

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2017**

Sl. No.	Particulars	Rs. in Lakhs			
		3 Months ended 30.06.2017	Preceding 3 months ended 31.03.2017	Corresponding 3 Months ended 30.06.2016 in the previous year	Previous year ended 31.03.2017
		UNAUDITED	AUDITED Refer note 2	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)
	<b>Continuing Operations</b>				
I	Revenue from operations	84,177	88,841	78,952	348,342
II	Other Income	3,607	7,305	2,078	16,858
III	<b>Total Revenue (I + II)</b>	<b>87,784</b>	<b>96,146</b>	<b>81,030</b>	<b>365,200</b>
IV	<b>Expenses</b>				
	(a) Cost of material consumed	28,931	25,869	24,710	103,114
	(b) Purchases of stock-in-trade	11,655	13,468	16,562	66,010
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,346	(902)	(3,978)	(15,504)
	(d) Employee benefit expenses	14,646	15,241	12,822	58,812
	(e) Finance costs	6,403	5,919	5,594	22,693
	(f) Depreciation and amortisation expense	5,114	5,289	4,235	18,715
	(g) Other expenses	18,868	19,473	15,611	71,628
	<b>Total Expenses (IV)</b>	<b>86,963</b>	<b>84,357</b>	<b>75,556</b>	<b>325,468</b>
V	<b>Profit/(loss) before exceptional items and tax (III - IV)</b>	<b>821</b>	<b>11,789</b>	<b>5,474</b>	<b>39,732</b>
VI	<b>Exceptional Items:</b>				
	- Exchange Fluctuation (loss) / gain (Net) (Refer note 10)	435	2,897	(472)	1,105
	- Impairment of Goodwill	-	(794)	-	(794)
	- Write down of inventories and other assets	-	-	-	(6,301)
	- Business combination and restructuring expenses	(271)	(699)	(459)	(2,343)
	- Recovery / (write off) of loans & advances given in earlier years (net)	-	(516)	487	(29)
	- Unwinding of discount on gross obligations over written put options to NCI	-	(426)	(167)	(1,188)
	- Fair valuation of derivative instruments	(435)	(632)	-	(632)
	- Others	-	-	-	124
	<b>Total Exceptional items (VI)</b>	<b>(271)</b>	<b>(170)</b>	<b>(611)</b>	<b>(10,058)</b>
VII	<b>Profit/(loss) before tax (V + VI)</b>	<b>550</b>	<b>11,619</b>	<b>4,863</b>	<b>29,674</b>
VIII	Share of profit / (loss) of joint ventures and associates	(306)	69	(10)	36
IX	<b>Profit/(loss) before tax (VII + VIII)</b>	<b>244</b>	<b>11,688</b>	<b>4,853</b>	<b>29,710</b>
X	<b>Tax expense</b>				
	- Current tax	206	2,347	1,330	4,780
	- Deferred tax	(540)	(601)	(450)	(81)
	<b>Total tax expense (X)</b>	<b>(334)</b>	<b>1,746</b>	<b>880</b>	<b>4,699</b>
XI	<b>Profit/(loss) after tax from continuing operations (IX - X)</b>	<b>578</b>	<b>9,942</b>	<b>3,973</b>	<b>25,011</b>
XII	<b>Discontinued Operations</b>				
	- Profit/(loss) from discontinued operations before tax	-	3,364	(684)	20,004
	- Tax expense of discontinued operations	-	116	42	419
XIII	<b>Profit/(loss) after tax from discontinued operations</b>	<b>-</b>	<b>3,248</b>	<b>(726)</b>	<b>19,585</b>
XIV	<b>Profit/(loss) for the period (XI + XIII)</b>	<b>578</b>	<b>13,190</b>	<b>3,247</b>	<b>44,596</b>



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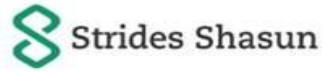
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2017

