

May 24, 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 - Audited Financial Results (Standalone & Consolidated) for the quarter and year ended March 31, 2022

Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors at their meeting held today i.e., on May 24, 2022, has inter-alia, approved the Audited Financial Statements (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2022.

In this regard, please find enclosed the following:

1. Press Release titled “Strides announces improved Q4 FY22 performance with a pickup in revenues and EBITDA” along with Earnings updates;
2. A copy of the Audited Financial Statements (Standalone and Consolidated) for the quarter and year ended March 31, 2022 along with Auditors’ Report for the said period. The Board has not recommended dividend for the Financial Year 2021-22.
3. Declaration on Unmodified Opinion in the Auditors’ Report for Financial Year ended March 31, 2022.

The Board Meeting commenced at 18:00 hrs and concluded at 21:25 hrs.

This is for your information and record.

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



Manjula R
Company Secretary



Encl. as above

Strides announces improved Q4 FY22 performance with a pickup in revenues and EBITDA

- All businesses return to growth with visible green shoots
- Guides for an encouraging FY23 with focus on growth, higher cashflows & reduction in debt
- Q4 Revenues at ₹ 8,699m up 9% and EBITDA at ₹ 461m up 100%+ over previous quarter

Bengaluru, India, May 24, 2022 - Strides Pharma Science Ltd (BSE: 532531, NSE: STAR) today announced its consolidated financial results for the quarter (Q4FY22) and the financial year (FY22)

Financial Highlights (In ₹ m)

PARTICULARS	Q4FY22	Q3FY22	Q4FY21	QoQ%	YoY%	FY22	FY21	YoY%
Revenues	₹8,699	₹7,968m	₹9,115	9% ▲	-5% ▼	₹30,946	₹33,308	-7% ▼
Gross Margins	₹4,425	₹3,957m	₹5,400	12% ▲	-18% ▼	₹15,923	₹19,980	-20% ▼
Gross Margin %	50.9%	49.7%	59.2%	120bps ▲	- 830bps ▼	51.5%	60.0%	- 850bps ▼
EBITDA	₹461	₹40m	₹1,602	100%+ ▲	-71% ▼	₹43	₹6,497	-99% ▼
EBITDA %	5.3%	0.5%	17.6%			0.1%	19.5%	

Commenting on the performance, **Arun Kumar, Founder, Executive Chairperson & Managing Director** remarked, "FY22 has been a challenging year for the pharma industry and, particularly for Strides, given the significant headwinds. We have witnessed unusual price erosion and volume drops in the US, leading to significant compression in our gross margins. The other regulated markets delivered a tepid growth as the business was impacted in H1FY22 due to covid led disruptions.

In light of the evolving business environment, we have made several changes to our businesses with a focus on growth, better cash flows and a significant debt reduction. Our growth across the market will be driven by portfolio expansion leveraging our approved portfolio and new customer acquisition for our IP- led B2B businesses. We will aggressively focus on the cost reduction, while one of the key actions planned for the year is to reduce our gross debt by over ₹10b in FY23, which will bring our Net Debt to EBITDA below 3x.

While the operating environment continues to evolve and is ambiguous, we stay confident of a bounce-back in FY23 to deliver significant value for our stakeholders in the coming years."

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 focusses on “difficult to manufacture” products that are sold in over 100 countries. Additional information is available at the Company’s website at www.strides.com

For further information, please contact:

<p><u>Strides</u> Badree Komandur Executive Director – Finance & Group CFO +91 80 6784 0747</p> <p><u>Investor Relations:</u> Sandeep Baid: +91 80 6784 0791 Email: sandeep.baid@strides.com</p> <p><u>Strides Pharma Science Limited</u> CIN: L24230MH1990PLC057062</p> <p>Regd. Office: 201, ‘Devavrata’, Sector - 17, Vashi, Navi Mumbai - 400 703</p> <p>Corp. Office: Strides House, Bannerghatta Road, Bengaluru – 560076</p>	<p><u>Corporate Communication</u> Pallavi Panchmatia: +91 80 6784 0193 Email: pallavi.panchmatia@strides.com</p> <p><u>PR Consultancy</u> Fortuna PR K Srinivas Reddy: +91 90005 27213 srinivas@fortunapr.com Boni Mukherjee: +91 96186 82208 boni@fortunapr.com</p>
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Strides announces Q4FY22 & FY22 results

- ▶ *Reports improved growth in Q4 with a modest EBITDA pick up*
- ▶ *Guides for an encouraging FY23 outlook*

Q4 and FY22 Earnings Update | [May 24, 2022](#)

Quarterly Performance (₹m)

Particulars	Q4 FY22	Q3 FY22	Q4 FY21	QoQ	YoY
Revenues	8,699	7,968	9,115	9% ▲	-5% ▼
Gross Margin	4,425	3,957	5,400	12% ▲	-18% ▼
Gross Margin %	50.9%	49.7%	59.2%	120bps ▲	- 830bps ▼
EBITDA	461	40	1,602	100%+ ▲	-71% ▼
EBITDA %	5.3%	0.5%	17.6%		

Yearly Performance (₹m)

Particulars	FY22	FY21	YoY
Revenues	30,946	33,308	-7% ▼
Gross Margin	15,923	19,980	-20% ▼
Gross Margin %	51.5%	60.0%	- 850bps ▼
EBITDA	43	6,497	-99% ▼
EBITDA %	0.1%	19.5%	



FY22 has been a challenging year for the pharma industry and, particularly for Strides, given the significant headwinds. We have witnessed unusual price erosion and volume drops in the US, leading to significant compression in our gross margins. The other regulated markets delivered a tepid growth as the business was impacted in H1FY22 due to covid led disruptions.

In light of the evolving business environment, we have made several changes to our businesses with a focus on growth, better cash flows and a significant debt reduction. Our growth across the market will be driven by portfolio expansion leveraging our approved portfolio and new customer acquisition for our IP- led B2B businesses. We will aggressively focus on the cost reduction, while one of the key actions planned for the year is to reduce our gross debt by over ₹10b in FY23, which will bring our Net Debt to EBITDA below 3x.

While the operating environment continues to evolve and is ambiguous, we stay confident of a bounce-back in FY23 to deliver significant value for our stakeholders in the coming years.

Arun Kumar

Founder, Executive Chairperson & Managing Director





The Evolving global environment & strategic priorities



Given the challenging business environment post-Covid and for Strides in particular, we have made several management and operational changes to adapt to the evolving environment



Arun Kumar, Founder, returns in an executive role at Strides



- Arjun Kumar has returned to the Company in an Executive position; he assumed the role of Executive Chairperson and Managing Director effective April 7, 2022.
- Arjun to steer Strides with a clear direction from the Board to institutionalize the course correction and ensure the sustainability of its operating model.
- FY23's focus on growth, global expansion of markets, and significant emphasis on gross debt reduction
- The Board acknowledges the contribution of Dr. R. Ananthanarayanan during his tenure as the Managing Director and CEO of Strides.



Venkatesh Srinivasan to head US sales and marketing operations



- Consequent to the transaction with Endo (acquisition of Chestnut Ridge facility and 150+ ANDAs), the US business has now been de-risked from its acute-only strategy to become a well-diversified player in the US.
- Our Portfolio adds new capabilities in hormones, controlled substances, and nasal sprays; it comprises 274 ANDAs (of which 249 are approved and only ~60 are commercialized), significantly improving the opportunity for Strides to expand its US business in the medium term.
- The Company reaffirms its previously guided revenues of \$250m+ for the US market in FY23 and expects to launch ~20 products every year from its approved portfolio basket to enable sustainability.
- The Endo transaction's complete transition will be achieved in the end of June 2022. Consequently, Terrance Coughlin (Terry), Former COO of Endo and incumbent CEO of US business for Strides, will move on from Strides. The management is thankful to Terry for his contribution and for successfully concluding the Endo transaction.
- Venkatesh Srinivasan, a seasoned professional in the pharmaceutical space, will lead the US sales and marketing Operations as President. Previously, Venkatesh was the CEO of US business of Alkem and Micro Labs. He has extensive global experience and has worked with Pfizer, Dr. Reddys in the past.

Quarterly Performance (₹m)

Particulars	Q4 FY22	Q3 FY22	Q4 FY21	QoQ	YoY
US	3,301	2,831	4,273	17% ▲	-23% ▼
Other Reg Mkt	3,133	2,990	2,722	5% ▲	15% ▲
Total Reg Mkt	6,434	5,821	6,995	11% ▲	-8% ▼
Inst. Biz	1,436	1,388	1,448	3% ▲	-1% ▼
Africa	829	760	671	9% ▲	24% ▲
Total EM	2,265	2,148	2,119	5% ▲	7% ▲
Total	8,699	7,968	9,115	7% ▲	-5% ▼

US returns to sequential growth with 17% QoQ improvement

- Revenues at ₹3,301m (\$44m) for Q4FY22, up from ₹2,831m (\$38m) in Q3FY22; US contributed 38% of consolidated revenues in Q4FY22
- Revenues from US business down 27% YoY in FY22 to ₹11,650m (\$157m) with significant competitive intensity and volume drops for the overall market
- Maintained volume market share for key products albeit on a lower base, witnessing momentum in new order wins

Other regulated markets (ORM) exits with a higher base for FY23

- In Q4FY22, the ORM business achieves its highest quarterly run rate of ₹3,133m (\$42m)
- Revenues at ₹3,133m (\$42m) for Q4FY22 versus ₹2,990m (\$40m) in Q3FY22, Markets contributed 36% of consolidated revenues in Q4FY22
- Despite challenges due to Covid-19, revenues from ORM went up 4% YoY to ₹11,180m (\$150 m)
- Strong order book visibility driven by focused customer advocacy

Yearly Performance (₹m)

Particulars	FY22	FY21	YoY
US	11,650	15,936	-27% ▼
Other Reg Mkt	11,180	10,700	4% ▲
Total Reg Mkt	22,830	26,636	-14% ▼
Inst. Biz	4,906	3,894	26% ▲
Africa	3,210	2,778	16% ▲
Total EM	8,116	6,672	22% ▲
Total	30,946	33,308	-7% ▼

Steady performance in Emerging Markets (EM)

- Emerging markets revenues at ₹2,265m (\$30m) for Q4FY22 versus ₹2,148m (\$29m) in Q3FY22, business contributed 26% of consolidated revenues in Q4FY22.
- Revenues from EM up 22 %YoY in FY22 to ₹8,116m (\$109m)
- Steady performance in emerging markets with both Africa and Institutional business contributing to growth in Q4

Cost improvement programs have started yielding results

- Cost structures ex-logistics trending steady sequentially driven by CIPs
- Logistics cost during the quarter was at ₹751m versus ₹606m in Q3FY22 as we witnessed significant increases with sea and air freights.
- R&D investment in Q4FY22 at ₹200m, full-year R&D investments at ₹970m



Challenging business environment

- ⦿ Significant fall in US revenues due to covid-related headwinds leading to drop in volumes and margin compression due to the heightened competitive intensity and higher channel inventory.
- ⦿ ORM had a tepid growth impacted by Covid for two quarters; however, Q4 witnessed a strong pull back with the business surpassing its previous quarterly peak.



Supply Chain headwinds

- ⦿ Increase in raw material prices with disruption in the global supply chain
- ⦿ Significant increase in the cost of operations during the year
- ⦿ Strides logistics and warehousing cost at 10% of sales in FY22 versus 6% in FY21
- ⦿ A substantial fall in volume in the US-led to over-stocking in the channel, and consequently, lack of demand led to under-recoveries at manufacturing sites



Puducherry inspection delay

- ⦿ Due to the lack of field inspections by the USFDA witnessed in FY22, we are still unable to resolve our OAI Status in Puducherry.
- ⦿ However, the third-party status of compliance has been submitted to the FDA.



Financial performance

- ⦿ Strides reports a weak financial performance in FY22
- ⦿ Increase in the working capital cycle due to inventory build-up owing to lower offtake
- ⦿ Increase in financial leverage on the balance sheet
- ⦿ Strides' credit rating downgraded during the year

7%

7% drop in revenues with a 20% decline in absolute gross margins



850 bps

compression in gross margins

16%

increase in operating cost (employee and other expenses)



Growth

Bounce back in the US markets led by new product launches from the approved portfolio to achieve \$250m+ guidance

Continued growth momentum in ORM aided by new product approval and new customer acquisition in territories that we do not operate through an IP-led B2B model.

