

November 14, 2022

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip code: 532531

The National Stock Exchange of India Limited

Exchange Plaza, Bandra-Kurla Complex
Bandra (E) Mumbai - 400 051
Scrip code: STAR

Dear Sirs,

Sub: Outcome of Board Meeting – Unaudited Financial Results (Standalone & Consolidated) for the quarter and half year ended September 30, 2022

We are pleased to enclose the Unaudited Financial Results (Standalone and Consolidated) of the Company along with Limited Review Report of the Statutory Auditors for the quarter and half year ended September 30, 2022, as approved by the Board of Directors of the Company at their meeting held today, along with a press release issued in this regard.

The Board Meeting commenced at 13:45 hrs and concluded at 15:15 hrs.

This is for your information and record.

Thanks & Regards,
For **Strides Pharma Science Limited**,

Manjula Ramamurthy
Company Secretary
ACS Membership No. A30515

Encl. as above

Strides reports improved Q2FY23 results led by 690bps gross margin expansion; returns to positive adjusted PAT

- Consolidated EBITDA at ₹1,006m, up 100%+ YoY, led by healthy gross margin expansion and operating leverage
- Consolidated revenues at ₹8,995m, up 22% YoY
- Business returns to positive adjusted PAT of ₹306m
- US Business reports its best-ever quarterly performance at \$60m revenues
- Significant optimization of network and operating costs resulted in improved operating leverage
- Strong order book and improved operating margins to enable free cash flow generation and achieve net debt to exit Q4FY23 EBITDA under 3
- Arrotex Deferred consideration to be received ahead of the Contractual due date

Mumbai, India, November 14, 2022 - Strides Pharma Science Ltd (BSE: 532531, NSE: STAR) today announced its consolidated financial results for the quarter (Q2FY23) and six months (H1FY23) ended September 30, 2022.

Financial Highlights (In ₹ m)

PARTICULARS	Q2FY23	Q1FY23	Q2FY22	QoQ%	YoY%	H1FY23	H1FY22	YoY%
Revenues	8,995	9,457	7,360	-5%	22%	18,452	14,279	29%
Gross Margins	5,125	4,741	4,113	8%	25%	9,865	7,541	31%
Gross Margin %	57.0%	50.1%	55.9%	690bps	110bps	53.5%	52.8%	60bps
EBITDA	1,006	657	10	53%	100%+	1,663	-458	100%+
EBITDA %	11.2%	6.9%	0.1%	430bps	1,110bps	9.0%	-3.2%	1,220bps

Arun Kumar, Founder, Managing Director, and Executive Chairperson, commented on the performance and said, "We continue to make good strategic progress across all our key businesses with a sharper focus on execution and cost competitiveness. We have delivered an improved sequential performance led by gross margin expansion. Our cost control measures have started yielding results and have enabled strong operating leverage during the quarter.

Our US business has reported its best-ever quarterly performance, driven by improved market share for the base portfolio, an uptick in the acquired portfolio at Chestnut Ridge, and contribution from new launches. We expect the new launch momentum to pick up in the coming quarters as we leverage a vast portfolio of over 100 approved products undergoing cost improvements and manufacturing site changes in the near term.

We have completed the strategic review of the Other Regulated Markets (ORM) business. We have decided to exit several low-margin product lines resulting in a lower topline during the quarter. The long-term outlook for the ORM business continues to be robust, and we expect to get to the historical levels of revenues with superior gross margins as early as Q3FY23.

With all the levers in place, we expect to continue our growth momentum in coming quarters with a focus on improved margins, free cash flow generation, and significant deleveraging of our balance sheet, targeting a net debt to EBITDA of less than three times.”

Detailed investor communication on the performance of the Company is attached.

About Strides

Strides, listed on the BSE Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical company headquartered in Bengaluru, India. The Company mainly operates in the regulated markets and has an “in Africa for Africa” strategy along with an institutional business to service donor-funded markets. The Company’s global manufacturing sites are located in India (Chennai, Puducherry, and two locations in Bengaluru), Singapore, Italy (Milan), Kenya (Nairobi), and the United States (New York). The Company focuses on “difficult to manufacture” products sold in over 100 countries. Additional information is available at the Company’s website at www.strides.com.

For further information, please contact:

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Moving ahead with conviction

Q2FY23 Earnings Update

Strides Pharma Science Limited
November 14, 2022

Strides reports improved Q2FY23 results led by 690bps gross margin expansion; returns to positive adjusted PAT



Quarterly Performance (₹m)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	QoQ	YoY
Revenues	8,995	9,457	7,360	-5%	22%
Gross Margin	5,125	4,741	4,113	8%	25%
Gross Margin %	57.0%	50.1%	55.9%	690bps	110bps
EBITDA	1,006	657	10	53%	100%+
EBITDA %	11.2%	6.9%	0.1%	430bps	1,110bps

Half Yearly Performance (₹m)

Particulars	H1 FY23	H1 FY22	YoY
Revenues	18,452	14,279	29%
Gross Margin	9,865	7,541	31%
Gross Margin %	53.5%	52.8%	70bps
EBITDA	1,663	-458	100%+
EBITDA %	9.0%	-3.2%	1,220bps



We continue to make good strategic progress across all our key businesses with a sharper focus on execution and cost competitiveness. We have delivered an improved sequential performance led by gross margin expansion. Our cost control measures have started yielding results and have enabled strong operating leverage during the quarter.

Our US business has reported its best ever quarterly performance, driven by improved market share for the base portfolio, an uptick in the acquired portfolio at Chestnut Ridge, and contribution from new launches. We expect the new launch momentum to pick up in the coming quarters as we leverage a vast portfolio of over 100 approved products undergoing cost improvements and manufacturing site changes in the near term.

We have completed the strategic review of the Other Regulated Markets (ORM) business and have decided to exit several low-margin product lines resulting in a lower topline during the quarter. The long-term outlook for the ORM business continues to be robust, and we expect to get to the historical levels of revenues with superior gross margins as early as Q3FY23.

With all the levers in place, we expect to continue our growth momentum in coming quarters with a focus on improved margins, free cash flow generation, and significant deleveraging of our balance sheet, targeting a net debt to EBITDA of less than three times.

Arun Kumar

Founder, Executive Chairperson & Managing Director



Q2FY23 reported revenues up 22% YoY with the US business reporting its best ever quarterly performance



Market Wise Performance- Quarter on Quarter (₹m)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	QoQ	YoY
US	4,726	3,552	2,502	33%	89%
Other Reg Mkt	2,414	3,047	2,825	-21%	-15%
Total Reg Mkt	7,140	6,599	5,327	8%	34%
Inst. Biz	1,035	2,013	1,113	-49%	-7%
Africa	820	845	920	-3%	-11%
Total EM	1,855	2,858	2,033	-35%	-9%
Total	8,995	9,457	7,360	-5%	22%

US business reports its best-ever quarterly performance

- ▶ US revenues at ₹4,726m (\$60m) for Q2FY23, up from ₹3,552m (\$46m) in Q1FY23 and ₹2,502m (\$34m) in Q2FY22.
- ▶ US business contributed 52% of consolidated revenues in Q2FY23.
- ▶ Scale up in the US business driven by improved market share and volume traction across key molecules in our portfolio

Focus on profitable outcome for the Other regulated markets

- ▶ Other regulated markets revenues at ₹2,414m (\$31m) for Q2FY23, versus ₹3,047m (\$39m) in Q1FY23 and ₹2,825m (\$38m) in Q2FY22. Other regulated markets businesses contributed 27% of consolidated revenues in Q2FY23.
- ▶ A strategic review of the business has led to exiting low-margin P&Ls which do not add strategic value and a change in the operating model for certain B2C-led small regions to a B2B model.
- ▶ The business is expected to return to historical levels with superior margins starting Q3FY23.

