

October 28, 2016

The Manager Listing

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip code: 532531

The Manger Listing

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 - Standalone & Consolidated Unaudited Financial Results along with Limited Review Report for the quarter ended September 30, 2016 & Press Release

We are pleased to enclose the Standalone and Consolidated Unaudited Financial Results of the Company along with Limited Review Report of the statutory auditors for the quarter ended September 30, 2016, as approved by the Board of Directors of the Company at their meeting held today, along with a press release issued in this regard.

The board meeting commenced at 1100 hrs and concluded at 1330 hrs.

This is for your information and records.

Thanks & Regards,
For **STRIDES SHASUN LIMITED**,



BADREE KOMANDUR
GROUP CFO & CS

Press Release

Strides Shasun announces Q2 FY17 results
Q2 FY17 Pharma Revenues* at INR 9,461 Mn, Growth of 33 % YoY,
Pharma EBITDA at INR 1,701 Mn, Growth of 38 % YoY
Growth Driven by a Strong Performance in Formulations Portfolio
H2 FY 17 Guidance - EBITDA INR 4,400 Mn - INR 4,750 Mn

Bengaluru, October 28, 2016: Strides Shasun Limited (BSE: 532531, NSE: STAR) today announced its Q2 FY17 results

Consolidated Financial & Performance Highlights (Pharma & Biotech) INR Mn

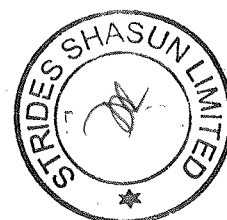
Particulars	Q2 FY16	Q1 FY17	Q2 FY17	YoY	QoQ
Revenues*	7,099	8,699	9,461	33 %	9 %
EBITDA	1,184	1,437	1,682	42 %	17 %
EBITDA %	17%	17%	18%	110 bps	130 bps
Adj PAT**			826		
Adj EPS**			9.24		

** Excluding Merger & restructuring costs of INR 54 Mn and Fair valuation of derivative Instruments INR 31 Mn

- The results have been prepared as per Indian Accounting Standards (Ind-AS)
- Total revenues* for Q2 FY 17 at INR 9,461 Mn against INR 7,099 Mn in Q2 FY16 , up 33 % YoY
- Significant ramp up in R&D spend for the quarter at INR 348 Mn against INR 238 Mn in Q2 FY 16, up 46 % YoY and against INR 228 Mn, up 53% QoQ
- EBITDA at INR 1,682 Mn up 42 % YoY, EBITDA margins at 18 % up 110 bps YoY
- Net Interest cost for the quarter at INR 328 Mn
- Depreciation and amortization for the quarter at INR 457 Mn
- Adjusted PAT for Q2 FY 17 at INR 826 Mn, Adjusted EPS at INR 9.24

Arun Kumar, Executive Vice Chairman and Managing Director, stated “It has been a comeback quarter for the emerging markets with the strategic intervention over the last few quarters yielding the desired outcome. The regulated markets and the institutional business continue to deliver healthy growth with an improved sequential performance on a higher revenue base. API performance during the quarter was impacted due to planned /temporary suspension of production at company’s facilities in Pondicherry and Cuddalore for a significant upgrade of infrastructure. Both the plants are back in operations at full swing”

*Due to changes under IND AS, SEBI results publish gross revenues versus Net Revenues in the past. However for comparison to historical performance in press release we have taken Revenues as Gross revenues – Excise



Pharma Performance Highlights – Q2 FY17

Global Pharma Business

INR Mn

Particulars	Q2 FY16	Q1 FY17	Q2 FY17	YoY Growth %	QoQ Growth %
Revenues	7,099	8,699	9,461	33 %	9 %
EBITDA	1,233	1,451	1,701	38 %	17 %
EBITDA %	17 %	17 %	18 %	60 bps	130 bps
Adj Pharma EPS*			9.30		

** Excluding Merger & restructuring costs of INR 54 Mn, Fair valuation of derivative Instruments INR 31 Mn and Biotech INR 5 Mn

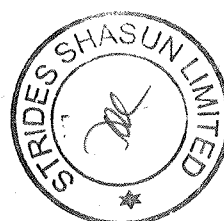
Revenue Composition by Business - Global Pharma

INR Mn

Particulars	Q2 FY16	Q1 FY17	Q2 FY17	YoY Growth %	QoQ Growth %
Regulated Markets	2,245	3,706	4,366	94 %	18 %
Emerging Markets	1,083	1,447	1,766	63 %	22 %
Institutional Business	1,192	1,378	1,702	43 %	24 %
Total Formulations	4,520	6,531	7,834	73 %	20 %
PSAI	2,580	2,168	1,628	(37%)	(25%)
Total Revenues	7,099	8,699	9,461	33 %	9 %

Regulated Markets Business

- Revenues at INR 4,366 Mn in Q2 FY17, representing 46 % of total revenues
- Revenues grew 94 % to INR 4,366 Mn against INR 2,245 Mn in Q2 FY16
- Key front end markets of Australia and North America delivered a steady quarterly performance. With closure of Generic Partner acquisition in Australia, all announced inorganics in regulated markets have now been completed and integrated successfully.
- In North America performance was driven by improved market share for certain legacy molecules and a healthy sales traction for new molecules launched in the recent past. Strong growth outlook for North America business with visibility on 15-20 product approvals over the next 12 months including 5-6 product approvals expected in H2 FY 17
- Received 2 product approvals during the quarter from USFDA - Polyethylene Glycol 3350, Powder for Solution (OTC) (Market value US\$ 260 Mn) and Ranitidine tablet (Market value US\$ 125 Mn). Ranitidine is the first integrated product approval from Strides Shasun stable post the merger. With these 2 product approvals, the company now has 5 product approvals in H1 FY 2017.
- Australia business delivered a healthy quarterly performance driven by a strong performance in the brands portfolio and 3 new product launches in generics portfolio. PBS regulatory changes to exclude brands from reimbursement price computation implemented in Australia, should boost generic substitution in the market. Improved compliance for Arrow portfolio and backward



integration to help realize supply chain efficiencies and generate positive operating leverage for the business.