With a significant US portfolio, which allows us early or easy access to several countries in GCC and LATAM, we have identified organic growth expansion into these regions

Increasing portfolio in our Brands Africa division and focusing on productivity improvement of our field force to drive growth with improved flow through to EBITDA

Exiting businesses where we do not control cashflows or will not add significantly to the long-range reset plan of the Company



Cost Improvement Plan (CIPs)

A significant reduction in investments in R&D for the US, considering we have over 150+ ANDAs to be launched

Focusing on CIPs through alternative API vendors and manufacturing network optimization to achieve improved COGS

Shifting R&D focus to ORM and other geographies by leveraging vast regulated markets portfolio already approved

Reduced operating cost by austerity measures without impacting business continuity

Enhance Sales and Operational Planning (S&OP) processes to reduce our logistics cost by 300 basis point (% to sales)



Debt Reduction target of ~ ₹10bn in FY23

Target to reduce the gross debt of INR 28b by INR 10b, targeting Net Debt to EBITDA under 3x *(Details on Slide 13)*

Superior free cash flow generation from operations and optimizing Cash to Cash cycles

Deliver performance to enable re-instatement of previous credit rating for Strides

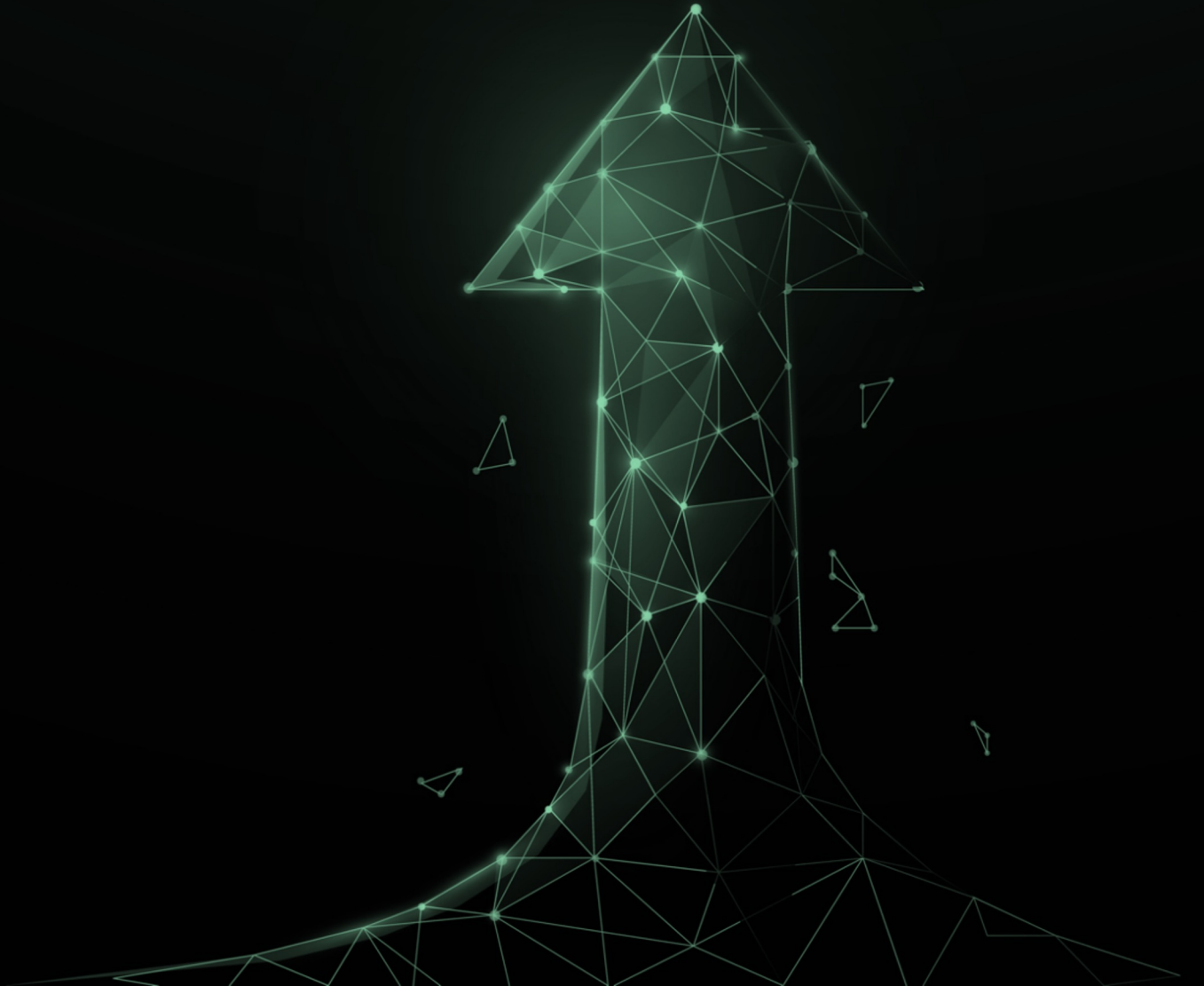


While the operating environment continues to be challenging and ambiguous, we are confident of a bounce-back starting from Q1 FY23 through a disciplined and focused execution



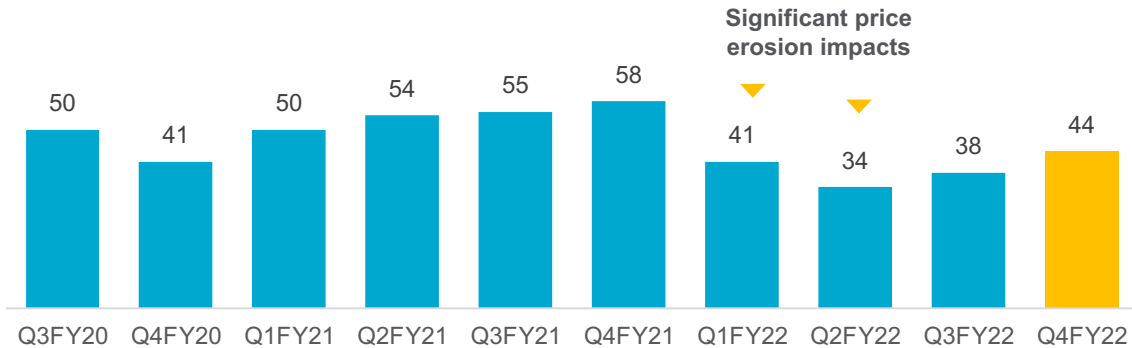
FY22 Highlights and FY23 Outlook

*Please refers to investor deck on Stelis for update on biotech business





US Revenues - Quarterly Trend (\$m)

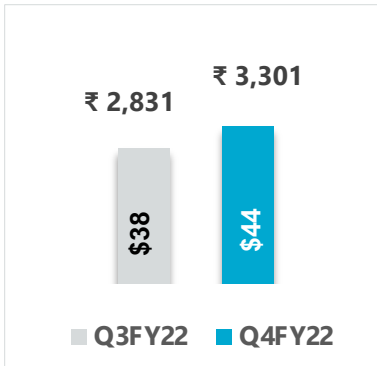


Business updates

- Revenues from the US for Q4FY22 stood at ₹3,301 (\$44m), up 17% QoQ, representing 38% of consolidated revenues for Q4FY22.
- US revenues for FY 22 at ₹11,650 (\$157m) representing 38% of consolidated revenues for FY22 (FY21 revenues of ₹15,936)
- In Q4, US business delivered a sequential growth led by incremental contribution from Chestnut Ridge portfolio.

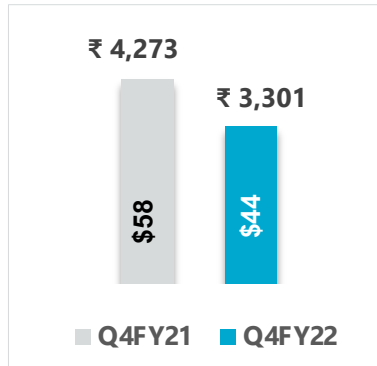
FY22 Performance impacted by industry headwinds - (₹/\$m)

QUARTER ON QUARTER



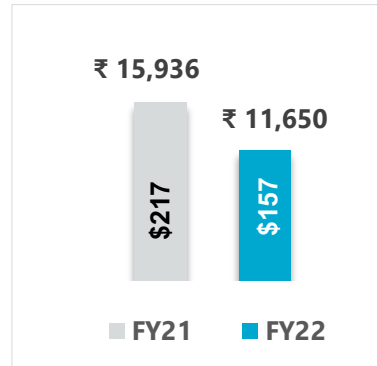
» 17% QoQ

YEAR ON YEAR



» - 23% YoY

FY22 ON FY21



» - 27% YoY

YoY comparison in ₹ reported

FY23 Revenue outlook for the US



Approved ANDAs

249



Strides Comm. ANDA

~ 60



Annual Target Launches

~ 20

\$250m +

Targeting FY23 revenues for the US Market

Business environment

- The business environment is constantly evolving post-Covid, with select products recouping both volume and price while several other products continue to face price intensity and lower volume pick up.
- Most competitors have resolved for overstocking, and the same is contributing to pick in RFQs
- We believe the ambiguity will continue in the near term, given that Covid's future impact is unknown.
- Despite this ambiguity, the US will continue to be a market of importance for Strides and will be a key growth driver.
- We stay confident to navigate the evolving environment and meet our growth outlook of \$250m+ in FY23

Approved portfolio Opportunity

- Strides has a basket of 274 ANDAs, including 249 approved ANDAs, providing substantial growth visibility in the near term as only ~60 ANDA are currently commercialized.
- New domain additions comprising Controlled Substances, Hormones, Nasal Sprays to further accelerate portfolio differentiation

Chestnut ridge acquisition resolves for previous narrow portfolio

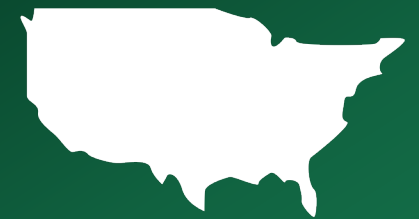
- Strides ANDA basket now has a mix of acute and chronic products that will help diversify product offerings and render stability to the portfolio.
- A large basket of approved products will ensure lower dependency on new ANDA filings and approvals in the near term; this will enable more focused R&D initiatives around narrow niches
- Target to launch ~ 20 new products every year between Strides and Chestnut Ridge portfolio in FY23 & 60+ launches over three years
- Focus on stronger customer advocacy and superior supply execution to be a reliable partner for our channel partners

Tech transfers and cost improvement programs for higher market share

- A vast portfolio of approved products will enable Strides to mitigate market headwinds of pricing and increased competitive intensity with a faster launch velocity.
- Tech transfer of Chestnut Ridge products to India for better cost arbitrage, institutionalization of alternate vendor development programs, and cost improvement programs are key focus areas to stay competitive.
- Focus on increasing market share for existing products through cost competitiveness and supply reliability for partners



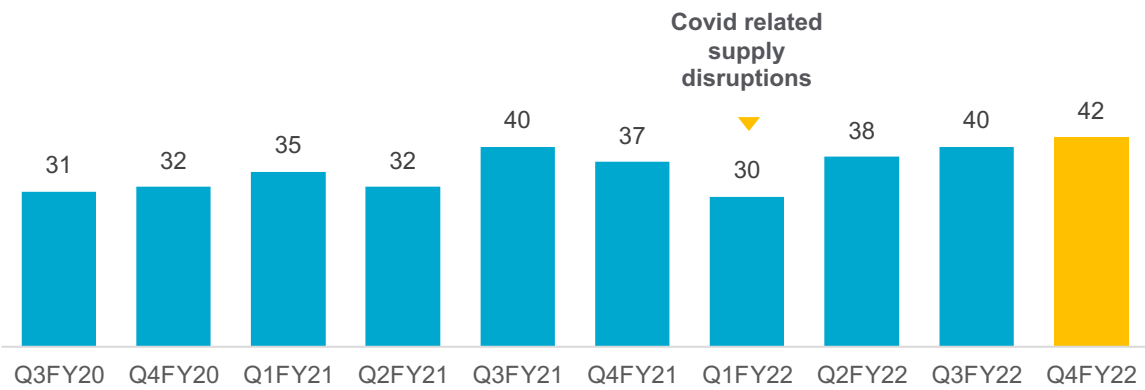
Pivots in place to deliver sustainable growth for the US business beyond FY23



\$250m+

Targeting FY23 revenues for the US Market

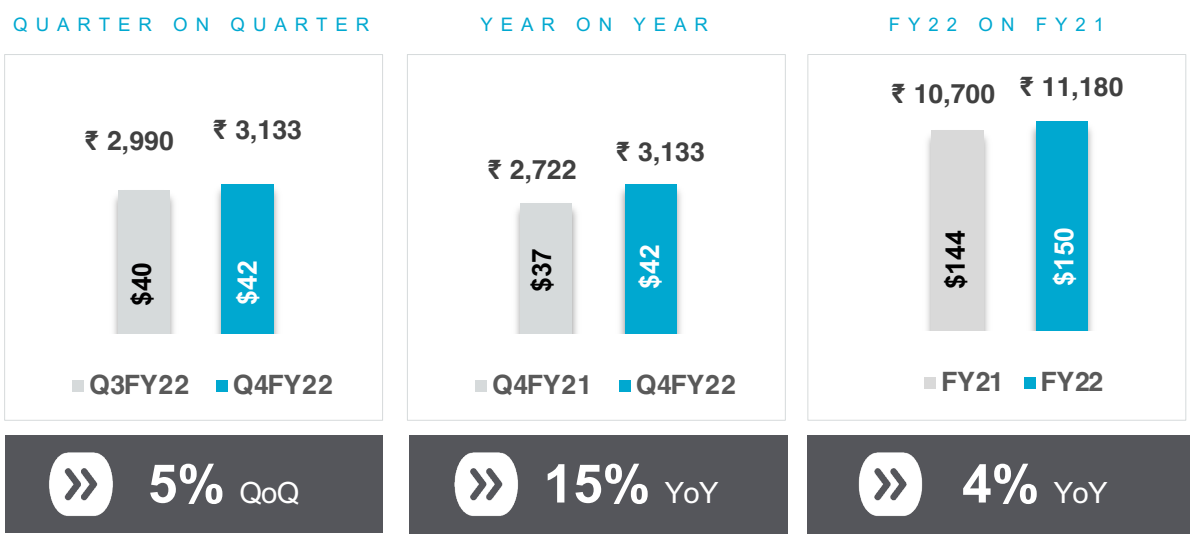
ORM Revenues - Quarterly Trend (\$m)



Business updates

- Revenues from the ORM for Q4FY22 stood at ₹3,133m (\$42m), up 5% QoQ and up 15% YoY, representing 36% of consolidated revenues for Q4FY22.
- ORM revenues for FY 22 at ₹11,180 (\$150m), representing 36% of consolidated revenues for FY22 (FY21 - ₹10,700)
- ORM business delivered a steady performance; however, the performance was impacted by Covid-led disruption for 3-4 months during the year.
- Focus on several new launches and new customer acquisitions to deliver improved outcomes

FY22 Performance in ORM (₹/\$m)

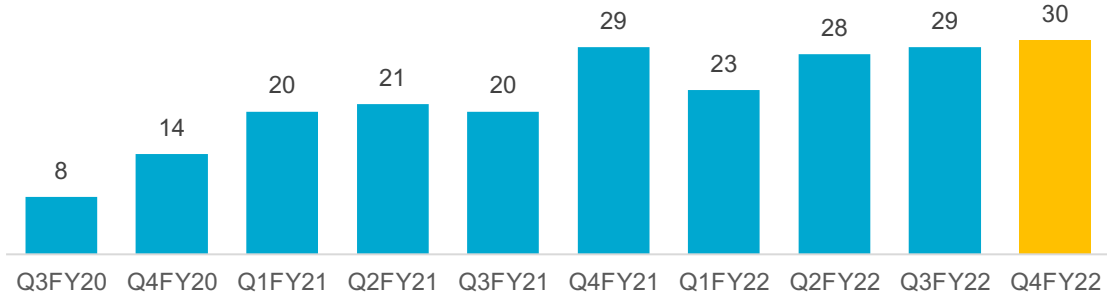


Near term outlook and drivers

- ORM business is a significant part of our growth strategy driven by our frontend in key markets and IP led B2B partnerships in Europe, Australia, and other parts of the world
- R&D investments are committed to fast-track portfolio maximization opportunities for Rx and OTC portfolio, several new products to be launched in FY23
- Prioritizing scaling up of partnership franchise in Europe and other geographies through strategic tie-ups and portfolio expansion
- Overall growth momentum to continue for ORM with solid order book visibility across focus markets
- Expect to exit FY23 on a significant revenue base in ORM.

