



Regd. Office: No. 201 Devavrata, Sector 17, Vashi, Navi Mumbai 400 705.

Corp. Office: "Strides House", Billekahalli, Bannerghatta Road, Bangalore-560 076.

**UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2009**

Rs.in Lakhs

Sl. No.	Particulars	UNAUDITED				AUDITED
		3 Months ended 30.09.2009	3 Months ended 30.09.2008	9 Months ended 30.09.2009	9 Months ended 30.09.2008	12 Months ended 31.12.2008
1	(a) Net Sales / Income from Operations	16,578.79	16,632.34	51,095.28	44,678.55	59,313.75
	(b) Other Operating Income	375.11	2,698.42	1,237.78	4,652.02	6,046.50
	<b>Total Income</b>	<b>16,953.90</b>	<b>19,330.76</b>	<b>52,333.06</b>	<b>49,330.57</b>	<b>65,360.25</b>
2	Expenditure					
	(a) (Increase) / decrease in stock in trade and work in progress	(1,184.65)	(557.92)	(1,462.70)	(641.67)	(442.40)
	(b) Consumption of materials	9,510.14	7,995.43	26,910.11	22,758.75	30,844.20
	(c) Purchase of traded goods	1,817.74	2,521.00	4,100.96	4,017.70	3,804.32
	(d) Employee cost	1,873.37	2,083.67	4,968.28	5,030.66	6,314.51
	(e) Depreciation	488.57	460.73	1,410.48	1,433.10	1,887.67
	(f) Other Expenditure	2,574.47	3,841.33	8,581.73	8,906.64	12,155.31
	<b>Total Expenditure</b>	<b>15,079.64</b>	<b>16,344.24</b>	<b>44,508.86</b>	<b>41,505.18</b>	<b>54,563.61</b>
3	<b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>	<b>1,874.26</b>	<b>2,986.52</b>	<b>7,824.20</b>	<b>7,825.39</b>	<b>10,796.64</b>
4	Other Income	-	-	-	22.12	22.12
5	<b>Profit before Interest &amp; Exceptional Items (3+4)</b>	<b>1,874.26</b>	<b>2,986.52</b>	<b>7,824.20</b>	<b>7,847.51</b>	<b>10,818.76</b>
6	Interest	1,609.18	977.61	4,631.49	3,355.34	6,542.73
7	<b>Profit after Interest but before Exceptional Items (5-6)</b>	<b>265.08</b>	<b>2,008.91</b>	<b>3,192.71</b>	<b>4,492.17</b>	<b>4,276.03</b>
8	<b>Exceptional Items:</b>					
	- Exchange Fluctuation loss / (gain) (Net)	256.32	7,169.03	(1,726.00)	16,836.67	17,588.54
	- Exchange loss / (gain) on restatement of Hedged investments	(160.89)	-	593.27	-	(9,234.02)
	- Changes in fair value of Options embedded in FCCBs	346.40	-	300.40	-	(4,522.15)
	- Profit on FCCB Buyback	-	-	(3,490.56)	-	-
	- Interest reversal on FCCB Buyback	-	-	(498.40)	-	-
9	<b>Profit / (Loss) from Ordinary Activities before tax (7- 8)</b>	<b>(176.75)</b>	<b>(5,160.12)</b>	<b>8,014.00</b>	<b>(12,344.50)</b>	<b>443.66</b>
10	Tax Expense / (credit)	(600.00)	7.50	(570.00)	24.00	(169.80)
11	<b>Net Profit / (Loss) from Ordinary activities after tax (9-10)</b>	<b>423.25</b>	<b>(5,167.62)</b>	<b>8,584.00</b>	<b>(12,368.50)</b>	<b>613.46</b>
12	Extraordinary Item	-	-	-	-	-
13	<b>Net Profit / (Loss) for the period (11-12)</b>	<b>423.25</b>	<b>(5,167.62)</b>	<b>8,584.00</b>	<b>(12,368.50)</b>	<b>613.46</b>
14	Paid-up Equity Share Capital (Face value of Rs.10/-each)	4,015.56	4,005.00	4,015.56	4,005.00	4,005.00
15	Reserves excluding revaluation reserves	-	-	-	-	28,973.30
16	<b>Earnings per Share (EPS) :</b>					
	Basic & Diluted EPS after Extraordinary items for the year (Rs.) (Not annualised)					
	(a) Basic EPS	0.84	(13.12)	20.73	(32.86)	0.69
	(b) Diluted EPS	0.77	(13.12)	17.67	(32.86)	0.69
17	<b>Aggregate of Public shareholding :</b>					
	(a) Number of shares	<b>29,824,686</b>	<b>30,628,013</b>	<b>29,824,686</b>	<b>30,628,013</b>	<b>29,707,086</b>
	(b) Percentage of shareholding	74.27%	76.47%	74.27%	76.47%	74.17%
18	<b>Promoters and Promoter group shareholding :</b>					
	(a) Pledged / Encumbered					
	- Number of shares	<b>6,896,000</b>		<b>6,896,000</b>		
	- Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	66.75%		66.75%		
	- Percentage of shareholding (as a % of the total sharecapital of the Company)	17.17%		17.17%		
	(b) Non Encumbered					
	- Number of shares	<b>3,434,928</b>		<b>3,434,928</b>		
	- Percentage of shareholding (as a % of the total shareholding of promoter and promoter group)	33.25%		33.25%		
	- Percentage of shareholding (as a % of the total share capital of the Company)	8.56%		8.56%		