Emerging Markets Business

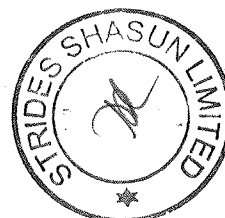
- Revenues at INR 1,766 Mn in Q2 FY17, representing 19 % of total revenues
- Revenues grew by 63 % to INR 1,766 Mn against INR 1,083 Mn in Q2 FY16
- In Africa, inventory correction exercise with a focus on matching the primary and secondary sales reached its conclusive end. Green shoots visible in sequential performance despite continuing macro headwinds and currency challenges in the market. Universal Corporation in East Africa delivered another strong quarterly performance. New plant additions in Sudan, Cameroon and Mozambique on track.
- With all supply chain issues resolved, India brands business delivered a steady performance during the quarter. Focus is on improving productivity of field force through new product launches and leveraging pan India presence by taking existing products into newer geographies
- Entry into new markets of SE Asia and Russia CIS on track. Focus on product registration and establishing a strong marketing presence through addition of local field force

Institutional Business

- Revenues at INR 1,702 Mn in Q2 FY17, representing 18 % of total revenues
- Revenues grew by 43 % to INR 1,702 Mn against INR 1,192 Mn in Q2 FY16
- Institutional business delivered another strong quarterly performance driven by a healthy performance in the anti-malarial portfolio and rebound in the ARV portfolio
- HCV franchise including “Virso” and “Virpas” continues to witness strong interest in emerging markets particularly in Russia CIS and SE Asia
- Plan for local manufacturing of institutional products in Africa at Universal corporation facility and backward integration to API facilities for key products on track

Pharmaceutical Services and Active Ingredients (PSAI)

- Revenues at INR 1,628 Mn in Q2 FY17, representing 17 % of total revenues
- Revenues declined 37 % to INR 1,628 Mn against INR 2,580 Mn in Q2 FY16
- Invested in a significant infrastructure upgrade at our legacy API facilities in Pondicherry and Cuddalore. This required planned/temporary suspension of production leading to API facilities running at less than 50% capacity during the quarter. Both plants are back in operation at full swing.
- During Q2 significant steps have been taken to improve the quality of API business including revamping of facilities, rationalization of product mix and focusing on improving the customer base
- The API business has returned to normal and is expected to deliver a healthy performance in H2 FY17 with a sequential ramp up in line with historical trends.
- To start commercial supplies of one of the key products Sevelamer Carbonate to our Gx launch partner in H2 FY 17.



- CRAMS API revenue at INR 793 Mn for the quarter at a low single digit EBITDA margin. CRAMS API business divested effective 1st October 2016.
- Going forward, division to be reported as Active Pharmaceutical Ingredients (API)

Pharma R&D – Investing in the future product pipeline

- Significant ramp up in R&D spend for the quarter at INR 348 Mn against INR 238 Mn in Q2 FY 16, up 46 % YoY and against INR 228 Mn, up 53% QoQ
- All three R&D centres running full steam focusing on a strong pipeline execution for formulations and API. Results of higher spend and focused R&D execution to be visible in higher filing run rate during H2 FY 17
- 25 ANDA filings pending approval from USFDA

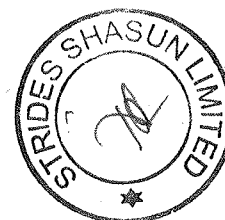
Biotech

- R&D spend during the quarter at INR 19 Mn, against INR 49 Mn in Q2 FY16
- Successfully completed quality analytical comparison data with innovator for the first biosimilar as per the requirement of European Medicines Agency
- Ready to initiate the biocompatibility studies for the second biosimilar, a prerequisite for initiating the global clinical trial
- Setting up a process scale up capability in our R&D facility in Bangalore to ensure smooth technology transfer from R&D scale to commercial scale
- Civil construction on track for the bio-pharmaceutical facility at Doddaballapur, Bangalore. Civil construction of drug product facility completed and the same is now ready for fit-out

Outlook for H2 FY 2017 – Global Pharma Division

With all the announced inorganics transactions having achieved their closure and the businesses successfully integrated, the company has decided to give a guidance for the H2 FY 2017 to provide an overview on the scale of operations. The guidance is for the Pharmaceutical business (excludes Biotech) and is based on the current operating environment, expected FDF product approvals and launch of API supplies to Gx Renvela partner

- **EBITDA** between INR 4,400 Mn to INR 4,750 Mn for H2 FY17
- **ANDA** filings between 10 to 12 in H2 FY 2017



Annexure:

EBITDA Computation:

	Q2 FY17	H1 FY17
SEBI Results	Column 1	Column 4
Profit from ordinary activities before finance cost & Exceptional Items as per SEBI reporting	1,501	2,670
Less: Interest, Dividend income, Gain on sale of securities	286	501
Add : Depreciation and Amortization	467	951
Consolidated EBITDA as per press release	1,682	3,120
Add: Biotech R&D Spend	19	32
Global Pharma EBITDA as per press release	1,701	3,152

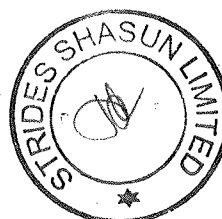
About Strides Shasun

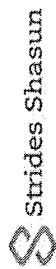
Strides Shasun, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a vertically integrated global pharmaceutical Company headquartered in Bangalore. The Company has four business verticals, viz., Regulated Markets, Emerging Markets, Institutional Business and Active Pharmaceutical Ingredients (API).

