



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, 2023

Rs. in Million

Sl. No.	Particulars	3 Months ended September 30, 2023	Preceding 3 Months ended June 30, 2023	Corresponding 3 Months ended in the previous year September 30, 2022	Year to date figures for the current period ended September 30, 2023	Year to date figures for the previous period ended September 30, 2022	Previous year ended March 31, 2023
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)	(6)
	Income						
I	Revenue from operations	5,402.89	4,753.22	4,812.35	10,156.11	9,044.25	18,544.96
II	Other income	223.39	116.47	204.71	339.86	279.36	840.66
III	Total income (I + II)	5,626.28	4,869.69	5,017.06	10,495.97	9,323.61	19,385.62
	IV Expenses						
	(a) Cost of materials consumed	2,889.41	2,151.03	2,858.07	5,040.44	5,789.83	10,200.95
	(b) Purchases of stock-in-trade	64.23	52.11	96.94	116.34	156.62	244.73
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24.31)	95.53	148.40	71.22	2.97	210.37
	(d) Employee benefits expense	862.47	767.02	700.79	1,629.49	1,375.36	2,670.14
	(e) Finance costs	400.70	366.25	346.60	766.95	606.77	1,386.82
	(f) Depreciation and amortisation expense	213.41	214.57	243.51	427.98	486.47	936.21
	(g) Other expenses	1,178.43	1,131.89	1,063.46	2,310.32	2,385.10	4,234.00
	Total expenses (IV)	5,584.34	4,778.40	5,457.77	10,362.74	10,803.12	19,883.22
V	Profit / (Loss) before exceptional items and tax (III - IV)	41.94	91.29	(440.71)	133.23	(1,479.51)	(497.60)
VI	Exceptional Item	-	-	-	-	-	(150.00)
VII	Profit / (Loss) before tax (V + VI)	41.94	91.29	(440.71)	133.23	(1,479.51)	(647.60)
VIII	Tax expense / (benefit)						
	- Current tax	27.93	(3.28)	(194.81)	24.65	(194.81)	(498.43)
	- Deferred tax	1.18	14.55	(205.93)	15.73	(582.19)	(195.99)
	Total tax expense / (benefit) (VIII)	29.11	11.27	(400.74)	40.38	(777.00)	(694.42)
IX	Profit / (Loss) for the period (VII -VIII)	12.83	80.02	(39.97)	92.85	(702.51)	46.82



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Rs. in Million

Sl. No.	Particulars	3 Months ended September 30, 2023	Preceding 3 Months ended June 30, 2023	Corresponding 3 Months ended in the previous year September 30, 2022	Year to date figures for the current period ended September 30, 2023	Year to date figures for the previous period ended September 30, 2022	Previous year ended March 31, 2023
		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	-	-	-	-	-	79.85
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	-	-	-	-	-	(27.90)
B	(i) Items that may be reclassified to statement of profit and loss	38.25	101.53	(118.63)	139.78	(108.32)	(24.29)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	(13.36)	(35.48)	41.45	(48.84)	37.85	8.49
	Total other comprehensive income for the period (X)	24.89	66.05	(77.18)	90.94	(70.47)	36.15
XI	Total comprehensive income for the period (IX + X)	37.72	146.07	(117.15)	183.79	(772.98)	82.97
	Earnings per equity share (face value of Rs. 10/- each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (Rs.)	0.14	0.89	(0.44)	1.03	(7.82)	0.52
	(b) Diluted (Rs.)	0.14	0.89	(0.44)	1.03	(7.82)	0.52
	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, 2023**

STANDALONE BALANCE SHEET

Rs. in Million

	Particulars	As at	As at
		September 30, 2023	March 31, 2023
		UNAUDITED	AUDITED
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	4,766.24	4,988.07
	(b) Capital work in progress	341.37	157.92
	(c) Right of Use Assets	507.47	568.67
	(d) Investment property	119.36	122.61
	(e) Other intangible assets	290.75	286.28
	(f) Intangibles assets under development	396.20	395.86
	(g) Financial assets		
	(i) Investments	24,918.18	24,917.68
	(ii) Loans	719.10	504.47
	(iii) Other financial assets	226.30	211.85
	(h) Deferred tax assets (net)	887.79	952.38
	(i) Income tax assets (net)	1,001.45	1,575.18
	(j) Other non-current assets	174.04	252.41
	Total non-current assets	34,348.25	34,933.38
II	Current assets		
	(a) Inventories	5,414.77	4,907.64
	(b) Financial assets		
	(i) Trade receivables	13,434.96	13,077.79
	(ii) Cash and cash equivalents	104.07	821.05
	(iii) Other balances with banks	1,525.57	34.75
	(iv) Loans	532.33	741.78
	(v) Other financial assets	696.01	548.66
	(c) Other current assets	1,490.83	1,132.37
	Total current assets	23,198.54	21,264.04
	Total assets	57,546.79	56,197.42

