

PART I
STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER & NINE MONTHS ENDED SEPTEMBER 30, 2013

Sl. No.	Particulars	Rs. in Lakhs					
		3 Months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 Months ended 30.09.2012 in the previous year	Year to date figures for the current period ended 30.09.2013	Year to date figures for the previous year ended 30.09.2012	Previous year ended 31.12.2012
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1	Income from operations	(1)	(2)	(3)	(4)	(5)	(6)
	(a) Net Sales / Income from Operations (Net of excise duty)	19,918.13	15,083.01	17,970.54	51,135.40	46,119.79	61,328.85
	(b) Other Operating Income	976.07	1,560.05	1,569.74	4,238.47	7,336.48	9,871.84
	Total Income from operations (net)	20,894.20	16,643.06	19,540.28	55,373.87	53,456.27	71,200.69
2	Expenses						
	(a) Cost of material consumed	8,358.06	6,574.53	8,548.34	22,012.87	21,966.40	28,154.17
	(b) Purchases of stock-in-trade	4,588.50	2,289.48	1,849.76	9,316.61	6,644.22	10,030.71
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(703.59)	125.36	662.48	(63.94)	456.83	667.59
	(d) Employee benefit expenses	1,961.47	1,746.58	1,604.58	5,629.82	4,793.46	7,091.94
	(e) Depreciation and amortisation expense	929.93	917.08	435.67	2,735.16	1,321.76	1,909.87
	(f) Other expenses	3,172.19	3,699.16	3,295.77	9,542.91	10,906.44	15,685.70
	Total expenses	18,306.56	15,352.19	16,396.60	49,172.93	46,089.11	63,539.98
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	2,587.64	1,290.87	3,143.68	6,200.94	7,367.16	7,660.71
4	Other Income	1,652.78	1,761.16	308.43	5,081.99	3,503.81	11,890.76
5	Profit/(Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	4,240.42	3,052.03	3,452.11	11,282.93	10,870.97	19,551.47
6	Finance costs	2,512.26	1,593.71	1,693.65	5,351.92	6,234.01	7,121.97
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	1,728.16	1,458.32	1,758.46	5,931.01	4,636.96	12,429.50
8	Exceptional Items:						
	- Exchange Fluctuation (loss) / gain (Net)	(1,186.66)	(1,242.58)	1,252.85	(2,346.48)	(6,452.35)	(6,465.39)
	- Net gain on sale of long term investments	-	-	-	-	-	3.51
	- Changes in fair value of Options embedded in FCCBs (loss) / gain	-	-	-	-	20.91	20.91
9	Profit / (Loss) from Ordinary Activities before tax (7+8)	541.50	215.74	3,011.31	3,584.53	(1,794.48)	5,988.59
10	Tax Expense / (credit)	320.00	-	-	(9.99)	-	390.00
11	Net Profit / (Loss) after tax (9-10)	221.50	215.74	3,011.31	3,594.52	(1,794.48)	5,598.59

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Particulars	3 Months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 Months ended 30.09.2012 in the previous year	Year to date figures for the current period ended 30.09.2013	Year to date figures for the previous year ended 30.09.2012	Previous year ended 31.12.2012
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
	(1)	(2)	(3)	(4)	(5)	(6)
12 Paid-up Equity Share Capital (Face value of Rs.10/-each)	5,916.14	5,905.01	5,873.87	5,916.14	5,873.87	5,880.37
13 Reserves excluding revaluation reserves						131,260.96
14 Earnings per share (face value of Rs. 10/- each) - not annualised						
(a) Basic EPS (Rs.)	0.38	0.37	5.13	6.09	(3.06)	9.55
(b) Diluted EPS (Rs.)	0.37	0.36	5.09	6.05	(5.62)	5.84