The Company has global manufacturing foot print with 13 manufacturing facilities spread across three continents including 5 US FDA approved facilities and 8 facilities for the emerging markets. The Company has three dedicated R&D facilities in India with global filing capabilities and a strong commercial footprint across 85 countries Additional information is available at the Company's website at www.stridesarco.com

For further information, please contact:

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

STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Sl. No.	Particulars	3 Months ended 30.09.2016	Preceding 3 months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 30.09.2016	Year to date figures for the previous period ended 30.09.2015 (Recast as per Note 2 and 3)
		UNAUDITED (1)	UNAUDITED (2)	UNAUDITED (3)	UNAUDITED (4)	UNAUDITED (5)
1	Income from operations					
	(a) Sales / Income from Operations (inclusive of excise duty)	92,217	84,462	67,676	176,679	126,076
	(b) Other Operating Income	3,130	3,095	3,830	6,225	6,734
	Total Income from operations	95,347	87,557	71,506	182,904	132,810
2	Expenses					
	(a) Cost of material consumed	28,375	26,801	32,814	55,176	62,263
	(b) Purchases of stock-in-trade	16,511	16,286	2,847	32,797	6,331
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,871)	(3,077)	(1,393)	(7,948)	(3,742)
	(d) Employee benefits expense	19,062	16,505	12,070	35,567	22,829
	(e) Depreciation and amortisation expense	4,675	4,838	3,643	9,513	6,825
	(f) Other expenses	20,815	17,730	14,722	38,545	27,516
	Total expenses	84,567	79,083	64,703	163,650	122,022
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	10,780	8,474	6,803	19,254	10,788
4	Other Income	4,232	3,209	5,181	7,441	8,103
5	Profit/(Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	15,012	11,683	11,984	26,695	18,891
6	Finance costs	6,172	6,042	3,355	12,214	6,128
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	8,840	5,641	8,629	14,481	12,763
8	Exceptional Items:					
	- Exchange Fluctuation (loss) / gain (Net) (Refer note 9)	944	(1,323)	(1,346)	(379)	(1,577)
	- Merger and restructuring costs	(537)	(459)	(367)	(996)	(768)
	- Net gain / (loss) on discontinued businesses (Refer note 7)	1,408	-	-	1,408	-
	- Write-off/provision of assets (net)	(269)	-	-	(269)	-
	- Recovery of loans & advances written off in earlier years	-	487	-	487	131
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	-	-	-	(1,682)
	- Fair valuation of derivative instruments	(309)	(167)	(11)	(476)	(45)
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	10,077	4,179	6,915	14,256	8,822
10	Tax expense	1,524	922	3,162	2,446	3,917
11	Net Profit / (Loss) after tax (9+10)	8,553	3,257	3,753	11,810	4,905
12	Share of profit / (loss) from associates and Joint ventures	(10)	(10)	(280)	(20)	(435)
13	Net Profit after taxes and share of loss of associates and joint ventures but before minority interest (11+12)	8,543	3,247	3,473	11,790	4,470
14	Share of profit / (loss) attributable to Minority interest (net)	1,134	643	(108)	1,777	(173)
15	Net Profit / (Loss) after taxes and minority interest and share of loss of associates and joint ventures (13-14) [A]	7,409	2,604	3,581	10,013	4,643
16	Other Comprehensive Income (OCI) (net of tax) [B]	730	(3,657)	(2,277)	(2,927)	(1,581)
17	Total Comprehensive Income for the period [A+B]	8,139	(1,053)	2,304	7,086	3,062
18	Paid-up Equity Share Capital (Face value of Rs.10/-each)	8,936.60	8,936.60	8,063.31	8,936.60	8,063.31
19	Earnings per share (face value of Rs. 10/- each) - not annualised					
	(a) Basic EPS (Rs.)	8.29	2.91	4.44	11.20	5.82
	(b) Diluted EPS (Rs.)	8.28	2.91	4.43	11.18	5.76
	See accompanying notes to the Financial Results					

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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

STATEMENT OF ASSETS AND LIABILITIES
AS AT SEPTEMBER 30, 2016

		Rs in Lakhs	
		As at 30.09.2016	UNAUDITED
	Particulars		
A	ASSETS		
I	Non-current assets		
	(a) Property, Plant and Equipment	103,232	
	(b) Capital Work in Progress	39,274	
	(c) Investment Property	9,554	
	(d) Goodwill	103,905	
	(e) Other intangible assets	72,743	
	(f) Intangibles assets under development	54,116	
	(g) Financial assets		
	(i) Investments	5,928	
	(ii) Loans	1,119	
	(iii) Other financial assets	2,116	
	(h) Deferred tax assets (Net)	2,240	
	(i) Other Non-current assets	28,804	
		423,031	
II	Current assets		
	(a) Inventories	68,609	
	(b) Financial assets		
	(i) Investments - Current	114,468	
	(ii) Trade receivables	105,986	
	(iii) Cash and cash equivalents	26,343	
	(iv) Bank balances other than (iii) above	1,044	
	(v) Loans	569	
	(vi) Other financial assets	2,192	
	(c) Current tax assets (Net)	1,578	
	(d) Other current assets	34,412	
		355,201	
	Total Assets	778,232	
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share capital	8,937	
	(b) Other equity	250,395	
	Equity attributable to owners of the company	259,332	
	Non-Controlling Interest	2,789	
	Total Equity	262,121	
II	Liabilities		
1	Non-current liabilities		
	(a) Financials Liabilities		
	(i) Borrowings - LT	224,415	
	(ii) Other financial liabilities - LT	35,744	
	(b) Provisions	2,220	
	(c) Deferred tax liabilities (Net)	5,079	
	(d) Other non-current liabilities	3,146	
		270,604	
2	Current liabilities		
	(a) Financials Liabilities		
	(i) Borrowings	123,399	
	(ii) Trade payables	73,974	
	(iii) Other financial liabilities	34,244	
	(b) Other current liabilities	5,974	
	(c) Provisions - ST	1,395	
	(d) Current tax liabilities	6,521	
		245,507	
	Total Equity and liabilities	778,232	



