



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

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED JUNE 30, 2010

Rs. in Lakhs

| Sl. No. | Particulars | UNAUDITED | | | | | AUDITED | |
|---------|---|---------------------------|--|---|---------------------------|--|---|----------------------------|
| | | 3 Months ended 30.06.2010 | Recasted 3 Months ended 30.06.2009 (Refer Note 12) | 3 Months ended 30.06.2009 (Refer Note 11) | 6 Months ended 30.06.2010 | Recasted 6 Months ended 30.06.2009 (Refer Note 12) | 6 Months ended 30.06.2009 (Refer Note 11) | 12 Months ended 31.12.2009 |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | (a) Net Sales / Income from Operations | 11,861.90 | 12,752.88 | 19,331.46 | 25,000.68 | 22,412.67 | 38,229.99 | 76,944.20 |
| | (b) Other Operating Income | 110.50 | 41.74 | 41.74 | 225.85 | 1,085.11 | 1,185.11 | 1,530.22 |
| | Total Income | 11,972.40 | 12,794.62 | 19,373.20 | 25,226.53 | 23,497.78 | 39,415.10 | 78,474.42 |
| 2 | Expenditure | | | | | | | |
| | (a) (Increase) / decrease in stock in trade and work in progress | (184.24) | 742.57 | 807.33 | (155.81) | (290.13) | (290.13) | (1,198.64) |
| | (b) Consumption of materials | 4,982.90 | 5,101.26 | 8,229.43 | 10,605.02 | 10,503.89 | 18,172.70 | 40,929.25 |
| | (c) Purchase of traded goods | 1,807.27 | 1,209.26 | 1,209.26 | 3,002.64 | 2,302.54 | 2,302.54 | 3,804.32 |
| | (d) Employee cost | 1,183.34 | 1,191.31 | 1,936.01 | 2,638.81 | 2,102.15 | 3,827.54 | 8,366.03 |
| | (e) Depreciation | 347.66 | 437.60 | 519.58 | 690.11 | 890.08 | 1,049.31 | 2,268.54 |
| | (f) Other Expenditure | 2,180.03 | 2,823.36 | 4,520.63 | 4,161.03 | 4,540.72 | 7,162.49 | 13,670.04 |
| | Total Expenditure | 10,316.96 | 11,505.36 | 17,222.24 | 20,941.80 | 20,049.25 | 32,224.45 | 67,839.54 |
| 3 | Profit from Operations before Other Income, Interest & Exceptional Items (1-2) | 1,655.44 | 1,289.26 | 2,150.96 | 4,284.73 | 3,448.53 | 7,190.65 | 10,634.88 |
| 4 | Other Income | - | - | - | 62.04 | - | - | - |
| 5 | Profit before Interest & Exceptional Items (3+4) | 1,655.44 | 1,289.26 | 2,150.96 | 4,346.77 | 3,448.53 | 7,190.65 | 10,634.88 |
| 6 | Interest (net) | 2,014.49 | 1,296.01 | 1,496.75 | 3,700.87 | 2,482.72 | 3,108.79 | 6,195.60 |
| 7 | Profit after Interest but before Exceptional Items (5-6) | (359.05) | (6.75) | 654.21 | 645.90 | 965.81 | 4,081.86 | 4,439.28 |
| 8 | Exceptional Items: | | | | | | | |
| | - Exchange Fluctuation (loss) / gain (Net) | (1,486.04) | 5,827.94 | 5,827.94 | 366.54 | 1,907.78 | 1,907.78 | 4,986.08 |
| | - Exchange (loss) / gain on restatement of Hedged investments | 459.66 | (2,795.39) | (2,795.39) | (24.61) | (754.15) | (754.15) | (1,070.08) |
| | - Changes in fair value of Options embedded in FCCBs | 26.61 | (1,043.35) | (1,043.35) | (1,088.12) | 46.00 | 46.00 | (411.15) |
| | - Profit on FCCB Buyback | - | 3,490.56 | 3,490.56 | - | 3,490.56 | 3,490.56 | 2,911.69 |
| | - Interest reversal on FCCB Buyback | - | 498.40 | 498.40 | - | 498.40 | 498.40 | 799.61 |
| 9 | Profit / (Loss) from Ordinary Activities before tax (7+ 8) | (1,358.82) | 5,971.41 | 6,632.37 | (100.29) | 6,154.40 | 9,270.45 | 11,655.43 |
| 10 | Tax Expense / (credit) | - | 210.22 | 210.22 | 252.08 | 329.55 | 329.55 | 1,104.00 |
| 11 | Net Profit / (Loss) from Ordinary activities after tax (9-10) | (1,358.82) | 5,761.19 | 6,422.15 | (352.37) | 5,824.85 | 8,940.90 | 10,551.43 |
| | Profit from Continuing Operations | (1,358.82) | 5,971.41 | 5,971.41 | (100.29) | 6,154.40 | 6,154.40 | 7,252.92 |
| | Less: Tax expense | - | 210.22 | 210.22 | 252.08 | 329.55 | 329.55 | 1,089.40 |
| | Net Profit from Continuing Operations | (1,358.82) | 5,761.19 | 5,761.19 | (352.37) | 5,824.85 | 5,824.85 | 6,163.52 |
| | Profit from Discontinued Operations | - | - | 660.96 | - | - | 3,116.05 | 4,402.51 |
| | Less: Tax expense | - | - | - | - | - | - | 14.60 |
| | Net Profit from Discontinued Operations | - | - | 660.96 | - | - | 3,116.05 | 4,387.91 |
| 12 | Extraordinary Item | - | - | - | - | - | - | - |
| 13 | Net Profit / (Loss) for the period / year (11-12) | (1,358.82) | 5,761.19 | 6,422.15 | (352.37) | 5,824.85 | 8,940.90 | 10,551.43 |
| 14 | Paid-up Equity Share Capital (Face value of Rs.10/-each) | 4,353.91 | 4,005.00 | 4,005.00 | 4,353.91 | 4,005.00 | 4,005.00 | 4,021.56 |
| 15 | Reserves excluding revaluation reserves | - | - | - | - | - | - | 82,094.99 |
| 16 | Earnings per Share (EPS) : | | | | | | | |
| | Basic & Diluted EPS after Extraordinary items for the year (Rs. per share) | | | | | | | |
| | (a) Basic EPS | (3.32) | 14.17 | 15.82 | (1.24) | 14.11 | 21.89 | 25.46 |
| | (b) Diluted EPS | (3.32) | 5.56 | 6.77 | (1.24) | 11.73 | 18.37 | 18.06 |
| 17 | Aggregate of Public shareholding : | | | | | | | |
| | (a) Number of shares | 30,465,765 | 29,719,086 | 29,719,086 | 30,465,765 | 29,719,086 | 29,719,086 | 29,884,686 |
| | (b) Percentage of shareholding | 69.97% | 74.20% | 74.20% | 69.97% | 74.20% | 74.20% | 74.31% |
| 18 | Promoters and Promoter group shareholding : | | | | | | | |
| | (a) Pledged / Encumbered | | | | | | | |
| | - Number of shares | 8,196,000 | 6,896,000 | 6,896,000 | 8,196,000 | 6,896,000 | 6,896,000 | 6,896,000 |
| | - Percentage of shareholding (as a % of the total share holding of promoter and promoter group) | 62.69% | 66.75% | 66.75% | 62.69% | 66.75% | 66.75% | 66.75% |
| | - Percentage of shareholding (as a % of the total share capital of the Company) | 18.83% | 17.22% | 17.22% | 18.83% | 17.22% | 17.22% | 17.15% |
| | (b) Non Pledged / Non Encumbered | | | | | | | |
| | - Number of shares | 4,877,373 | 3,434,928 | 3,434,928 | 4,877,373 | 3,434,928 | 3,434,928 | 3,434,928 |
| | - Percentage of shareholding (as a % of the total share holding of promoter and promoter group) | 37.31% | 33.25% | 33.25% | 37.31% | 33.25% | 33.25% | 33.25% |
| | - Percentage of shareholding (as a % of the total share capital of the Company) | 11.20% | 8.58% | 8.58% | 11.20% | 8.58% | 8.58% | 8.54% |