**Notes :**

- 1 The above standalone 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 October 30, 2009.
- 2 The Statutory Auditors have carried out a limited review of the standalone results.
- 3 A scheme of arrangement between the Company and its shareholders under section 391 and 393 of the Companies Act, 1956, has been filed with the Honorable High Courts of Judicature. The terms of the said scheme provides interalia for merger of certain Indian subsidiaries into the Company with effect from January 1, 2009, fair valuation of assets and liabilities to be determined by the Board of directors and creation of Business restructuring reserve to be utilized amongst others for providing for diminution in the value of assets, if any. During the quarter, the Honorable High Court of Mumbai has approved the scheme of arrangement. Pending approval of Hon'ble High Courts of Chennai and Karnataka and determination of the assets and liabilities to be fair valued, no transactions under the Scheme has been given effect to in the accompanying statement of unaudited financial results.
- 4 In supersession of the resolution passed in the quarter ended June 30,2009 to transfer the 'Research & Development Business' to Strides Technology and Research Private Limited, a wholly owned subsidiary of the Company, the Shareholders have accorded their approval to transfer 'Research & Development Business' also to Strides Specialties Private Limited, a wholly owned subsidiary of the Company. The Board of Directors are yet to decide on the date and terms of the transfer.
- 5 During the quarter, 105,600 equity shares were issued to employees under Strides Arcolab ESOP 2008 scheme.
- 6 The Company early adopted Accounting Standard – 30 Financials Instruments: Recognition and Measurement during the last quarter of the year ended December 31, 2008. Adjustments under the Standard were accordingly made in such quarter for the year ended December 31, 2008. The net profits for the year ended December 31, 2008 includes Rs. 12,606.80 Lakhs on adjustments made in pursuance of the said Standard.
- 7 Exchange fluctuation gain (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.
- 8 We draw attention to Note (e) of the Limited Review Report dated July 30,2009 issued by the Statutory Auditors on the unaudited financial results for the period ended June 30, 2009, which was a subject matter of qualification in the report. The statutory auditors have pointed in the Note that pending approval of the Scheme of Arrangement filed with the Hon'ble High Courts (as referred in Note 3 above) and the determination of the assets and liabilities to be fair valued, no adjustment with regard to fair value and diminution in the value of assets, if any, were incorporated in the results. The update in this matter is also covered in Note 3 above.
- 9 During the current quarter, the Company received approval from the Ministry of Corporate Affairs for waiver of the excess managerial remuneration paid to Executive Directors in the year 2007. Personnel costs in the period ended September 30, 2009 include an amount of Rs. 270.47 Lakhs which have been written off pursuant to the approval.
- 10 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.
- 11 Investor grievances received and disposed off during the quarter ended September 30, 2009 :
  - a) Pending complaints at the beginning of the quarter – Nil
  - b) No. of Complaints received - 12
  - c) Complaints disposed - 12
  - d) Complaints unresolved - Nil
- 12 Previous period figures have been regrouped wherever necessary to conform to the current period's classification.

**For and on behalf of Board**

**Sd/-**

**Arun Kumar  
Vice Chairman & Managing Director**

**Bangalore, October 30, 2009**