Market Wise Performance – Half Yearly (₹m)

Particulars	H1 FY23	H1 FY22	YoY
US	8,278	5,518	50%
Other Reg Mkt	5,461	5,057	8%
Total Reg Mkt	13,739	10,575	30%
Inst. Biz	3,048	2,083	46%
Africa	1,665	1,621	3%
Total EM	4,713	3,704	27%
Total	18,452	14,279	29%

Lumpiness during the quarter driven by institutional business

- ▶ Emerging markets revenues at ₹1,855m (\$23m) for Q2FY23, versus ₹2,858m (\$37m) in Q1FY23 and ₹2,033m (\$28m) in Q2FY22
- ▶ Emerging markets business contributed 21% of consolidated revenues in Q2FY23.
- ▶ While the branded business is tracking to plan, the institutional business was lumpy as the long-term institutional contracts have come to a close. The new awards are expected to be announced in Q3FY23, with potential supplies starting Q1FY24. Consequently, the business will remain soft for H2FY23

Healthy expansion in operating margins driven by operating leverage

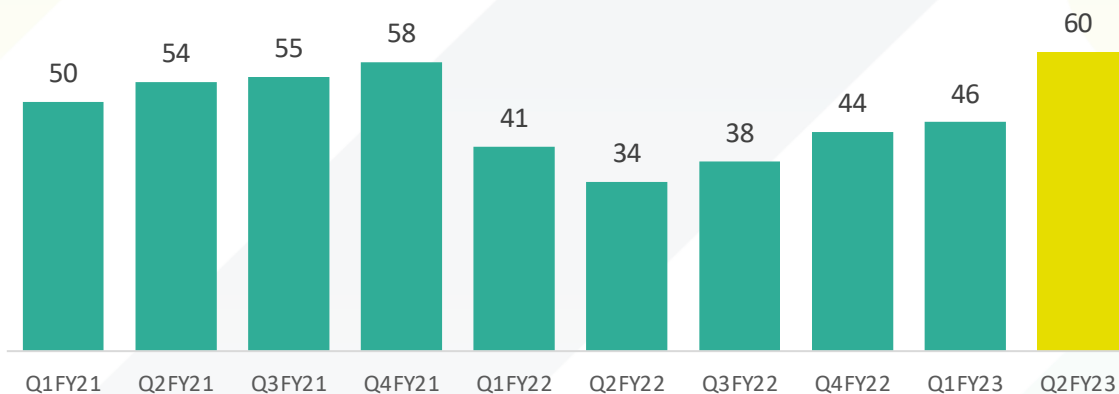
- ▶ Margin expansion in Q2FY23 was driven by healthy operating leverage versus 7% in Q1FY23 and 0.1% in Q2FY22.
- ▶ Significant actions around manufacturing network optimization, operating cost reduction, and aggressive right sizing across P&Ls have been completed, and the same has started contributing to the operating margins.
- ▶ Softening of the freight cost and better supply chain management led to a reduction in logistics cost to ₹569m (6% of revenues) in Q2FY23 from ₹897m (12% of revenues) in Q2FY22

Market Wise Outlook

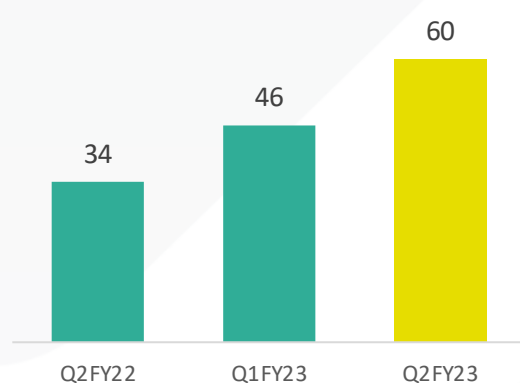
US Business reports its best-ever quarterly performance at \$60m revenues



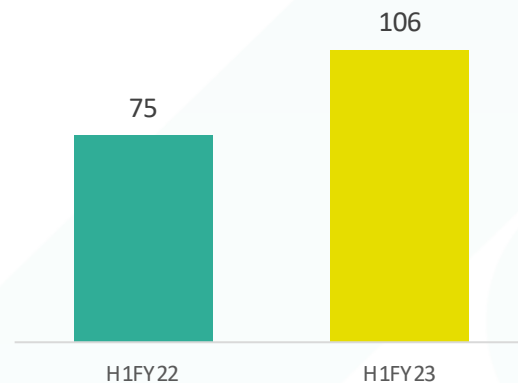
US Revenues - Quarterly Trend (\$m)



Quarterly Performance (\$m)



Six Months Performance (\$m)



QoQ%

33%

YoY%

89%

YoY%

50%

Quarterly Updates and Business Outlook

- Revenues from the US for Q2FY23 stood at ₹4,726 (\$60m), up 33% QoQ and 89% YoY, representing 52% of consolidated revenues for Q2FY23.
- Witnessing improvement in base business driven by pick up in volumes for key molecules that are now mean reverting to pre – covid levels.
- The uptick in the acquired portfolio at Chestnut Ridge further contributed to the growth momentum in the US during the quarter.
- Over the last two quarters, we have exited several contracts that did not meet our margin criteria as we continue to build our business with a focus on profitability
- Our portfolio is now seeing a stable pricing environment
- Launched 7 products in FY 23 and new launch momentum will pick up in the coming quarters.
- We are confident of meeting our revenue outlook of US\$250m run rate in FY23 for the US business.

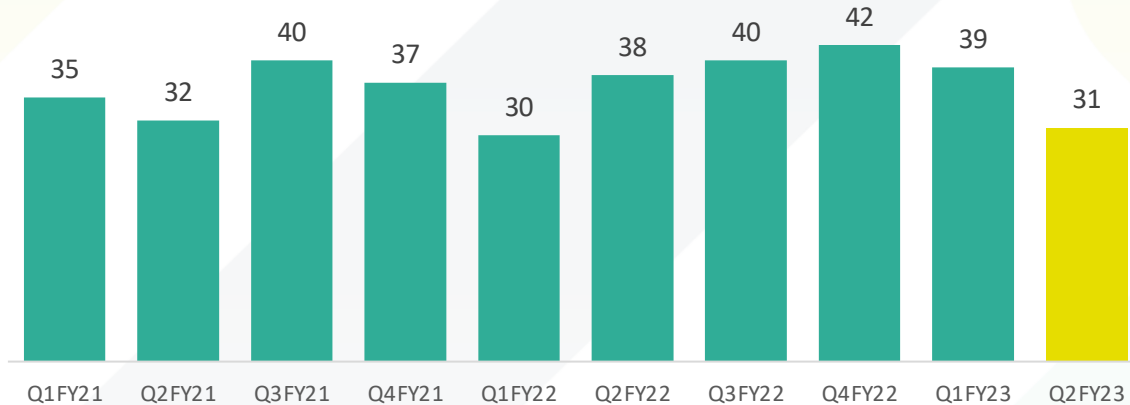
Portfolio Overview

- US business has a basket of 280 ANDAs, including the acquired portfolio through the Endo transaction. The portfolio comprises a healthy mix of acute and chronic products, including domains of Controlled Substances, Hormones, and Nasal Sprays.
- Of the total ANDAs, 260 are approved, 20 products are pending approval with the USFDA, and over 65+ products have been launched.
- A large basket of approved products will ensure lower dependency on new ANDA filings and approvals in the near term; this will enable more focused R&D initiatives around narrow niches.
- Target to launch ~ 20 new products every year & 60+ launches over three years with a relentless focus on cost competitiveness through alternate vendor developments, site changes, and process improvements

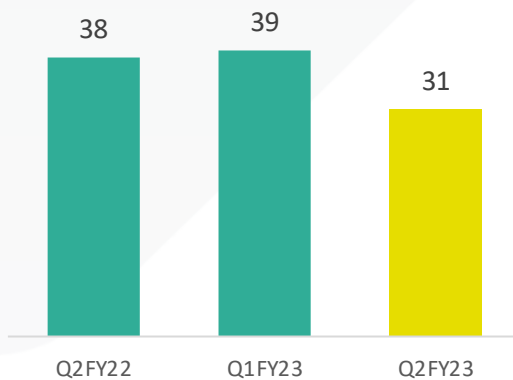
Exit of low margin businesses led to sequential decline in Other Regulated Markets (ORM) revenues Expect the business to attain its historical levels with superior margins starting Q3FY23



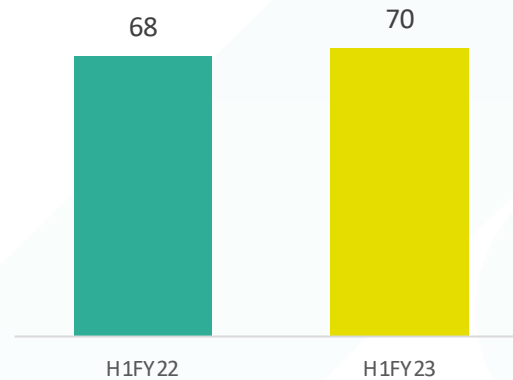
ORM Revenues - Quarterly Trend (\$m)



Quarterly Performance (\$m)



Six Months Performance (\$m)



QoQ%

-21%

YoY%

-15%

YoY%

8%

Business updates

- Revenues from the ORM for Q2FY23 stood at ₹2,414 m (\$31m), versus \$3,047 m(\$39m) in Q1FY23 and ₹2,825 m (\$40m) in Q3FY22.
- ORM business contributed 27% of consolidated revenues for Q2FY23
- Adverse currency movement for EUR, GBP, and AUD continues to impact reported numbers
- A strategic review of the business has led to exiting low-margin P&Ls which do not add strategic value and a change in the operating model for certain B2C-led small regions to a B2B model.
- Business expected to return to its historical levels with superior margins starting Q3FY23 driven by strong order book visibility.

