

**AUDITED CONSOLIDATED FINANCIAL RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

| Sl. No. | Particulars                                                                                    | Rs. in Lakhs                             |                                          |
|---------|------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
|         |                                                                                                | AUDITED<br>12 Months ended<br>31.12.2010 | AUDITED<br>12 Months ended<br>31.12.2009 |
| 1       | (a) Net Sales / Income from Operations                                                         | 169,584.41                               | 130,477.14                               |
|         | (b) Other Operating Income                                                                     | 6,521.62                                 | 2,355.86                                 |
|         | <b>Total Income</b>                                                                            | <b>176,106.03</b>                        | <b>132,833.00</b>                        |
| 2       | Expenditure                                                                                    |                                          |                                          |
|         | (a) (Increase) / decrease in stock in trade and work in progress                               | (4,528.78)                               | (2,652.93)                               |
|         | (b) Consumption of materials                                                                   | 49,390.22                                | 44,589.56                                |
|         | (c) Purchase of traded goods                                                                   | 35,691.13                                | 28,139.97                                |
|         | (d) Employee cost                                                                              | 22,491.93                                | 18,080.65                                |
|         | (e) Depreciation                                                                               | 6,385.44                                 | 4,919.02                                 |
|         | (f) Other Expenditure                                                                          | 33,882.05                                | 23,626.37                                |
|         | <b>Total Expenditure</b>                                                                       | <b>143,311.99</b>                        | <b>116,702.64</b>                        |
| 3       | <b>Profit from Operations before Other Income, Interest &amp; Exceptional Items (1-2)</b>      | <b>32,794.04</b>                         | <b>16,130.36</b>                         |
| 4       | Other Income                                                                                   | 448.27                                   | 1.11                                     |
| 5       | <b>Profit before Interest &amp; Exceptional Items (3+4)</b>                                    | <b>33,242.31</b>                         | <b>16,131.47</b>                         |
| 6       | Interest                                                                                       | 14,664.92                                | 7,590.71                                 |
| 7       | <b>Profit after Interest but before Exceptional Items (5-6)</b>                                | <b>18,577.39</b>                         | <b>8,540.76</b>                          |
| 8       | Exceptional Items                                                                              |                                          |                                          |
|         | - Profit/(Loss) on Sale of investments (Net)                                                   | (416.13)                                 | -                                        |
|         | - Exchange Fluctuation Gain / (Loss) - (Net)                                                   | 632.27                                   | 1,316.36                                 |
|         | - Profit on sale of Plant                                                                      | -                                        | 1,136.54                                 |
|         | - Changes in fair value of Options embedded in FCCB's                                          | (156.28)                                 | (411.15)                                 |
|         | - Profit on FCCB Buyback                                                                       | -                                        | 2,911.69                                 |
|         | - Interest reversal on FCCB Buyback                                                            | -                                        | 799.61                                   |
| 9       | <b>Profit from ordinary activities before tax (7+8)</b>                                        | <b>18,637.25</b>                         | <b>14,293.81</b>                         |
| 10      | Tax Expense                                                                                    | 4,519.37                                 | 2,189.88                                 |
| 11      | <b>Net Profit from ordinary activities after tax (9-10)</b>                                    | <b>14,117.88</b>                         | <b>12,103.93</b>                         |
| 12      | Extraordinary Item                                                                             | -                                        | -                                        |
| 13      | <b>Net Profit for the year (11-12)</b>                                                         | <b>14,117.88</b>                         | <b>12,103.93</b>                         |
|         | Share of Minority Interest                                                                     | 1,873.13                                 | 1,135.54                                 |
| 14      | <b>Consolidated Profit after Minority Interest</b>                                             | <b>12,244.75</b>                         | <b>10,968.39</b>                         |
| 15      | Paid-up Equity Share Capital (Face value of Rs.10/-each)                                       | 5,774.47                                 | 4,021.56                                 |
| 16      | Reserves excluding revaluation reserves                                                        |                                          | 72,409.18                                |
| 17      | <b>Earnings per share (EPS)</b>                                                                |                                          |                                          |
|         | Basic and diluted EPS after extra-ordinary items for the year (Rs. Per share)                  |                                          |                                          |
|         | (a) Basic EPS                                                                                  | 26.11                                    | 26.49                                    |
|         | (b) Diluted EPS                                                                                | 24.56                                    | 19.67                                    |
| 18      | <b>Aggregate of Public shareholding :</b>                                                      |                                          |                                          |
|         | (a) Number of shares                                                                           | 41,401,298                               | 29,884,686                               |
|         | (b) Percentage of shareholding                                                                 | 71.70%                                   | 74.31%                                   |
|         | Promoters and Promoter group shareholding :                                                    |                                          |                                          |
|         | (a) Pledged / Encumbered                                                                       |                                          |                                          |
|         | - Number of shares                                                                             | 8,000,000                                | 6,896,000                                |
|         | - Percentage of shareholding (as a % of the total shareholding of promoter and promoter group) | 48.95%                                   | 66.75%                                   |
|         | - Percentage of shareholding (as a % of the total shareholding of the company)                 | 13.85%                                   | 17.15%                                   |
|         | (b) Non Pledged / Non Encumbered                                                               |                                          |                                          |
|         | - Number of shares                                                                             | 8,343,373                                | 3,434,928                                |
|         | - Percentage of shareholding (as a % of the total shareholding of promoter and promoter group) | 51.05%                                   | 33.25%                                   |
|         | - Percentage of shareholding (as a % of the total share capital of the Company)                | 14.45%                                   | 8.54%                                    |