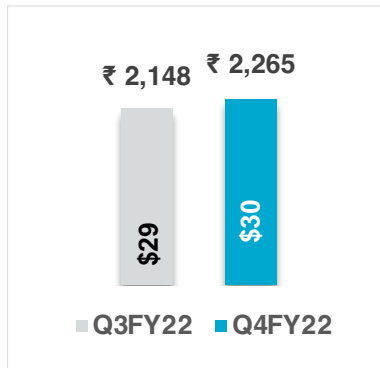


EM Revenues - Quarterly Trend (\$m)



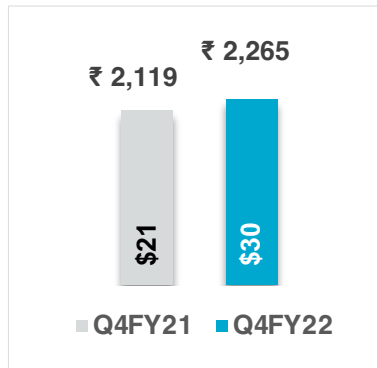
FY22 Performance in Emerging Markets (₹/\$m)

QUARTER ON QUARTER



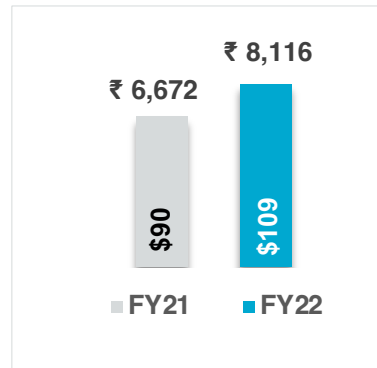
» 5% QoQ

YEAR ON YEAR



» 7% YoY

FY22 ON FY21



» 22% YoY

YoY comparison in ₹ reported

Business updates

- Revenues from emerging markets for Q4FY22 stood at ₹2,265m (\$30m), up 5% QoQ and up 7% YoY.
- Emerging markets revenues for FY 22 at ₹8,116 (\$109m) representing 26% of consolidated revenues for FY22 (FY21 - ₹6,672m)
- The institutional business reported revenues of ₹1,436m in Q4FY22, up 3% QoQ, with steady offtake from partners.
- Africa business reported revenues of ₹829m in Q4FY22, up 9% QoQ and up 24% YoY.

Near term outlook and drivers

- The institutional business (Access markets) is a low-margin business but is critical to reducing under-recoveries while the regulated markets volumes ramp up.
- Growth in institutional business to be driven by improved wallet share in the business through cost leadership and selective expansion of product portfolio
- Africa business scale-up will be driven by expanding geographical footprint in the region and better penetration of existing markets through portfolio expansion.
- Focusing on improving MR productivity for the Africa business for a strong operating leverage





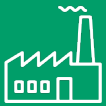
R&D Reset

- Optimization of R&D investment for the US as we unlock value from the large basket of approved products
- R&D investment will now be targeted towards select narrow niches
- R&D focus towards fast-tracking portfolio maximization initiatives for ORM



Aggressive CIPs

- Alternate Vendor Development (AVD) programs to drive cost optimization and supply continuity
- Cost Improvement Programs (CIPs) to be a key focus area to stay competitive
- Institutionalization of the above programs is a key focus area for staying competitive.



Network Optimization

- Significant fall in volume in the US led to over-stocking in the channel and consequently lack of demand led to under-recoveries at manufacturing sites
- Focus on increasing volumes driven by IP-led partnership business in ORM, high velocity of launches and improved market share for current products in the US



High Logistics cost

- Logistics cost continues to stay elevated given the disruption in the global supply chain and increased crude pricing.
- While the logistics cost in FY22 was 10% of revenues, expect the same to settle in mid single-digit for FY23 (3-4 % lower than FY22) with better S&OP controls



Reduction in Operating cost

- Focus on optimization of all cost line items across P&L
- Global Manpower cost optimization exercise completed and will yield results in FY23
- Network optimization to reduce under-recoveries at manufacturing sites
- Building an efficient and a more cost competitive supply chain with a sharper focus on compliance



Volatile input cost

- Expect volatility in the pricing of raw materials given the surge in global commodity pricing.
- Standardization of global sourcing practice to enable stronger negotiations with vendors and help mitigate the volatile environment



FY22 Debt book

Particulars	Value in ₹ m
Gross Debt for Strides	27,920
<i>Less: Deferred Consideration receivable</i>	<i>-5,763</i>
<i>Less: Cash and Cash equivalents</i>	<i>-1,886</i>
Reported Net Debt	20,271
<i>Less: Treasury investment in Biotech and CHC</i>	<i>-6,937</i>
Total Pharma Net Debt	13,335



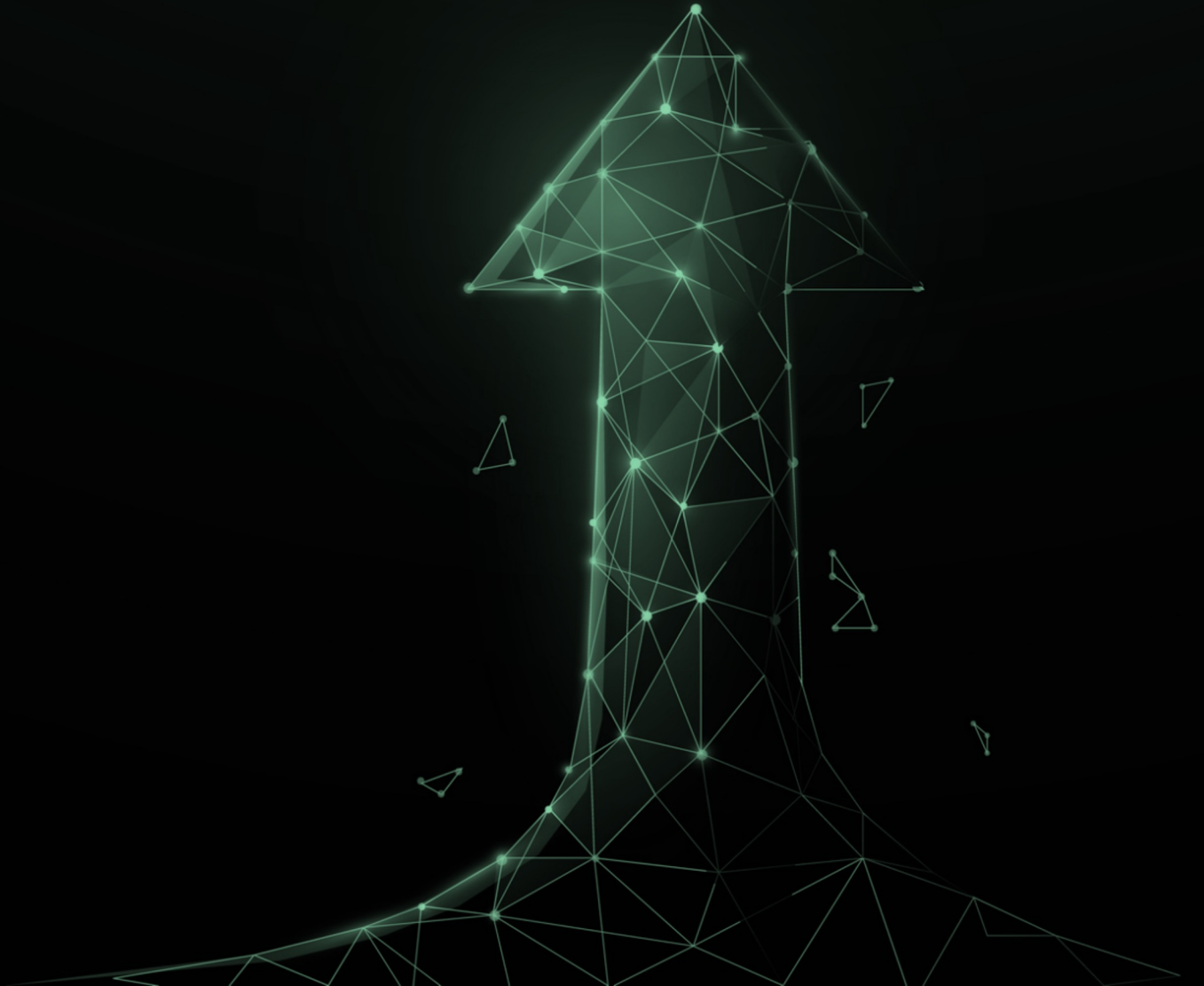
FY23 Outlook

Targeted Gross debt reduction by end of FY23

~ ₹10bn

H1 FY23	H2 FY23	FY23
<ul style="list-style-type: none"> Realization of deferred consideration of ₹5,763m in H1FY23 to be used for repayment of debt resulting in immediate reduction of gross debt Reduction in finance cost with the repayments in gross debt 	<ul style="list-style-type: none"> Further reduction of ₹4,500m + in gross debt planned through: Normalization of inventory levels in US through the year leading to superior free cash flow generation Exiting certain low margin non-core P&L's 	<p>Targeted Net debt to Exit FY 23 EBITDA</p> <p><3x</p>

Financial Performance: Q4FY22 and FY22



Income statement (₹m)

Particulars	Q4 FY22	Q3 FY22	Q4 FY21	QoQ	YoY	FY22	FY21	YoY
Revenues	8,699	7,968	9,115	9%	-5%	30,946	33,308	-7%
EBITDA	461	40	1,602	100%+	-71%	43	6,497	-99%
EBITDA %	5.3%	0.5%	17.6%			0.1%	19.5%	

Reconciliation of EBITDA (₹m)

As per SEBI results	Q4 FY22	Q3 FY22	Q4 FY21
Profit before exceptional items & tax	181	-914	768
Less: Interest, Dividend income	821	77	101
Add : Depreciation and Amortization	607	609	519
Add : Finance costs	495	423	416
Consolidated EBITDA as per press note	461	40	1,602

One off gains in P&L for Q4 and FY22

Particulars	Description	Q4 FY22	FY22
Current Tax (Refunds)	Tax refund on account of certain tax credits for earlier years	1,605	1,605
Other Income (Interest on Tax Refunds)	Interest income on Tax on the said refund recorded as part of other income	748	748
Total		2,353	2,353

Exceptional items in P&L for Q4 and FY22

Particulars	Description	Q4 FY22	FY22
Exchange Gain / (Loss)	Relating to long term loans and deferred consideration	165	-109
Impairment	Florida plant related impairment consequent to acquisition of Chestnut Ridge facility	-31	-1,727
Product recall and inventory provision (Losartan)	Presence of Azide impurity(s) in Losartan, identified consequent to a letter issued by USFDA Voluntary recall of the corresponding batches and provision of inventories with impurity(s) Product relaunched in Q4 FY22 with optimized API process at the API manufacturer	-353	-353
Ranitidine Recall	Recall related expenses	-39	-200
Gain on sale/ dilution of Investment in Associate	Gain on Stelis investment on account of last fund raise. Strides investments valued at ~\$117m basis post money valuation of Stelis at ~\$350m (More details in Stelis Investor Deck)		529
Business combination and restructuring	One time cost on Chestnut Ridge acquisition and integration One time cost on account of employee severance and retrenchment expenses	-289	-418
Loss on sale of Business unit	Exit of loss-making Canadian operations	-154	-125
Others	Unwinding of gross obligation, Contingent consideration & write down of certain assets	-68	-35
Total		-769	-2,438

JV /Associate share of losses

Particulars	Description	Q4 FY22	FY22
Stelis	Stelis reported \$17.2m Revenues with an Adj. EBITDA of \$5.9m (More details in Stelis Investor Deck)	-400	-857
CHC	Non-Strategic business for Strides, expected to breakeven FY24	-32	-231
Strides - Sihuan JV	Cost related to registration of products for China	-4	-20
Total Loss from JV& associates		-436	-1,108



*invites you to interact with the senior management
on Q4 and FY22*



Wednesday, 25th May 2022

8:30am IST / 04:00am BST / 11:00pm EDT / 11:00am HKT



Arun Kumar

*Founder,
Executive Chairperson &
Managing Director*



Badree Komandur

*Executive Director -
Finance & Group CFO*



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USA	18667462133	Singapore	8001012045
UK	08081011573	Hongkong	800964448

THANK YOU



Strides Pharma Science Limited

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A global biopharmaceutical CDMO with a complete and integrated end-to-end offering

Stelis Biopharma Limited | Q4FY22 Update | [May 24, 2022](#)





Biotech business is high capex, long gestation, but offers a very significant opportunity for emerging players



Biologics development on the rise

- The share of biopharmaceutical products is expected to grow from 30% in 2020 to 34% by 2024
- The increasing share of biologics products in the pipeline across stages stands at ~43%
- ~85% of these new products in the pipeline will be produced in mammalian cell cultures, and antibodies



Emerging Demand Supply mismatch

- The demand for biologics manufacturing capacity is expected to almost double from 30 metric tons in 2020 to 60 metric tons in 2024
- The estimated capacity shortfall for new reactor capacity in biologics is expected at 5 million Liters (*Using average cell line expression levels and purification yield estimates*)



Growing % of virtual biotech Co.

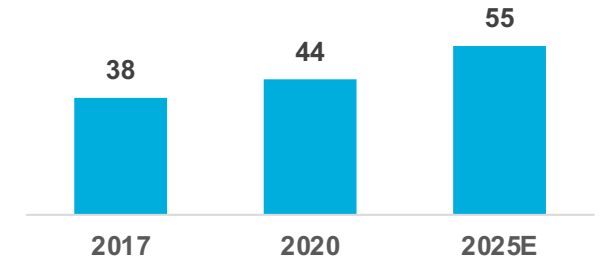
- Increasing the share of biological products in the pipeline being sponsored by virtual biopharma
- Virtual Biotech companies prefer CDMOs to access specialized technology, avoid upfront capex and retain the flexibility of employing the best contractor for the project.