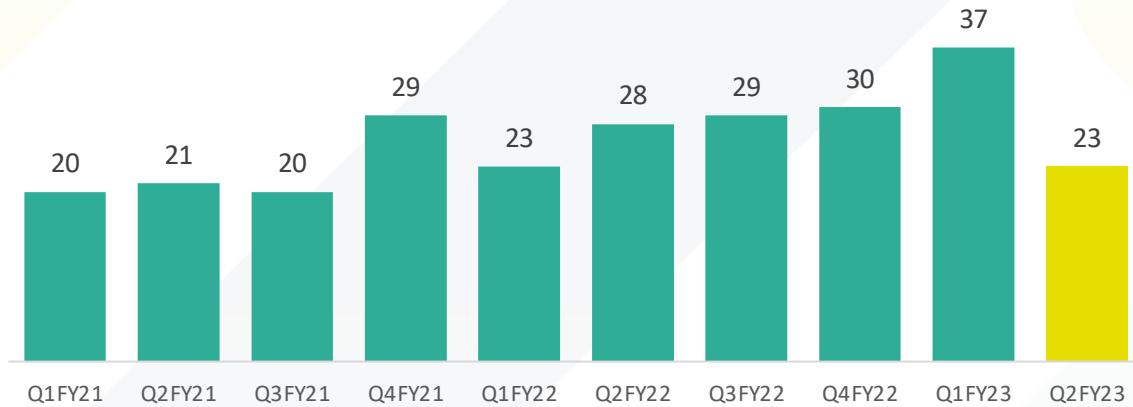
Business Outlook

- ORM business is a significant part of our growth strategy driven by geographical reach and portfolio opportunities
- Growth to be driven by our front-end in key markets and IP-led B2B partnerships in Europe, Australia, and other key regulated markets
- Fast-tracking portfolio maximization opportunities for Rx and OTC products through focused R&D investments
- Scaling up partnership business through strategic tie-ups and portfolio expansion in key regulated markets, including Europe
- Expansion of product portfolio, entry into new markets, and new customer acquisitions to drive sustainable growth in Other Regulated Markets

Emerging and Access markets impacted by lower off take for the tender business, branded business delivers steady performance

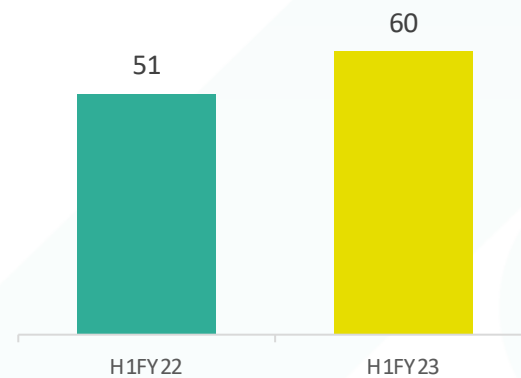
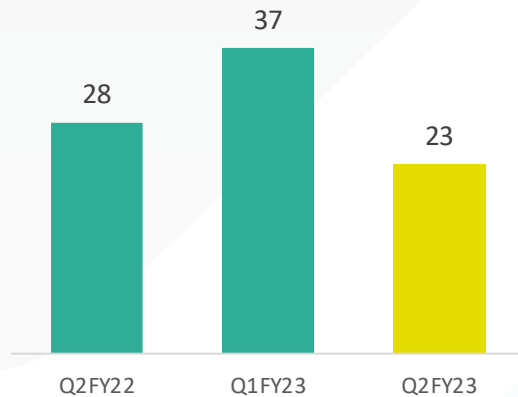


EM Revenues - Quarterly Trend (\$m)



Quarterly Performance (\$m)

Six Months Performance (\$m)



QoQ%

-35%

YoY%

-9%

YoY%

27%

Business updates

- Revenues from the Emerging and Access Markets for Q2FY23 stood at ₹1,855 m (\$23m), versus \$2,858 m(\$37m) in Q1FY23 and ₹2,033 m (\$28m) in Q2FY22.
- Revenues from the Africa business for Q2FY23 stood at ₹820 m (\$10.3m), versus \$845 m (\$11m) in Q1FY23 and ₹920 m (\$13m) in Q2FY22 with steady performance in branded business.
- Branded business in Africa is tracking to plan with healthy primary and secondary sales trend.
- Revenues from the Institutional business for Q2FY23 stood at ₹1,035 m (\$13m), versus \$2,013 m(\$26m) in Q1FY23 and ₹1,113 m (\$16m) in Q2FY22.
- The institutional business was lumpy as the long-term institutional contracts have come to a close. The new awards are expected to be announced in Q3FY23, with potential supplies starting Q1FY24. Consequently, the business will remain soft for H2FY23.

Business Outlook

- Given the ramp-up in regulated markets business and network optimizations decision, dependencies on Institutional business have come down significantly from an under-recovery standpoint.
- Focus on cost competitiveness for an improved wallet share for the institutional business.
- Growth in African business will be driven by improved market footprint and portfolio expansion in key countries with a focus on field force productivity to enable better operating leverage.

Financial Performance

Key P&L Highlights – Q2 FY23



Income statement (₹m)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22	QoQ	YoY
Revenues	8,995	9,457	7,360	-5%	22%
EBITDA	1,006	657	10	53%	100+%
EBITDA %	11.2%	6.9%	0.1%	430bps	1,110bps

Reconciliation of EBITDA (₹m)

As per SEBI results	Q2 FY23	Q1 FY23	Q2 FY22
Profit before exceptional items & tax	-78	-412	-915
<i>Less: Interest, Dividend income</i>	<i>210</i>	<i>80</i>	<i>77</i>
<i>Add : Depreciation and Amortization</i>	<i>617</i>	<i>604</i>	<i>565</i>
<i>Add : Finance costs</i>	<i>676</i>	<i>545</i>	<i>436</i>
Consolidated EBITDA as per press note	1,006	657	10

1. Increase in finance cost due to adverse movement in USD/ INR and increase in interest rates globally

Details on Non-operational items in Q2FY23



Exceptional items in P&L for Q1 FY23 (₹m)

Particulars	Description	Q2FY23
Exchange Gain / (Loss)	Relating to long term loans and deferred consideration	-463
Product recall & Inventory provision	Past recall and Inventory provisions	-151
Severance	Severance and Retrenchment costs	-6
Unwinding	Unwinding of gross obligation and contingent consideration	151
Gain on Sale of Investment	CHC	465
Gain on divestment*	Loss of control in UCL*	149
		145

JV / Associate share of losses(₹m)

Particulars	Description	Q2FY23
Stelis	Stelis equity pickup	-426
CHC	Non-Strategic business for Strides, expected breakeven in FY24	-22
JV/Associate share of losses		-448

*Universal Corporation, Kenya (UCL) would have a favorable opportunity to participate and win certain local tenders if the company is a local company, i.e, Kenyan shareholders own at least 51% ownership. To maximize the opportunities for UCL, the shareholders have jointly agreed to take the necessary steps that enables the company to be eligible and win such businesses enabling its future growth. During the current quarter, the Group decided to reduce its equity shareholding below majority in UCL. Consequently, the Group ceded away the control over the board of UCL to the existing shareholders but continues to have board representation to exercise significant influence. As per Ind AS 110 - Consolidated Financial Statements, the resulting gain of Rs. 149 million, the excess of the fair value of consideration over the carrying value of net assets in UCL, has been disclosed under exceptional items. As on September 30, 2022, the fair value of investment in UCL has been disclosed under investment in associates and joint ventures.