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STATEMENT OF STANDALONE UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

STANDALONE BALANCE SHEET

Rs. in Million

	Particulars	As at	As at
		September 30, 2023	March 31, 2023
		UNAUDITED	AUDITED
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share capital	903.33	903.03
	(b) Other equity	33,712.88	33,647.48
	Total Equity	34,616.21	34,550.51
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,075.24	2,847.43
	(ii) Lease liabilities	448.09	497.99
	(iii) Other financial liabilities	7.62	-
	(b) Provisions	352.91	333.22
	Total Non-current liabilities	2,883.86	3,678.64
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	12,535.73	10,644.61
	(ii) Lease liabilities	156.56	152.01
	(iii) Trade payables		-
	(a) total outstanding dues of micro enterprises and small enterprises and	169.90	137.09
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,508.84	6,297.33
	(iv) Other financial liabilities	373.73	408.42
	(b) Provisions	173.39	150.00
	(c) Other current liabilities	128.57	178.81
	Total current liabilities	20,046.72	17,968.27
	Total equity and liabilities	57,546.79	56,197.42



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023
STATEMENT OF STANDALONE CASH FLOWS**

Rs. In Million

Sl. No.	Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022	For the year ended March 31, 2023
		UNAUDITED	UNAUDITED	AUDITED
A.	Cash flow from operating activities			
	Profit / (Loss) before tax	133.23	(1,479.51)	(647.60)
		133.23	(1,479.51)	(647.60)
	Adjustments for:			
	- Depreciation and amortisation expense	427.98	486.47	936.21
	- Loss / (Gain) on sale/write off of property, plant and equipment, Investment Property and other intangible assets (net)	(0.11)	0.90	163.22
	- Impairment of non current investments	-	-	150.00
	- Share based compensation expense	7.79	(0.71)	9.68
	- Finance costs	766.95	606.77	1,386.82
	- Interest income	(148.05)	(196.34)	(661.63)
	- Dividend income	(124.48)	-	-
	- Rental income from investment property	(9.30)	(8.60)	(18.56)
	- Provision for doubtful trade receivables/written off	29.93	38.00	96.79
	- Gain on account of lease modification	-	-	(17.20)
	- Unrealised exchange loss/ (gain), net	101.76	15.07	(316.65)
	Operating profit / (loss) before working capital changes	1,185.70	(537.95)	1,081.08
	Changes in working capital:			
	(Increase)/ Decrease in trade and other receivables	(977.89)	(1,227.42)	(16.68)
	(Increase)/ Decrease in inventories	(507.14)	339.73	222.99
	Increase / (Decrease) in trade and other payables	234.83	304.20	131.82
	Net change in working capital	(1,250.20)	(583.49)	338.13
	Cash (utilised in) / generated from operations	(64.50)	(1,121.44)	1,419.21
	Income taxes refund, net	576.90	336.77	998.19
	Net cash flow generated from/ (utilised in) operating activities	512.40	(784.67)	2,417.40



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FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023
STATEMENT OF STANDALONE CASH FLOWS**

Rs. In Million

Sl. No.	Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022	For the year ended March 31, 2023
		UNAUDITED	UNAUDITED	AUDITED
B.	Cash flow from investing activities			
	Acquisition for property, plant and equipment and intangible assets, including capital advance and capital creditors	(241.28)	(274.32)	(806.88)
	Proceeds from sale of property, plant and equipment and intangible assets	4.54	7.91	2.21
	Investment in subsidiary and associate	(0.50)	(650.06)	(1,070.06)
	Loans given	(549.64)	(584.54)	(971.88)
	Loans recovered	539.17	420.96	1,015.46
	Interest received (net of taxes)	211.00	6.17	26.81
	Dividend received (net of taxes)	124.48	-	-
	Rental income from investment property	9.30	8.46	18.05
	Net security deposits received/(paid)	(0.81)	0.68	4.19
	Investment in fixed deposits with maturity of more than 3 months, net	(1,510.35)	(34.84)	(43.66)
	Net cash flow utilised in investing activities	(1,414.09)	(1,099.58)	(1,825.76)



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STATEMENT OF STANDALONE CASH FLOWS**

