

February 3, 2017

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 December 31, 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 December 31, 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.

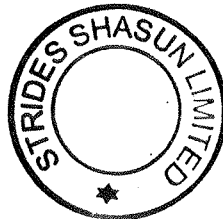
The board meeting commenced at 1130 hrs and concluded at 0200 hrs.

This is for your information and records.

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



BADREE KOMANDUR
GROUP CFO & CS



Press Release

Strides Shasun announces Q3 FY17 results
Q3 FY17 Pharma Revenues* at INR 9,271 Mn, Growth of 21 % YoY,
Pharma EBITDA at INR 2,038 Mn, Growth of 38 % YoY
Pharma EBITDA Margin at 22%, Expansion of 270 bps YoY

Bengaluru, February 3, 2017: Strides Shasun Limited (BSE: 532531, NSE: STAR) today announced its Q3 FY17 results

Consolidated Financial & Performance Highlights (Pharma & Biotech)

INR Mn

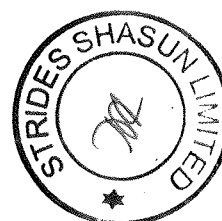
Particulars	Q3 FY16	Q3 FY17	YoY	9M FY16	9M FY17	YoY
Revenues*	7,649	9,271	21%	19,337	25,874	34%
EBITDA	1,423	2,059	45%	3,392	5,051	49%
EBITDA %	19%	22%	360 bps	18%	20%	200 bps
Adj PAT**		746				
Adj EPS**		8.35				

** Excluding Merger & restructuring costs of INR 65 Mn, Fair valuation of derivative Instruments INR 29 Mn, write off of assets INR 66 Mn and Biotech loss INR 101 Mn

- The results have been prepared as per Indian Accounting Standards (Ind-AS)
- Total revenues* for Q3 FY 17 at INR 9,271 Mn against INR 7,649 Mn in Q3 FY16 , up 21 % YoY
- Significant ramp up in R&D spend for the quarter at INR 463 Mn against INR 216 Mn in Q3 FY 16, up 113% YoY and against INR 348 Mn, up 33 % QoQ
- EBITDA at INR 2,059 Mn up 45 % YoY, EBITDA margins at 22 % up 360 bps YoY
- Net Interest cost for the quarter at INR 388 Mn
- Depreciation and amortization for the quarter at INR 494 Mn
- Adjusted PAT for Q3 FY 17 at INR 746 Mn, Adjusted EPS at INR 8.35

Shashank Sinha, Group CEO, stated “Q3 was a solid quarter of revenue growth and margin expansion backed by gains in market share of key products. Growth was led by the formulations business as API operations normalised. Growth particularly in the regulated markets was strong despite delay in new product approvals. We continue to increase our investment in developing a robust new product pipeline”

*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 – Q3 FY17

Global Pharma Business

INR Mn

Particulars	Q3 FY16	Q3 FY17	YoY	9M FY16	9M FY17	YoY
Revenues	7,649	9,271	21%	19,337	25,874	34%
EBITDA	1,478	2,038	38%	3,542	5,063	43%
EBITDA %	19%	22%	270bps	18%	20%	125bps
Adj Pharma EPS*		9.48				

* Excluding Merger & restructuring costs of INR 65 Mn, Fair valuation of derivative Instruments INR 29 Mn, write off of assets INR 66 Mn and Biotech loss INR 101 Mn

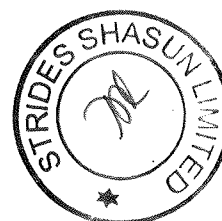
Revenue Composition by Business - Global Pharma

INR Mn

Particulars	Q3 FY16	Q3 FY17	YoY	9M FY16	9M FY17	YoY
Regulated Markets	3,150	4,475	42%	7,072	12,555	77%
Emerging Markets	1,194	1,697	42%	3,259	4,910	51%
Institutional Business	1,703	1,571	(8%)	3,880	4,678	21%
Total Formulations	6,047	7,744	28%	14,211	22,143	56%
API	1,602	1,527	(5%)	5,126	3,731	(27%)
Total Revenues	7,649	9,271	21%	19,337	25,874	33%