Arrow deferred consideration to be received ahead of contractual obligation; H2 focus will be on free cash generation for right-sizing working capital; On target to bring down Net Debt to exit FY23 EBITDA under 3



Debt book

Particulars	₹m*
Term Loans	13,599#
Less: Cash and Cash Equivalents	-1,298
Less: Deferred Consideration	-5,454
Net Term Loans	6,848
- Long Term – Revolver (US)	3,467
- Other Net Term Loan	3,381
Short Term Loans	15,365
Net Debt at End of Sep'22	22,212
Net Debt at End of Jun'22	21,830

* Currency impact on Net debt during the 1HFY23 at ₹ 1,434m due to adverse movement in INR / USD and AUD /USD pair.
Long Term Loans with the original tenor of >1 year



Outlook

Debt reduction initiatives planned for FY23
Arrow deferred consideration to be received ahead of contractual obligation
Normalization of inventory across business to enable superior free cash flow generation
Manufacturing network optimization to enable further debt reduction
With the above actions we remain on track to achieve Net Debt to Exit FY23 EBITDA of <3x

Update on Stelis Biopharma

A high capital long gestation investment ready to achieve growth and profitability

- Stelis has emerged as a biopharmaceutical company with integrated capabilities in developing, scale-up, and commercial manufacturing biologics, bio betters, biosimilars, and vaccines.
- Stelis today operates two independent divisions- a global pure-play biological CDMO (Stelis) and a product division with a pipeline of biosimilars and vaccines (Biolexis). Biolexis is in the process of being carved out as a separate company.
- The CDMO business has started generating revenues nearing the operational break even. However, Stelis would achieve the cash break even after ramping up revenue from commercial supplies of its partner products under the approval process.
- As of March 31, 2022, Stelis has over \$300 million of capital invested, of which \$225 million has been funded as equity from Strides, promoters, and global marquee institutional investors such as TPG Growth, Think Investment, and Route One investment group, GMS and the family office of S Mankekar.

CDMO Division (Stelis)- \$250m+ Investments



- Fully integrated CDMO, offering the complete spectrum of services, from cell line tech transfer to clinical and commercial manufacturing.
- State-of-the-art facilities with Process Development(PD) and manufacturing space for mammalian, microbial, and other modalities
- Amongst the highest CDMO capacity in APAC with most modern Single Use Bioreactor reactors.



Products Division (Biolexis) -\$50m+ Investments

- Building a portfolio of leading products with cost leadership through efficient processes and low-cost devices
- Attaining strong partnerships in commercializing high-quality, affordable products with deep technical expertise
- Near-term opportunities with vaccines, including Sputnik Light's take-or-pay contract with Russian Direct Investment Fund(RDIF), Russia's sovereign fund

Key updates for the quarter

- Stelis **onboarded three new Global partners** with its first-ever external contract for the Drug Substance business..
- Cumulatively, Stelis has **more than ten partners across the drug substance and drug product programs.**
- Stelis flagship facility (unit 2) received **EIR from the USFDA for the drug product capabilities**, a significant milestone for the Company. Unit 2 offers integrated microbial and mammalian platforms for biologics development and commercial manufacturing.
- The **mammalian block with 8,000L capacity at our USFDA-approved site is fully commissioned and ready for onboarding** new business.

Near Term Outlook

- Ongoing discussions with new major big pharma companies to offer development services for their novel biologic programs
- As of the first six months, the **manufacturing services agreement (MSA)** concluded by Stelis translated into a **commercial sales agreement(CSA)** value of \$120m for the peak year.
- With the **USFDA approval in place** and the partners expecting their product approvals in due course, the CSA revenues will start from **FY24 and grow significantly in FY25.**



Business Growth and outlook



Financial Performance

- While **significant order wins have been concluded**, the **onboarding cycle takes longer for the CDMO business.**
- The **new business would result in operating inflow** however the revenue recognition will follow the operational milestones and would be **steady only after the CSAs exceed the MSAs.**
- Consequently, Stelis, like the FY22, will report a **modest operating revenue performance** with **negative PAT** in FY23.

- Stelis expects to **demonstrate a positive operating margin in 12 to 18 months.**
- **As the CSA-led revenues kick in, Stelis will generate enough cash flow** to meet its obligations.



Key updates for the quarter

- STLP001 (PTH or brand name Kauliv™) has received a positive recommendation from the **European Medicine Agency(EMA)** on 11th November 2022
- Kauliv™ is a **biosimilar to Forteo® (innovator)**, indicated for both **men and postmenopausal women with osteoporosis** who are at high risk for having broken bones or fractures.
- Kauliv™ is developed on a **recombinant Escherichia coli host platform, similar to the innovator.**
- Kauliv™ provides **reusable and disposable pen (autoinjector)** device options to cater to the global market demand.
- **Forteo®** leads the **market among treatment options for bisphosphonates, Selective Estrogen Receptor Modulators (SERMs)**. It remains a gold standard for the treatment of osteoporosis, with **>\$800 million in global sales.**



Near Term Outlook

- Stelis has already **licensed Kauliv™ across 20 countries** and the commercialization of the product will **generate incremental revenues with significant EBITDA** for Company starting FY24.
- While the products business is progressing well, we continue to have **challenges with selling the Sputnik Light Vaccine** (take-or-pay contract with RDIF).
- In November 2021, Stelis received its first order of **50 million doses** of the **Sputnik light vaccine to be exported to Russia.**
- Against the 50 million doses to be shipped, Stelis has **produced approximately 23 million** doses retained as inventory with a shelf-life up to March 2023.
- Considering the **geopolitical challenges regarding exports to Russia**, Stelis could not sell the stock. While the management **continues to find solutions, it has not succeeded so far and expects to have firm updates in the next quarter.**

Updates on Capital raise/Equity for Stelis

- The promoters and investors are committed to investing INR 6,450.4m in the Company to ensure that Stelis meets its obligations and has enough growth capital for the future. Of this amount, Stelis has already received INR 4,167.8m of capital in FY23, and the remaining capital is being infused periodically.
- The company has engaged a global banker to raise additional capital of up to \$100m, and the process has kicked off already. The company expects to have a solution for Sputnik Light-related matters and the new capital raise by the end of the FY23

Earnings Call Details



*invites you to interact with the senior management
on Q2FY23*



November 14, 2022

5:00pm IST / 12:30pm BST / 6:30am ET / 7:30pm HKT



Arun Kumar

*Founder,
Executive Chairperson &
Managing Director*



Badree Komandur

*Executive Director - Finance
& Group CFO*



Click on the icon above to pre-register and join without the operator



Join through an operator using dial in numbers

India Primary	+91 22 6280 1434 / +91 22 7115 8838		
USA	18667462133	Singapore	8001012045
UK	08081011573	Hongkong	800964448



Thank You

Strides Pharma Science Limited

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Limited Review Report on unaudited consolidated financial results of Strides Pharma Science Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Strides Pharma Science Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Strides Pharma Science Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") and its share of the net loss after tax and total comprehensive loss of its associates and joint venture for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We draw attention to Note 4 of the consolidated financial results which states that the ability of Stelis Biopharma Limited ('the Associate') to continue as a going concern is dependent on the mitigation factors detailed in the said note which could have a consequential impact on the carrying amount of investment of Rs. 4,235.07 million in the Associate as at 30 September 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 29 October 2022 on the financial information of the Associate for the period ended 30 September 2022.

Our conclusion is not modified in respect of this matter.

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7. We refer to Note 13 of the consolidated financial results which more fully explains the decision of the Holding Company's Board of Directors to recover the excess remuneration paid to the Holding Company's erstwhile Managing Director and Chief Executive Officer in the previous year. Accordingly, the Group continues to have a recoverable of Rs. 141.90 million as at 30 September 2022 in accordance with the requirements of Section 197(9) of the Companies Act, 2013.

Our conclusion is not modified in respect of this matter.

8. We did not review the financial information of 5 Subsidiaries included in the Statement, whose financial information reflects total assets of Rs. 39,580 million as at 30 September 2022 and total revenues of Rs. 6,503 million and Rs. 11,284 million, total net loss after tax of Rs. 194 million and Rs. 951 million and total comprehensive loss of Rs. 194 million and Rs 951 million, for the quarter ended 30 September 2022 and for the period from 01 April 2022 to 30 September 2022 respectively, and cash outflows of Rs. 531 million for the period from 01 April 2022 to 30 September 2022, as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also include the Group's share of net loss after tax of Rs. 361 million and Rs. 924 million and total comprehensive loss of Rs. 361 million and Rs. 924 million, for the quarter ended 30 September 2022 and for the period from 01 April 2022 to 30 September 2022 respectively as considered in the Statement, in respect of 1 associate, whose financial information have not been reviewed by us. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.