Rs. In Million

Sl. No.	Particulars	For the half year ended September 30, 2023	For the half year ended September 30, 2022	For the year ended March 31, 2023
		UNAUDITED	UNAUDITED	AUDITED
C.	Cash flow from financing activities			
	Proceeds from issue of equity shares	7.96	13.66	13.67
	Proceeds from share application money pending allotment	0.31	-	-
	Proceeds from issue and exercise of share warrants	-	371.00	371.00
	Proceeds from long-term borrowings	148.88	1,683.80	2,527.93
	Repayment of long-term borrowings	(433.96)	(332.26)	(668.88)
	Proceeds from short-term borrowings (net)	1,376.40	827.24	(744.42)
	Dividends paid	(135.50)	-	-
	Lease payments	(79.46)	(75.61)	(151.87)
	Interest paid on borrowings	(699.92)	(525.51)	(1,239.26)
	Net cash flow generated from financing activities	184.71	1,962.32	108.17
	Net (decrease) / increase in cash and cash equivalents during the year	(716.98)	78.07	699.81
	Cash and cash equivalents at the beginning of the year	821.05	121.24	121.24
	Cash and cash equivalents at the end of the year*	104.07	199.31	821.05
	* Comprises:			
	Cash on hand	1.46	1.53	1.59
	Balance with banks:			
	- In current accounts	40.57	150.96	40.09
	- In deposit accounts	-	-	670.08
	- Funds-in-transit	62.04	46.82	109.29
	Total	104.07	199.31	821.05



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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023**

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 October 30, 2023. The statutory auditor has reviewed the results for the quarter and half year ended September 30, 2023 and have issued an unmodified opinion.
- 3 The Company has profit of Rs.92.85 million for the half year ended September 30, 2023. The Company and its subsidiaries had not complied with certain financial covenants related to their respective borrowings for the fiscal year ended March 31, 2023 for which management obtained temporary relaxations from the respective lenders. One of its associates had also not met its covenants for March 2023 and their Management had initiated discussions with its lenders seeking certain temporary relaxations for compliance with financial covenants related to its borrowings, which have not yet been received. Further, the Company has also provided guarantees aggregating to Rs. 11,852 million in relation to the borrowings of its associate company ("the Associate"), out of which Rs. 6,585 million is outstanding as of September 30, 2023.

Continuing from previous fiscal year, the Company has continued to record positive EBITDA from operations which has improved its liquidity position. The Company has cash and cash equivalents of Rs. 104 million as at September 30, 2023 and also undrawn borrowing facilities available from certain lenders. Further, the Company had outstanding equity warrants to Promoter Group issued in previous periods, of Rs. 513 million, which subsequent to the quarter, has already been received and allotted.

Accordingly, based on the facts that the Company has generated positive cash flows in the previous year and expects to continue to generate positive operating cash flows in future periods, returned to positive EBITDA generation starting previous year, its ability to raise new financing facilities, additional equity infusion in the current year, 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.

- 4 During the quarter and half year ended September 30, 2023, Stelis Biopharma Limited ('the Associate') has continued to incur a loss of Rs. 1,137 million and Rs.2,208 million respectively and has a net negative working capital position amounting to Rs. 2,682 million, which includes the current maturities of non-current borrowings of Rs. 4,798 million as of September 30, 2023. The significant loss for the current quarter and half year ended September 30, 2023 has been on account of continuing operating losses, finance costs and others.

During the previous year, the Associate had inventories relating to Sputnik V, which remained unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF) and accordingly had recorded a provision for these inventories towards obsolescence.

The Associate has requested for temporary relaxations for compliance with the financial covenants from the lenders for fiscal 2022 and 2023 as these have not been met. However, during the year ended March 31, 2023, the shareholders / investors have infused Rs. 7,102 million by subscribing towards call against the partly paid-up shares, rights issues and as intercorporate debt. The Associate has also raised Rs. 3,205 million during the period ended September 30, 2023 as debt to continue to meet its operational expense and debt repayments obligations.

The Associate is expected to grow the business of Contract Development and Manufacturing Operations (CDMO) further during the year. During the previous financial year, Associate's facility in Bengaluru successfully completed inspection by several regulators including EMA and USFDA and one of its customer has also recently received approval from USFDA for a product filed from the site.

During the current period, the Associate entered into a Business Transfer Agreement (BTA) with Syngene International Limited for sale of Unit-3 (multimodal facility) on a slump sale basis for a consideration of Rs. 7,020 million. The consummation of the transaction is pending certain conditions precedent which are expected to be closed no later than December 31, 2023. This sale is expected to provide cash flows to the Associate to enable it to repay some of its debts.

As more fully described in Note 7, during the current quarter, the Company and Stelis has also announced a demerger from Strides and consolidation of CDMO business within Stelis by issuing shares to the shareholders of the Company and consequently listing Stelis in India.

The Associate has received letter of support from one of its shareholders who have committed to extend the necessary financial support. The Associate is also exploring various fund raising options including refinancing of debts and currently has received certain term sheets from investors / lenders which are being negotiated.