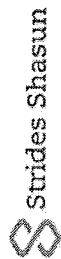
Strides Shasun

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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Notes:

- The above statement of consolidated unaudited financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 28, 2016. The statutory auditors of the Company have carried out the limited review of the results for six months period ended September 30, 2016.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of the Listing Regulation, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures for the earlier periods. The results for the quarter and period ended September 30, 2015 have been recasted to be Ind AS compliant and have not been subjected to limited review. Revenues and costs are recognised on the basis of accounting policies consistently followed by the Company. Income from Operations includes revenues from sale of products, product development services, royalties, export entitlements etc. Cost of material consumed is net of rebates, discounts, supplier reimbursements against additional purchase costs incurred, etc.
- During the previous year, pursuant to the court approved Scheme of Amalgamation, Shasun Pharmaceuticals Limited (the 'Shasun') has been amalgamated with the Company w.e.f. the appointed date of April 01, 2015 and the effective date of merger was November 19, 2015. Hence, the results for the quarter and six months period ended September 30, 2015 have been recast to reflect the merger of Shasun with the Company.
Ind AS 103 'Business Combination' is not applicable to the above referred merger in view of the Scheme sanctioned by the Hon'ble High Courts of Judicature under section 391 to 394 of the Companies Act, 1956.
The Company has followed the 'Pooling of Interest method' as per the court approved Scheme of Amalgamation for the accounting of Assets and Liabilities of erstwhile Shasun. The impact of aligning the accounting policies between the two entities on the assets and liabilities taken over on merger amounting to Rs. 1,682 lakhs has been expensed off in the results for the quarter and six months period ended September 30, 2015 under exceptional items.
The Company has issued 21,017,329 equity shares of Rs. 10/- each to the shareholders of erstwhile Shasun in terms of the Scheme of Amalgamation. These shares have been considered for the purpose of calculation of earnings per share.
- Reconciliation of Net Profit for the quarter and six months period ended September 30, 2015 as reported earlier in accordance with previous Indian GAAP and now being reported in accordance with Ind AS, as stated in note 2 above is as follows:

Particulars	Rs. in Lakhs	
	3 Months ended 30.09.2015	Year to date figures for the period ended 30.09.2015
	UNAUDITED	UNAUDITED
Net profit as reported under previous GAAP	1,898	6,084
Add: Net profit of erstwhile Shasun Pharmaceuticals Limited as per previous GAAP (Refer note 3 above)	1,309	1,689
Less: Merger adjustments for aligning the accounting policies difference as mentioned in note 3 above and elimination of stock margin	(436)	(2,384)
Adjusted Net profit as per Previous GAAP	2,771	5,389
Add / (Less): Adjustments for GAAP Differences		
Impact of measuring ESOP at fair value	(9)	(80)
Impact of measuring financial instruments at fair value through profit or loss	2,733	(404)
Unwinding effect of discounted long-term liabilities	-	(45)
Impact of amortisation of intangible assets over the revised useful life	(1)	84
Tax impact on Ind AS adjustments	(1,703)	16
Other Ind AS adjustments	(210)	(317)
Net profit for the quarter as per Ind AS	3,581	4,643



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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

- 5 During the half year ended September 30, 2016, 20,000 equity shares were allotted by the Company under the Strides Arcolab ESOP 2011 Scheme on exercising equal number of options.
- 6 The Company had entered into a definitive agreement in February 2016, to acquire a strategic stake in Generic Partners Holdings Co. Pty Ltd, (the "Generic Partners"), an Australian pharmaceutical supply and research company. Subsequent to June 30, 2016, Strides Pharma Global Pte Limited, a wholly owned subsidiary of the Company has completed the acquisition of Generic Partners.
- Consequent to the above, the following entities have become the subsidiaries of the Group:-
- a) Generic Partners Holding Co. Pty Limited, Australia
 - b) Generic Partners (International) Pte Limited, Singapore
 - c) Generic Partners Pty Limited, Australia
 - d) Generic Partners (Canada) Inc, Canada
 - e) Generic Partners (NZ) Limited, New Zealand
 - f) Generic Partners (M) SDN BHD, Malaysia
 - g) Generic Partners (South Africa) Pty Limited, South Africa
 - h) Generic Partner UK Limited, UK
- 7 The Board of Directors of the Company and the Members of Company in their meeting held on May 16, 2016 and June 28, 2016, subject to the approval of applicable laws, consents, permission and sanctions as may be necessary, approved the divestment of investment in Shasun Pharma Solutions Limited (SPSL), UK, a wholly owned step-down subsidiary of the Company to a Company to be set up by the current management team of SPSL and members of the promoter group of the Company. SPSL is in the business of Contract Research and Manufacturing. In the current quarter, on achieving condition precedents and closing conditions, the Company has completed the divestment of its investments in SPSL and a sum of Rs. 1,408 Lakhs has been recognised as profit on sale of investments under Exceptional items. The results of discontinued operations included in the profit for the period are set out below:

Sl. No.	Particulars	Rs. in Lakhs				
		3 Months ended 30.09.2016	Preceding 3 months ended 30.06.2016	3 Months ended 30.09.2015	Year to date figures for the current period ended 30.09.2016	Year to date figures for the previous period ended 30.09.2015
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1	Income from operations	7,883	7,958	7,283	15,841	15,005
2	Total expenses	7,347	7,817	6,929	15,164	14,510
3	Profit from discontinued operations before other income, finance cost & exceptional items (1-2)	536	141	354	677	495
4	Other income	17	30	17	47	34
5	Profit from discontinued operations before finance cost & exceptional items (3+4)	553	171	371	724	529
6	Finance cost	225	203	207	428	431
7	Profit / (Loss) from discontinued operations before exceptional items (5-6)	328	(32)	164	296	98
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from discontinued operations before tax (7+8)	328	(32)	164	296	98
10	Tax expense	119	26	29	145	71
11	Profit / (Loss) from discontinued operations for the period (9-10)	209	(58)	134	151	27



