



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

**AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Rs.in Lakhs

Sl. No.	Particulars	AUDITED	
		12 Months ended 31.12.2009	12 Months ended 31.12.2008
1	(a) Net Sales / Income from Operations	76,944.20	59,313.75
	(b) Other Operating Income	1,530.22	6,877.32
	Total Income	78,474.42	66,191.07
2	Expenditure		
	(a) (Increase) / decrease in stock in trade and work in progress	(1,088.62)	(442.40)
	(b) Consumption of materials	36,480.81	30,844.20
	(c) Purchase of traded goods	8,142.74	3,804.32
	(d) Employee cost	8,366.03	6,314.51
	(e) Depreciation	2,268.54	1,887.67
	(f) Other Expenditure	13,670.04	12,155.31
	Total Expenditure	67,839.54	54,563.61
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	10,634.88	11,627.46
4	Other Income	-	22.12
5	Profit before Interest & Exceptional Items (3+4)	10,634.88	11,649.58
6	Interest	6,195.60	6,542.73
7	Profit after Interest but before Exceptional Items (5-6)	4,439.28	5,106.85
8	Exceptional Items:		
	- Exchange Fluctuation loss / (gain) (Net)	(4,986.08)	18,419.36
	- Exchange loss / (gain) on restatement of Hedged investments	1,070.08	(9,234.02)
	- Changes in fair value of Options embedded in FCCBs	411.15	(4,522.15)
	- Profit on FCCB Buyback	(2,911.69)	-
	- Interest reversal on FCCB Buyback	(799.61)	-
9	Profit / (Loss) from Ordinary Activities before tax (7- 8)	11,655.43	443.66
10	Tax Expense / (credit)	1,104.00	(169.80)
11	Net Profit / (Loss) from Ordinary activities after tax (9-10)	10,551.43	613.46
	Profit from Continuing operations	7,252.92	-
	Less: Tax expense	1,089.40	-
	Net Profit from Continuing Operations	6,163.52	-
	Profit from Discontinued operations	4,402.51	-
	Less: Tax expense	14.60	-
	Net Profit from Discontinued Operations	4,387.91	-
12	Extraordinary Item	-	-
13	Net Profit / (Loss) for the year (11-12)	10,551.43	613.46
14	Paid-up Equity Share Capital (Face value of Rs.10/-each)	4,021.56	4,005.00
15	Reserves excluding revaluation reserves		28,973.30
16	Earnings per Share (EPS) :		
	Basic & Diluted EPS after Extraordinary items for the year (Rs.per share)		
	(a) Basic EPS	25.46	0.69
	(b) Diluted EPS	24.07	0.69
17	Aggregate of Public shareholding :		
	(a) Number of shares	29,884,686	29,707,086
	(b) Percentage of shareholding	74.31%	74.17%
18	Promoters and Promoter group shareholding :		
	(a) Pledged / Encumbered		
	- Number of shares	6,896,000	
	- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	66.75%	
	- Percentage of shareholding (as a % of the total share capital of the Company)	17.15%	
	(b) Non Encumbered		
	- Number of shares	3,434,928	
	- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	33.25%	
	- Percentage of shareholding (as a % of the total share capital of the Company)	8.54%	

Notes :

- 1 The above audited 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 February 24, 2010.
- 2 During the year:
 - (a) A Scheme of Arrangement (the 'Scheme') between the Company, some of its subsidiaries, its respective shareholders and Creditors under sections 391 to 394 of the Companies Act, 1956 was approved by the Honorable High Courts of Judicature at Bombay, Madras and Bangalore. The 'Scheme' provided for merger of (i) Grandix Pharmaceuticals Limited, (ii) Grandix Laboratories Limited, (iii) Global Remedies Limited, (iv) Quantum Remedies Private Limited, all Subsidiaries of the Company, hereinafter referred to as the " Transferor Companies" with the Company from January 1, 2009 (the 'Appointed date') and fair valuation of assets and liabilities of the Transferor Companies and the Company, as determined by the Board of Directors of the Company. The merger is effective from December 31, 2009 upon which the assets of the Transferor Companies and the Company were fair valued and the following amounts have been credited / debited to 'Reserve for Business Restructuring' (BRR), as specified in the Scheme. The details of the same are as under:

