEAR ENDED SEPTEMBER 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 During the current quarter, the company has received tax refund on completion of assessments amounting to Rs. 353 million pertaining to certain tax credits for earlier years and the interest income amounting to Rs. 110.7 million on the said refund has been recorded under Other income in these financial results.

For and on behalf of the Board

**Arun Kumar
Executive Chairperson and Managing Director**

Mumbai, November 14, 2022