Sl. No.	Particulars	Rs. in Lakhs			
		3 Months ended 30.06.2017	Preceding 3 months ended 31.03.2017	Corresponding 3 Months ended 30.06.2016 in the previous year	Previous year ended 31.03.2017
		UNAUDITED	AUDITED Refer note 2	UNAUDITED	AUDITED
		(1)	(2)	(3)	(4)
<b>XV</b>	<b>Other comprehensive income</b>				
<b>A</b>	(i) Items that will not be recycled to profit or loss	(1,895)	(134)	(4,237)	(2,593)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	(43)	25	498
<b>B</b>	(i) Items that may be recycled to profit or loss	2,693	6,318	385	(1,641)
	(ii) Income tax relating to items that may be reclassified to profit or loss	111	(801)	170	(693)
	<b>Total other comprehensive income for the period (XV)</b>	<b>909</b>	<b>5,340</b>	<b>(3,657)</b>	<b>(4,429)</b>
<b>XVI</b>	<b>Total comprehensive income for the period (XIV + XV)</b>	<b>1,487</b>	<b>18,530</b>	<b>(410)</b>	<b>40,167</b>
	<b>Profit for the period attributable to:</b>				
	- Owners of the Company	56	11,232	2,604	39,976
	- Non-controlling interests	522	1,958	643	4,620
		<b>578</b>	<b>13,190</b>	<b>3,247</b>	<b>44,596</b>
	<b>Other comprehensive income for the period</b>				
	- Owners of the Company	909	5,348	(3,657)	(4,421)
	- Non-controlling interests	-	(8)	-	(8)
		<b>909</b>	<b>5,340</b>	<b>(3,657)</b>	<b>(4,429)</b>
	<b>Total comprehensive income for the period</b>				
	- Owners of the Company	965	16,580	(1,053)	35,555
	- Non-controlling interests	522	1,950	643	4,612
		<b>1,487</b>	<b>18,530</b>	<b>(410)</b>	<b>40,167</b>
	<b>Earnings per equity share (for continuing operations):</b>				
	(1) Basic (in Rs.)	0.06	8.93	3.73	22.83
	(2) Diluted (in Rs.)	0.06	8.92	3.72	22.77
	<b>Earnings per equity share (for discontinued operations):</b>				
	(1) Basic (in Rs.)	-	3.64	(0.82)	21.91
	(2) Diluted (in Rs.)	-	3.62	(0.81)	21.87
	<b>Earnings per equity share (for total operations):</b>				
	(1) Basic (in Rs.)	0.06	12.57	2.91	44.73
	(2) Diluted (in Rs.)	0.06	12.54	2.91	44.64
	<b>See accompanying notes to the Financial Results</b>				

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS  
FOR THE QUARTER ENDED JUNE 30, 2017**

**Notes:**

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 11, 2017. The statutory auditors have carried out limited review of the above results for the quarter ended June 30, 2017.
- 2 The results for the quarter ended March 31, 2017 represent the balancing figure between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the previous financial year ended March 31, 2017.
- 3 During the current quarter, Strides Lifesciences Limited, Nigeria and Arrow Life Sciences (Malaysia) Sdn Bhd, Malaysia, were incorporated as wholly owned subsidiaries of the Group.
- 4 The Company had entered into definitive agreement with Perrigo Group for acquisition of Perrigo API India Private Limited in the previous quarter. On April 6, 2017, the Company has completed the acquisition of 100% stake in Perrigo API India Private Limited. Subsequently, Perrigo API (India) Private Limited has been renamed to Strides Chemicals Private Limited.
- 5 Strides Pharma Global Pte Limited, Singapore, a subsidiary of the Group, entered into an agreement with Vivimed Labs Limited, India to invest in Vivimed Global Generics Pte Limited, Singapore. Pursuant to the investment by Strides Pharma Global Pte Limited, Singapore on May 18, 2017, Vivimed Global Generics Pte Limited, Singapore became a subsidiary of the Group.  
  
Further, the Company also entered into a joint venture agreement with Vivimed Labs Limited, India investment in Vivimed Life Sciences Private Limited, India. Accordingly, the Company's investment in Vivimed Life Sciences Private Limited, India on May 18, 2017, is accounted under equity method in these consolidated results.
- 6 On March 20, 2017, the Board of Directors of the Company approved a Composite Scheme of Arrangement to be entered into between the Company, Sequent Scientific Limited (Sequent), and Solara Active Pharma Sciences Limited, India (Solara) and their respective shareholders' and creditors (the scheme) under sections 230-232 of the Companies Act, 2013 for demerger of the Company's Commodity API business and Human API Business of Sequent into Solara with effect from the appointed date of 1 October 2017. The scheme is subject to approval by shareholders and other regulatory authorities.
- 7 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. 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'.  
  
Considering the terms of the SPAs, the nature of the pending claims that are in arbitration currently and the balance available in the General Claims Escrow account, the Company believes that any further outflow of resources is not probable.
- 8 Minimum Alternate Tax credits availment/utilisation are considered under deferred tax.
- 9 During the quarter ended 30 June 2017, 50,000 equity shares were allotted by the Company under the Strides Arcolab ESOP 2011 Scheme, on exercising equal number of options.
- 10 Exchange fluctuation gain/loss (net) included under Exceptional Items comprises the exchange gain / loss arising on account of restatement and settlement of long term foreign currency loans and intra-group loans.
- 11 In the previous year, the Group had two business segments viz., "Pharmaceutical business" and "Biotech business". With effect from 31 March 2017, pursuant to loss of control over Stelis Biopharma Private Limited, India ('Stelis', the only entity of the Group that was engaged in Biotech business) Stelis ceased to be subsidiary of the Group but became an associate of the Group. The Group's operations for the current quarter relate only to the "Pharmaceutical business".



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12 Information on Standalone Results : -

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	3 Months ended 30.06.2017	Preceding 3 months ended 31.03.2017	Corresponding 3 Months ended 30.06.2016 in the previous year	Previous year ended 31.03.2017
	<b>UNAUDITED</b>	<b>AUDITED Refer note 2</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
Total Revenue	53,709	52,280	50,498	210,980
Profit before Tax from continuing operations	839	9,205	3,123	13,813
Profit after Tax from continuing operations	895	8,635	2,846	12,277

For and on behalf of the Board

**Shashank Sinha  
Managing Director**

Bengaluru, August 11, 2017