PART II

SELECT INFORMATION FOR THE QUARTER & NINE MONTHS ENDED SEPTEMBER 30, 2013

Particulars	3 Months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 Months ended 30.09.2012 in the previous year	Year to date figures for the current period ended 30.09.2013	Year to date figures for the previous year ended 30.09.2012	Previous year ended 31.12.2012
A PARTICULARS OF SHAREHOLDING						
1 Public shareholding :						
(a) Number of shares	42,977,169	42,875,919	42,477,287	42,977,169	42,477,287	42,629,519
(b) Percentage of shareholding	72.64%	72.61%	72.32%	72.64%	72.32%	72.49%
2 Promoters and Promoter group shareholding :						
(a) Pledged / Encumbered						
- Number of shares	7,280,152	7,203,786	8,200,036	7,280,152	8,200,036	7,201,786
- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	44.98%	44.54%	50.43%	44.98%	50.43%	44.53%
- Percentage of shareholding (as a % of the total share capital of the Company)	12.31%	12.20%	13.96%	12.31%	13.96%	12.25%
(b) Non Pledged / Non Encumbered						
- Number of shares	8,904,050	8,970,416	8,061,398	8,904,050	8,061,398	8,972,416
- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	55.02%	55.46%	49.57%	55.02%	49.57%	55.47%
- Percentage of shareholding (as a % of the total share capital of the Company)	15.05%	15.19%	13.72%	15.05%	13.72%	15.26%

Particulars	3 Months ended 30.09.2013
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	-
Received during the quarter	23
Disposed of during the quarter	23
Remaining unresolved at the end of the quarter	-

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**STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER & NINE MONTHS ENDED SEPTEMBER 30, 2013**

Notes:

- The above unaudited results of the Company has been reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 14th November, 2013.
- The statutory auditors have carried out limited review of the above standalone results.
- The previous period's figures have been regrouped/ reclassified wherever necessary to conform to the classification of the current period.
- Consequent to the approval of Scheme of Arrangement during the year ending December 31, 2009 by the Hon'ble High Courts of Judicature (the Scheme), the Company has utilised the Reserve for Business Restructure (BRR) as mentioned below. In 2009, as per the Scheme, investments in a subsidiary had been fair valued and the resultant surplus over the previously carried book values, amounting to Rs. 58,562 Lakhs had been credited to BRR. The maximum amount that can be written off against the BRR instead of being debited to the Statement of Profit and Loss on or at any time after January 1, 2009 would be restricted to the balance in the BRR or upto December 31, 2012 and not beyond that.

Particulars	3 Months ended 30.09.2013	Preceding 3 months ended 30.06.2013	Corresponding 3 Months ended 30.09.2012 in the previous year	Year to date figures for the current period ended 30.09.2013	Year to date figures for the previous Year ended 30.09.2012	Previous Year ended 31.12.2012
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
Utilisation of BRR:						
- Employee benefit expenses accrued / (reversed) - net	-	-	543.15	-	1,350.02	397.37
- Depreciation and Amortisation	-	-	427.44	-	1,273.04	1,699.78
- Other expenses	-	-	(5.56)	-	1,62.60	534.50
- Interest on Fixed Loans	-	-	367.65	-	1,050.61	1,886.46
- Other Income	-	-	(500.00)	-	(500.00)	-
Impact if the Company followed the Accounting Standards instead of the accounting treatment provided in the Scheme :-						
Net Profit for the period would have decreased by :	-	-	832.68	-	3,336.27	4,518.11
Earnings / (Loss) per share (EPS) (Face value of Rs.10/-each) would have been :						
- Basic (not annualised)	Rs. 0.38	Rs. 5.36	Rs. 3.71	Rs. 6.09	Rs. (8.76)	Rs. 1.84
- Diluted (not annualised)	0.37	5.32	3.68	6.05	(10.67)	(1.37)

5 During the quarter, 111,250 equity shares were allotted by the Company (101,250 shares under Strides Arcolab ESOP 2008 Scheme and 10,000 shares under Strides Arcolab ESOP 2008 (Director) Scheme) on exercising equal number of options. No options were granted in the current period.