Given the mitigating factors discussed above, the Associate has concluded that it 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. The Company has also reviewed the developments of the quarter and continues to believe that no impairment trigger exists as of the period end for its investment in the Associate.



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5 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.

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 has two operating segments, representing the individual businesses that are managed separately. The Company's reportable segment are as follows; "Pharmaceutical" and "Bio-pharmaceutical".

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1	Segment Revenue						
	a) Pharmaceutical business	5,402.89	4,753.22	4,812.35	10,156.11	9,044.25	18,544.96
	b) Bio-pharmaceutical business	-	-	-	-	-	-
	Revenue from operations	5,402.89	4,753.22	4,812.35	10,156.11	9,044.25	18,544.96
2	Segment results						
	a) Pharmaceutical business	41.94	91.29	(440.71)	133.23	(1,479.51)	(647.60)
	b) Bio-pharmaceutical business	-	-	-	-	-	-
	Profit / (loss) before tax (I)	41.94	91.29	(440.71)	133.23	(1,479.51)	(647.60)
	Tax expense /(benefit) (II)	29.11	11.27	(400.74)	40.38	(777.00)	(694.42)
	Profit / (loss) for the period (I-II)	12.83	80.02	(39.97)	92.85	(702.51)	46.82

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		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	Segment Assets						
	a) Pharmaceutical business	52,384.72	52,053.18	51,230.54	52,384.72	51,230.54	51,033.77
	b) Bio-pharmaceutical business	5,162.07	5,162.47	5,315.85	5,162.07	5,315.85	5,163.65
	Total Segment Assets	57,546.79	57,215.65	56,546.39	57,546.79	56,546.39	56,197.42
2	Segment Liabilities						
	a) Pharmaceutical business	22,930.58	22,506.99	22,865.14	22,930.58	22,865.14	21,646.91
	b) Bio-pharmaceutical business	-	-	-	-	-	-
	Total Segment Liabilities	22,930.58	22,506.99	22,865.14	22,930.58	22,865.14	21,646.91



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- 6 The Board of Directors of the Company on August 2, 2023 have approved the Scheme of Amalgamation u/s 230 to 232 of the Companies Act, 2013, between Strides Pharma Science Limited and Strides Alathur Private Limited (formerly known as Vivimed Lifesciences Private Limited) with an appointed date of April 1, 2023. The Scheme of Amalgamation is filed with National Company Law Tribunal(NCLT) for approval.
- 7 On September 25, 2023 the board of directors of the Company approved the Scheme of Arrangement between Strides Pharma Science Limited, Stelis Biopharma Limited and Steriscience Specialities Private Limited with an appointed date of April 01, 2024. The Scheme is subject to approval from Stock exchanges, SEBI, NCLT, Shareholders, Creditors, and other regulatory authorities.
- Up on the scheme becoming effective, the identified CDMO and Softgel business of Strides would be demerged from the books of Strides Pharma Science Ltd and will get merged with existing Stelis business. The consideration would be issued to the shareholders of Strides in the form of shares in Stelis Biopharma Ltd with a consequential listing of Stelis in the Indian stock exchanges. The demerger would be accounted as per the guidance in Appendix A of Ind As10 (Distribution of Noncash assets to the owners) once the Scheme is approved by the NCLT and all other conditions are met.
- The Scheme has already been filed with the BSE and National Stock exchange for their approval.
- 8 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, 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. An amount of Rs. 221 million equivalent to 25% of the Warrant Price was paid to the Company at the time of subscription and the balance 75% of the Warrant Price was payable by the Warrant holder against each Warrant at the time of allotment of Equity Shares pursuant to exercise of the options. During the year ended March 31, 2023, on exercise of options by Karuna Business Solutions LLP and on receipt of balance subscription money of Rs.150 million, the Company has fully converted 452,490 convertible warrants into Ordinary Shares. Equity warrants of 1,547,510 are pending to be allotted as on September 30, 2023. The Company has fully utilised the amounts of Rs. 371 million towards capital resources and operations. Subsequent to the quarter, the Company received Rs. 513 million towards subscription of balance equity warrants and the same has been allotted.
- 9 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. 141.90 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. 141.90 million as a recoverable balance which is disclosed under current financial assets.
- 10 On May 25, 2023, the board of directors had proposed a final dividend of Rs 1.5 per share, which was approved by Shareholders at the Annual General Meeting and the same has been paid during the quarter ended September 30, 2023.
- 11 Previous period figures have been regrouped to conform with the classification adopted in these financial results.

For and on behalf of the Board

Bangalore, October 30, 2023

**Arun Kumar
Executive Chairperson and Managing Director**