Strides Shasun

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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

8 On December 4, 2013, the Company and its wholly owned subsidiary, Strides Pharma Asia Pte Limited ("the Singapore Subsidiary"), completed the sale of investments in Agila Specialties Private Limited and Agila Specialties Global Pte Limited together, "Agila") to Mylan Laboratories Limited and Mylan Institutional Inc. (together, "Mylan") pursuant to separate agreements, each dated as of February 27, 2013 (the "SPAs"). Pursuant to the SPAs, the Strides Group established escrow arrangements to fund certain potential indemnification liabilities, including specified employee, tax and regulatory remediation costs from such consideration. These escrow arrangements include a US\$ 100 million tax escrow deposit (out of which US\$ 8.00 million has been settled in earlier year to be paid to Mylan in relation to certain claims) and a US\$ 100 million regulatory escrow deposit. Pursuant to the SPAs, the Company has also provided a corporate guarantee to Mylan for US\$ 200 million (valid up to December 4, 2020) on behalf of Singapore Subsidiary which can be used for discharging financial obligations, if any, of the Singapore Subsidiary to Mylan.

Under the terms of the SPAs, claims against the Company / the Singapore subsidiary (as the case may be) can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings. The Company has received a consolidated notification of claims from Mylan under the terms of the SPAs.

These claims include third party claims, tax claims, claims against the regulatory escrows and general claims. A significant portion of these are estimates of potential claims / losses that Mylan expects to incur and involve significant uncertainties. The Company has formally responded to Mylan disputing the claims and also sought further details / clarifications on each of the items mentioned in the notifications of claims.

Given the nature of the claims involved and the extent of information made available by Mylan so far, the Company is not able to make a reliable estimate of its obligations, if any, with regard to these claims.

Considering the terms of the SPAs and the amounts in the respective escrows, the Company believes that any further outflow of resources is not probable.

9 Exchange fluctuation gain/loss (net) included under Exceptional Items comprises the exchange gain / loss arising on account of restatement and settlement of long term foreign currency loans and intra-group loans.

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

Sl. No.	Particulars	Rs. in Lakhs				
		3 Months ended 30.09.2016	Preceding 3 months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 30.09.2016	Year to date figures for the previous period ended 30.09.2015 (Recast as per Note 2 and 3)
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1	Segment Revenue a) Pharmaceutical business b) Biotech business Revenue from operations	95,347 - 95,347	87,557 - 87,557	71,506 - 71,506	182,904 - 182,904	132,810 - 132,810
2	Segment results Profit/(Loss) allocable a) Pharmaceutical business b) Biotech business Total Add / (Less): Unallocable Income/(expenses): Other income Finance cost Items considered under exceptional items: - Exchange (loss) / gain on long-term foreign currency loans, intra-group loans - Merger and restructuring costs - Net gain / (loss) on discontinued businesses (Refer note 7) - Recovery of loans & advances written off in earlier years - Impact of aligning accounting policies on merger of Shasun (Refer note 3) - Fair valuation of derivative instruments Profit before tax from continuing and discontinued operations Tax expense Profit before allocation to minority interest Share of profit / (loss) from associates and Joint ventures Net Profit after taxes and share of loss of associates and joint ventures but before minority interest Share of profit / (loss) attributable to Minority Interest (net) Profit for the period	11,880 2,863 (6,172) 944 (537) 1,408 - - (309) 10,077 1,524 8,553 (10) 8,543 1,134 7,409	9,922 (245) 9,677 2,145 (6,042) (1,323) (459) - 348 - (167) 4,179 922 3,257 (10) 3,247 643 2,604	10,935 1,049 (3,355) (1,346) (367) - - - (1) 6,915 3,162 3,753 (280) 3,473 (108) 3,581	21,557 5,008 (12,214) (379) (996) 1,408 348 - (476) 14,256 2,446 11,810 (20) 11,790 1,777 10,013	13,674 5,348 (6,128) (1,577) (768) - (1,682) (45) 8,922 3,917 4,905 (435) 4,470 (173) 4,643
3	Segment Assets a) Pharmaceutical business b) Biotech business c) Unallocable Total Segment Assets Segment Liabilities a) Pharmaceutical business b) Biotech business c) Unallocable Total Segment Liabilities			601,147 26,878 150,210 778,235 86,169 4,027 425,918 516,114	621,932 24,527 143,964 790,423 94,539 813 419,312 514,664	482,592 17,519 71,395 571,506 96,426 527 308,420 405,373

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Strides Shasun

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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

11 Information on Standalone Results :-

Particulars	Rs. in Lakhs				
	3 Months ended 30.09.2016	Preceding 3 months ended 30.06.2016	Corresponding 3 Months ended 30.09.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 30.09.2016	Year to date figures for the previous period ended 30.09.2015 (Recast as per Note 2 and 3)
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
Total Income from operations	51,660	51,403	54,049	103,063	102,706
Profit before Tax	3,317	2,995	2,097	6,312	4,515
Profit after Tax	3,072	2,718	1,337	5,790	2,788

For and on behalf of the Board

Arun Kumar

Executive Vice Chairman & Managing Director

Bengaluru, October 28, 2016

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF STRIDES SHASUN LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **STRIDES SHASUN LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the loss of its jointly controlled entities and associates for the quarter and six months ended September 30, 2016 and the Consolidated Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We have not performed a review or audit, as stated in Note 2, of the figures relating to the corresponding quarter and six months ended September 30, 2015 including the reconciliation of net profit for the quarter and half year ended September 30, 2015 between the previous GAAP and Indian Accounting Standards ("IND AS"), as reported in this statement.