6 As part of the ongoing restructuring in the group, the following changes have been made:

- Strides Inc. USA has been renamed as Agila Specialties Inc., USA
- Strides Specialties (Holdings) Cyprus Limited, Cyprus has been renamed as Agila Specialties (Holdings) Cyprus Limited, Cyprus
- Agila Specialties Limited, Cyprus has been renamed as Strides Pharmaceuticals (Holdings) Ltd., Cyprus
- Agila Biotech (Malaysia) SDN. BHD has been renamed as Stelis Biopharma (Malaysia) SDN. BHD
- Agila Biotech Private Limited has been renamed as Stelis Biopharma Private Limited
- Akon Strides LLC has been transferred from Strides Inc. USA to Strides Pharma Inc USA

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7 Exchange fluctuation gain/loss (net) included under Exceptional Items comprises the exchange gains/losses arising out of the restatement/settlement of borrowings in foreign currency, intra group loans given and certain foreign currency denominated monetary items.

8 The Company's operations fall within a single business segment viz. "Pharmaceutical Products" and as such there is no reportable segment information as per Accounting Standard 17 issued under the relevant provisions of the Companies Act, 1956.

9 During the quarter ended March 2013 (February 27, 2013), the Company and its subsidiary, Agila Specialties Asia Pte Limited, (Agila Asia), have entered into definitive agreements for the sale of entities into Specialty products (a part of the Pharmaceutical business that the Group is into) by way of share sales to Mylan Inc. (the purchaser) Pursuant to this agreement, the purchaser will acquire:

- the entire share capital of Agila Specialties Private Limited, from the Company, and
- the entire share capital of Agila Specialties Global Pte Limited, from Agila Asia.

In terms of the agreements, the consideration is subject to certain retentions, post completion adjustments and deposit of escrow amounts as set out in the agreements. The completion of the sale is subject to various regulatory and corporate approvals as may be required and fulfillment of other terms and conditions agreed between the parties and set out in the agreements. Upon satisfaction of the terms and conditions and receipt of all regulatory and corporate approvals, the Company and its subsidiary will tender the shares to the buyer. Pending completion of all the formalities, no effect has been given to above sale of shares to the purchaser in this result.

Bangalore, 14th November, 2013

For and on behalf of the Board

Arun Kumar
Executive Vice Chairman & Managing Director

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Press Release

Strides Arcolab announces Q3'13 Results

Bangalore, November 14, 2013 Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ended September 30, 2013.

Highlights

Source: Management Accounts

Global Pharma

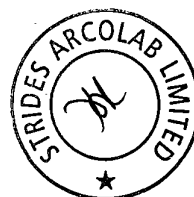
- Consolidated Pharma Revenues for YTD Sep'13 at Rs.709 Crores with an EBITDA of Rs.141 Crores, impacted by an Exchange Loss of Rs.21 Crores (EBITDA Margin of 20%)
- Adjusted for Exchange Loss, YTD Sep'13 EBITDA at Rs.162 Crores, EBITDA Margin of 23%
- Pharma business Revenues at 71% of Guidance and EBITDA adjusted for Exchange Loss at 81% of Guidance
- The company reaffirms the guidance for the year on Revenues of Rs.1000 Crores with an EBITDA of Rs.200 Crores
- Q3'13 Consolidated Pharma Revenues at Rs.246 Crores with an EBITDA of Rs.39 Crores, impacted by an Exchange Loss of Rs.7 Crores
- Adjusted for Exchange Loss, Q3'13 EBITDA at Rs.46 Crs, EBITDA Margin of 19%
- Q3'13 Consolidated Pharma EBITDA grew by 82% (Rs.39 Crores in Q3 2013 against Rs.22 Crores in Q3 2012)

Biotech

- Biotech business rebranded as Stelis Biopharma
- Stelis Biopharma signed a Research Collaboration Agreement with Bio-Scaffold International Pte Ltd to develop scaffolds loaded with BMP and stem cells for various medical applications
- Product development progressing as per schedule for commercialization in early 2015

Pharma Regulatory Update

- 46 filings as on date with USFDA with 18 pending approvals
- Received US FDA approval for Italian semi solids and Ointment facility (Beltapharm)
- Received ANDA approval from USFDA for Tenofovir Disoproxil Fumarate and Emtricitabine Tablets



"Inspite of a subdued quarter and delay in product approvals for the US Market, the company is confident of meeting its guidance for the year" said Arun Kumar, Vice Chairman and Group CEO, Strides Arcolab Limited.