Regulated Markets Business

- Revenues at INR 4,475 Mn in Q3 FY17, representing 48 % of total revenues
- Revenues grew 42% to INR 4,475 Mn against INR 3,150 Mn in Q3 FY16
- North America front end delivers best ever quarterly performance driven by continued market share improvement and a healthy sales traction for base portfolio. Ranitidine, the first integrated product approval from Strides Shasun stable was commercialised during the quarter garnering important market share.
- The company has recently received an FTF approval for Fingolimod Capsules. The product can be launched on generic market formation expected in February 2019, with a potential 180 day exclusivity. According to IMS data, the US market for Fingolimod Capsules is approximately USD 2 Bn and the product has registered a healthy CAGR of 10 % over last 5 years (IMS December 2016 MAT data). The company has now cumulatively received 6 new product approvals in FY 17 including tentative approval for Efavirenz Tablet, two FTF approval of Roflumilast tablets and Fingolimod Capsules and other approvals including Metronidazole Tablet, Ranitidine tablet and Polyethylene Glycol 3350, Powder for Solution (OTC). Due to changes in USFDA guidelines in December 2016, the approval for Gx Lovaza earlier expected in Q3 FY 17, has now been pushed out by 6-9 months.
- Australia business delivered a steady quarterly performance despite PBS impacts. Launched 4 new products during the quarter. Improving pharmacy reach, new product launches in Rx and OTC, better compliance and building supply chain efficiencies continue to be the key priorities in the near term.



- As articulated previously the company is moving away from its legacy B2B businesses and has not entered into new partnerships in future. The company expects to phase out its existing partnership businesses over the next few years.

Emerging Markets Business

- Revenues at INR 1,697 Mn in Q3 FY17, representing 18 % of total revenues
- Revenues grew by 42 % to INR 1,697 Mn against INR 1,194 Mn in Q3 FY16
- In Africa, post the inventory correction exercise the branded generics business registered a strong comeback. However, the generics business in Africa continues to witness macro heads winds including a volatile currency environment. Universal Corporation in East Africa continues to deliver a healthy performance. The WHO approved facility of Universal Corporation to be upgraded to global standards with a special focus on automation to improve efficiency and compliance.
- In the India brands business, primary sales to wholesalers and distributors was impacted by overall slowdown in the Indian Pharmaceutical Market including partial impact of demonetization that led to destocking in the channel. Continue to focus on improving the sales force efficiency targeted towards enhancing the per capita productivity

Institutional Business

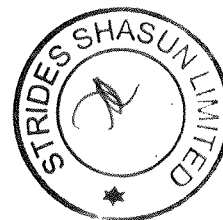
- Revenues at INR 1,571 Mn in Q3 FY17, representing 17 % of total revenues
- Revenues at INR 1,571 Mn against INR 1,703 Mn in Q3 FY16
- Institutional business delivered another steady quarterly performance driven by healthy contributions across its business lines. Superior product mix helped business deliver healthy margins during the quarter
- Institutional business has a low visibility for Q4 FY 17 as the beneficiary countries are still in the process of finalizing the grants utilization with the donor funding agencies.
- Focussed on developing next generation products for the institutional portfolio to capture upsides from evolving treatment regimens
- Tech transfer of existing institutional products to WHO approved facility of Universal corporation and backward integration into API expected to provide better visibility with donor agencies

Active Pharmaceutical Ingredients (API)

- Revenues at INR 1,527 Mn in Q3 FY17, representing 16 % of total revenues
- Revenues declined 5% to INR 1,527 Mn against INR 1,602 Mn in Q2 FY16
- The API business returns to normal during Q3 FY 17, delivers a healthy quarterly performance
- Strategy to govern price behaviours through volume discipline and rationalization of product mix helps deliver superior margin performance for the API division