This Statement which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:

Sl. No.	Name of the entities
1	Africa Pharmaceutical Development Company
2	Akorn Strides LLC
3	Alliance Pharmacy Pty Limited
4	Altima Innovation Inc
5	Aponia Laboratories Inc.
6	Arrow Pharma (Private) Limited (formerly known as Lex Pharma Lanka (Private) Limited)
7	Arrow Pharma Life Inc.
8	Arrow Pharma Pte Limited (formerly known as Strides Remedies Pte. Limited)
9	Arrow Pharma Pty Limited (formerly known as Strides Arcolab (Australia) Pty Limited)
10	Arrow Pharmaceuticals Pty Limited (formerly known as Strides (Australia) IP Pty Limited)

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- 11 Arrow Remedies Private Limited (formerly known as Lex Pharma Private Limited)
- 12 Beltapharm SpA
- 13 Chemsynth Laboratories Private Limited
- 14 Congo Pharma SPRL
- 15 Fagris Medica Private Limited
- 16 Generic Partners (International) Pte Limited
- 17 Generic Partners (M) Sdv BHd
- 18 Generic Partners (NZ) Limited
- 19 Generic Partners (R&D) Pte Limited
- 20 Generic Partners (South Africa) (Pty) Limited
- 21 Generic Partners Holding Co Pty Limited
- 22 Generic Partners Pty Limited
- 23 Géneric Partners UK Limited
- 24 Generic Partners (Canada) Inc
- 25 Oncobiologics Inc
- 26 Pharmacy Alliance Group Holdings Pty Limited
- 27 Pharmacy Alliance Investments Pty Limited
- 28 Pharmacy Alliance Pty Limited
- 29 Shasun NBI LLC
- 30 Shasun Pharma Solutions Inc.
- 31 Shasun Pharma Solutions Limited
- 32 Shasun USA Inc.
- 33 Sorepharma SA
- 34 SPC Co. Limited
- 35 Stabilis Pharma Inc
- 36 Stelis Biopharma (Malaysia) SDN BDH (formerly known Agila Biotech (Malaysia) SDN BHD)
- 37 Stelis Biopharma Private Limited (formerly known Inbiopro Solutions Private Limited)
- 38 Strides Africa Limited
- 39 Strides Arcolab (Australia) Pty Limited
- 40 Strides Arcolab International Limited
- 41 Strides Biologix Private Limited
- 42 Strides CIS Limited
- 43 Strides Emerging Markets India Private Limited
- 44 Strides Healthcare Private Limited (formerly known as Strides Actives Private Limited)
- 45 Strides Pharma (Cyprus) Limited
- 46 Strides Pharma (SA)
- 47 Strides Pharma (UK) Limited
- 48 Strides Pharma Asia Pte. Limited (formerly known Agila Specialties Asia Pte. Limited)
- 49 Strides Pharma Botswana (Pty) Limited
- 50 Strides Pharma Cameroon Limited
- 51 Strides Pharma Global Pte Limited

- 52 Strides Pharma Inc
- 53 Strides Pharma International Limited
- 54 Strides Pharma Limited
- 55 Strides Pharma Mozambique
- 56 Strides Pharma Namibia Pty Limited
- 57 Strides Shasun (UK) Limited (formerly known as Co-Pharma Limited)
- 58 Strides Specialties (Holdings) Limited
- 59 Strides Vital Nigeria Limited
- 60 SVADS Holdings SA
- 61 Universal Corporation

4. We did not review the interim financial results of 17 subsidiaries included in the consolidated financial results, whose interim financial results reflect total assets of Rs. 302,113 Lakhs as at September 30, 2016, total revenues of Rs. 51,241 Lakhs and Rs. 98,002 Lakhs for the quarter and six months ended September 30, 2016, respectively, and total profit after tax of Rs. 2,427 Lakhs and Rs. 5,449 Lakhs and Total comprehensive income of Rs. 2,427 Lakhs and Rs. 5,449 Lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results.

These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

5. The consolidated financial results includes the interim information results of 41 subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of Rs. 51,542 Lakhs as at September 30, 2016, total revenue of Rs. 8,787 Lakhs and Rs. 9,187 Lakhs for the quarter and six months ended September 30, 2016, respectively, and total profit after tax of Rs. 5,118 Lakhs and Rs. 4,538 Lakhs and Total comprehensive income of Rs. 5,118 Lakhs and Rs. 4,538 Lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results.

The consolidated financial results also includes the Group's share of loss after tax of Rs. 10 Lakhs and Rs. 20 Lakhs and Total comprehensive loss of Rs. 10 Lakhs and Rs. 20 Lakhs for the quarter and six months ended September 30, 2016, respectively, as considered in the consolidated financial results, in respect of 1 jointly controlled entity and 1 associate, based on their interim financial information which have not been reviewed by their auditors.

6. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 4 above and except for the possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

W,

7. Emphasis of Matter

We draw attention to Note 8 to the Statement regarding the notification of claims received from Mylan under the terms of the Share Purchase Agreements (SPAs) for sale of the investments in entities in the Specialties products business in an earlier year, which the Company has disputed. As stated in the Note, the Company has provided a guarantee in favour of Mylan and certain amounts have been set aside in escrows under the terms of the SPAs. As explained in the Note, given the nature of the claims included in the notification and the information provided by Mylan so far, the Company has not been able to make a reliable estimate of obligations, if any, on these claims and has made the disclosures under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" in this regard. Our opinion on the Statement is not qualified in respect of this matter.