Standalone Financials

	(Rupees in Crores)		
	YTD Sep '13	YTD Sep '12	Growth %
Revenues	601	545	10%
EBITDA	136	97	40%
PBT	36	(18)	100+%
PAT	36	(18)	100+%
EPS	Rs.6.09	(Rs.3.06)	100+%

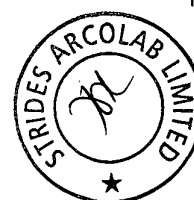
	(Rupees in Crores)		
	Q3 '13	Q3 '12	Growth %
Revenues	225	198	13%
EBITDA	51	39	32%
PBT	5	30	-82%
PAT	2	30	-93%
EPS	Rs.0.38	Rs.5.13	-93%

Source: unaudited standalone financials

Note: Management has opted to report standalone financials, which captures the Pharma business. Management opted out of reporting consolidated financials as the Agila business is in transition consequent to the sale of Agila business to Mylan Inc., as announced in February 2013.

Agila Update

- The company had received a warning letter from USFDA for its injectable facility in Bangalore (Sterile formulation facility). The Company took various voluntary remedial actions to address the concerns raised by the USFDA and has responded suitably within the stipulated timelines.
- The transaction with Mylan announced in February 2013 is expected to close in Q4 '13.



About Strides Arcolab

Strides Arcolab, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical company headquartered in Bangalore, India, that develops and manufactures a wide range of IP-led niche pharmaceutical products with an emphasis on sterile injectables.

The company has 14 manufacturing facilities across 6 countries with presence in more than 75 countries in developed and emerging markets. Manufacturing is ably supported by a 350-scientist strong global R&D Centre located in Bangalore.

Additional information is available at the Company's website at www.stridesarco.com.

For further information, please contact:

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**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
STRIDES ARCOLAB LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **STRIDES ARCOLAB LIMITED** (the "Company") for the quarter and nine months ended September 30, 2013 (the 'Statement'), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II – Select Information referred to in paragraph 6 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. 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. The Company has early adopted Accounting Standard (AS) 30 'Financial Instruments: Recognition and Measurement', AS 31 'Financial Instruments: Presentation' and AS 32 'Financial Instruments: Disclosure', to the extent such standards do not conflict with the standards notified under section 211(3C) of the Companies Act.
4. As explained in Note 4 of the Statement, in accordance with the terms of a Scheme of arrangement that has been approved by the Hon'ble High court of Judicature during the year ended December 31, 2009, an investment in a subsidiary has been fair valued in prior years and is carried at a value that is higher by Rs. 58,562 lakhs compared to the historical cost of the investment. This is contrary to the requirements of Accounting Standard 13 'Accounting for investments, which requires such investments to be carried at historical cost less any diminution, other than temporary.
5. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement:
 - is not prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and other recognised accounting practices and policies, other than our comments in paragraph 4 above; and
 - has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding and the number of shares as well as the percentage of shares pledged/encumbered and non-encumbered in respect of the aggregate amount of promoters and promoter group shareholding in terms of Clause 35 of the Listing Agreements and the particulars relating to investor complaints disclosed in Part II - Select Information for the quarter and nine months ended September 30, 2013 of the Statement, from the details furnished by the Management.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Registration No. 008072S)



V. Srikumar
Partner

(Membership No. 84494)

Bangalore, November 14, 2013
VS/SPK/HMK