Pharma R&D – Investing in the future product pipeline

- Significant ramp up in the R&D spend during the quarter. R&D spend for the quarter at INR 463 Mn against INR 216 Mn in Q3 FY 16, up 113 % YoY and against INR 348 Mn, up 33% QoQ



- Based on current product development and filing schedule, company is confident of a significant scale up in filings starting Q4 FY 17 and expects the momentum to continue in FY 18
- On track to meet the H2 FY 2017 guidance of filing 10-12 ANDA's, 1 ANDA filed during Q3 FY 17.
- 25 ANDA filings pending approval from USFDA

Biotech

- Post successful completion of the quality analytical comparison data with innovator, the first lead asset demonstrated robustness in process development at a significantly higher scale
- Completed batches for biocompatibility testing for the second lead asset
- Pilot scale-up facility in R&D on track for completion by end March 2017
- Civil construction on track for the bio-pharmaceutical facility at Doddaballapur, Bangalore. Construction of manufacturing and utility areas completed, fit out and installation work in progress.

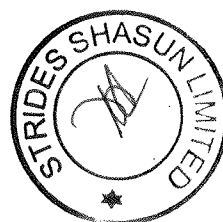
Corporate Updates

Brand acquisition of PediaCare from Moberg Pharma

- In November 2016 the company through its wholly owned subsidiary Strides Arcolab International Limited, UK acquired the 'PediaCare' brand from Moberg Pharma, Sweden for a total consideration of US\$ 5 Mn
- PediaCare is an established paediatric cough, cold and allergy brand with annual sales of approximately US\$ 6 Million. PediaCare will form an important part of Strides expanding consumer health care portfolio and brings with it expertise in the paediatric segment as well as a strong brand name with global potential
- The transaction achieved its closure towards the end of December 2016

Acquisition of Perrigo's US FDA approved API facility in India

- In December 2016, company announced the signing of definitive agreements to acquire the entire shareholding in Perrigo API India Private Limited (Perrigo API India) for INR 1,000 Million
- Perrigo API India's facility brings into the fold a US FDA approved API facility located at Ambarnath, Maharashtra. The facility will be used for captive consumption and will augment the Company's resources to handle high velocity of new product development and commercial launches in the formulations portfolio.
- The facility with a potential capacity of 600 tons per year, had zero 483 observations during its last US FDA inspection. The company intends to transfer all the integrated DMFs filed for captive consumption to the acquired facility
- The transaction is subject to customary closing conditions and expected to be close in Q4 FY 17.



Annexure:

EBITDA Computation:

	Q3 FY17
SEBI Results	Column 1
Profit from ordinary activities before finance cost & Exceptional Items as per SEBI reporting	1,746
Less: Interest, Dividend income, Gain on sale of securities	181
Add : Depreciation and Amortization	494
Consolidated EBITDA as per press release	2,059
Add: Biotech	21
Global Pharma EBITDA as per press release	2,038

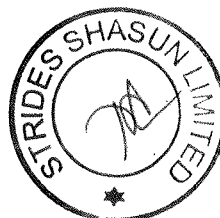
About Strides Shasun

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:

Strides Badree Komandur, CFO +91 80 6784 0747 <u>Investors:</u> Kannan. N: +91 98450 54745 Vikesh Kumar: +91 80 6784 0827 Sandeep Baid : +91 80 6784 0791	PR Consultancy Fortuna PR K Srinivas Reddy: +91 9000527213 srinivas@fortunapr.in K Priya: +91 9535425418 priya@fortunapr.in
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Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 703. Corp. Office: "Strides House", Bilekhalili, Bannerghatta Road, Bangalore-560 076.						
Strides Shasun						
PART I						
STATEMENT OF STANDALONE UNAUDITED RESULTS						
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016						
Rs. In Lakhs						
Sl. No.	Particulars	3 Months ended 31.12.2016	3 Months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous year (Recast as per Note 2 & 3)	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (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	55,811	48,608	47,374	152,248	143,380
	(b) Other Operating Income	2,233	3,052	3,266	8,859	9,966
	Total Income from operations (net)	58,044	51,660	50,640	161,107	153,346
2	Expenses					
	(a) Cost of material consumed	25,715	20,439	26,449	70,859	83,884
	(b) Purchases of stock-in-trade	3,593	2,398	901	8,478	5,166
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,179)	621	641	(2,298)	(974)
	(d) Employee benefit expenses	10,360	11,095	6,941	29,945	20,196
	(e) Depreciation and amortisation expense	3,328	3,060	2,490	9,295	7,561
	(f) Other expenses	11,808	12,156	9,231	34,577	28,090
	Total expenses	53,625	49,769	46,653	150,856	143,923
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	4,419	1,891	3,987	10,251	9,423
4	Other Income	3,644	4,698	3,172	11,886	9,739
5	Profit/ (Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	8,063	6,589	7,159	22,137	19,162
6	Finance costs	2,778	2,919	2,667	8,576	6,840
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	5,285	3,670	4,492	13,561	12,322
8	Exceptional Items:					
	- Exchange Fluctuation (loss) / gain (Net)	(1,281)	259	(209)	(2,488)	(1,678)
	- Merger and restructuring costs	(104)	(343)	(147)	(592)	(311)
	- Write off / provision for assets	(6,032)	(269)	-	(6,301)	-
	- Net (loss) / gain on sale of long term Investments	124	-	1,262	124	1,262
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	-	-	-	(1,682)
9	Profit / (Loss) from Ordinary Activities before tax (7+ 8)	(2,008)	3,317	5,398	4,304	9,913
10	Tax Expense / (credit) (net)	444	245	487	966	2,214
11	Net Profit / (Loss) after tax (9-10) - A	(2,452)	3,072	4,911	3,338	7,699
12	Other Comprehensive Income (OCI) (net of tax) - B	(491)	(366)	257	(1,226)	(229)
13	Total Comprehensive Income for the period - [A+B]	(2,943)	2,706	5,168	2,112.00	7,470
12	Paid-up Equity Share Capital (Face value of Rs.10/-each)	8,936.87	8,936.40	8,927	8,936.87	8,927
13	Earnings per share (face value of Rs. 10/- each) - not annualised					
	(a) Basic EPS (Rs.)	(2.74)	3.44	4.32	3.74	7.85
	(b) Diluted EPS (Rs.)	(2.74)	3.43	4.31	3.73	7.79





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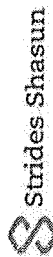
STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

Notes:

- 1 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 February 3, 2017. The statutory auditors of the Company have carried out the limited review of the results.
- 2 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 nine months ended December 31, 2015 have been recasted to be Ind AS compliant. 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.
- 3 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 nine months ended December 31, 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 nine months ended December 31, 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
- 4 Reconciliation of Net Profit for the quarter and nine months ended December 31, 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	
	9 Months ended 31.12.2015	3 Months ended 31.12.2015
	UNAUDITED	UNAUDITED
Net profit as reported under previous GAAP	10,143	4,933
Add / (Less): Adjustments for GAAP differences :		
Impact of measuring ESOP at fair value through profit or loss	(241)	(100)
Impact of measuring financial instruments at fair value through profit or loss	(3,342)	44
Tax impact on Ind AS adjustments	1,167	(16)
Other Ind AS adjustments	(28)	51
Net profit as per Ind AS	7,699	4,912





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STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