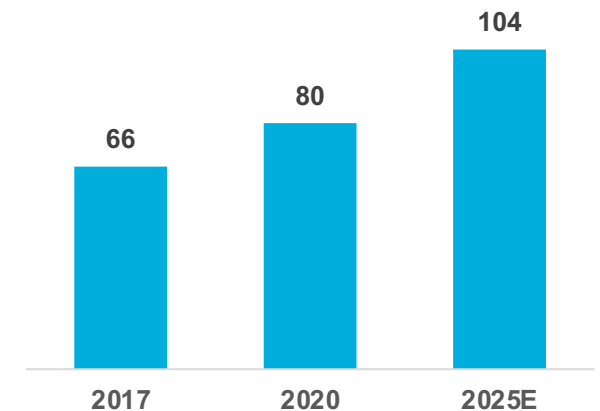
Focus on Supply strengthening

- COVID and other factors indicated weakness in pharma supply chains, and most companies are focusing on adding alternate manufacturing locations to improve resilience.
- Even as companies expand internal capacities, they will outsource a portion of their existing and future pipeline to CDMOs keeping demand high.

Discovery & Development (\$B)



Commercialization (\$B)





Stelis has come a long way to be strongly placed in a compelling global opportunity in biotech space



Stelis is a high capital long gestation investment now ready for significant growth and operational profitability

- What started as an offshoot of Strides has now emerged into a biopharmaceutical company with integrated capabilities in the development, scale-up, and commercial manufacturing of biologics, bio betters, biosimilars, and vaccines.
- Stelis today operates two independent divisions- a global pure-play biological CDMO and a product division with a pipeline of biosimilars and vaccines.
- The CDMO business has started generating revenues nearing the operational break even, however, Stelis would achieve the cash break even after it ramp ups revenue from the phase 2 investments
- As of March 31, 2022, Stelis has over \$300 million of capital invested, of which \$225 million has been invested as equity from Strides, promoters, and global marquee investors such as TPG Growth, Think Investment, Route One, GMS and the family office of S Mankekar.

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



Capabilities

- Fully integrated CDMO, offering the complete spectrum of services, from cell line tech transfer to clinical and commercial manufacturing.
- Three state-of-the-art facilities with ~900,000 square feet of Process Development(PD) and manufacturing space for mammalian, microbial, and other modalities
- Amongst the highest CDMO capacity in APAC, including multi-modality bioreactor suites

FY22 Highlights

- Stelis reported service revenues through the manufacturing services agreement (MSA) of \$17.7m with a secured commercial services agreement (CSA) of \$85m starting FY24.
- Successfully inspected by EMA, and filings already completed for a USFDA audit within 2022.
- Initiated Phase 2 strategy: Built green-field integrated drug facility to offer multi-modality capabilities (Unit 3); the facility was completed in less than 200 days.
- With new capacity, Stelis has positioned itself among the Global leaders with 56,000L of bioreactor capacity.



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 covid-19 vaccines, including AmbiVax-C™ , a first-of-its-kind thermostable vaccine

- Completed NCE-1 filing for one of the GLP-1 products in the pipeline
- The first biosimilar (PTH) is expected to launch within FY23 as Stelis completes the EMA inspection, and response from the agency on the filing is encouraging.
- Insulin Glargine - Phase-1 clinical trial for India completed, Phase 3 initiation to begin in 2022; Strategic partnership under discussion to meet cost and demand
- In-licensed AmbiVax-C™ - a thermostable Covid vaccine, developed by Akston Biosciences, United States, under EUA process for approval in India



Stelis Business Model

Manufacturing Services Agreements (MSA)

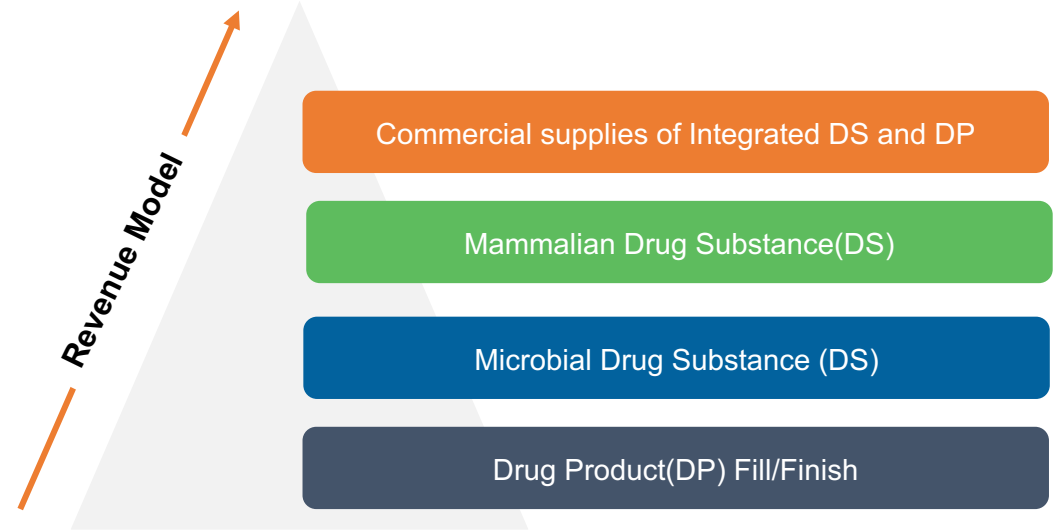
- First part of the CDMO contract which typically includes the technology transfer, process development, process scale and execution of Performance Qualification (PPQ) batches
- Includes the base work required for securing the regulatory approval, and consequently contract for manufacturing
- Typical revenue size in the range of \$1-2m for drug product and \$4-5m for drug substance

Commercial Sales Agreement (CSA)

- Second part of the CDMO contract, includes the value of business which is secured through the commercial supplies of the products which are developed for the partner under the MSA
- Typically, a duration of CSA would be 3-5 years and is secured by capacity commitment ensuring annuity of revenues

As more MSAs translate into CSAs, Stelis would be able to scale up its business significantly results in high profitability with no major increase in costs

Secured Backlog based on executable CSAs from existing MSAs



Business Updates for FY22

- Our CDMO business delivered ~\$17.7m in revenues through **MSA**
- We received **significant new orders for the drug product facility** with continued traction for cartridges, high-speed vial fill-finish, and lyophilized vials.
- In 2022, we were **successfully audited by EMA**, and in H1CY2022, we have inspections scheduled for **USFDA and TGA, amongst others**.
- Reported FY22 Performance **impacted by high un-utilized facility costs** as the operating cost includes the cost of the new unit 3 facility, which currently does not deliver commercial revenues.
- While Stelis reported a negative EBITDA, adjusting for the **unabsorbed costs (Drug Substance block and unit 3 facility)**, Stelis delivered an **EBITDA of \$5.9m**.



Frank Ternes, Chief Business Officer (Joining us on August 1, 2022)



- Frank joins as the **Chief Business Officer** and will be part of the Stelis Executive Team.
- In his leadership, Stelis is expected to nurture the **right CDMO partnerships** and **build the eco-system of opportunities** that enables a more significant lead flow for new business.
- Frank is a seasoned professional with over three decades of experience in the **pharmaceutical, biotech, and life sciences B2B Sales, Global Operations, and Supply Chain**.
- Frank has also **provided leadership on organizational transformation and consistently delivered significant growth** and value through new partnerships.
- Before joining Stelis, he was the **Chief Commercial Officer of Recipharm, a leading global CDMO organization**.
- Besides Recipharm, he has held biotech leadership positions with **Boehringer Ingelheim, Polpharma Biologics, Northway Biotechpharma, and Rentschler Biopharma SE**.

Dr. Axel Schleyer, Senior VP , BD (Joining us on June 1, 2022)



- Axel joins us as **Senior Vice President, Business Development**.
- He will be responsible for driving **growth initiatives for Stelis with both existing and new customers**.
- He brings **over 20 years of experience working with pharmaceutical, biotechnology, healthcare, contract manufacturing, and research organizations**.
- He is an accomplished leader with proven skills in designing and implementing strategic business plans in biotech/pharma for leading technologies and products, including biologics, biosimilars, vaccines, peptides, therapeutic proteins, small molecules, and finished dosage forms.
- Before joining us, Axel was the **President and CEO of Aragen Bioscience, Inc**. He has also worked with **AGC Biologics, Baxter Healthcare, Lonza, and Boehringer Ingelheim**.
- Axel is a **Ph.D. in Chemistry** and has an **MBA concentrating in Sales, Marketing, and Entrepreneurship**.



Development pipeline

Molecule	Latest Update
STLP001 (PTH)	<ul style="list-style-type: none"> EMA inspection completed; positive comments received on our filing Approval is expected in 2022 Partnership signed up for 20 countries
STLI001 (Glargine)	<ul style="list-style-type: none"> Phase-1 clinical trial for India completed, Phase 3 initiation to begin in 2022 Strategic partnership under discussion for market expansion
STLI002 (Aspart)	<ul style="list-style-type: none"> Scale up to 1000L initiated
STLI003 (Lispro)	<ul style="list-style-type: none"> Scale up to 1000L initiated
STLG001 (Diabetes)	<ul style="list-style-type: none"> Filing completed via ANDA route as a first to file product
STLG002 (Diabetes)	<ul style="list-style-type: none"> Development initiated, on track for filing in FY24
STLS001 (Anti-hemorrhoid)	<ul style="list-style-type: none"> Pre-clinical stage , post FY24 opportunities

In-licensed AmbiVax-C™ Opportunity

- AmbiVax-C™ is a SARS-CoV-2-Fc fusion protein vaccine developed by Akston Biosciences, United States.
- The vaccine has been exclusively licensed to Stelis/Biolexis for 140+ Global countries, including India, South-East Asia, LATAM, GCC, and Africa
- Stability studies conducted have demonstrated thermostability at room temperature (High Temperature stable, no cold chain requirements)
- DS manufactured in the US facility for initial supplies, Stelis can produce vaccine in India from H2CY22:

Current Status:

- Phase 1 and 2 studies in the Netherlands and bridging studies in India have demonstrated >90% seroconversion with a favorable safety profile
- 1600 subjects' studies completed in India for Emergency Use Authorization (EUA)
- Expected EUA in India followed by engagement with WHO to get approval for a Global market launch in the H2CY22

Update on Sputnik Light opportunity

- Stelis has completed the technology transfer of the Sputnik Light vaccine from the Russian Gamaleya National Center of Epidemiology and Microbiology (Gamaleya), the IP holder of the vaccine.
- In November 2021, Stelis received its first order of 50 million doses of the Sputnik light vaccine to be exported to Russia.
- We also received the Government of India's No Objection Certificate (NOC) to export.
- Against the 50 million doses to be exported, Stelis has produced approximately 23 million doses that are retained as inventory with a shelf life of 12 months
- Considering the geopolitical challenges regarding exports to Russia, the management is discussing with our partners to initiate exports to Russia and evaluate opportunities to sell our inventory in India and other markets.



Funded through equity from existing investors for under-recoveries and debt obligation till cash break even



Values in USD Million ^{1,7}	Commitment	Investments	To be Invested ⁶	Valuation ²
Series A1	143	143		155
Strides ⁵ (~33%)	73	73		
GMS Family office, Jordan (~4.5%) ⁴	40	40		
Tenshi (~29%)	30	30		
Series A2	70	3	67	155
Strides ⁵ (~33%)	14	1	13	
Tenshi (~29%)	56	2	53	
Series B/C	85	85		270
TPG Growth (~13%, total investment of \$55m ⁴)	15	15		
Think Investments(~9%)	30	30		
Mankekar Family(~3%)	10	10		
Route One Investment Group (~9%)	30	30		
Total Equity³	298	231	67	355

The pending infusion from the investors would ensure funding for the CDMO division

1. Average Exchange rate of USD/INR of 73
2. Represents Pre-money valuation and does not include the ESOPs
3. Post Money valuation of \$355m after 100% infusion of committed investments
4. TPG invested \$55m in Stelis, while \$15m was primary, TPG also paid \$40m to the GMS Family office (Jordan) to buy their partial stake.
5. Strides has invested \$74m in Stelis, and the current value of the investment @ ~33% ownership on a fully diluted basis is \$117m
6. Amounts are fixed in INR, \$ value at the time of investments will vary
7. % represents ownership on a fully diluted basis



Thank you

For details, please visit www.stelis.com

Stelis Biopharma Limited

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ankit@stelis.com*



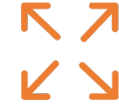
Poised to become Global

- ▶ Our Vision is to be globally recognized as the most trusted and reliable biopharmaceutical CDMO
- ▶ Our mission is to reliably deliver our clients' biopharmaceutical programs on time and in-full



One Stop Capabilities

- ▶ Fully integrated pure-play CDMO, offering the complete spectrum of services, from cell line tech transfer to clinical and commercial manufacturing.
- ▶ Capability to convert drug substance to stable formulations and fill and finish in all injectable formats.



Multi-modalities

- ▶ Three state-of-the-art facilities, with ~900,000 square feet of Process Development(PD) and manufacturing space for mammalian, microbial, and other modalities
- ▶ Highly automated at every stage of the PD and manufacturing processes.



Large scale capabilities

- ▶ Amongst the highest CDMO capacity in APAC, including mammalian bioreactor suites
- ▶ Agility to expand capacity with industry-leading speed
- ▶ Drug product capacities exceeding 320 million units per annum



Strong Core Team

- ▶ Leadership team with experience in delivering highly complex scientific programs
- ▶ Highly talented scientific and technical cross-functional teams with diverse and deep experience in biopharmaceutical development and manufacturing.