	<i>Rupees in Lakhs except for EPS</i>
Net surplus on Fair valuation of Assets of :-	
- transferor Companies	1,467.66
- transferee Company	68,917.77
	70,385.43
Utilisation of BRR :	
(a) Impairment of :	
- Fixed Assets	726.98
- Current Assets	9,029.38
- Investments	277.83
(b) Compensation in respect of product return and for early termination of procurement contract	3,645.73
(c) Employee compensation plans and expenses	6,776.45
(d) Amortisation	1,150.00
(e) Expenses related to the Scheme and Other expenses	1,171.33
	22,777.70
Closing balance in Reserve for Business Restructuring carried forward	47,607.73

Further, in terms of the 'Scheme', the Company allotted 13,524 equity shares of Rs.10 each fully paid, to the minority share holders of Grandix Pharmaceuticals Limited and Grandix Laboratories Limited, on January 19,2010.

Impact if the Company followed the Accounting Standards instead of the accounting treatment provided in the Scheme :-

On Net Profit for the year ended December 31, 2009 - Decrease	(22,777.70)
Earnings / (Loss) per share (EPS) (Face value of Rs.10/-each) (Rs.)	
Basic	(31.34)
Diluted	(31.34)

- (b) The Company hived off the undertakings comprising of 'Specialty Pharmaceuticals business' along with 'Research and Development Facility', on slump sale basis as a going concern, pursuant to a Business Transfer Agreement (BTA), with Strides Specialties Private Limited (SSPL) , a wholly owned subsidiary of the Company, with effect from December 30, 2009, for a net consideration of Rs.32,864.64 Lakhs, to be settled partly by issue of equity shares of SSPL and partly by cash.
- (c) The Company has granted 300,000 options under the Strides Arcolab ESOP-2008 (Director) at Rs. 59.00 per option (exercise price) to few Directors of the Company and 100,000 options under the Strides Arcolab ESOP-2008 at Rs. 59.00 per option (exercise price) to an eligible employee of the Company. 242,500 options were granted under the ESOP schemes to certain eligible employees of the Company. 165,600 options of Rs.10 each at a premium of Rs.95.75 per option were exercised and an equal number equity shares were allotted. 307,400 options lapsed during the year.
- 3 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.
- 4 The Company allotted 6,200,000 Warrants on April 13, 2009 to a Promoter Group Company & to relatives of Promoters at a price of Rs. 91.15 per Warrant with an option to convert into 6,200,000 equity shares of Rs. 10/- each. The said Warrants are due for conversion at anytime within 18 months from the date of allotment of Warrants. The upfront money of Rs.1,413.60 Lakhs received has been disclosed as 'Monies pending allotment'
- 5 During the year, the following Companies became subsidiaries / step down subsidiaries of the Company:
 - (a) Strides Technology & Research Private Limited, India
 - (b) Strides Pharma (Cyprus) Limited, Cyprus
 - (c) Strides Specialties (Holdings) Limited, Mauritius
 - (d) Strides Specialty (Cyprus) Limited, Cyprus,
 - (e) Strides Specialties (Holdings) Cyprus Limited. Further, Farma Plus AS, Norway and Plus Farma ehf, Iceland became wholly owned subsidiaries subsequent to acquisition of balance 50% stake.
- 6 The Board of Directors have recommended a dividend of Rs.1.50 per share for the year ended December 31,2009.
- 7 During the year, the Company has completed the acquisition of Green Cross Pharma Pte Limited, Singapore & Pharmasave Australia Pty Limited through its step down subsidiaries.
- 8 During the year, in accordance with RBI Policy, the Company has repurchased and cancelled Foreign Currency Convertible Bonds (FCCB's), aggregating to USD 26,000,000. The profits arising from the above have been included under the Exceptional Item.
- 9 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.
- 10 Investor grievances received and disposed off during the quarter ended December 31, 2009 :
 - a) Pending complaints at the beginning of the quarter – Nil
 - b) No. of Complaints received - 6
 - c) Complaints disposed - 6
 - d) Complaints unresolved - Nil
- 11 Consequent to the merger of some of the subsidiaries of the Company with itself, the current year figures are not strictly comparable with that of previous year. The previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

For and on behalf of the Board

**Arun Kumar
Vice Chairman & Managing Director**

Bangalore, February 24, 2010