STATEMENT OF ASSETS AND LIABILITIES AS AT -

Rs. in Lakhs

| Particulars | June 30,2010 | June 30,2009 | December 31,2009 |
|--|-------------------|-------------------|-------------------|
| | Unaudited (A) | Unaudited (B) | Audited (C) |
| SOURCES OF FUNDS | | | |
| A. Shareholders' Fund | 9,269.97 | 8,921.06 | 8,937.62 |
| B. Monies pending allotment | 734.16 | 1,413.60 | 1,414.95 |
| C. Employees stock options outstanding account | 251.20 | 218.01 | 345.35 |
| D. Reserves and surplus | 81,193.57 | 35,756.39 | 82,094.99 |
| E. Loan funds | 146,775.75 | 108,646.48 | 123,223.86 |
| F. Deferred Tax | - | 585.00 | - |
| Total | 238,224.65 | 155,540.54 | 216,016.77 |
| APPLICATION OF FUNDS | | | |
| A. Fixed assets (net) | 33,994.32 | 33,721.23 | 33,810.91 |
| B. Investments | 147,949.79 | 94,184.42 | 151,804.18 |
| C. Current assets | | | |
| - Inventories | 11,782.63 | 10,127.56 | 9,550.28 |
| - Sundry Debtors | 16,714.25 | 21,624.50 | 20,752.66 |
| - Unbilled Revenue | 1,161.00 | 8,452.25 | - |
| - Cash and bank balances | 2,570.18 | 1,361.16 | 3,138.22 |
| - Loans and advances | 58,370.50 | 16,543.92 | 35,978.39 |
| D. Current Liabilities & Provisions | | | |
| - Current liabilities | (19,469.78) | (23,733.06) | (22,063.02) |
| - Provisions | (14,848.24) | (6,741.44) | (16,954.85) |
| Net Current Assets | 56,280.54 | 27,634.89 | 30,401.68 |
| Total | 238,224.65 | 155,540.54 | 216,016.77 |

Note: The figures disclosed in Column B in the above table do not include the effects of accounting prescribed under the Composite Scheme of Arrangement approved by the Hon'ble High Courts of Judicatures, which became effective from December 31, 2009 and hence not comparable.