9. The Statement includes the financial information of 28 Subsidiaries which have not been reviewed, whose financial information reflects total assets of Rs. 34,290 million as at 30 September 2022 and total revenues of Rs. 853 million and Rs. 1,716 million, total net profit / (loss) after tax of Rs. 192 million and Rs. (34 million) and total comprehensive income/ (loss) of Rs. 186 million and Rs. (50 million), for the quarter ended 30 September 2022 and for the period from 01 April 2022 to 30 September 2022 respectively, and cash outflows of Rs. 28 million for the period from 01 April 2022 to 30 September 2022, as considered in the Statement. The Statement also includes the Group's share of net profit loss after tax of Rs. 88 million and Rs. 88 million and total comprehensive loss of Rs. 88 million and Rs. 88 million, for the quarter ended 30 September 2022 and for the period from 01 April 2022 to 30 September 2022 respectively as considered in the unaudited consolidated financial results, in respect of 8 associates and a joint venture, based on their financial information which have not been reviewed. According to the information and explanations given to us by the Parent's management, these financial information are not material to the Group.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Sampad Guha Thakurta

Partner

Bengaluru

14 November 2022

Membership No.: 060573

UDIN:22060573BCZVKT7307

Annexure I

List of entities included in unaudited consolidated financial results.

Sr. No	Name of component	Relationship
1	Altima Innovations Inc., United States	Subsidiary
2	Apollo Life Sciences Holdings Proprietary Limited, South Africa	Subsidiary
3	Aponia Laboratories Inc., United States	Associates
4	Arco Lab Private Limited, India	Subsidiary
5	Arrow Life Sciences (Malaysia) SDN. BHD., Malaysia	Subsidiary
6	Arrow Pharma Pte Ltd., Singapore	Subsidiary
7	Beltapharm S.P.A., Italy	Subsidiary
8	Biolexis Private Limited, India	Associates
9	ERIS Pharma GmbH, Germany	Subsidiary
10	Fairmed Healthcare AG, Switzerland	Subsidiary
11	Fair-Med Healthcare GmbH, Germany	Subsidiary
12	Generic Partners UK Ltd, United Kingdom	Subsidiary
13	Pharmapar Inc., Canada	Subsidiary
14	Regional Bio Equivalence Centre S.C, Ethiopia	Associates
15	Sihuan Strides (HK) Ltd., Hong Kong	Joint venture
16	Stabilis Pharma Inc., United States	Subsidiary

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17	Stelis Biopharma (Malaysia) SDN. BHD., Malaysia	Subsidiary
18	Stelis Biopharma Limited, India (formerly, Stelis Biopharma Private Limited, India)	Associates
19	Biolexis Pte. Ltd., Singapore (formely, Stelis Pte Ltd., Singapore)	Associates
20	Strides Arcolab International Ltd., United Kingdom	Subsidiary
21	Strides CIS Limited, Cyprus	Subsidiary
22	Strides Consumer LLC, United States	Associates (up to 8 August 2022) Also refer note 5
23	Strides Consumer Private Limited, India	Associates (up to 8 August 2022) Also refer note 5
24	Strides Foundation Trust, India	Trust
25	Strides Global Consumer Healthcare Limited, United Kingdom	Associates (up to 8 August 2022) Also refer note 5
26	Strides Life Sciences Limited, Nigeria	Subsidiary
27	Strides Netherlands B.V., Netherlands	Subsidiary
28	Strides Nordic ApS, Denmark	Subsidiary
29	Strides Pharma (Cyprus) Limited, Cyprus	Subsidiary
30	Strides Pharma (SA) Pty Ltd., South Africa	Subsidiary
31	Strides Pharma Asia Pte. Ltd., Singapore	Subsidiary
32	Strides Pharma Canada Inc, Canada	Subsidiary
33	Strides Pharma Global (UK)	Subsidiary

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	Limited, United Kingdom	
34	Strides Pharma Global Pte. Limited, Singapore	Subsidiary
35	Strides Pharma Inc., United States	Subsidiary
36	Strides Pharma International Limited, Cyprus	Subsidiary
37	Strides Pharma Science Limited, India	Holding
38	Strides Pharma Science Pty Ltd, Australia	Subsidiary
39	Strides Pharma UK Ltd, United Kingdom	Subsidiary
40	Strides Shasun Latina, SA de CV, Mexico	Subsidiary
41	SVADS Holdings SA, Switzerland	Subsidiary
42	Trinity Pharma (Pty) Limited, South Africa	Subsidiary
43	Universal Corporation Limited, Kenya	Subsidiary (Up to 30 September 2022) Also refer note 11
44	Vensun Pharmaceuticals, Inc., United States	Subsidiary
45	Vivimed Life Sciences Private Limited, India	Subsidiary
46	Strides Pharma Services Private Limited, India	Subsidiary
47	Neviton Softech Private Limited, India	Associate (Refer Note 15)



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Sl. No.	Particulars	Rs. in Million					
		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 (1)	UNAUDITED (2)	UNAUDITED (3)	UNAUDITED (4)	UNAUDITED (5)	AUDITED (6)
I	Continuing operations						
	Revenue from operations	8,970.97	9,400.74	7,214.73	18,371.71	14,098.39	30,702.50
II	Other income	234.59	135.48	222.10	370.07	357.42	1,319.88
III	Total income (I + II)	9,205.56	9,536.22	7,436.83	18,741.78	14,455.81	32,022.38
IV	Expenses						
	(a) Cost of materials consumed	3,726.86	4,926.95	2,872.31	8,653.81	6,041.59	10,909.32
	(b) Purchases of stock-in-trade	123.06	593.14	840.16	716.20	1,447.96	3,161.06
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20.95	(804.07)	(465.82)	(783.12)	(752.16)	952.79
	(d) Employee benefits expense	1,916.91	1,836.60	1,483.55	3,753.51	3,097.12	6,469.09
	(e) Finance costs	676.40	545.41	435.55	1,221.81	850.09	1,767.44
	(f) Depreciation and amortisation expense	617.02	604.00	565.59	1,221.02	1,114.42	2,330.14
	(g) Other expenses	2,341.53	2,336.22	2,495.31	4,677.75	4,828.17	9,313.46
	(h) Foreign exchange (gain) / loss - net	(139.63)	(89.63)	124.88	(229.26)	73.71	97.84
	Total expenses (IV)	9,283.10	9,948.62	8,351.53	19,231.72	16,700.90	35,001.14
V	Profit / (loss) before exceptional items and tax (III - IV)	(77.54)	(412.40)	(914.70)	(489.94)	(2,245.09)	(2,978.76)
VI	Exceptional items - net gain / (loss) (Refer note 9)	145.20	(657.73)	(599.03)	(512.53)	(1,514.47)	(2,438.25)
VII	Profit / (loss) before tax (V + VI)	67.66	(1,070.13)	(1,513.73)	(1,002.47)	(3,759.56)	(5,417.01)
VIII	Share of loss of joint venture and associates	(448.38)	(563.91)	(233.73)	(1,012.29)	(428.99)	(1,108.12)
IX	Profit / (loss) before tax (VII + VIII)	(380.72)	(1,634.04)	(1,747.46)	(2,014.76)	(4,188.55)	(6,525.13)
X	Tax expense / (benefit)						
	- Current tax (Refer note 8)	(181.15)	41.59	18.54	(139.56)	59.48	(1,504.40)
	- Deferred tax	(202.89)	(322.33)	(86.18)	(525.22)	(482.52)	(278.23)
	Total tax expense / (benefit) (X)	(384.04)	(280.74)	(67.64)	(664.78)	(423.04)	(1,782.63)
XI	Profit / (loss) after tax from continuing operations (IX - X)	3.32	(1,353.30)	(1,679.82)	(1,349.98)	(3,765.51)	(4,742.50)
XII	Discontinued operations						
	- Profit / (loss) from discontinued operations	-	-	-	-	-	-
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 16)	185.69	-	-	185.69	-	-
	- Tax expense of discontinued operations	-	-	-	-	-	-
XIII	Profit / (loss) after tax from discontinued operations	185.69	-	-	185.69	-	-
XIV	Profit / (loss) for the period (XI + XIII)	189.01	(1,353.30)	(1,679.82)	(1,164.29)	(3,765.51)	(4,742.50)