- 5 During the nine months ended December 31, 2016, 20,000 equity shares and 2,717 equity shares were allotted by the Company under the Strides Arcolab ESOP 2011 Scheme and Strides Arcolab ESOP 2015 Scheme, respectively, on exercising equal number of options.
- 6 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 "General Claims 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 had received a consolidated notification of claims from Mylan under the terms of the SPAs.
- These claims were related to third party claims, tax claims, claims against the regulatory escrows and general claims. During the quarter ended December 31, 2016, a significant portion of these claims have been settled and the Company has received approximately USD 28 Million as full and final settlement of claims against Regulatory Escrow deposit. Further, the Company and Mylan have agreed on full and final settlement of warranty and indemnity claims forming part of 'General Claims Escrow'.
- 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.
- 7 The Company has entered into definitive agreement with Perrigo Group for acquisition of Perrigo API India Private Limited. As at December 31, 2016, pending completion of certain conditions precedent and other customary closing condition, this acquisition has not been completed.
- 8 During the quarter, names of the following entities were changed:
- a) Strides pharma (UK) Limited was renamed as Strides Pharma Global (UK) limited w.e.f 28.Nov 2016
 - b) Strides shasun (UK) Limited was renamed as Strides Pharma UK limited w.e.f 28.Nov 2016
- 9 As part of ongoing restructuring in the group, the following changes have been made during the period within the Strides group:
- a) Investments held in Aponia Laboratories Inc was transferred from Strides Shasun Limited to Strides Arcolab International Limited, UK
- 10 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.

Bengaluru, February 3, 2017

For and on behalf of the Board

Arun Kumar

Executive Vice Chairman & Managing Director



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

TO THE BOARD OF DIRECTORS OF STRIDES SHASUN LIMITED

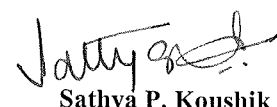
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **STRIDES SHASUN LIMITED** ("the Company"), for the quarter and nine months ended December 31, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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.
4. Emphasis of Matter

We draw attention to Note 6 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 had disputed. During the current quarter, some of the claims notified by Mylan has been settled. As further 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 pending claims against the Company and considering the amount held in escrow account, the Company believes that any further outflow of resources is not probable and has made the disclosures under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" in this regard. Our report is not qualified in respect of this matter.

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



Sathya P. Koushik
Partner
(Membership No. 206920)

BENGALURU, February 3, 2017

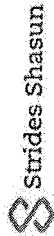


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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

Sl. No.	Particulars	Rs. in Lakhs				
		3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (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)	87,629	92,217	83,365	264,308	209,441
	(b) Other Operating Income	5,764	3,130	3,389	11,989	10,123
	Total Income from operations	93,393	95,347	86,754	276,297	219,564
2	Expenses					
	(a) Cost of material consumed	27,083	28,375	36,105	82,259	98,367
	(b) Purchases of stock-in-trade	19,918	16,511	7,390	52,715	13,721
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(6,791)	(4,871)	(770)	(14,739)	(4,512)
	(d) Employee benefits expense	15,482	19,062	13,182	51,049	36,072
	(e) Depreciation and amortisation expense	4,938	4,675	4,023	14,451	10,753
	(f) Other expenses	17,923	20,815	15,614	56,468	43,373
	Total expenses	78,553	84,547	75,544	242,203	197,774
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	14,840	10,780	11,210	34,094	21,790
4	Other Income	2,619	4,232	938	10,060	6,152
5	Profit/(Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	17,459	15,012	12,148	44,154	27,942
6	Finance costs	5,698	6,172	5,394	17,912	11,532
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	11,761	8,840	6,754	26,242	16,410
8	Exceptional Items:					
	- Exchange Fluctuation (loss) / gain (Net) (Refer note 13)	(1,697)	944	(572)	(2,076)	(2,149)
	- Merger and restructuring costs	(648)	(537)	(571)	(1,644)	(1,338)
	- Net gain on discontinued businesses and products (Refer note 8 & 10)	11,310	1,139	1,262	12,449	1,262
	- Recovery of loans & advances written off in earlier years	-	-	-	487	131
	- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	-	-	-	(1,682)
	- Fair valuation of derivative instruments	(286)	(309)	(81)	(762)	(170)
9	Profit / (Loss) from Ordinary Activities before tax (7+ 8)	20,440	10,077	6,792	34,696	12,464
10	Tax expense	810	1,524	953	3,256	2,955
11	Net Profit / (Loss) after tax (9-10)	19,630	8,553	5,839	31,440	9,509
12	Share of profit / (loss) from associates and Joint ventures	(13)	(10)	(14)	(33)	(453)
13	Net Profit after taxes and share of loss of associates and joint ventures but before minority interest (11+12)	19,617	8,543	5,825	31,407	9,056
14	Share of profit / (loss) attributable to Minority interest (net)	885	1,134	(65)	2,662	(238)
15	Net Profit / (Loss) after taxes and minority interest and share of loss of associates and joint ventures (13-14) [A]	18,732	7,409	5,890	28,745	9,294
16	Other Comprehensive Income (OCI) (net of tax) [B]	(6,842)	730	2,604	(9,769)	(1,023)
17	Total Comprehensive Income for the period [A+B]	11,890	8,139	8,494	18,976	8,271
18	Paid-up Equity Share Capital (Face value of Rs.10/-each)	8,936.87	8,936.60	8,927.10	8,936.87	8,927.10
19	Earnings per share (face value of Rs. 10/- each) - not annualised					
	(a) Basic EPS (Rs.)	20.96	8.29	5.52	32.17	9.83
	(b) Diluted EPS (Rs.)	20.93	8.28	5.51	32.11	9.76
	See accompanying notes to the Financial Results					