Worldwide Quality and Compliance

- ▶ Highly experienced quality and regulatory team to meet the highest global quality standards
- ▶ Facilities ready for global inspections including USFDA, EUGMP, MHRA, WHO
- ▶ A holistic and systematic approach to building and sustaining Quality Culture



South Bangalore 1, India (Unit 1)



- **Area:** 100,000 square feet
- **Cell line development services:** Development, selection & characterization of clones from microbial (E.coli) and mammalian (CHO, Sp2/0) cell lines; Storage of RCBs, WCBs, and MCBs
- **Process Development services:** Independent labs for upstream and downstream process development for microbial & mammalian
- **Analytical services:** Physicochemical & bioassay method development; State-of-the-art characterization lab; Process development support; Hold-time, Stability & other miscellaneous study support
- **Formulation development services:** Vial, PFS, and cartridge presentations; filter sizing, and other formulation studies
- **Drug substance manufacturing** facility for clinical and commercialization
- **Drug product manufacturing** and packaging facility

North Bangalore, India (Unit 2)



- **Area:** 450,000 square feet
- **Cell line services** includes the preparation and maintenance of MCBs & WCBs
- **Drug Substance manufacturing services:**
 - Microbial suite, with hybrid facility design
 - Mammalian suites, single-use facility design

Drug Product manufacturing services, include, Vials, PFS & Cartridges

- **QC services (analytical and bioassay):** DS & DP batch release; Stability studies; Validation studies; Batch trending & others
- **Device Assembly services** for Pen Devices and release as per ISO standards
- **QA, regulatory, clinical, validation, and other miscellaneous services** to support regulatory dossier preparation and filing



Capabilities

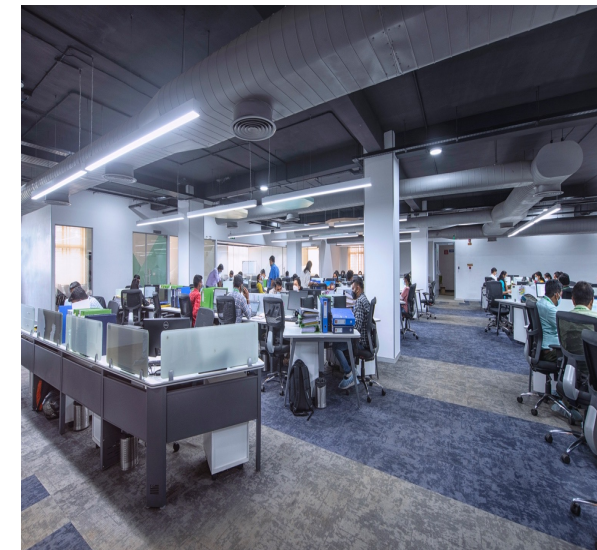
- **Flexible infrastructure:** Monoclonal antibodies, Fusion proteins, Cell and gene, Lentivirus, adenovirus and retrovirus manufacturing, Adherent and suspension- based processes
- **Flexible technologies :** Industry-leading expertise in process development and hi-throughput analytical development
- Demonstrated agility by commercializing this facility in less than 200 days

Scale

- **Process development:** USP and DSP: 4L, 20L and 100L
- **Process Scale-up:** USP and DSP: 50L and 200L
- **Process Validation & Commercialization:** 20 X 2000L single-use trains, Upstream Train: 50L→200L→2000L.
- Drug product capacity of **320 million vials**

Recent success

- The facility has **produced several batches of Sputnik Light viral vector vaccine**
- **First Company in the World** to scale up the product at 2,000L
- **Demonstrated significant scientific acumen** to deliver 150% of the targeted yields leading to cost per dose at a fraction of the targeted cost





Uniquely positioned in otherwise a competitive marketplace with end-to-end capabilities



STELIS CENTER OF EXCELLENCE CDMO OFFERING

ALL TIME REGULATORY COMPLIANCE



CLONAL CELL LINES

Clonal cell line development (CHO, SP2/0, NS0, e. Coli, Pichia)



MANUFACTURING PROCESSES

Development of manufacturing processes
Biologic Drug Substance and Sterile Drug Product



MANUFACTURING

Non-GMP Manufacture Scale up through
Commercial Manufacture



ANALYTICAL METHODS

Analytical method development and
characterization of Biologics

COMPETITIVE LANDSCAPE

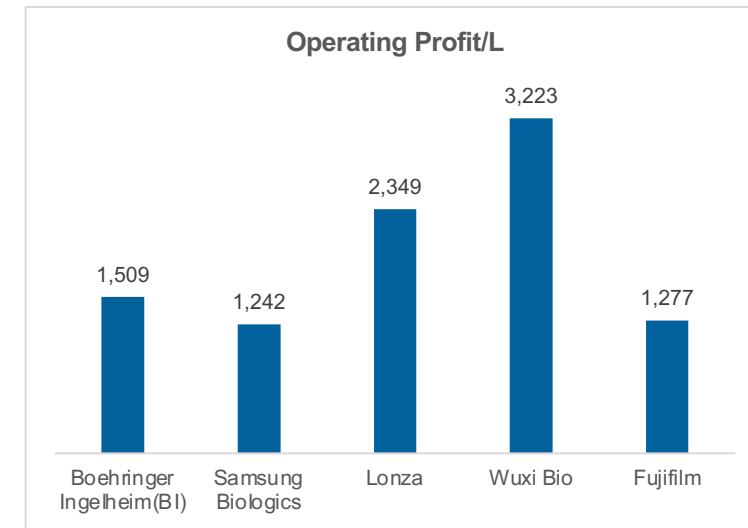
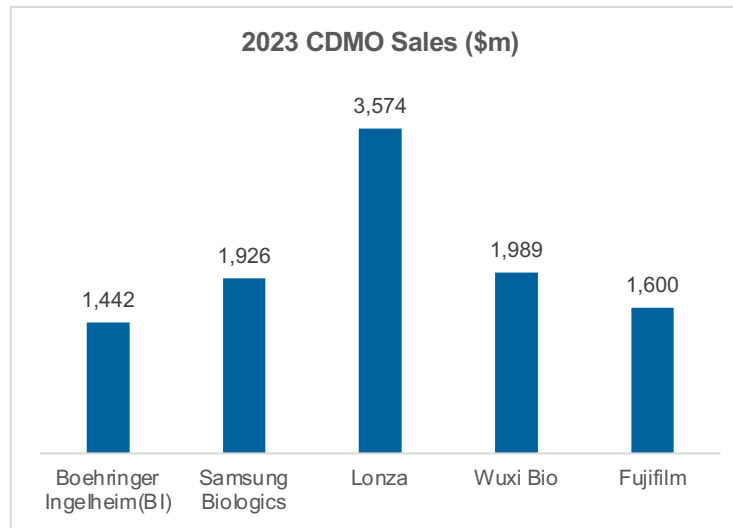
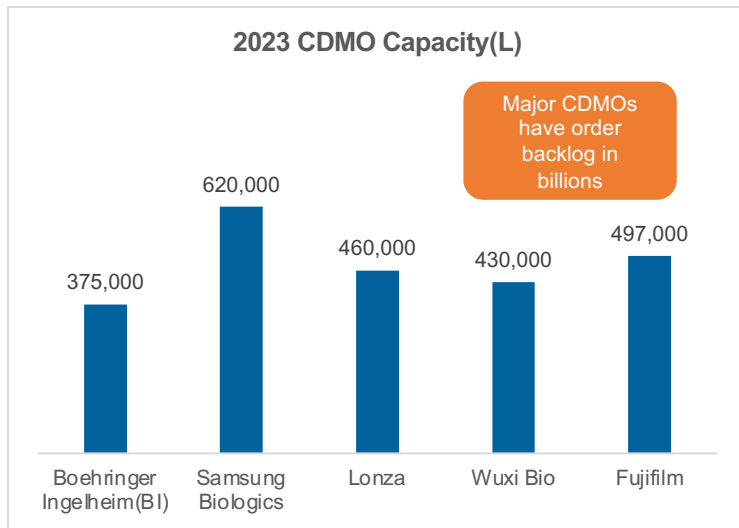
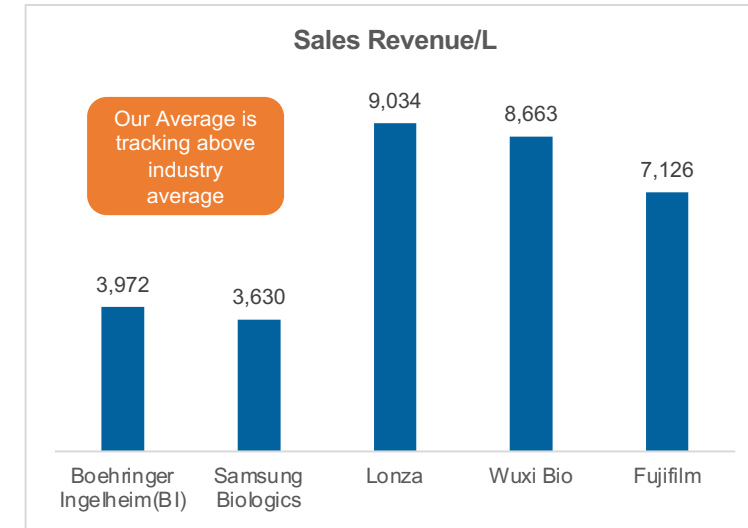
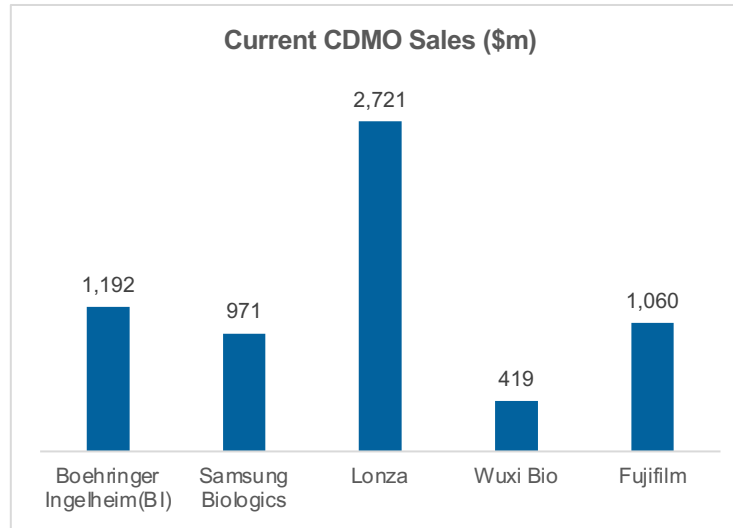
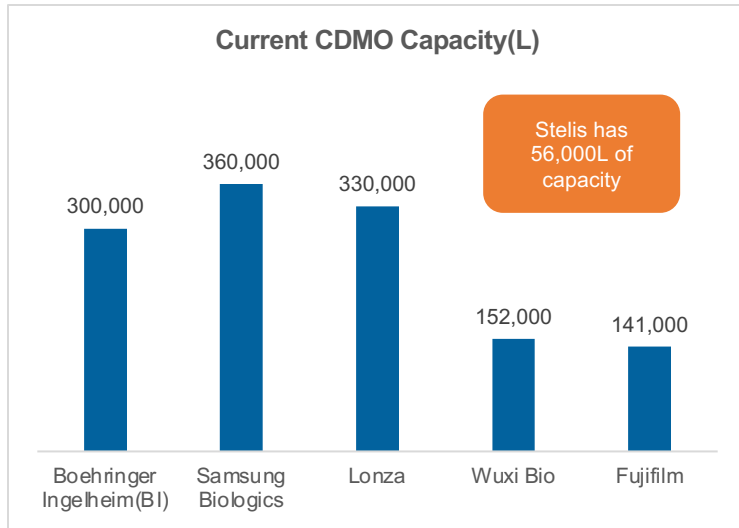


Large Market Leaders

Emerging Global Players



Our new capacities map us amongst the leaders in the industry with above average realizations



Source: Industry reports

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Independent Auditor's Report

To the Board of Directors of Strides Pharma Science Limited Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Strides Pharma Science Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint venture for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial information of the subsidiaries and associates, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the entities mentioned in Annexure I of this audit report
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net loss and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group, its associates and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Emphasis of Matter(s)

1. We draw attention to Note 13 to 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. 4,609.50 million in the Associate as at 31 March 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 24 May 2022 on the financial information of the Associate for the year ended 31 March 2022.
2. We refer to Note 10 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 Holding Company's erstwhile Managing Director and Chief Executive Officer and the corresponding

Registered Office:

Independent Auditor's Report (Continued)

Strides Pharma Science Limited

recoverable of Rs. 141.90 million recorded as at 31 March 2022 in accordance with the requirements of Section 197(9) of the Companies Act, 2013.

Our opinion is not modified in respect of these above matters.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associates and joint venture in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group and the respective Management and Board of Directors of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group of its associates and joint venture is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements

Independent Auditor's Report (Continued)
Strides Pharma Science Limited

in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its associates and joint venture to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matter(s)

- a. The consolidated annual financial results include the audited financial results of 5 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of Rs. 40,719 million as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 18,734 million and total net loss after tax (before consolidation adjustments) of Rs. 4,788 million and net cash inflows (before consolidation adjustments) of Rs. 513 million for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The consolidated annual financial results also include the Group's share of total net loss after tax (before consolidation adjustments) of Rs. 1,011 million for the year ended 31 March 2022, as considered in the consolidated annual financial results, in respect of 3 associates, whose financial information have been audited by their respective independent auditors. The independent auditor's reports on financial information of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters

Independent Auditor's Report (Continued)
Strides Pharma Science Limited

with respect to our reliance on the work done and the report of the other auditors.

- b. The consolidated annual financial results include the unaudited financial results of 34 subsidiaries, whose financial information reflect total assets (before consolidation adjustments) of Rs. 32,291 million as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 3,601 million, total net loss after tax (before consolidation adjustments) of Rs. 684 million and net cash inflows of Rs. 87 million for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial information have been furnished to us by the Board of Directors. The consolidated annual financial results also include the Group's share of total net loss after tax of Rs. 97 million for the year ended 31 March 2022, as considered in the consolidated annual financial results, in respect of 7 associates and a joint venture. These unaudited financial information have been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture is based solely on such financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial information are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial information certified by the Board of Directors.

- c. The consolidated annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Chartered Accountants

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

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Sampad Guha Thakurta

Partner

Bengaluru

24 May 2022

Membership No.: 060573

UDIN:22060573AJMSCD3727

Independent Auditor's Report (Continued)
Strides Pharma Science Limited

Annexure I

List of entities included in consolidated annual financial results.