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Sl. No.	Particulars	Rs. in Million					
		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)
XV	Other comprehensive income						
A	(i) Items that will not be reclassified to statement of profit and loss	(14.00)	(15.65)	(50.20)	(29.65)	(78.00)	(86.64)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	2.16	1.18	10.56	3.34	17.47	18.96
B	(i) Items that may be reclassified to statement of profit and loss	197.13	266.10	(15.75)	463.23	237.29	560.86
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	26.85	(7.68)	(27.44)	19.17	(20.31)	(3.19)
	Total other comprehensive income for the period (XV)	212.14	243.95	(82.83)	456.09	156.45	489.99
XVI	Total other comprehensive income for the period (XIV + XV)	401.15	(1,109.35)	(1,762.65)	(708.20)	(3,609.06)	(4,252.51)
	Profit for the period attributable to:						
	- Owners of the Company	228.25	(1,358.92)	(1,625.59)	(1,130.67)	(3,677.59)	(4,602.11)
	- Non-controlling interests	(39.24)	5.62	(54.23)	(33.62)	(87.92)	(140.39)
	Other comprehensive income for the period	189.01	(1,353.30)	(1,679.82)	(1,164.29)	(3,765.51)	(4,742.50)
	- Owners of the Company	206.84	241.71	(90.22)	448.55	153.63	477.04
	- Non-controlling interests	5.30	2.24	7.39	7.54	2.82	12.95
	Total comprehensive income for the period	212.14	243.95	(82.83)	456.09	156.45	489.99
	- Owners of the Company	435.09	(1,117.21)	(1,715.81)	(682.12)	(3,523.96)	(4,125.07)
	- Non-controlling interests	(33.94)	7.86	(46.84)	(26.08)	(85.10)	(127.44)
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)	401.15	(1,109.35)	(1,762.65)	(708.20)	(3,609.06)	(4,252.51)
	(1) Basic (in Rs.)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(2) Diluted (in Rs.)	0.47	(15.13)	(18.12)	(14.65)	(40.99)	(51.28)
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)	0.47	(15.13)	(18.12)	(14.65)	(40.99)	(51.28)
	(1) Basic (in Rs.)	2.07	-	-	2.07	-	-
	(2) Diluted (in Rs.)	2.07	-	-	2.07	-	-
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)	2.54	(15.13)	(18.12)	(12.58)	(40.99)	(51.28)
	(1) Basic (in Rs.)	2.54	(15.13)	(18.12)	(12.58)	(40.99)	(51.28)
	(2) Diluted (in Rs.)						
	See accompanying notes to the Financial Results						

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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

CONSOLIDATED BALANCE SHEET

	Particulars	Rs. in Million	
		As at September 30, 2022 UNAUDITED	As at March 31, 2022 AUDITED
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	11,858.71	12,815.29
	(b) Capital work-in-progress	393.39	562.29
	(c) Right-of-use assets	1,617.17	1,758.86
	(d) Investment property	128.28	131.73
	(e) Goodwill	5,001.50	4,859.07
	(f) Other intangible assets	3,751.82	3,901.33
	(g) Intangibles assets under development	2,314.66	2,348.49
	(h) Investment in associates and joint ventures	5,076.36	5,355.55
	(i) Financial assets		
	(i) Investments	1,143.91	47.83
	(ii) Loans receivable	-	30.00
	(iii) Other financial assets	484.90	450.80
	(i) Deferred tax assets (net)	2,599.71	2,151.49
	(k) Income tax assets (net)	1,470.97	1,622.76
	(l) Other non-current assets	63.74	104.82
	Total non-current assets	35,905.12	36,140.31
II	Current assets		
	(a) Inventories	11,337.30	11,737.96
	(b) Financial assets		
	(i) Trade receivables	11,989.65	12,073.01
	(ii) Cash and cash equivalents	1,108.72	1,707.30
	(iii) Other balances with banks	159.79	166.22
	(iv) Loans receivable	88.86	48.24
	(v) Other financial assets	5,874.89	5,915.28
	(c) Other current assets	1,984.24	1,970.30
	Total current assets	32,543.45	33,618.31
	Total Assets	68,448.57	69,758.62

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

Particulars	Rs. in Million	
	As at September 30, 2022	As at March 31, 2022
	UNAUDITED	AUDITED
B EQUITY AND LIABILITIES		
I Equity		
(a) Equity share capital	902.90	897.90
(b) Other equity	22,410.80	22,694.38
Equity attributable to owners of the Company	23,313.70	23,592.28
Non- Controlling interests	(295.71)	240.88
Total equity	23,017.99	23,833.16
II Liabilities		
1 Non-current liabilities		
(a) Financials liabilities		
(i) Borrowings	9,428.71	8,356.23
(ii) Lease Liabilities	1,762.80	1,864.67
(iii) Other financial liabilities	381.21	571.78
(b) Provisions	733.55	642.80
(c) Deferred tax liabilities (net)	60.70	357.19
(d) Other non-current liabilities	16.54	16.04
Total non-current liabilities	12,383.51	11,808.71
2 Current liabilities		
(a) Financials liabilities		
(i) Borrowings	19,535.06	19,563.37
(ii) Lease liabilities	431.89	465.98
(iii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	386.47	326.75
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	9,282.12	10,388.49
(iv) Other financial liabilities	1,110.82	1,152.31
(b) Provisions	1,265.59	1,226.23
(c) Current tax liabilities	197.26	238.11
(d) Other current liabilities	837.86	755.51
Total current liabilities	33,047.07	34,116.75
Total Equity and liabilities	68,448.57	69,758.62



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

CONSOLIDATED STATEMENT OF CASH FLOW

Sl. No.	Particulars	Rs. In Million	
		For the Current period ended September 30, 2022	For the previous period ended September 30, 2021
		UNAUDITED	AUDITED
A.	Cash flow from operating activities		
	Profit / (loss) before tax from:	(2,014.76)	(6,525.13)
	Continuing operations	185.69	-
	Discontinued operations	(1,829.07)	(6,525.13)
	Adjustments for:		
	- Depreciation and amortisation expense	1,221.02	2,330.14
	- Share of loss of joint ventures and associates	1,012.29	1,108.12
	- Gain on sale of property, plant and equipment, other intangible assets and investment property (net)	(34.76)	(112.47)
	- Share based compensation expense	(0.29)	(7.09)
	- Unwinding/ cancellation of gross obligations and contingent consideration	(129.26)	(11.27)
	- Interest expense on borrowings & others	1,221.81	1,767.44
	- Interest and dividend income	(289.79)	(1,076.15)
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	(185.69)	-
	- Rental income from investment property	(8.89)	(60.33)
	- Bad debts written off / provision for doubtful trade and other receivables	131.54	1.78
	- Write down of inventories and other assets	47.35	46.76
	- Impairment and cost associated with disposal of facility	-	1,651.92
	- Sales returns, write down of inventory and other expenses on account of Product withdrawal	156.79	1,727.16
	- Gain on sale of investment in associates/subsidiaries	-	552.34
	- Dilution gain on loss of control / significant influence	(613.84)	(29.36)
	- Gain on lease modifications	-	(18.73)
	- Gain on dilution of investment in associates	-	(529.26)
	- Loss on sale of business unit	-	154.37
	- Net unrealised exchange gain / (loss)	371.00	(20.71)
	Operating profit / (loss) before working capital changes	1,070.21	(702.39)
	Changes in working capital:		
	(Increase) / Decrease in trade and other receivables	(1,011.41)	(587.95)
	(Increase) / Decrease in inventories	(99.88)	281.86
	Decrease in trade and other payables	(664.49)	(1,592.95)
	Net change in working capital	(1,775.78)	(1,899.04)
	Cash utilised in operations	(705.57)	(2,601.43)
	Income taxes refund received	267.20	23.28
	Net cash flow utilised in operating activities	(438.37)	(2,578.15)
	A	(438.37)	(2,578.15)



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

CONSOLIDATED STATEMENT OF CASH FLOW

Sl. No.	Particulars	Rs. In Million	
		For the Current period ended September 30, 2022	For the previous period ended September 30, 2021
		UNAUDITED	UNAUDITED
B.	Cash flow from investing activities		
	Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(484.72)	(961.97)
	Proceeds from sale of property, plant and equipment and intangible assets	53.68	639.59
	Short-term investments in funds	-	(270.17)
	Purchase of long-term investments including investment in associates	(638.50)	(51.06)
	Consideration paid towards acquisition of non-controlling interest in subsidiary and business combinations, net of cash acquired	-	(25.24)
	Proceeds from sale of investment in mutual funds	-	1,001.20
	Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash	185.69	67.43
	Rent deposit given	(0.17)	9.40
	Proceeds / (investment) in fixed deposits with maturity of more than 3 months, net	(10.81)	416.81
	Rental income from investment property	8.89	52.52
	Interest and dividends received (net of tax on dividend)	31.03	82.03
	Net cash flow utilised in investing activities	(854.91)	960.54
	B		(1,187.33)
C.	Cash flow from financing activities		
	Proceeds from issue of equity shares	13.67	28.54
	Proceeds from issue and exercise of share warrants	371.00	-
	Proceeds from long-term borrowings	1,745.20	2,857.00
	Repayment of long-term borrowings	(1,551.19)	(1,533.35)
	Net increase in working capital and short-term borrowings	1,422.43	3,130.36
	Lease payments	(265.33)	(192.25)
	Dividends paid (net of tax on dividend)	-	(224.31)
	Interest paid on borrowings	(1,038.33)	(730.97)
	Net cash generated from financing activities	697.45	3,335.02
	C		4,213.16