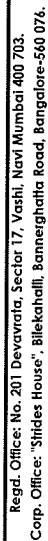
Regd. Office: No. 201 Devavalla, Sector 17, Vashi, Navi Mumbai 400 703.
Corp. Office: 'Shides House', Bilekahalli, Bannerghatta Road, Bangalore-560 076.
STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

Notes:

- 1 The above statement of consolidated unaudited financial results of the Company has been reviewed by the Board of Directors at their meeting held on February 03, 2017. The statutory auditors of the Company have carried out the limited review of the results.
- 2 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 December 31, 2015 have been recasted to be Ind AS compliant. 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.
- 3 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 nine months period ended December 31, 2015 have been recast to reflect the merger of Shasun with the Company. Ind AS '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. 1,482 lakhs has been expensed off in the results for the quarter and nine months period ended December 31, 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.
- 4 Reconciliation of Net Profit for the quarter and nine months period ended December 31, 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 31.12.2015	Year to date figures for the period ended 31.12.2015
	UNAUDITED	UNAUDITED
Net profit as reported under previous GAAP	5,881	11,270
Add / (Less): Adjustments for GAAP Differences		
Impact of measuring ESOP at fair value	(99)	(241)
Impact of measuring financial instruments at fair value through profit or loss	47	(3,372)
Unwinding effect of discounted long-term liabilities	(81)	(170)
Impact of amortisation of intangible assets over the revised useful life	109	288
Tax impact on Ind AS adjustments	108	2,040
Other Ind AS adjustments	(75)	(521)
Net profit for the quarter as per Ind AS	5,890	9,294





STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

5 During the nine months ended December 31, 2016, 20,000 equity shares and 2,717 equity shares were allotted by the Company under the Slides Aroclab ESOP 2011 Scheme and Slides Aroclab ESOP 2015 Scheme, respectively, on exercising equal number of options.

6 During the current quarter, names of the following entities were changed:

- Strides Pharma (UK) Limited, UK has been renamed to Strides Pharma Global (UK) Limited, UK w.e.f November 28, 2016.

- Strides Shasun (UK) Limited, UK has been renamed to Strides Pharma (UK) Limited, UK w.e.f November 28, 2016

7 As part of ongoing restructuring in the group, the following changes have been made during the period within the Strides group:

- Investment held in Aponia Laboratories Inc, USA has been transferred from Strides Shasun Limited, India to Strides Arcolab International Limited, UK.