Sl. No.	Entity and country of incorporation	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 (Private) Limited, Sri Lanka	Subsidiary
7	Arrow Pharma Life Inc., Philippines	Subsidiary
8	Arrow Pharma Pte. Ltd., Singapore	Subsidiary
9	Beltapharm S.P.A., Italy	Subsidiary
10	Biolexis Private Limited, India	Associates
11	ERIS Pharma GmbH, Germany	Subsidiary
12	Fairmed Healthcare AG, Switzerland	Subsidiary
13	Fair-Med Healthcare GmbH, Germany	Subsidiary
14	Generic Partners (Canada) Inc., Canada	Subsidiary
15	Generic Partners (International) Pte. Ltd., Singapore	Subsidiary
16	Generic Partners (R&D) Pte Ltd., Singapore	Subsidiary
17	Generic Partners UK Ltd., United Kingdom	Subsidiary
18	Juno OTC Inc. , Canada	Associates
19	Pharmapar Inc., Canada	Subsidiary
20	Regional Bio Equivalence Centre S.C, Ethiopia	Associates
21	Shasun Pharma Solutions Inc., United States (liquidated during the year)	Subsidiary
22	Sihuan Strides (HK) Ltd., Hong Kong	Joint venture
23	Stabilis Pharma Inc., United States	Subsidiary
24	Stelis Biopharma (Malaysia) SDN. BHD., Malaysia	Subsidiary
25	Stelis Biopharma LLC, United States (liquidated during the year)	Associates
26	Stelis Biopharma Limited, India	Associates
27	Stelis Pte Ltd., Singapore	Associates

Independent Auditor's Report (Continued)
Strides Pharma Science Limited

28	Strides Arcolab International Ltd., United Kingdom	Subsidiary
29	Strides CIS Limited, Cyprus	Subsidiary
30	Strides Consumer LLC, United States	Associates
31	Strides Consumer Private Limited, India	Associates
32	Strides Foundation Trust, India	Trust
33	Strides Global Consumer Healthcare Limited, United Kingdom	Associates
34	Strides LifeSciences Limited, Nigeria	Subsidiary
35	Strides Netherlands B.V., Netherlands	Subsidiary
36	Strides Nordic ApS, Denmark	Subsidiary
37	Strides Pharma (Cyprus) Limited, Cyprus	Subsidiary
38	Strides Pharma (SA) Pty Ltd., South Africa	Subsidiary
39	Strides Pharma Asia Pte. Ltd., Singapore	Subsidiary
40	Strides Pharma Canada Inc, Canada	Subsidiary
41	Strides Pharma Global (UK) Ltd., United Kingdom	Subsidiary
42	Strides Pharma Global Pte. Limited, Singapore	Subsidiary
43	Strides Pharma Inc., United States	Subsidiary
44	Strides Pharma International Limited, Cyprus	Subsidiary
45	Strides Pharma Science Limited, India	Holding
46	Strides Pharma Science Pty Ltd., Australia	Subsidiary
47	Strides Pharma UK Ltd., United Kingdom	Subsidiary
48	Strides Shasun Latina, SA de CV, Mexico	Subsidiary
49	Strides Vivimed Pte Ltd., Singapore	Subsidiary
50	SVADS Holdings SA, Switzerland	Subsidiary
51	Trinity Pharma (Pty) Ltd., South Africa	Subsidiary
52	Universal Corporation Limited, Kenya	Subsidiary
53	Vensun Pharmaceuticals, Inc., United States	Subsidiary
54	Vivimed Life Sciences Private Limited, India	Subsidiary



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Sl. No.	Particulars	3 Months ended March 31, 2022		Preceding 3 Months ended December 31, 2021		Corresponding 3 Months ended in the previous year March 31, 2021	For the current year ended March 31, 2022		Previous year ended March 31, 2021	
		AUDITED (Refer note 16)	(1)	UNAUDITED	(2)		AUDITED (Refer note 16)	(3)		AUDITED
	Continuing operations									
I	Revenue from operations	8,660.18		7,943.93		9,084.93		30,702.50		33,158.70
II	Other income (Refer note 12)	860.57		101.89		130.48		1,319.88		514.27
III	Total income (I + II)	9,520.75		8,045.82		9,215.41		32,022.38		33,672.97
	Expenses									
(a)	Cost of materials consumed	1,691.82		3,175.91		4,027.65		10,909.32		13,904.23
(b)	Purchases of stock-in-trade	1,173.97		539.13		1,157.58		3,161.06		2,960.76
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,409.00		295.95		(1,470.08)		952.79		(3,537.06)
(d)	Employee benefits expense	1,572.54		1,799.43		1,537.00		6,469.09		5,501.47
(e)	Finance costs	494.83		422.52		416.08		1,767.44		1,500.65
(f)	Depreciation and amortisation expense	606.76		608.96		518.56		2,330.14		2,062.87
(g)	Other expenses	2,397.83		2,087.46		2,240.91		9,313.46		8,061.17
(h)	Foreign exchange (gain) / loss - net	(6.62)		30.75		19.52		97.84		(80.17)
	Total expenses (IV)	9,340.13		8,960.11		8,447.22		35,001.14		30,373.92
V	Profit/ (loss) before exceptional items and tax (III - IV)	180.62		(914.29)		768.19		(2,978.76)		3,299.05
VI	Exceptional items - net gain / (loss) (Refer note 7)	(769.46)		(154.32)		(9.32)		(2,438.25)		433.53
VII	Profit / (loss) before tax (V + VI)	(588.84)		(1,068.61)		758.87		(5,417.01)		3,732.58
VIII	Share of loss of joint ventures and associates	(436.38)		(242.75)		(198.22)		(1,108.12)		(978.19)
IX	Profit/ (loss) before tax (VII + VIII)	(1,025.22)		(1,311.36)		560.65		(6,525.13)		2,754.39
X	Tax expense									
-	Current tax (benefit) / expense (Refer note 12)	(1,545.18)		(18.70)		1.16		(1,504.40)		214.48
-	Deferred tax expense / (benefit)	230.37		(26.08)		113.74		(278.23)		102.03
	Total tax expense (X)	(1,314.81)		(44.78)		114.90		(1,782.63)		316.51
XI	Profit/(loss) after tax from continuing operations (IX - X)	289.59		(1,266.58)		445.75		(4,742.50)		2,437.88
XII	Discontinued operations									
-	Profit / (loss) from discontinued operations	-		-		-		-		-
-	Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net) (Refer note 3)	-		-		(8.31)		-		139.41
	Profit/(loss) after tax from discontinued operations	-		-		(8.31)		-		-
XIII	Profit/ (loss) after tax from discontinued operations	-		-		(8.31)		-		-
XIV	Profit / (loss) for the period (XI + XIII)	289.59		(1,266.58)		437.44		(4,742.50)		2,577.29

Rs. in Million



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Sl. No.	Particulars	Rs. in Million				
		3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	For the current year ended March 31, 2022	Previous year ended March 31, 2021
		AUDITED (Refer note 16)	UNAUDITED	AUDITED (Refer note 16)	AUDITED	AUDITED
		(1)	(2)	(3)	(4)	(5)
XV	Other comprehensive income					
A	(i) Items that will not be reclassified to statement of profit and loss	14.27	(22.91)	(11.43)	(86.64)	104.46
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	(0.66)	2.15	9.99	18.96	(14.08)
B	(i) Items that may be reclassified to statement of profit and loss	270.74	52.83	(32.92)	560.86	212.09
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	2.35	14.77	7.13	(3.19)	(136.92)
	Total other comprehensive income for the period (XV)	286.70	46.84	(27.23)	489.99	165.55
XVI	Total comprehensive income for the period (XIV + XV)	576.29	(1,219.74)	410.21	(4,252.51)	2,742.84
	Profit for the period attributable to:					
	- Owners of the Company	292.19	(1,216.71)	460.86	(4,602.11)	2,684.42
	- Non-controlling interests	(2.60)	(49.87)	(23.42)	(140.39)	(107.13)
	Other comprehensive income for the period	289.59	(1,266.58)	437.44	(4,742.50)	2,577.29
	- Owners of the Company	280.20	43.21	(34.44)	477.04	159.97
	- Non-controlling interests	6.50	3.63	7.21	12.95	5.58
	Total comprehensive income for the period	286.70	46.84	(27.23)	489.99	165.55
	- Owners of the Company	572.39	(1,173.50)	426.42	(4,125.07)	2,844.39
	- Non-controlling interests	3.90	(46.24)	(16.21)	(127.44)	(101.55)
	Earnings per equity share (face value of Rs. 10/- each) (for continuing operations)	576.29	(1,219.74)	410.21	(4,252.51)	2,742.84
	(1) Basic (in Rs.)	(not annualised)	(not annualised)	(not annualised)	(annualised)	(annualised)
	(2) Diluted (in Rs.)	3.25	(13.55)	5.23	(51.28)	28.40
	Earnings per equity share (face value of Rs. 10/- each) (for discontinued operations)	3.25	(13.55)	5.23	(51.28)	28.37
	(1) Basic (in Rs.)	-	-	(0.09)	-	1.56
	(2) Diluted (in Rs.)	-	-	(0.09)	-	1.55
	Earnings per equity share (face value of Rs. 10/- each) (for total operations)	3.25	(13.55)	5.14	(51.28)	29.96
	(1) Basic (in Rs.)	3.25	(13.55)	5.14	(51.28)	29.92
	(2) Diluted (in Rs.)					
	See accompanying notes to the Financial Results					

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**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

CONSOLIDATED BALANCE SHEET

		Rs. in Million	
Particulars		As at March 31, 2022 AUDITED	As at March 31, 2021 AUDITED
A	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	12,815.29	10,688.67
	(b) Capital work-in-progress	562.29	2,276.02
	(c) Right-of-use assets	1,758.86	2,029.78
	(d) Investment property	131.73	682.35
	(e) Goodwill	4,859.07	4,805.40
	(f) Other intangible assets	3,901.33	3,987.44
	(g) Intangibles assets under development	2,348.49	2,197.67
	(h) Investment in associates and joint ventures	5,355.55	5,838.94
	(i) Financial assets		
	(i) Investments	47.83	141.02
	(ii) Loans receivable	30.00	103.84
	(iii) Other financial assets	450.80	5,692.90
	(j) Deferred tax assets (net)	2,151.49	1,982.21
	(k) Income tax assets (net)	1,622.76	1,302.14
	(l) Other non-current assets	104.82	249.48
	Total non-current assets	36,140.31	41,977.86
II	Current assets		
	(a) Inventories	11,737.96	12,007.03
	(b) Financial assets		
	(i) Investments	-	994.12
	(ii) Trade receivables	12,073.01	11,105.87
	(iii) Cash and cash equivalents	1,707.30	1,258.34
	(iv) Other balances with banks	166.22	539.31
	(v) Loans receivable	48.24	40.54
	(vi) Other financial assets	5,915.28	199.15
	(c) Other current assets	1,970.30	2,027.98
	Total current assets	33,618.31	28,172.34
	Assets held for sale	-	-
	Total Assets	69,758.62	70,150.20

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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

	Particulars	Rs. in Millions	
		As at March 31, 2022	As at March 31, 2021
		AUDITED	AUDITED
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	897.90	896.81
	(b) Other equity	22,694.38	26,869.80
	Equity attributable to owners of the Company	23,592.28	27,766.61
	Non-Controlling interests	240.88	373.41
	Total equity	23,833.16	28,140.02
II	Liabilities		
1	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	8,356.23	8,825.78
	(ii) Lease Liabilities	1,864.67	2,102.67
	(iii) Other financial liabilities	571.78	753.65
	(b) Provisions	642.80	674.08
	(c) Deferred tax liabilities (net)	357.19	463.48
	(d) Non-current tax liabilities (net)	-	1,790.91
	(e) Other non-current liabilities	16.04	16.13
	Total non-current liabilities	11,808.71	14,626.70
2	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	19,563.37	12,208.10
	(ii) Lease liabilities	465.98	345.70
	(iii) Trade payables		
	(a) total outstanding dues of micro enterprises and small enterprises	326.75	378.35
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	10,388.49	10,963.65
	(iv) Other financial liabilities	1,152.31	1,250.78
	(b) Provisions	1,226.23	1,241.91
	(c) Current tax liabilities	238.11	351.18
	(d) Other current liabilities	755.51	643.81
	Total current liabilities	34,116.75	27,383.48
	Total Equity and liabilities	69,758.62	70,150.20



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**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

CONSOLIDATED STATEMENT OF CASH FLOW

Sl. No.	Particulars	Rs. In Million	
		For the Current year ended March 31, 2022 AUDITED	For the previous year ended March 31, 2021 AUDITED
A.	Cash flow from operating activities		
	Profit / (loss) before tax from:	(6,525.13)	2,754.39
	Continuing operations	-	139.41
	Discontinued operations	(6,525.13)	2,893.80
	Adjustments for:		
	- Depreciation and amortisation expense	2,330.14	2,062.87
	- Share of loss of joint ventures and associates	1,108.12	978.19
	- Gain on sale of property, plant and equipment and other intangible assets (net)	(11,247)	(23.38)
	- Share based compensation expense	(7.09)	68.02
	- Unwinding/ cancellation of gross obligations and contingent consideration	(11.27)	86.40
	- Interest expense on borrowings & others	1,767.44	1,500.65
	- Interest and dividend income	(1,076.15)	(364.94)
	- Gain on disposal of assets / settlement of liabilities attributable to the discontinued operations (net)	-	(139.41)
	- Rental income from investment property	(60.33)	(7,699)
	- Liability / provision no longer required written back	-	(7.45)
	- Bad debts written off / provision for doubtful trade and other receivables	1.78	94.61
	- Write down of inventories and other assets	46.76	-
	- Impairment and cost associated with disposal of facility	1,727.16	-
	- Impairment of investment in associates	-	81.99
	- Sales returns, write down of inventory and other expenses on account of Product withdrawal	552.34	750.50
	- Gain on sale of investment in associates/subsidiaries	(29.36)	-
	- Gain on lease modifications	(18.73)	-
	- Gain on dilution of investment in associates	(529.26)	(323.00)
	- Loss on sale of business unit	154.37	-
	- Fair valuation gain on acquisition of controlling shares in an associate	-	(25.30)
	- Net unrealised exchange gain	(20.71)	(1,029.61)
	Operating profit / (loss) before working capital changes	(702.39)	6,526.95
	Changes in working capital:		
	Increase in trade and other receivables	(587.95)	(1,247.75)
	Decrease / (Increase) in inventories	281.86	(4,140.49)
	(Decrease) / Increase in trade and other payables	(1,592.95)	2,107.70
	Net change in working capital	(1,899.04)	(3,280.54)
	Cash (utilised in) / generated from operations	(2,601.43)	3,246.41
	Income taxes refund received	23.28	1,567.96
	Net cash flow (utilised in) / generated from operating activities	(2,578.15)	4,814.37
	A		