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

CONSOLIDATED STATEMENT OF CASH FLOW

Sl. No.	Particulars	Rs. In Million		
		For the Current period ended September 30, 2022	For the previous period ended September 30, 2021	For the previous year ended March 31, 2022
		UNAUDITED	UNAUDITED	AUDITED
		(595.83)	2,423.43	447.68
	Net increase/ (decrease) in cash and cash equivalents during the year	1,707.30	1,258.34	1,258.34
	Cash and cash equivalents at the beginning of the year	0.64	0.22	1.28
	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	(3.39)	-	-
	Cash and cash equivalents pursuant to deconsolidation of subsidiary	1,108.72	3,681.99	1,707.30
	Cash and cash equivalents at the end of the year*			
	* Comprises:			
	Cash on hand	2.63	2.96	2.71
	Balance with banks:			
	- In current accounts	1,016.57	3,658.38	1,573.41
	- In deposit accounts	16.80	5.24	14.61
	- Funds-in-transit	72.72	15.41	116.57
	Total	1,108.72	3,681.99	1,707.30



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 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 consolidated results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 14, 2022. The statutory auditors have reviewed the results for the quarter and half year ended September 30, 2022 and have issued an unmodified opinion.
- 3 The Group has incurred loss of Rs. 1,350 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 Parent Company and of the subsidiaries 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 Parent 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 4 of these financial results.
Further, to mitigate the situation, the Group 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 Group has cash and cash equivalents of Rs. 1,109 million as of September 30, 2022 and also undrawn borrowing facilities available from certain lenders. The 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 Group 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 Group will be able to continue to generate sufficient cash in the foreseeable future to meet its obligations as they fall due.
- 4 During the half year ended September 30, 2022, Steis 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 Group to undertake the impairment assessment of the Group's investment in the Associate. The Group 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 Group 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 Group has concluded that no impairment provision is required in the consolidated financial results.



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

- 5 a. The Group to enable its associate, Consumer Healthcare (CHC) Business, to raise additional capital from other investors to fund its growth, decided to dilute its equity holding. Consequently, in accordance with the revised agreement with other investors the Group reduced its equity holding to 19%. Pursuant to the such amended agreement the Group has no longer any representation on the board of CHC. These changes required the Group to re-evaluate its accounting for investment in CHC. Pursuant to these amendments, the Group concluded that the Group no longer has any significant influence over the CHC business and will only retain its investment as a passive shareholder. Accordingly, the Group discontinued its equity method associate accounting for CHC and will hereafter only account for its investments at fair value through other comprehensive income. Accordingly, gain on loss of significant influence amounting of Rs. 464.73 million has been recorded during the current quarter and half year ended 30 September 2022.
- b. During the previous year, one of the associates of the Group, raised additional equity investments. Consequently, the Group's shareholding has reduced. As per Ind AS 28 'investment in associates and Joint ventures', the group recorded gain on dilution of shareholding of Rs. 529.26 million during the half year ended September 2021.
- 6 During the previous year, the Group completed the sale of business of its subsidiary (Pharmapar Inc., Canada) for consideration of CAD 0.63 million. The net loss of Rs. 154.37 million arising from the transaction was recorded as exceptional items in the statement of profit and loss for the year ended March 31, 2022.
- 7 a. On March 31, 2020, US Food and Drug Administration (USFDA or the Agency) issued letters to all manufacturers of Ranitidine across dosage forms requesting withdrawal of all prescription (Rx) and over-the-counter (OTC) ranitidine drugs from the market immediately. This step was based on their ongoing investigation of the N-Nitrosodimethylamine (NDMA) impurity in ranitidine medications. As a result, effective 1 April 2020, the Group has ceased further distribution of the product and is currently in the process of withdrawing the product from the market.
- b. During the previous year, USFDA issued a letter to the Group to test for the presence of Azide impurity(s) in Losartan. The Azide impurities are API process impurity(s), with the API supplier also receiving a similar letter from USFDA. The results confirmed the presence of Azide impurity(s) in the batches tested. As a result, the group proposed to initiate recall of specific batches which had the Azide impurity(s).
- During the previous year, the Group had estimated the impact of the aforesaid recall and recorded a sales return provision for potential refunds on return of the product. The Group has also estimated the costs of such recall and have provided for all inventory of Losartan with the Azide impurity(s) as of 31 March 2022, amounting to Rs. 353.47 million. Subsequently the API process from the API supplier was optimized to address this issue and the product was relaunched.
- During the half year ended September 30, 2022, with respect to the above mentioned recalls, the Group is carrying sufficient provision for sales return and has recorded an amount of Rs. 156.79 million towards other expenses related to its product withdrawal. Furthermore, the expenses recorded also includes legal fees incurred by the Group in respect of its ongoing litigations with respect to these recalled products. These amounts, in line with earlier periods, have been recorded as an expense within Exceptional items in the statement of profit and loss during the period.
- 8 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.



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

9	Exceptional Item gain/ (loss) (net):	Particulars	Rs. in Million					
			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
		- Exchange gain/ (loss) on long-term foreign currency loans, deferred consideration and intra-group loans	(462.62)	(498.22)	(221.20)	(960.84)	(268.35)	(109.24)
		- Sales returns, write down of inventory and other expenses on account of product withdrawal and recall (Refer note 7)	(134.91)	(21.88)	(44.68)	(156.79)	(143.96)	(552.34)
		- Impairment and cost associated with disposal of facility (Refer note 10)	-	-	(252.18)	-	(1,651.92)	(1,727.16)
		- Impairment/Write down of assets	(1,627)	(31.08)	-	(47.35)	-	(46.76)
		- Gain on dilution of investment in associates (Refer note 5)	464.73	-	-	464.73	529.26	529.26
		- Business combination and restructuring expenses	-	(0.88)	(62.08)	(0.88)	(62.19)	(211.27)
		- Employee Severance and retrenchment expense (Refer note 10)	(5.84)	(83.93)	-	(89.77)	-	(207.00)
		- Unwinding/ cancellation of gross obligations and contingent consideration	151.00	(21.74)	(20.51)	129.26	53.28	11.27
		- Gain on sale of investment in associate	-	-	-	-	27.79	27.79
		- Gain on divestment / deconsolidation of subsidiaries (Refer note 11)	149.11	-	1.62	149.11	1.62	1.57
		- Loss on sale of business units (Refer note 6)	-	-	-	-	-	(154.37)
		Total	145.20	(657.73)	(599.03)	(512.53)	(1,514.47)	(2,438.25)

10 On Aug 4, 2021, the Group through its wholly owned subsidiaries entered into definitive agreements with subsidiaries of Endo International Plc to acquire a portfolio of generic products along with the US manufacturing site at Chestnut Ridge, New York. Pursuant to such acquisition, the management decided to consolidate its existing operations with the acquired facility at Chestnut Ridge, New York to optimise future operating costs.

During the previous year, the Group has divested the Florida facility. Accordingly the Group recorded an impairment loss (including associated costs) amounting to Rs. 1,727.16 million which has been disclosed under exceptional items.

Additionally, the Group as part of cost improvement measures globally and capacity optimization at various manufacturing locations, resulting in one time severance expense aggregating to Rs. 89.77 million (previous year Rs. 207 million), which has been disclosed under exceptional items.

11 Universal Corporation, Kenya (UCL) would have a favorable opportunity to participate in local and certain global tenders which has allocated quota for locally owned companies i.e. Kenyan shareholders own at-least 51% ownership in the company. In order to maximize the opportunities for UCL, the shareholders have jointly agreed to take the necessary steps that enables the company to be eligible and win such businesses enabling its future growth.

During the current quarter, to enable Universal Corporation, Kenya (UCL) to compete in local tender businesses in Africa which promotes local companies, the Group decided to reduce its equity shareholding below majority in UCL. Consequently, the Group also ceded away the control over the board of UCL in favour of the other existing shareholders. However, it continues to have board representation to exercise significant influence. Pursuant to above amendments, the Group concluded that it no longer exercises control over UCL and hence will account for its investment as an equity method associate. As per Ind AS 110 - Consolidated Financial Statements, the resulting gain of Rs. 1.49 million, on loss of control has been disclosed under exceptional items. As on September 30, 2022, the fair value of investment in UCL has been disclosed under investment in associates and joint ventures.



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

12 Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker ("CODM") evaluates the Group'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 previous year, the Group 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 Group has two operating segments, representing the individual businesses that are managed separately. The Group's reportable segment are as follows, "Pharmaceutical" & "Bio-pharmaceutical".