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 Shaan Pharma Solutions Limited (SPSL), UK, a wholly owned step-down subsidiary of the Company to set up by the management team of SPSL and members of the promoter group of the Company. SPSL is in the business of Contract Research and Manufacturing. During the quarter ended September 30, 2016, on achieving condition precedents and closing conditions, the Company completed the divestment of its investments in SPSL and a sum of Rs. 1,408 Lakhs had 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	3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	3 Months ended 31.12.2015	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015
		UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1	Income from operations	-	7,883	8,928	15,841	23,933
2	Total expenses	-	7,347	7,575	15,164	22,085
3	Profit from discontinued operations before other income, finance cost & exceptional items (1-2)	-	536	1,353	677	1,848
4	Other income	-	17	62	47	96
5	Profit from discontinued operations before finance cost & exceptional items (3+4)	-	553	1,415	724	1,944
6	Finance cost	-	225	583	428	807
7	Profit / (Loss) from discontinued operations before exceptional items (5-6)	-	328	832	296	1,137
8	Exceptional items	-	-	-	-	-
9	Profit / (Loss) from discontinued operations before tax (7+8)	-	328	832	296	1,137
10	Tax expense	-	119	54	145	96
11	Profit / (Loss) from discontinued operations for the period (9-10)	-	209	778	151	1,041





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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS

FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

- 9 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 'General Claims 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 had received a consolidated notification of claims from Mylan under the terms of the SPAs.
- These claims were related to third party claims, tax claims, claims against the regulatory escrows and general claims. During the quarter ended December 31, 2016, a significant portion of these claims have been settled and the Company has received approximately USD 28 Million as full and final settlement of claims against Regulatory Escrow deposit. Further, the Company and Mylan have agreed on full and final settlement of warranty and indemnity claims forming part of 'General Claims Escrow'
- Considering the terms of the SPAs, the nature of the pending claims and the balance available in the General Claims Escrow deposit, the Company believes that any further outflow of resources is not probable.
- 10 Net gain on discontinued businesses and products for the quarter and nine months period ended December 31, 2016 includes net gain recognised consequent to the settlement stated in Note 9 above and is net off (a) asset impairments and (b) provision / write-down of amounts relating to discontinued products aggregating to Rs. 10,413 Lakhs.
- 11 The Company has entered into definitive agreement with Perrigo Group for acquisition of Perrigo API India Private Limited. As at December 31, 2016, pending completion of certain conditions precedent and other customary closing condition, this acquisition has not been completed.
- 12 During the current quarter, Strides Arcolab International, UK, a wholly owned subsidiary of the Company has entered into an agreement with Moberg Pharma, Sweden to acquire the 'PediaCare' brand. The transaction achieved closure on 19th December 2016.
- 13 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.

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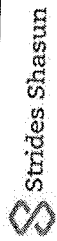
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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

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

Particulars	3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (Recast as per Note 2 and 3)
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED
1 Segment Revenue					
a) Pharmaceutical business	93,393	95,347	86,754	276,297	219,564
b) Biotech business	-	-	-	-	-
Revenue from operations	93,393	95,347	86,754	276,297	219,564
2 Segment results Profit/(Loss) allocable					
a) Pharmaceutical business	17,088	12,220	12,182	39,230	27,064
b) Biotech business	(1,442)	(71)	(732)	(1,738)	(1,664)
Total	15,646	12,149	11,450	37,492	25,400
Add / (Less): Unallocable Income/(expenses):					
Other Income	1,813	2,863	698	6,821	2,673
Finance cost	(5,698)	(6,172)	(5,394)	(17,912)	(11,532)
Items considered under exceptional items:					
- Exchange (loss) / gain on long-term foreign currency loans, intra-group loans	(1,697)	944	(572)	(2,076)	(2,149)
- Merger and restructuring costs	(648)	(537)	(571)	(1,644)	(1,338)
- Net gain / (loss) on discontinued businesses (Refer note 8 & 10)	11,310	1,139	1,262	12,449	1,262
- Recovery of loans & advances written off in earlier years	-	-	-	348	-
- Impact of aligning accounting policies on merger of Shasun (Refer note 3)	-	-	-	-	(1,682)
- Fair valuation of derivative instruments	(286)	(309)	(81)	(762)	(170)
Profit before tax from continuing and discontinued operations	20,440	10,077	6,792	34,696	12,464
Tax expense	810	1,524	953	3,256	2,955
Profit before allocation to minority interest	19,630	8,553	5,839	31,440	9,509
Share of profit / (loss) from associates and Joint ventures	(13)	(10)	(14)	(33)	(453)
Net Profit after taxes and share of loss of associates and joint ventures but before minority interest	19,617	8,543	5,825	31,407	9,056
Share of profit / (loss) attributable to Minority interest (net)	885	1,134	(65)	2,662	(238)
Profit for the period	18,732	7,409	5,890	28,745	9,294
3 Segment Assets					
a) Pharmaceutical business			635,118	601,147	551,357
b) Biotech business			31,596	26,878	18,842
c) Unallocable			163,762	150,210	146,057
Total Segment Assets			830,466	778,235	716,256
4 Segment Liabilities					
a) Pharmaceutical business			115,583	86,169	80,163
b) Biotech business			117	4,027	713
c) Unallocable			440,823	425,918	358,379
Total Segment Liabilities			556,523	516,114	439,255