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

CONSOLIDATED STATEMENT OF CASH FLOW

Sl. No.	Particulars	Rs. In Million	
		For the Current year ended March 31, 2022	For the previous year ended March 31, 2021
		AUDITED	AUDITED
B.	Cash flow from investing activities		
	Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(1,433.83)	(2,974.84)
	Proceeds from sale of property, plant and equipment and intangible assets	753.74	39.58
	Short-term investments in funds	(540.61)	(150.00)
	Purchase of long-term investments including investment in associates	(51.06)	(2,456.33)
	Consideration paid towards acquisition of non-controlling interest in subsidiary and business combinations, net of cash acquired	(2,195.13)	(788.6)
	Proceeds from sale of investment in mutual funds	1,545.05	324.74
	Proceeds from sale of long-term investments including discontinued operations, net of expenses and cash	127.30	97.69
	Rent deposit given	(11.21)	(0.10)
	Proceeds / (investment) in fixed deposits with maturity of more than 3 months, net	488.54	(167.13)
	Rental income from investment property	62.52	88.35
	Interest and dividends received (net of tax on dividend)	67.36	68.69
	Net cash flow utilised in investing activities	(1,187.33)	(5,208.21)
C.	Cash flow from financing activities		
	Proceeds from issue of equity shares	36.18	34.99
	Proceeds from long-term borrowings	4,506.57	5,674.58
	Repayment of long-term borrowings	(2,681.26)	(2,100.94)
	Net increase / (decrease) in working capital and short-term borrowings	4,564.32	(1,824.26)
	Lease payments	(450.39)	(370.98)
	Dividends paid (net of tax on dividend)	(224.31)	(179.15)
	Proceeds from issue of shares to minority shareholders	-	1.67
	Interest paid on borrowings	(1,537.95)	(1,393.87)
	Net cash generated from / (utilised in) financing activities	4,213.16	(157.96)



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

CONSOLIDATED STATEMENT OF CASH FLOW

Sl. No.	Particulars	Rs. In Million	
		For the Current year ended March 31, 2022	For the previous year ended March 31, 2021
		AUDITED	AUDITED
	Net increase / (decrease) in cash and cash equivalents during the year	447.68	(551.80)
	Cash and cash equivalents at the beginning of the year	1,258.34	1,822.34
	Effect of exchange differences on restatement of foreign currency cash and cash equivalents	1.28	(12.20)
	Cash and cash equivalents at the end of the year*	1,707.30	1,258.34
	* Comprises:		
	Cash on hand	2.71	2.96
	Balance with banks:		
	- In current accounts	1,573.41	1,056.70
	- In deposit accounts	14.61	5.27
	- Funds-in-transit	116.57	193.41
	Total	1,707.30	1,258.34



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703.

Corp. Office: "Strides House", Bilekahalli, Bannerghatta Road, Bangalore-560 076.

**STATEMENT OF CONSOLIDATED AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

Notes:

- 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.
- The above consolidated results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 24, 2022. The statutory auditors have audited the results for the quarter and year ended March 31, 2022 and have issued an unmodified opinion.
- 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 previous year, 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. 147.72 million and corresponding expenses of Rs. 8.31 million under discontinued operations.

Sl. No.	Particulars	Rs. in Million			
		3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	Previous year ended March 31, 2021
		AUDITED (Refer note 1a)	UNAUDITED	AUDITED (Refer note 1a)	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)	-	-	(8.31)	-
IX	Tax expense / (benefit)	-	-	-	139.41
X	Profit/(loss) from discontinued operations (VII+ VIII - IX)	-	-	(8.31)	139.41

- During the previous year, the Group gained controlling interest in Fairmed Healthcare AG, Switzerland, thereby making it a subsidiary of the group. Pursuant to the acquisition of controlling interest in Fairmed, in accordance with Ind AS 103 "Business Combinations", the group recorded a gain of Rs. 25.30 Million, being the difference in the fair value of non-controlling interest held and carrying value of equity in Fairmed.
 - One of the associates of the Group, raised equity investments during the quarter ended March 2021 and June 2021, 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 Rs. 323 million and Rs. 529.26 million during the quarter ended March 2021 and June 2021 respectively.
- During the current 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 has been recorded as exceptional items in the statement of profit and loss for the year ended March 31, 2022.



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

6 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.

During the current period, the group has continued to receive returns from its customers with the corresponding value being deducted on their payments to the Group. As at March 31, 2022, the Group is carrying sufficient provision for sales return and has recorded an amount of Rs. 198.87 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 relating to Ranitidine. 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.

b. During the year, USFDA issued a letter to the Group to test for the presence of Azide impurity(s) in Losartan. The Azide impurity(s) are API process impurity(s), with the API manufacturer 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 a voluntary recall of specific batches which had the Azide impurity(s).

The Group has 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. These amounts have been recorded as an expense within Exceptional items in the statement of profit and loss during the period.

Subsequently the API process at the API manufacturer was optimized to address this issue and the product was relaunched during the current quarter.

7 Exceptional item gain/ (loss) (net):

Particulars	3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous Year March 31, 2021	For the current year ended March 31, 2022	Rs. in Million
	AUDITED (Refer note 16)	UNAUDITED	AUDITED (Refer note 16)	AUDITED	Previous year ended March 31, 2021
- Exchange gain/ (loss) on long-term foreign currency loans, derivatives, deferred consideration and intra-group loans	164.53	(5.42)	(35.96)	(109.24)	1,027.73
- Sales returns, write down of inventory and other expenses on account of product withdrawal and recall (Refer note 6)	(391.18)	(17.20)	(189.89)	(552.34)	(750.50)
- Impairment and cost associated with disposal of facility (Refer note 14)	(31.20)	(44.04)	-	(1,727.16)	-
- Impairment of investment in associates	-	-	(81.99)	-	(81.99)
- Impairment/Write down of assets	(46.76)	-	-	(46.76)	-
- Gain on dilution of investment in associates (Refer note 4)	-	-	323.00	529.26	323.00
- Fair valuation gain on acquisition of controlling shares in Fairmed Healthcare (Refer note 4)	(82.44)	(66.64)	(3.84)	(211.27)	25.30
- Business combination and restructuring expenses	(207.00)	-	-	(207.00)	(23.61)
- Employee Severance and retrenchment expense (Refer note 14)	(21.00)	(21.01)	(20.64)	11.27	-
- Unwinding/ cancellation of gross obligations and contingent consideration	-	(0.01)	-	27.79	-
- Gain on sale of investment in associate	(0.04)	-	-	1.57	-
- Gain on divestment of subsidiaries	(154.37)	-	-	(154.37)	-
- Loss on sale of business units (Refer note 5)	-	-	-	-	-
Total	(769.46)	(154.32)	(9.32)	(2,438.25)	433.53



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Particulars	Rs. in Million				
	3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	For the current year ended March 31, 2022	Previous year ended March 31, 2021
	AUDITED (Refer note 16)	UNAUDITED	AUDITED (Refer note 16)	AUDITED	AUDITED
1 Segment Assets					
a) Pharmaceutical business	65,139.56	66,228.20	65,175.14	65,139.56	65,175.14
b) Bio-pharmaceutical business	4,619.06	5,020.45	4,975.06	4,619.06	4,975.06
Total Segment Assets	69,758.62	71,248.65	70,150.20	69,758.62	70,150.20
2 Segment Liabilities					
a) Pharmaceutical business	45,925.46	46,086.64	42,002.87	45,925.46	42,002.87
b) Bio-pharmaceutical business	-	-	7.31	-	7.31
Total Segment Liabilities	45,925.46	46,086.64	42,010.18	45,925.46	42,010.18

9 The Group has incurred loss of Rs. 4,742.50 million and has negative operating cash flows amounting to Rs. 2,578.16 million for the year ended 31 March 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 have obtained relaxations for compliance with financial covenants for year ended March 31, 2022, as these have not been met as of the date of the issue of financial results. Further, as of 31 March 2022, the Parent Company has provided guarantees aggregating to Rs. 9,419.83 million in relation to the borrowings of its Associate company (" the Associate"), out of which Rs. 6,01.6 million outstanding as on 31 March 2022, 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. Also refer note 13 of these financial results.

Further, to mitigate the situation, the Group has raised long- term and other financing facilities amounting to Rs. 500 million post year ended 31 March 2022 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 31 March 2023. The Group has cash and cash equivalents of INR 1,707.30 million as at 31 March 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 previous year 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 31 March 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.



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STATEMENT OF CONSOLIDATED AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

- 10 The Company's erstwhile Managing Director and Chief Executive Officer tendered resignation in March 2022 which has been accepted by the Board of Directors (the Board). As part of the terms of his remuneration, as approved in the Annual General Meeting dated 20 August 2020, he was entitled to certain amounts subject to fulfillment of certain service conditions. Consequent to his resignation before the completion of the specified service period, the Board decided to recover amounts due to the Company based on the originally approved terms of his appointment. Accordingly, in line with the requirements of Section 197(9) of the Act, the Company has recorded such excess remuneration of Rs. 141.9 million paid as a recoverable balance as at 31 March 2022 under current financial assets in the financial results.
- 11 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 is 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.
- 12 The Company during the previous year had received certain refunds including interest from tax authorities on account of certain tax credits for earlier years. The amount of refund pending issuance of order giving effect and other documentation was recorded as a liability in the previous year. During the current year, on receipt of the required documentation from tax authorities, the Company recorded the refund received including other tax provision for such assessment year aggregating to Rs.1,600 million as a tax credit and the interest income amounting to Rs 748 million on the said refund under other income in these financial results.
- 13 During the year ended 31 March 2022, Stelis Biopharma Limited ("the Associate) has incurred loss of Rs. 2,327 million and has a net negative working capital position amounting to Rs. 2,276 million, which includes the current maturities of non-current borrowings of Rs. 3,731.55 million as at 31 March 2022. As of 31 March 2022, the Company has inventories relating to Sputnik V, which remains unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF). The management of the Associate is confident of liquidating these inventories within the shelf life in the normal course of business. Further, the Associate has shown growth in the Contract Development and Manufacturing business (from Rs. 213.9 million in FY21 to Rs. 1,321.27 million in FY22) which is expected to grow further in the coming years. The Associate also proposes 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 these 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.
- 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 uses 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 year and significant increase in its revenues during the current 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 AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

14 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 West Palm Beach (Florida facility) operations with the acquired facility at Chestnut Ridge, New York to optimise future operating costs.

As at March 31, 2022, the Group has divested the Florida facility. Accordingly the Group recorded an impairment loss (including associated costs) amounting to 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. 207 million, which has been disclosed under exceptional items.

15 Information on Standalone Results : -

Particulars	Rs. in Million			
	3 Months ended March 31, 2022 AUDITED (Refer note 16)	Preceding 3 Months ended December 31, 2021 UNAUDITED	Corresponding 3 Months ended in the previous year March 31, 2021 AUDITED (Refer note 16)	For the current year ended March 31, 2022 AUDITED
Total income from continuing operations	5,404.86	4,470.57	6,569.05	19,465.62
Profit/(loss) before tax from continuing operations	567.07	(316.90)	686.95	215.08
Profit/(loss) after tax from continuing operations	2,005.04	(176.03)	480.75	1,801.88
Profit/(loss) before tax from discontinued operations	-	-	-	-
Profit/(loss) after tax from discontinued operations	-	-	-	-

16 The figures for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which are subjected to limited review.

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

For and on behalf of the Board

Digitally signed by
ARUN KUMAR PILLAI
DN: cn=ARUN KUMAR PILLAI,
o=Strides Pharma Science Limited,
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Arun Kumar

Executive Chairperson and Managing Director

Bengaluru, May 24, 2022

B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor, No. 13/2,
Off Intermediate Ring Road,
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Independent Auditor's Report

To the Board of Directors of Strides Pharma Science Limited Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Strides Pharma Science Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Emphasis of Matter(s)

1. We draw attention to Note 7 of to 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 31 March 2022. Further, the auditors of the Associate have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated 24 May 2022 on the financial information of the Associate for the year ended 31 March 2022.
2. 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 and the corresponding recoverable of Rs. 141.90 million recorded as at 31 March 2022 in accordance with the requirements of Section 197(9) of the Companies Act, 2013.

Our opinion is not modified in respect of these above matters.

Registered Office:

Independent Auditor's Report (Continued)

Strides Pharma Science Limited

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such

Independent Auditor's Report (Continued)

Strides Pharma Science Limited

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter(s)

- The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Chartered Accountants

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

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Sampad Guha Thakurta

Partner

Bengaluru

24 May 2022

Membership No.: 060573

UDIN:22060573AJMRPJ7348



STRIDES PHARMA SCIENCE LIMITED

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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

Sl. No.	Particulars	Rs. in Million			
		3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	Current year ended March 31, 2022
		AUDITED (Refer note 10)	UNAUDITED	AUDITED (Refer note 10)	AUDITED
		(1)	(2)	(3)	(4)
					(5)
I	Income				
II	Revenue from operations	4,556.57	4,395.59	6,335.99	19,790.03
III	Other income (Refer note 9)	848.29	74.98	233.06	1,234.85
	Total income (I + II)	5,404.86	4,470.57	6,569.05	21,024.88
IV	Expenses				
	(a) Cost of materials consumed	2,433.88	2,323.17	3,810.19	9,354.24
	(b) Purchases of stock-in-trade	190.91	6.84	81.84	518.32
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	33.95	391.99	(682.71)	1,142.56
	(d) Employee benefits expense	534.10	676.00	736.36	2,720.91
	(e) Finance costs	215.47	1,66.00	179.07	742.41
	(f) Depreciation and amortisation expense	244.09	262.32	247.27	1,043.66
	(g) Other expenses	1,237.87	978.38	1,497.67	5,263.18
	(h) Foreign exchange (gain)/ Loss- net	(52.48)	(17.23)	12.41	24.52
	Total expenses (IV)	4,837.79	4,787.47	5,882.10	20,809.80
V	Profit / (Loss) before exceptional items and tax (III - IV)	567.07	(316.90)	686.95	215.08
VI	Exceptional item loss (net)	-	-	-	-
VII	Profit / (Loss) before tax (V + VI)	567.07	(316.90)	686.95	215.08
VIII	Tax expense				
	- Current tax (benefit) / expense (Refer note 9)	(1,584.71)	-	134.82	(1,584.71)
	- Deferred tax (benefit) / expense	146.74	(140.87)	71.38	(2.09)
	Total tax (benefit) / expense (VIII)	(1,437.97)	(140.87)	206.20	(1,586.80)
IX	Profit / (Loss) for the period (VII - VIII)	2,005.04	(176.03)	480.75	1,801.88
					782.40