- 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 27, 2010.
- The Statutory Auditors have carried out a limited review of the above standalone results (except for column (2) & (5) of the results, Note 12 below and Column B of the Statement of Assets and Liabilities).
- Consequent to the approval of Scheme of Arrangement by the Hon'ble High Courts of Judicature during the year ending December 31, 2009, the Company has utilised the Reserve for Business Restructure (BRR) as under:

| Particulars | Rs. in Lakhs | | | | |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------|
| | Quarter Ended 30.06.2010 | Quarter Ended 30.06.2009 | Half Year Ended 30.06.2010 | Half Year Ended 30.06.2009 | Year Ended 31.12.2009 |
| Utilisation of BRR : | | | | | |
| - Impairment of Fixed Assets | - | - | - | - | 726.98 |
| - Current Assets | - | - | - | - | 9,029.38 |
| - Investments | - | - | - | - | 277.83 |
| - Compensation in respect of product return & early termination of procurement contract | - | - | - | - | 3,645.73 |
| - Depreciation and Amortisation | 417.31 | 287.50 | 834.62 | 575.00 | 1,150.00 |
| - Employee compensation | 1.76 | - | 455.41 | - | 6,776.45 |
| - Other expenses | - | - | 36.34 | - | 1,171.33 |
| Realisation of assets written off earlier | (354.64) | - | (460.16) | - | - |
| Impact if the Company followed the Accounting Standards instead of the accounting treatment provided in the Scheme :- | | | | | |
| On Net Profit for the quarter - Decrease | 64.43 | 287.50 | 866.21 | 575.00 | 22,777.70 |
| Earnings / (Loss) per share (EPS) (Face value of Rs.10/-each) (Rs.) | | | | | |
| Basic | (3.47) | 15.10 | (3.28) | 20.46 | (31.34) |
| Diluted | (3.47) | 6.25 | (3.28) | 17.14 | (31.34) |

- During the quarter, the Company has redeemed foreign currency convertible bonds (FCCBs) of USD 34 million which were due for repayment in accordance with the terms of issue of the bonds.
- During the quarter, 330,000 equity shares were issued on exercising equal number of ESOP under various ESOP Schemes of the Company. Further, 100,000 options were granted to eligible employees of the Company under Strides Arcolab ESOP 2008 Scheme.
- Consequent to binding agreement entered between the Company and Aspen Pharmacare Holdings Limited (Aspen) for purchase of their shares in Onco Therapies Limited (OTL) for a consideration of USD 37.36 million, the Company has paid USD 36.95 million (Rs.16,490.41 Lakhs) during the quarter. Pending transfer of shares in the name of the Company, the same has been included in Loans & Advances in the Statement of Assets and Liabilities above. Upon completion of this transaction, OTL will become a wholly owned subsidiary of the Company.
- The Company through one of its subsidiaries entered into a binding agreement with Aspen Global Incorporated (Aspen) for purchase of a manufacturing facility at Campos, Brazil, subject to regulatory approvals, and the subsidiary contemporaneously divested its 49% shareholding in Pharamalata Holdings Limited. Pending receipt of regulatory approvals for the acquisition and fair valuation of Assets and Liabilities that will be acquired, the Company continues to carry the investment in the subsidiary at book value.
- Exchange fluctuation gain/loss (net) included under Exceptional items comprises the unrealised gains/losses arising out of the restatement of FCCBs, External Commercial Borrowings, intra group loans given and gains/losses on forward exchange option contracts.
- The Company's operations fall within a single business segment viz. "Pharmaceuticals Products" and as such there is no reportable segment information as per Accounting Standard 17 issued under the relevant provision of the Companies Act, 1956.
- Investor grievances received and disposed off during the quarter ended June 30, 2010 :
a) Pending complaints at the beginning of the quarter - Nil b) No. of Complaints received - 17
c) Complaints disposed - 17 d) Complaints unresolved - Nil
- The figures of period ended June 30, 2009 have been recasted from the previously reported results to reflect the amalgamation of certain subsidiaries into the Company with effect from January 1, 2009 as approved by the Hon'ble High Courts of Judicature.
- The results for the period ended June 30, 2009 have been recasted in column 2 & column 5 to exclude the results of the Specialties business (which were hived off pursuant to a slump sale on December 30, 2009) to make them comparable with that of the operations for the period ended June 30, 2010.
- Dividend on preference capital will be appropriated at the end of the accounting year, hence, no appropriation is done as on June 30, 2010
- The previous year's / period's figures have been regrouped wherever necessary to conform to the current period's classification.

For and on behalf of the Board

Arun Kumar
Vice Chairman & Managing Director

Warszawa, July 27, 2010