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STATEMENT OF CONSOLIDATED UNAUDITED RESULTS
FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016

15 Information on Standalone Results : -

Particulars	Rs. In Lakhs				
	3 Months ended 31.12.2016	Preceding 3 months ended 30.09.2016	Corresponding 3 Months ended 31.12.2015 in the previous period (Recast as per Note 2 and 3)	Year to date figures for the current period ended 31.12.2016	Year to date figures for the previous period ended 31.12.2015 (Recast as per Note 2 and 3)
Total Income from operations Profit before Tax Profit after Tax	UNAUDITED 58,044 (2,008) (2,452)	UNAUDITED 51,660 3,317 3,072	UNAUDITED 50,640 5,398 4,911	UNAUDITED 161,107 4,304 3,338	UNAUDITED 153,346 9,913 7,699

For and on behalf of the Board

Bengaluru, February 03, 2017

Atun Kumar
Executive Vice Chairman & Managing Director



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED 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 loss of its joint ventures and associate for the quarter and nine months ended December 31, 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.

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)
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 Generic 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 Global (UK) Limited (formerly known as 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 Pharma UK Limited (formerly known as Strides Shasun (UK) 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 18 subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 60,991 Lakhs and Rs. 176,598 Lakhs for the quarter and nine months ended December 31, 2016, respectively, and total profit after tax of Rs. 6,661 Lakhs and Rs. 8,119 Lakhs and total comprehensive income of Rs. 6,661 Lakhs and Rs. 8,119 Lakhs for the quarter and nine months ended December 31, 2016, respectively, as considered in the consolidated unaudited 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 unaudited financial results includes the interim financial information of 39 subsidiaries which have not been reviewed / audited by their auditors, whose interim financial information reflect total revenue of Rs. 4,188 Lakhs and Rs. 9,114 Lakhs for the quarter and nine months ended December 31, 2016, respectively, and total profit after tax of Rs. 1,236 Lakhs and Rs. 4,220 Lakhs and total comprehensive income of Rs. 1,236 Lakhs and Rs. 4,220 Lakhs for the quarter and nine months ended December 31, 2016, respectively, as considered in the consolidated unaudited financial results.

The consolidated unaudited financial results also includes the Group's share of loss after tax of Rs. 13 Lakhs and Rs. 33 Lakhs and total comprehensive loss of Rs. 13 Lakhs and Rs. 33 Lakhs for the quarter and nine months ended December 31, 2016, respectively, as considered in the consolidated unaudited financial results, in respect of 2 joint ventures and 1 associate, based on their interim financial information which have not been reviewed / audited 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 matters described in paragraphs 5, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India and 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 9 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 had disputed. During the current quarter, some of the claims notified by Mylan has been settled. As further 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 pending claims against the Company and considering the amount held in escrow account, the Company believes that any further outflow of resources is not probable and has made the disclosures under Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" in this regard. Our report is not qualified in respect of this matter.

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



Sathya P. Koushik

Partner

(Membership No. 206920)

BENGALURU, February 3, 2017