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

Sl. No.	Particulars	Rs. in Million			
		3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	Current year ended March 31, 2022
		AUDITED (Refer note 10)	UNAUDITED	AUDITED (Refer note 10)	AUDITED
		(1)	(2)	(3)	(4)
X	Other comprehensive income				
A	(i) Items that will not be reclassified to statement of profit and loss	(2.51)	-	(23.35)	(23.35)
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss	0.88	-	8.16	8.16
B	(i) Items that may be reclassified to statement of profit and loss	(49.64)	(50.28)	(53.05)	(59.30)
	(ii) Income tax relating to items that may be reclassified to statement of profit and loss	17.34	17.57	18.54	20.72
	Total other comprehensive income for the period (X)	(33.93)	(32.71)	(49.70)	(40.21)
XI	Total comprehensive income for the period (IX + X)	1,971.11	(208.74)	431.05	1,761.67
	Earnings per equity share (face value of Rs. 10/- each)				
	(a) Basic (Rs.)	(not annualised) 22.33	(not annualised) (1.96)	(not annualised) 5.36	(annualised) 20.08
	(b) Diluted (Rs.)	22.33	(1.96)	5.35	20.07
	See accompanying notes to the Financial Results				(annualised) 8.73 8.72



STRIDES PHARMA SCIENCE LIMITED

CIN: L24230MH1990PLC057062

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STATEMENT OF STANDALONE AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

BALANCE SHEET AS AT MARCH 31, 2022 AND MARCH 31, 2021

Particulars	Rs. in Million	
	As at March 31, 2022 AUDITED	As at March 31, 2021 AUDITED
A ASSETS		
I Non-current assets		
(a) Property, plant and equipment	5,343.60	5,051.35
(b) Capital work in progress	304.51	813.60
(c) Right of Use Assets	335.92	309.58
(d) Investment property	128.16	678.35
(e) Other intangible assets	361.40	405.66
(f) Intangibles assets under development	252.64	293.09
(g) Financial assets		
(i) Investments	23,997.62	23,946.49
(ii) Loans receivable	1,246.09	852.21
(iii) Other financial assets	199.30	217.36
(h) Deferred tax assets (net)	775.80	752.11
(i) Income tax assets (net)	1,571.99	1,275.17
(j) Other non-current assets	69.09	179.79
Total non-current assets	34,586.12	34,774.76
II Current assets		
(a) Inventories	5,130.63	6,890.80
(b) Financial assets		
(i) Trade receivables	12,963.19	8,216.65
(ii) Cash and cash equivalents	121.24	253.03
(iii) Other balances with banks	23.22	477.39
(iv) Loans receivable	43.02	35.66
(v) Other financial assets	630.56	364.77
(c) Other current assets	840.60	1,200.27
Total current assets	19,752.46	17,438.57
Total assets	54,338.58	52,213.33



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STATEMENT OF STANDALONE AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

BALANCE SHEET AS AT MARCH 31, 2022 AND MARCH 31, 2021

Rs. in Million

Particulars	As at	As at
	March 31, 2022 AUDITED	March 31, 2021 AUDITED
B EQUITY AND LIABILITIES		
I Equity		
(a) Equity Share capital	897.90	896.81
(b) Other equity	33,168.93	31,583.77
Total Equity	34,066.83	32,480.58
II Liabilities		
1 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,246.95	1,475.39
(ii) Lease liabilities	269.79	238.58
(iii) Other financial liabilities	6.58	39.59
(b) Provisions	334.68	280.82
(c) Non-current tax liabilities	-	1,790.91
(d) Other non-current liabilities	0.51	1.08
Total Non-current liabilities	1,858.51	3,826.37
2 Current liabilities		
(a) Financial liabilities		
(i) Borrowings	11,199.37	7,313.99
(ii) Lease liabilities	123.08	146.63
(iii) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	331.32	318.12
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	6,106.65	7,033.89
(iv) Other financial liabilities		
(b) Provisions	326.44	605.47
(c) Current tax liabilities	204.53	226.71
(d) Other current liabilities	-	31.53
Total current liabilities	121.85	230.04
Total equity and liabilities	18,413.24	15,906.38
	54,338.58	52,213.33



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022
STATEMENT OF STANDALONE CASH FLOWS**

Sl. No.	Particulars	Rs. In Million	
		For the year ended March 31, 2022	For the year ended March 31, 2021
		AUDITED	AUDITED
A.	Cash flow from operating activities		
	Profit before tax	215.08	1,116.35
		215.08	1,116.35
	Adjustments for:		
	- Depreciation and amortisation expense	1,043.66	993.42
	- Gain on sale/write off of property, plant and equipment; Investment Property and other intangible assets (net)	(107.63)	(31.04)
	- Gain on sale of non-current investment	-	(8.84)
	- Share based compensation expense	(8.90)	64.92
	- Interest expense	742.42	653.39
	- Interest income	(887.49)	(126.05)
	- Dividend income	-	(353.70)
	- Income from current investment	(2.84)	(0.31)
	- Rental income from investment property	(59.79)	(113.03)
	- Bad debts written off / provision for doubtful trade receivables	38.35	192.77
	- Other receivables written off	15.85	-
	- Gain on account of lease modifications	(18.73)	-
	- Net unrealised exchange gain	(3.21)	(130.07)
		966.77	2,257.81
	Operating profit before working capital changes		
	Changes in working capital:		
	Increase in trade and other receivables	(4,651.21)	(1,733.10)
	Decrease / (Increase) in inventories	1,760.17	(2,262.61)
	(Decrease) / Increase in trade and other payables	(1,116.64)	2,897.62
	Net change in working capital	(4,007.68)	(1,098.09)
	Cash (utilized in) / generated from operations	(3,040.91)	1,159.72
	Income taxes refund net	214.06	1,667.90
	Net cash flow (utilized in) / generated from operating activities	(2,826.85)	2,827.62
	A		



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022
STATEMENT OF STANDALONE CASH FLOWS**

Sl. No.	Particulars	Rs. In Million	
		For the year ended March 31, 2022	For the year ended March 31, 2021
B.		AUDITED	AUDITED
	Cash flow from investing activities		
	Capital expenditure for property, plant and equipment and intangible assets, including capital advance	(681.70)	(887.40)
	Proceeds from sale of property, plant and equipment and intangible assets	4.99	14.85
	Proceeds from sale of investment property	630.00	-
	Investments in mutual funds	(540.61)	(150.00)
	Proceeds from sale of investment in mutual funds	540.61	150.00
	Investments in subsidiary and associate	(51.13)	(2,369.95)
	Proceeds from sale of non-current investments	-	162.80
	Loan given	(463.88)	(451.46)
	Loan recovered	70.00	355.06
	Interest received (net of taxes)	63.71	169.64
	Dividend received (net of taxes)	127.46	229.39
	Rental income from investment property	61.41	121.29
	Security deposits Paid	(5.96)	(8.80)
	Proceeds / (Investment) in fixed deposits with maturity of more than 3 months, net	432.86	(91.83)
	Net cash flow generated from / (utilised in) investing activities	187.76	(2,756.41)
	B		



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STATEMENT OF STANDALONE AUDITED RESULTS

FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

STATEMENT OF STANDALONE CASH FLOWS

Sl. No.	Particulars	Rs. In Million	
		For the year ended March 31, 2022	For the year ended March 31, 2021
		AUDITED	AUDITED
C.	Cash flow from financing activities		
	Proceeds from issue of equity shares	36.18	35.00
	Proceeds from long-term borrowings	295.36	1,926.45
	Repayment of long-term borrowings	(399.72)	(77.57)
	Proceeds / (Repayment) from short-term borrowings (net)	3,644.60	(1,406.02)
	Dividends paid (net of tax on dividend)	(224.31)	(179.15)
	Lease Payments	(150.40)	(144.34)
	Interest paid on borrowings	(694.41)	(640.75)
	Net cash flow generated from / (utilised in) financing activities	2,507.30	(486.38)
		C	
	Net decrease in cash and cash equivalents during the year	(131.79)	(415.17)
	Cash and cash equivalents at the beginning of the year	253.03	668.20
	Cash and cash equivalents at the end of the year*	121.24	253.03
	* Comprises:		
	Cash on hand	1.62	2.18
	Balance with banks:		
	- In current accounts	35.50	69.85
	- Funds-in-transit	84.12	181.00
	Total	121.24	253.03
		(A+B+C)	



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 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 May 24, 2022. The statutory auditor has audited the results for the quarter and year ended March 31, 2022 and have issued an unmodified opinion.
- 3 The Company has negative operating cash flows amounting to Rs. 2,826.86 million for the year ended 31 March 2022 on account of continuing pricing pressure in some of its key geographies consequent to effects of COVID. Management of the Company and its subsidiaries have obtained relaxations for compliance with financial covenants for year ended March 31, 2022, from the lenders as these have not been met as of the date of the issue of financial results. Further, as of March 31, 2022, the Company has provided guarantees aggregating to Rs. 9,419.83 million in relation to the borrowings of its Associate company (" the Associate"), out of which Rs. 6,016 million outstanding as on 31 March 2022, 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. 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. 500 million post year ended 31 March 2022 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 31 March 2023. The Company has cash and cash equivalents of INR 121.24 million as at 31 March 2022 and also undrawn borrowing facilities available from certain lenders. Further, the Group also 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 previous year 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 31 March 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 AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 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 March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	Current year ended March 31, 2022	Previous year ended March 31, 2021
1	Segment Revenue a) Pharmaceutical business b) Bio-pharmaceutical business Revenue from operations	AUDITED (Refer note 10) 4,556.57 - 4,556.57	UNAUDITED 4,395.59 - 4,395.59	AUDITED (Refer note 10) 6,335.99 - 6,335.99	AUDITED 19,790.03 - 19,790.03	AUDITED 18,575.66 - 18,575.66
2	Segment results a) Pharmaceutical business b) Bio-pharmaceutical business (Loss) / Profit before tax (I) Tax (benefit) / expense (II) (Loss) / Profit for the period (I-II)	AUDITED (Refer note 10) 567.07 - 567.07 (1,437.97) 2,005.04	UNAUDITED (316.90) - (316.90) (140.87) (176.03)	AUDITED (Refer note 10) 686.95 - 686.95 206.20 480.75	AUDITED 215.08 - 215.08 (1,586.80) 1,801.88	AUDITED 1,116.35 - 1,116.35 333.95 782.40

Sl. No.	Particulars	Rs. in Million				
		3 Months ended March 31, 2022	Preceding 3 Months ended December 31, 2021	Corresponding 3 Months ended in the previous year March 31, 2021	Current year ended March 31, 2022	Previous year ended March 31, 2021
1	Segment Assets a) Pharmaceutical business b) Bio-pharmaceutical business Total Segment Assets	AUDITED (Refer note 10) 49,020.47 5,318.11 54,338.58	UNAUDITED 47,710.30 5,396.93 53,107.23	AUDITED (Refer note 10) 46,816.40 5,396.93 52,213.33	AUDITED 49,020.47 5,318.11 54,338.58	AUDITED 46,816.40 5,396.93 52,213.33
2	Segment Liabilities a) Pharmaceutical business b) Bio-pharmaceutical business Total Segment Liabilities	AUDITED (Refer note 10) 20,271.75 - 20,271.75	UNAUDITED 21,020.72 - 21,020.72	AUDITED (Refer note 10) 19,658.88 73.87 19,732.75	AUDITED 20,271.75 - 20,271.75	AUDITED 19,658.88 73.87 19,732.75



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

- 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 is 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.
 - 7 During the year ended 31 March 2022, Stelis Biopharma Limited (the Associate) has incurred loss of Rs. 2,327 million and has a net negative working capital position amounting to Rs. 2,976 million, which includes the current maturities of non-current borrowings of Rs. 3,731.55 million as at March 31, 2022. As of March 31, 2022, the Company has inventories relating to Sputnik V, which remains unsold due to geopolitical situation between Russia and Ukraine and sanctions on Russia and Russian Direct Investment Fund (RDIF). The management of the Associate is confident of liquidating these inventories within the shelf life in the normal course of business. Further, the Associate has shown growth in the Contract Development and Manufacturing business (from Rs. 213.9 million in FY21 to Rs. 1,321.27 million in FY22) which is expected to grow further in the coming years. The Associate also proposes 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 these 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.
- 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 uses 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 year and significant increase in its revenues during the current year. Accordingly, based on the above assessment, the Company has concluded that no impairment provision is required in the standalone financial results.



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**STATEMENT OF STANDALONE AUDITED RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

- 8 The Company's erstwhile Managing Director and Chief Executive Officer tendered his resignation in March 2022 which has been accepted by the Board of Directors ('the Board'). As part of the terms of his remuneration, as approved in the Annual General Meeting dated August 20, 2020, he was entitled to certain amounts subject to fulfilment of certain service conditions. Consequent to his resignation before the completion of the specified service period, the Board decided to recover amounts due to the Company based on the originally approved terms of his appointment. Accordingly, in line with the requirements of Section 197(9) of the Act, the Company has recorded such excess remuneration of Rs. 141.90 million paid as a recoverable balance as at March 31, 2022 under current financial assets in the standalone financial results.
- 9 The Company during the previous year had received certain refunds including interest from tax authorities on account of certain tax credits for earlier years. The amount of refund pending issuance of order giving effect and other documentation was recorded as a liability in the previous year. During the current year, on receipt of the required documentation from tax authorities, the Company recorded the refund received including other tax provision for such assessment year aggregating to Rs.1,600 million as a tax credit and the interest income amounting to Rs 748 million on the said refund under other income in these financial results.
- 10 The figures for the quarters ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect to full financial years and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which are subjected to limited review.

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

For and on behalf of the Board

Digitally signed by
**ARUN KUMAR
PILLAI**
Date: 2022.05.24
20:56:16 +05'30'

Arun Kumar

Executive Chairperson and Managing Director

Bengaluru, May 24, 2022

May 24, 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: Declaration pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Unmodified Opinion in the Auditors' Report for Financial Year ended March 31, 2022

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that M/s. BSR & Co. LLP, the Statutory Auditors of the Company have issued the Auditors' Report with unmodified opinion in respect to the Audited Financial Results (Standalone and Consolidated) for the Financial Year ended March 31, 2022.

We request you to kindly take the above information on record.

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



Manjula R
Company Secretary

