



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

**STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2016**

Sl. No.	Particulars	Rs. in Lakhs	
		3 Months ended 30.06.2016	Corresponding 3 Months ended 30.06.2015 in the previous year (Recast as per Note 2 and 3)
		UNAUDITED (1)	UNAUDITED (2)
1	Income from operations		
	(a) Net Sales / Income from Operations (inclusive of excise duty)	84,462	58,400
	(b) Other Operating Income	3,095	2,904
	Total Income from operations (net)	87,557	61,304
2	Expenses		
	(a) Cost of material consumed	26,801	29,449
	(b) Purchases of stock-in-trade	16,286	3,484
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,077)	(2,349)
	(d) Employee benefits expense	16,505	10,759
	(e) Depreciation and amortisation expense	4,838	3,182
	(f) Other expenses	17,730	12,794
	Total expenses	79,083	57,319
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	8,474	3,985
4	Other Income	3,209	2,922
5	Profit/(Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	11,683	6,907
6	Finance costs	6,042	2,773
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	5,641	4,134
8	Exceptional Items:		
	- Exchange Fluctuation (loss) / gain (Net) (Refer note 11)	(1,323)	(231)
	- Merger and restructuring costs	(459)	(401)
	- Recovery of loans & advances written off in earlier years	487	131
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	(1,682)
	- Fair valuation of derivative instruments	(167)	(44)
9	Profit / (Loss) from Ordinary Activities before tax (7+ 8)	4,179	1,907
10	Tax expense	922	755
11	Net Profit / (Loss) after tax (9-10)	3,257	1,152
12	Share of profit / (loss) from associates and Joint ventures	(10)	(155)
13	Net Profit after taxes and share of loss of associates and joint ventures but before minority interest (11+12)	3,247	997
14	Share of profit / (loss) attributable to Minority interest (net)	643	(65)
15	Net Profit / (Loss) after taxes and minority interest and share of loss of associates and joint ventures (13-14) [A]	2,604	1,062
16	Other Comprehensive Income (OCI) (net of tax) [B]	(3,657)	(304)
17	Total Comprehensive Income for the period [A+B]	(1,053)	758
18	Paid-up Equity Share Capital (Face value of Rs. 10/-each)	8,936.60	8,063.31
19	Earnings per share (face value of Rs. 10/- each) - not annualised		
	(a) Basic EPS (Rs.)	2.91	1.34
	(b) Diluted EPS (Rs.)	2.91	1.32
	See accompanying notes to the Financial Results		



Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
 Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2016

Notes:

- The above statement of consolidated unaudited financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 17, 2016. The statutory auditors of the Company have carried out the limited review of the results for quarter ended June 30, 2016.
- These financial results have been prepared in accordance with India Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of the Listing Regulation, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures for the earlier periods. The results for the quarter ended June 30, 2015 have been recasted to be Ind AS compliant and have not been subjected to limited review.
- During the previous year, pursuant to the court approved scheme of Amalgamation, Shasun Pharmaceuticals Limited (the 'Shasun') has been amalgamated with the Company w.e.f. the appointed date of April 01, 2015 and the effective date of merger was November 19, 2015. Hence, the results for the quarter ended June 30, 2015 have been recast to reflect the merger of Shasun with the Company.
 Ind AS 103 'Business Combination' is not applicable to the above referred merger in view of the Scheme sanctioned by the Hon'ble High Courts of Judicature under section 391 to 394 of the Companies Act, 1956.
 The Company has followed the 'Pooling of Interest method' as per the court approved Scheme of Amalgamation for the accounting of Assets and Liabilities of erstwhile Shasun. The impact of aligning the accounting policies between the two entities on the assets and liabilities taken over on merger amounting to Rs. 1,682 lakhs has been expensed off in the results for the quarter ended June 30, 2015 under exceptional items.
 The Company has issued 21,017,329 equity shares of Rs. 10/- each to the shareholders of erstwhile Shasun in terms of the Scheme of Amalgamation. These shares have been considered for the purpose of calculation of earnings per share.
- Reconciliation of Net Profit for the quarter ended June 30, 2015 as reported earlier in accordance with previous Indian GAAP and now being reported in accordance with Ind AS, as stated in note 2 above is as follows:

Particulars	Rs. in Lakhs	
	3 Months ended 30.06.2015	UNAUDITED
Net profit as reported under previous GAAP	4,186	
Add: Net profit of erstwhile Shasun Pharmaceuticals Limited as per previous GAAP (Refer note 3 above)	380	
Less: Merger adjustments for aligning the accounting policies difference as mentioned in note 3 above and elimination of stock margin	(1,948)	
Adjusted Net profit as per Previous GAAP	2,618	
Add / (Less): Adjustments for GAAP Differences		
Impact of measuring ESOP at fair value	(72)	
Impact of measuring financial instruments at fair value through profit or loss	(3,137)	
Unwinding effect of discounted long-term liabilities	(44)	
Impact of amortisation of intangible assets over the revised useful life	85	
Tax impact on Ind AS adjustments	1,720	
Other Ind AS adjustments	(108)	
Net profit for the quarter as per Ind AS	1,062	



Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
 Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore -560 076.
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2016