Particulars	Rs. in Million					
	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
Segment Revenue						
a) Pharmaceutical business	8,970.97	9,400.74	7,214.73	18,371.71	14,098.39	30,702.50
b) Bio-pharmaceutical business	-	-	-	-	-	-
Revenue from operations	8,970.97	9,400.74	7,214.73	18,371.71	14,098.39	30,702.50
Segment results						
(i) Profit/ (loss) before exceptional items and tax						
a) Pharmaceutical business	(77.54)	(412.40)	(914.70)	(489.94)	(2,245.09)	(2,978.76)
b) Bio-pharmaceutical business	-	-	-	-	-	-
(ii) Exceptional items - net gain / (loss)						
a) Pharmaceutical business	145.20	(657.73)	(599.03)	(512.53)	(2,043.73)	(2,967.51)
b) Bio-pharmaceutical business	-	-	-	-	529.26	529.26
(iii) Share of loss of joint ventures and associates						
a) Pharmaceutical business	145.20	(657.73)	(599.03)	(512.53)	(1,514.47)	(2,438.25)
b) Bio-pharmaceutical business	(22.84)	(65.05)	(25.07)	(87.89)	(113.11)	(250.62)
	(425.54)	(498.86)	(208.66)	(924.40)	(315.88)	(657.50)
(iv) Profit/ (loss) before tax						
a) Pharmaceutical business	44.82	(1,135.18)	(1,538.80)	(1,090.36)	(4,401.93)	(6,196.89)
b) Bio-pharmaceutical business	(425.54)	(498.86)	(208.66)	(924.40)	213.38	(328.24)
Profit/ (loss) before tax [i+ii+iii]	(380.72)	(1,634.04)	(1,747.46)	(2,014.76)	(4,188.55)	(6,525.13)
Tax expense	(384.04)	(280.74)	(67.64)	(664.78)	(423.04)	(1,782.63)
(v) Profit/(loss) after tax from continuing operations	3.32	(1,353.30)	(1,679.82)	(1,349.98)	(3,765.51)	(4,742.50)



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

Particulars	Rs. in Million					
	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
Segment Assets						
a) Pharmaceutical business	64,206.20	66,095.42	63,264.71	64,206.20	63,264.71	65,139.56
b) Bio-pharmaceutical business	4,242.37	4,519.05	5,170.25	4,242.37	5,170.25	4,619.06
Total Segment Assets	68,448.57	70,614.47	68,434.96	68,448.57	68,434.96	69,758.62
Segment Liabilities						
a) Pharmaceutical business	45,430.58	47,652.20	44,090.21	45,430.58	44,090.21	45,925.46
b) Bio-pharmaceutical business	-	-	7.42	-	7.42	-
Total Segment Liabilities	45,430.58	47,652.20	44,097.63	45,430.58	44,097.63	45,925.46

13 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.

14 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 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.

15 During the current quarter, the Group through its subsidiary, Arcolab Private Limited (Neviton), for a consideration of Rs. 89 million (EUR 1.1 million), Neviton is in the business of providing IoT and engineering solutions to a wide range of businesses. It has expertise in building machine interfaces through internet of things (IoT) devices and live feeding data into real-time applications. The Group expects to derive benefits on its internal group wise digitisation process through this investment.


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

16 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 Specialities Private Limited and Agila Specialities 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"). Under the terms of SPA, the Group is entitled to the benefit of any refund of taxes in respect of any period ending on or before the completion date.

During the current quarter, Mylan has received certain tax refund with respect to the period on or before the completion date, which has been remitted to the Group. The Group has recorded such receipt of Rs. 185.69 million as a gain under discontinued operations.

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
I	Total Revenue	-	-	-	-	-	-
II	Total Expenses	-	-	-	-	-	-
III	Profit/(loss) before exceptional items and tax (I - II)	-	-	-	-	-	-
IV	Exceptional items	-	-	-	-	-	-
V	Profit/(loss) before tax (III + IV)	-	-	-	-	-	-
VI	Share of profit / (loss) of joint ventures and associates	-	-	-	-	-	-
VII	Profit/(loss) before tax (V + VI)	-	-	-	-	-	-
VIII	Gain on disposals of assets (net)	185.69	-	-	185.69	-	-
IX	Tax expense / (benefit)	-	-	-	-	-	-
X	Profit/(loss) from discontinued operations (VII+ VIII - IX)	185.69	-	-	185.69	-	-

17 Information on Standalone Results : -

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	Rs. in Million	
						UNAUDITED	AUDITED
Total Income from continuing operations	5,017.06	4,306.55	5,974.07	9,323.61	11,149.45	21,024.88	
Profit/ (loss) before tax from continuing operations	(440.71)	(1,038.80)	242.82	(1,479.51)	(85.09)	215.08	
Profit/ (loss) after tax from continuing operations	(39.97)	(662.54)	185.18	(702.51)	(27.13)	1,801.88	
Profit/ (loss) before tax from discontinued operations	-	-	-	-	-	-	-
Profit/ (loss) after tax from discontinued operations	-	-	-	-	-	-	-

18 Previous period figures have been regrouped to conform with the classification adopted in these financial results.

For and on behalf of the Board
ARUN KUMAR
 KUMAR PILLAI
 Pillai
 Digitally signed by ARUN KUMAR PILLAI
 Date: 2022.11.14 14:14:35
 +05'30'

Arun Kumar

Executive Chairperson and Managing Director
Mumbai, November 14, 2022

B S R & Co. LLP

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Limited Review Report on unaudited standalone financial results of Strides Pharma Science Limited for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Strides Pharma Science Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Strides Pharma Science Limited ("the Company") for the quarter ended 30 September 2022 and year-to-date results for the period from 01 April 2022 to 30 September 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 7 of the standalone financial results which states that the ability of Stelis Biopharma Limited ('the Associate') to continue as a going concern is dependent on the mitigation factors detailed in the said note which could have a consequential impact on the carrying amount of investment of Rs. 5,308.55. million in the Associate as at 30 September 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 29 October 2022 on the financial information of the Associate for the period ended 30 September 2022.

Our opinion is not modified in respect of this matter.

Registered Office:

B S R & Co. LLP

6. We refer to Note 8 of the standalone financial results which more fully explains the decision of the Board of Directors to recover the excess remuneration paid to the Company's erstwhile Managing Director and Chief Executive Officer in the previous year. Accordingly, the Company continues to have a recoverable of Rs. 141.90 million as at 30 September 2022 in accordance with the requirements of Section 197(9) of the Companies Act, 2013.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

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Sampad Guha Thakurta

Partner

Bengaluru

14 November 2022

Membership No.: 060573

UDIN:22060573BCZVRU9520



Strides

STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

Regd. Office: No. 201 Devavratra, 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

Sl. No.	Particulars	Rs. in Million					
		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
		(1)	(2)	(3)	(4)	(5)	(6)
I	Income						
	Revenue from operations	4,812.35	4,231.90	5,749.97	9,044.25	10,837.87	19,790.03
	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
V	Total expenses (IV)	5,457.77	5,345.35	5,731.25	10,803.12	11,184.54	20,809.80
	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)
IX	Total tax (benefit) / expense (VIII)	(400.74)	(376.26)	57.64	(777.00)	(7.96)	(1,586.80)
	Profit / (Loss) for the period (VII -VIII)	(39.97)	(662.54)	185.18	(702.51)	(27.13)	1,801.88



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

Sl. No.	Particulars	Rs. in Million					
		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							
A	Other comprehensive income						
	(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)						
	(a) Basic (Rs.)	(not annualised) (0.44)	(not annualised) (7.38)	(not annualised) 2.06	(not annualised) (7.82)	(not annualised) (0.30)	(annualised) 20.08
	(b) Diluted (Rs.)	(not annualised) (0.44)	(not annualised) (7.38)	(not annualised) 2.06	(not annualised) (7.82)	(not annualised) (0.30)	(annualised) 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

Particulars	Rs. in Million	
	As at September 30, 2022	As at 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

Particulars	Rs. in Million	
	As at September 30, 2022	As at 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**

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

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

Sl. No.	Particulars	Rs. In Million		
		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
	B			



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

Sl. No.	Particulars	Rs. In Million		
		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
	(A+B+C)			



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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 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 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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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 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 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	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)	(39.77)	(662.54)	185.18	(702.51)	(27.13)	1,801.88



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

Sl. No.	Particulars	Rs. in Million					
		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
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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STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

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

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**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

Digitally signed by
ARUN KUMAR
ARUN KUMAR PILLAI
PILLAI

Date: 2022.11.14
14:13:05 +05'30'

Arun Kumar

Executive Chairperson and Managing Director

Mumbai, November 14, 2022