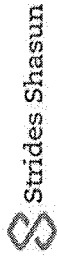
For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 008072S)



V. Srikumar
Partner

(Membership No. 84494)

BENGALURU, October 28, 2016



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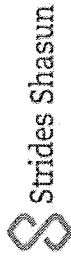
PART I

STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Sl. No.	Particulars	3 Months ended 30.09.2016		3 Months ended 30.06.2016		Corresponding 3 Months ended 30.09.2015 in the previous year (Recast as per Note 2 & 3)		Year to date figures for the current period ended 30.09.2016		Year to date figures for the previous period ended 30.9.2015 (Recast as per Note 2 & 3)	
		UNAUDITED	(1)	UNAUDITED	(2)	UNAUDITED	(3)	UNAUDITED	(4)	UNAUDITED	(5)
1	Income from operations										
	(a) Net Sales / Income from Operations	48,608		47,829		50,401		96,437		96,006	
	(b) Other Operating Income	3,052		3,574		3,648		6,626		6,700	
	Total Income from operations (net)	51,660		51,403		54,049		103,063		102,706	
2	Expenses										
	(a) Cost of material consumed	20,439		24,705		31,249		45,144		57,435	
	(b) Purchases of stock-in-trade	2,398		2,487		1,823		4,885		4,265	
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	621		(1,740)		(946)		(1,119)		(1,615)	
	(d) Employee benefit expenses	11,095		8,490		6,961		19,585		13,255	
	(e) Depreciation and amortisation expense	3,060		2,907		2,591		5,967		5,071	
	(f) Other expenses	12,156		10,613		9,975		22,749		18,859	
	Total expenses	49,769		47,462		51,653		97,231		97,270	
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	1,891		3,941		2,396		5,832		5,436	
4	Other Income	4,698		3,544		2,723		8,242		6,567	
5	Profit/ (Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	6,589		7,485		5,119		14,074		12,003	
6	Finance costs	2,919		2,879		2,086		5,798		4,173	
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	3,670		4,606		3,033		8,276		7,830	
8	Exceptional Items:										
	- Exchange Fluctuation (loss) / gain (Net)	259		(1,466)		(853)		(1,207)		(1,469)	
	- Merger and restructuring costs	(343)		(145)		(83)		(488)		(164)	
	- Write off of intangibles under development	(269)		-		-		(269)		-	
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-		-		-		-		(1,682)	
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	3,317		2,995		2,097		6,312		4,515	
10	Tax Expense / (credit) (net)	245		277		760		522		1,727	
11	Net Profit / (Loss) after tax (9-10) - A	3,072		2,718		1,337		5,790		2,788	
12	Other Comprehensive Income (OCI) (net of tax) - B	(366)		(369)		(290)		(735)		(485)	
13	Total Comprehensive Income for the period - [A+B]	2,706		2,349		1,047		5,055		2,303	
12	Paid-up Equity Share Capital (Face value of Rs.10/-each)	8,936.60		8,936.60		8,063.31		8,936.60		8,063	
13	Earnings per share (face value of Rs. 10/- each) - not annualised										
	(a) Basic EPS (Rs.)	3.44		3.04		1.66		6.48		3.49	
	(b) Diluted EPS (Rs.)	3.43		3.03		1.65		6.47		3.46	

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		Rs in Lakhs	
		As at 30.09.2016	UNAUDITED
Particulars			
A	ASSETS		
1	Non-current assets		
	(a) Property, Plant and Equipment	73,791	
	(b) Capital Work in Progress	13,724	
	(c) Investment Property	7,181	
	(d) Goodwill	7,499	
	(e) Other intangible assets	19,822	
	(f) Intangibles assets under development	5,015	
	(g) Financial assets		
	(i) Investments	123,392	
	(ii) Loans	1,119	
	(iii) Other financial assets	1,926	
	(h) Other Non-current assets	20,277	
	Total Non-current assets	273,746	
2	Current assets		
	(a) Inventories	37,113	
	(b) Financial assets		
	(i) Investments	114,467	
	(ii) Trade receivables	63,147	
	(iii) Cash and cash equivalents	8,298	
	(iv) Bank balances other than (iii) above	723	
	(v) Loans	1,108	
	(vi) Other financial assets	7,488	
	(c) Current tax assets (Net)	989	
	(d) Other current assets	23,146	
	Total Current assets	256,479	
	Total Assets	530,225	
B	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity Share capital	8,937.00	
	(b) Other equity	307,931.00	
	Total Equity	316,868	
II	Liabilities		
1	Non-current liabilities		
	(a) Financials Liabilities		
	(i) Borrowings	78,541.00	
	(ii) Other financial liabilities	1,883.00	
	(b) Provisions	1,578.00	
	(c) Deferred tax liabilities (Net)	4,038.00	
	(d) Other non-current liabilities	2,510.00	
	Total Non-current liabilities	86,550	
2	Current liabilities		
	(a) Financials Liabilities		
	(i) Borrowings	57,428	
	(ii) Trade payables	44,070	
	(iii) Other financial liabilities	18,740	
	(b) Other current liabilities	3,601	
	(c) Provisions	968	
	Total Current liabilities	124,807	
	EQUITY AND LIABILITIES	530,225	



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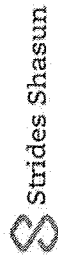
STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

Notes:

- The above statement of standalone unaudited financial results of the Company has been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on October 28, 2016. The statutory auditors of the Company have carried out the limited review of the results for the quarter and six months ended September 30, 2016.
- These financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and in terms of the Listing Regulation, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by Securities and Exchange Board of India ('SEBI') in respect of disclosure requirements for corresponding figures for the earlier periods. The results for the quarter and six months ended September 30, 2015 have been recasted to be Ind AS compliant and have not been subjected to limited review. Revenues and costs are recognised on the basis of accounting policies consistently followed by the Company. Income from Operations includes revenues from sale of products, product development services, royalties, export entitlements etc. Cost of material consumed is net of rebates, discounts, supplier reimbursements against additional purchase costs incurred, etc.
- During the previous year, pursuant to the court approved Scheme of Amalgamation, Shasun Pharmaceuticals Limited (the 'Shasun') has been amalgamated with the Company w.e.f. the appointed date of April 01, 2015 and the effective date of merger was November 19, 2015. Hence, the results for the quarter and six months ended September 30, 2015 have been recast to reflect the merger of Shasun with the Company. Ind AS 103 'Business Combination' is not applicable to the above referred merger in view of the scheme sanctioned by the Hon'ble High Courts of Judicature under section 391 to 394 of the Companies Act, 1956. The Company has followed the 'Pooling of Interest method' as per the court approved Scheme of Amalgamation for the accounting of Assets and Liabilities of erstwhile Shasun. The impact of aligning the accounting policies between the two entities on the assets and liabilities taken over on merger amounting to Rs. 1,682 lakhs has been expensed off in the results for the half year ended September 30, 2015 under exceptional items. The Company has issued 21,017,329 equity shares of Rs. 10/- each to the shareholders of erstwhile Shasun in terms of the Scheme of Amalgamation. These shares have been considered for the purpose of calculation of earnings per share.