- 5 During the current quarter, 20,000 equity shares were allotted by the Company under the Strides Arcolab ESOP 2011 Scheme on exercising equal number of options.
- 6 The Company had entered into a definitive agreement in February 2016, to acquire a strategic stake in Generic Partners Holdings Co. Pty Ltd. (the "Genetic Partners"), an Australian pharmaceutical supply and research company. Subsequent to June 30, 2016, Strides Pharma Global Pte Limited, a wholly owned subsidiary of the Company has completed the acquisition of Generic Partners.
- 7 In the current quarter, Strides Pharma (Cyprus) Limited, a wholly owned subsidiary of the Company completed the acquisition of a controlling stake in Universal Corporation Limited (Universal), Kenya.
- 8 Strides Pharma Inc. USA, a wholly owned subsidiary of the Company completed during the quarter, the acquisition of Jointifex, Fergon and Vanquish brands from Moberg Pharma, Sweden and its affiliates.
- 9 The Board of Directors of the Company and the Members of Company in their meeting held on May 16, 2016 and June 28, 2016, subject to the approval of applicable laws, consents, permission and sanctions as may be necessary, approved the divestment of investment in Shasun Pharma Solutions Limited (SSPL), UK, a wholly owned step-down subsidiary of the Company to be set up by the current management team of SSPL and members of the promoter group of the Company. SSPL is in the business of Contract Research and Manufacturing. As at June 30, 2016, certain conditions precedent and closing condition were pending to be completed. The Directors of the Company expect that the fair value less costs to sell the business will be higher than the aggregate carrying amount of related net assets. The results of discontinued operations included in the profit for the period are set out below:

Sl. No.	Particulars	Rs. in Lakhs	
		3 Months ended 30.06.2016	3 Months ended 30.06.2015
		UNAUDITED	UNAUDITED
1	Income from operations	7,958	7,722
2	Total expenses	7,817	7,581
3	Profit from discontinued operations before other income, finance cost & exceptional items (1-2)	141	141
4	Other income	30	17
5	Profit from discontinued operations before finance cost & exceptional items (3+4)	171	158
6	Finance cost	203	224
7	Loss from discontinued operations before exceptional items (5-6)	(32)	(66)
8	Exceptional items	-	-
9	Loss from discontinued operations before tax (7+8)	(32)	(66)
10	Tax expense	26	42
11	Loss from discontinued operations for the period (9-10)	(58)	(108)



Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2016

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 Investments 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 include a US\$ 100 million tax escrow deposit (out of which US\$ 8.00 million has been settled in earlier year to be paid to Mylan in relation to certain claims) and a US\$ 100 million regulatory escrow deposit. 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. During the quarter ended December 31, 2015, the Company received a consolidated notification of claims from Mylan under the terms of the SPAs. These include third party claims, tax claims, claims against the regulatory escrows and general claims. A significant portion of these are estimates of potential claims / losses that Mylan expects to incur and involve significant uncertainties. The Company has formally responded to Mylan disputing the claims and also sought further details / clarifications on each of the items mentioned in the notifications of claims. Given the nature of the claims involved and the extent of information made available by Mylan so far, the Company is not able to make a reliable estimate of its obligations, if any, with regard to these claims. Considering the terms of the SPAs and the amounts in the respective escrows, the Company believes that any further outflow of resources is not probable.

11 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.



Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
 Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2016

12. The Group's operations have been classified into two business segments viz., "Pharmaceutical business" and "Biotech business". Segment wise Revenue. Details of respective segments :

	Particulars	Rs. in Lakhs	
		3 Months ended 30.06.2016	Corresponding 3 Months ended 30.06.2015 in the previous year (Recast as per Note 2 and 3)
		UNAUDITED	UNAUDITED
1	Segment Revenue a) Pharmaceutical business b) Biotech business Revenue from operations	87,557 - 87,557	61,304 - 61,304
2	Segment results Profit/(Loss) allocable a) Pharmaceutical business b) Biotech business Total Add / (Less): Unallocable income/(expenses): Other Income Finance cost <i>Items considered under exceptional items:</i> - Exchange (loss) / gain on long-term foreign currency loans; intra-group loans - Merger and restructuring costs - Recovery of loans & advances written off in earlier years - Impact of aligning accounting policies on merger of Shasun (Refer note 3) - Fair valuation of derivative instruments Profit before tax from continuing and discontinued operations Tax expense Profit before allocation to minority interest Share of profit / (loss) from associates and Joint ventures Net Profit after taxes and share of loss of associates and joint ventures but before minority interest Share of profit / (loss) attributable to Minority interest (net) Profit for the period	9,922 (245) 9,677 2,145 (6,042) (1,323) (459) 348 - (1,682) (167) 4,179 922 3,257 (10) 3,247 643 2,604	6,043 (200) 5,843 1,195 (2,773) (231) (401) - (1,682) (44) 1,907 755 1,152 (155) 997 (65) 1,062
3	Segment Assets a) Pharmaceutical business b) Biotech business c) Unallocable Total Segment Assets	621,321 15,324 153,778 790,423	313,810 17,519 70,918 402,247
4	Segment Liabilities a) Pharmaceutical business b) Biotech business c) Unallocable Total Segment Liabilities	94,539 813 419,312 514,664	130,999 527 107,436 238,962



Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore -560 076.
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2016

13 Information on Standalone Results :-

Particulars	Rs. in Lakhs	
	3 Months ended 30.06.2016	Corresponding 3 Months ended 30.06.2015 in the previous year (Recast as per Note 2 and 3)
	UNAUDITED	UNAUDITED
Total Income from operations	51,403	48,657
Profit before Tax	2,994	2,418
Profit after Tax	2,716	1,451

For and on behalf of the Board

Bengaluru, August 17, 2016

Arun Kumar

Executive Vice Chairman & Managing Director