

STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2014

PART I

Sl. No.	Particulars	Rs. in Lakhs			
		3 Months ended 30.06.2014	Preceding 3 months ended 31.03.2014	Corresponding 3 Months ended 30.06.2013 in the previous period	Previous period ended 31.03.2014
		UNAUDITED (1)	UNAUDITED as referred in Note 4 below (2)	UNAUDITED (3)	AUDITED (5)
1	Income from operations				
	(a) Net Sales / Income from Operations (Net of excise duty)	18,795.30	24,235.62	15,083.01	99,395.35
	(b) Other Operating Income	1,284.77	1,437.49	1,560.05	6,999.21
	Total Income from operations (net)	20,080.07	25,673.11	16,643.06	106,394.56
2	Expenses				
	(a) Cost of material consumed	10,587.71	13,419.94	6,574.53	51,183.04
	(b) Purchases of stock-in-trade	829.54	1,325.09	2,289.48	11,820.79
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(846.10)	559.17	125.36	(821.75)
	(d) Employee benefit expenses	2,772.98	3,539.00	1,746.58	11,137.54
	(e) Depreciation and amortisation expense	1,080.00	1,018.68	917.08	4,725.05
	(f) Other expenses	3,501.47	3,838.93	3,699.16	18,220.20
	Total expenses	17,925.60	23,700.81	15,352.19	96,264.87
3	Profit/(Loss) from Operations before Other Income, finance cost & Exceptional Items (1-2)	2,154.47	1,972.30	1,290.87	10,119.69
4	Other Income	2,547.78	3,528.33	1,761.16	12,093.36
5	Profit/(Loss) from ordinary activities before finance cost & Exceptional Items (3+4)	4,702.25	5,500.63	3,052.03	22,213.05
6	Finance costs	860.86	1,160.70	1,593.71	10,503.15
7	Profit/(Loss) from ordinary activities after finance cost but before Exceptional Items (5-6)	3,841.39	4,339.93	1,458.32	11,709.90
8	Exceptional Items:				
	- Exchange Fluctuation (loss) / gain (Net)	(55.87)	267.79	(1,242.58)	634.09
	- Net gain on sale of long term investments	-	(10,473.43)	-	316,079.24
	- Dividend Income from non-current investment in wholly-owned subsidiaries	-	-	-	135,340.82
	- Write off of inventory	-	(798.52)	-	(1,771.43)
	- Write off of intangible assets under development	-	(6,664.23)	-	(798.52)
9	Profit / (Loss) from Ordinary Activities before tax (7+ 8)	3,785.52	(6,664.23)	215.74	461,194.10
10	Tax Expense / (credit)	1,105.95	(1,837.60)	-	109,902.09
11	Net Profit / (Loss) after tax (9-10)	2,679.57	(4,826.63)	215.74	351,292.01

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PART I
STATEMENT OF STANDALONE UNAUDITED RESULTS
FOR THE QUARTER ENDED JUNE 30, 2014

Particulars	3 Months ended 30.06.2014	Preceding 3 months ended 31.03.2014	Corresponding 3 Months ended 30.06.2013 in the previous period	Previous period ended 31.03.2014
	UNAUDITED	UNAUDITED as referred in Note 4 below	UNAUDITED	AUDITED
	(1)	(2)	(3)	(5)
12 Paid-up Equity/ Share Capital (Face value of Rs. 10/-each)	5,956.56	5,956.56	5,905.01	5,956.56
13 Reserves excluding revaluation reserves				157,134.72
14 Earnings per share (face value of Rs. 10/- each) - not annualised				
(a) Basic EPS (Rs.)	4.50	(8.10)	0.37	593.65
(b) Diluted EPS (Rs.)	4.49	(8.10)	0.36	591.14

PART II
SELECT INFORMATION FOR THE QUARTER ENDED JUNE 30, 2014


	3 Months ended 30.06.2014	Preceding 3 months ended 31.03.2014	Corresponding 3 Months ended 30.06.2013 in the previous period	Previous period ended 31.03.2014
A PARTICULARS OF SHAREHOLDING				
1 Public shareholding :				
(a) Number of shares	43,081,419	43,081,419	42,875,919	43,081,419
(b) Percentage of shareholding	72.33%	72.33%	72.61%	72.33%
2 Promoters and Promoter group shareholding :				
(a) Pledged / Encumbered	1,876,667	1,876,667	7,203,786	1,876,667
- Number of shares	11.38%	11.38%	44.54%	11.38%
- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	3.15%	3.15%	12.20%	3.15%
(b) Non Pledged / Non Encumbered	14,607,535	14,607,535	8,970,416	14,607,535
- Number of shares	88.62%	88.62%	55.46%	88.62%
- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	24.52%	24.52%	15.19%	24.52%
- Percentage of shareholding (as a % of the total share capital of the Company)				

Particulars	3 Months ended 30.06.2014
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	4
Received during the quarter	113
Disposed of during the quarter	117
Remaining unresolved at the end of the quarter	

Notes:

- 1 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 July 25, 2014.
- 2 The statutory auditors have carried out limited review of the above standalone results.
- 3 The previous period's figures have been regrouped/ reclassified wherever necessary to conform to the classification of the current period.
- 4 Figures for the quarter ended March 31, 2014 are the balancing figures between (a) the audited figures of the fifteen months period ended March 31, 2014 and (b) the published year to date figures upto the quarter ended December 31, 2013 which have been reclassified as per the classification followed at the period ended March 31, 2014.
- 5 During the quarter, the Company has acquired balance stake of 60% in Strides Actives Limited thereby making it a wholly owned subsidiary.
- 6 The Board of Directors of the Company in the Meeting held on December 10, 2013 had approved change of financial year of the Company from January-December to that of April-March. Consequently, the previous financial year is for a period of 15 months i.e., from January1, 2013 to March 31, 2014.
- 7 The Company has entered into an agreement dated July 21, 2014 with Balra Pharmaceuticals Limited (the 'seller') to acquire majority stake (74%) of the Indian Branded Generic Business of the seller for a cash consideration of Rs. 481 Million.
- 8 The Company is in the process of assessing the potential impact of depreciation on adoption of Schedule II of the Companies Act 2013, which has come into effect from April 1, 2014. Pending such assessment, no adjustments have been made in these results.
- 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 & advances given and gain/ loss on related derivative contracts.
- 10 The Company's investment in Growth oriented Mutual Funds as at June 30, 2014 amounts to Rs. 36,500.00 lakhs. The Net Asset Value of these growth funds as at June 30, 2014 is Rs. 37,664.38 lakhs.
- 11 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.

Bangalore, July 25, 2014

For and on Behalf of the Board

Arun Kumar
Executive Vice Chairman & Managing Director

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Press Release

Strides Arcolab announces Q1 FY 2014-15 Results

**Revenues at INR 260 Crores with an EBITDA of INR 54 Crores
Revenue Growth of 14%, EBITDA growth of 34% over Q2 FY'14
EBITDA Margin at 21%**

**Q2 FY'14 represents corresponding quarter last year*

Bangalore, July 25, 2014 Strides Arcolab (BSE: 532531, NSE: STAR) today announced its financial results for the Quarter ending June 30, 2014

Snapshot

Global Pharma

- Consolidated Pharma Revenues at INR 260 Crores vs. INR 229 Crores in Q2 FY'14, growth of 14%
- Consolidated Pharma EBITDA at INR 54 Crores vs. INR 41 Crores in Q2 FY'14, growth of 34%
- EBITDA Margin at 21% vs. 18% in Q2 FY'14
- EBITDA Margin improvement driven by newer launches in regulated markets and margin expansion in brands business
- Delays in Malarial contract finalization impacted institutional business
- Acquired global rights of 'Raricap', a key haematinic brand
- Acquired 20% of Proparco's stake in our African operations for USD 17 Mn, resulting in 100% ownership in our Africa operations holding company. (Proparco invested USD 12.5 Mn in 2012)
- Completed a Strategic Investment for a minority interest in Oncobiologics

Business Snapshot

Regulated Markets

- Revenues at INR 109 Crores, representing 42% of the total revenues
- Key USFDA product approvals from Oral Dosage facility at Bangalore
 - Methoxsalen Softgel Capsules (Market Value - ~USD 14 Mn)
 - Tacrolimus Capsules (Market Value - ~USD 676 Mn)
- First USFDA product approval from Italian semi-solids facility
 - Imiquimod Cream (Market Value - ~USD 140 Mn)



Institutional Business

- Revenues at INR 73 Crores, representing 28% of the total revenues
- Delays in Malarial contract finalization impacted institutional business. Expects more clarity by end of this quarter

Emerging Markets

- Revenues at INR 78 Crores, representing 30% of the total revenues
- Continued momentum in African operations with increased Brand coverage through new products, markets and field force
- Improved performance in India brands with strong focus on field force efficiencies

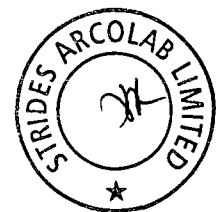
Biotech

- R&D programs on track. Further delays anticipated in the manufacturing facility setup in Malaysia
- Expenses of INR 2 Crores for Q1 FY'15

Guidance

- As communicated in the last quarter, the company will revisit its guidance policy at the end of H1 of the financial year as it gets more clarity on the institutional business

Commenting on the results, Arun Kumar, Founder and Group CEO, stated "We had a very consistent performance over the last few quarters, with improved margins across all segments. With the flow of product approvals from USFDA and acceleration in the branded generics through acquisition of 'Raricap', we see significant traction in the business."





About Strides Arcolab

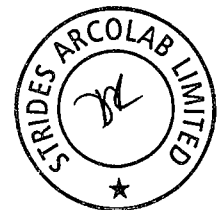
Strides Arcolab, listed on the Bombay Stock Exchange Limited (532531) and National Stock Exchange of India Limited (STAR), is a global pharmaceutical company headquartered in Bangalore, India that develops and manufactures a wide range of IP-led niche pharmaceutical products.

The Company has 5 manufacturing facilities presence in more than 75 countries in developed and emerging markets.

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 ended June 30, 2014 ("the Statement"), being submitted by the Company pursuant to the requirement of Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select Information referred to in paragraph 5 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. 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 Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, 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.
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4. Emphasis of Matter:
 - (a) During the period ended March 31, 2014, the Company sold its investment in Agila Specialties Private Limited. The Company and the buyer are currently in discussions with regard to certain claims levied by the buyer on the Company relating to the purchase of the investment, which have not been acknowledged by the Company. The final outcome on these claims would be given effect to in the books of account in the period in which such matters are settled between the parties.
 - (b) We draw attention to Note 8 of the Statement. As explained in the note, the Company is in the process of assessing the potential impact on depreciation under Schedule II of the Companies Act 2013, which has come into effect from April 1, 2014. Pending such assessment, no adjustments have been made in these results.

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**Deloitte
Haskins & Sells**

- (c) 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 Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014).

Our report is not qualified in respect of the matters stated in paragraph 4(a), 4(b) and 4(c) above.

5. 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 with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select Information for the Quarter ended June 30, 2014 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, July 25, 2014