- Reconciliation of Net Profit for the quarter and six months ended September 30, 2015 as reported earlier in accordance with previous Indian GAAP and now being reported in accordance with Ind AS, as stated in note 2 above is as follows:

Particulars	Rs. in Lakhs	
	6 Months ended 30.09.2015	3 Months ended 30.09.2015
	UNAUDITED	UNAUDITED
Net profit as reported under previous GAAP	5,734	931
Add: Net profit of erstwhile Shasun Pharmaceuticals Limited as per previous GAAP (Refer note 3 above)	1,872	1,173
Less: Merger adjustments for aligning the accounting policies difference as mentioned in note 3 above and elimination of stock margin	(2,396)	(435)
Adjusted Net profit as per Previous GAAP	5,210	1,669
Add / (Less): Adjustments for GAAP differences :		
Impact of measuring ESOP at fair value through profit or loss	(141)	(69)
Impact of measuring financial instruments at fair value through profit or loss	(3,384)	(249)
Tax impact on Ind AS adjustments	1,183	97
Other Ind AS adjustments	(78)	(111)
Net profit as per Ind AS	2,788	1,337



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STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2016

5 During the half year ended , September 30 2016, 20,000 equity shares were allotted by the Company under the Strides Aroclab ESOP 2011 Scheme on exercising equal number of options.

6 The Company had entered into a definitive agreement in February 2016, to acquire a strategic stake in Generic Partners Holdings Co. Pty Ltd. (the "Generic Partners"), an Australian pharmaceutical supply and research company. In the current quarter, Strides Pharma Global Pte Limited, a wholly owned subsidiary of the Company has completed the acquisition of controlling stake in Generic Partners group.

Based on the above, the following entities have become the subsidiaries of the company/ group:-

- a) Generic Partners holding co. pty limited
- b) Generic Partners (International) Pte limited.
- c) Generic Partners Pty Limited, Australia.
- d) Generic Partners (Canada) Inc.
- e) Generic Partners (NZ) limited.
- f) Generic Partners (M) SDN BHD., Malaysia
- g) Generic Partners (south africa) (Pty) Limited
- h) Generic Partner UK limited

7 On December 4, 2013, the Company and its wholly owned subsidiary, Strides Pharma Asia Pte Limited ("the Singapore Subsidiary"), completed the sale of investments in Agila 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"). Pursuant to the SPAs, the Strides Group established escrow arrangements to fund certain potential indemnification liabilities, including specified employee, tax and regulatory remediation costs from such consideration. These escrow arrangements include a US\$ 100 million tax escrow deposit (out of which US\$ 8.00 million has been settled in earlier year to be paid to Mylan in relation to certain claims) and a US\$ 100 million regulatory escrow deposit. Pursuant to the SPAs, the Company has also provided a corporate guarantee to Mylan for US\$ 200 million (valid up to December 4, 2020) on behalf of Singapore Subsidiary which can be used for discharging financial obligations, if any, of the Singapore Subsidiary to Mylan.

Under the terms of the SPAs, claims against the Company / the Singapore subsidiary (as the case may be) can only be made under specific provisions contained in the SPAs which include the procedures and timelines for submission of notifications of claims and actual claims and commencing arbitration proceedings. The Company received a consolidated notification of claims from Mylan under the terms of the SPAs.

These claims include third party claims, tax claims, claims against the regulatory escrows and general claims. A significant portion of these are estimates of potential claims / losses that Mylan expects to incur and involve significant uncertainties. The Company has formally responded to Mylan disputing the claims and also sought further details / clarifications on each of the items mentioned in the notifications of claims.

Given the nature of the claims involved and the extent of information made available by Mylan so far, the Company is not able to make a reliable estimate of its obligations, if any, with regard to these claims.

Considering the terms of the SPAs and the amounts in the respective escrows, the Company believes that any further outflow of resources is not probable

8 Exchange fluctuation gain/loss (net) included under Exceptional Items comprises the exchange gain / loss arising on account of restatement and settlement of long term foreign currency loans and intra-group loans.

For and on behalf of the Board

Arun Kumar

Executive Vice Chairman & Managing Director

Bengaluru, October 28, 2016

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF STRIDES SHASUN LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **STRIDES SHASUN LIMITED** ("the Company") for the quarter and six months ended September 30, 2016 and Standalone Unaudited Balance Sheet as at September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. We have not performed a review or audit, as stated in Note 2, of the figures relating to the corresponding quarter and six months ended September 30, 2015 including the reconciliation of net profit for the quarter and half year then ended between the previous GAAP and Indian Accounting Standards ("IND AS"), as reported in this statement.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

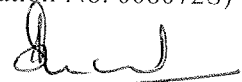
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4. Emphasis of Matter

We draw attention to Note 7 to the Statement regarding the notification of claims received from Mylan under the terms of the Share Purchase Agreements (SPAs) for sale of the investments in entities in the Specialties products business in an earlier year, which the Company has disputed. As stated in the Note, the Company has provided a guarantee in favour of Mylan and certain amounts have been set aside in escrows under the terms of the SPAs. As explained in the Note, given the nature of the claims included in the notification and the information provided by Mylan so far, the Company has not been able to make a reliable estimate of obligations, if any, on these claims and has made the disclosures under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" in this regard. Our opinion on the Statement is not qualified in respect of this matter.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants
(Firm's Registration No. 008072S)



V. Srikumar

Partner
(Membership No. 84494)

BENGALURU, October 28, 2016