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**STATEMENT OF ASSETS AND LIABILITIES AS AT**

| Particulars                                                              | Rs. In Lakhs         |                      |
|--------------------------------------------------------------------------|----------------------|----------------------|
|                                                                          | 31-Dec-10<br>Audited | 31-Dec-09<br>Audited |
| <b>SOURCES OF FUNDS</b>                                                  |                      |                      |
| A. Share Capital                                                         | 5,774.50             | 8,937.62             |
| B. Monies pending allotment                                              | -                    | 1,414.95             |
| C. Employees stock options outstanding account                           | 208.60               | 345.35               |
| D. Reserves and surplus                                                  | 122,295.20           | 72,409.20            |
| E. Minority Interest                                                     | 27,247.40            | 25,850.37            |
| F. Loan funds                                                            | 200,983.60           | 145,687.23           |
| G. Deferred Tax Liability (Net)                                          | 305.90               | 341.49               |
| <b>Total</b>                                                             | <b>356,815.20</b>    | <b>254,986.21</b>    |
| <b>APPLICATION OF FUNDS</b>                                              |                      |                      |
| A. Fixed assets (Net)                                                    | 104,408.40           | 93,187.55            |
| B. Goodwill on Consolidation                                             | 147,564.10           | 100,936.94           |
| C. Investments                                                           | -                    | 34,136.06            |
| D. Deferred Tax Asset (Net)                                              | -                    | 111.46               |
| E. Current assets                                                        |                      |                      |
| - Inventories                                                            | 31,199.70            | 23,341.97            |
| - Sundry Debtors                                                         | 38,378.40            | 41,606.26            |
| - Unbilled Debtors                                                       | 4,117.20             | 3,033.12             |
| - Cash and bank balances                                                 | 33,945.10            | 9,120.09             |
| - Loans and advances                                                     | 88,593.20            | 17,506.73            |
| F. Current Liabilities & Provisions                                      |                      |                      |
| - Current liabilities                                                    | (72,485.00)          | (50,566.01)          |
| - Provisions                                                             | (19,897.60)          | (17,427.96)          |
| <b>Net Current Assets (E-F)</b>                                          | <b>103,851.00</b>    | <b>26,614.20</b>     |
| G. Miscellaneous Expenditure (To the extent not written off or Adjusted) | 991.70               | -                    |
| <b>Total</b>                                                             | <b>356,815.20</b>    | <b>254,986.21</b>    |

**Notes:**

- Pursuant to the provision of clause 41 of the listing agreement, the Company has opted to publish only the consolidated results. The standalone results of the Company can be viewed on the Company's website [www.slidesarco.com](http://www.slidesarco.com), or on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) or NSE ([www.nseindia.com](http://www.nseindia.com)).
- 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, 2011.
- Consequent to the approval of Scheme of Arrangement during the year ending December 31, 2009 by the Hon'ble High Courts of Judicature, the Company has utilised the Reserve for Business Restructure as under:

| Particulars                                                                                                           | Rs. In Lakhs<br>Year Ended<br>31.12.2010 | Rs. In Lakhs<br>Year Ended<br>31.12.2009 |
|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|
| - Impairment of :<br>- Fixed Assets<br>- Current Assets                                                               | -<br>-<br>-                              | 726.98<br>9,029.38<br>-                  |
| - Interest on Purchase consideration                                                                                  | 1,623.28                                 | -                                        |
| - Investments/ Goodwill written off                                                                                   | 1,508.68                                 | 19,344.95                                |
| - Compensation in respect of product return & early termination of procurement contract                               | -                                        | 3,645.73                                 |
| - Depreciation and Amortisation                                                                                       | 1,696.24                                 | 1,150.00                                 |
| - Employee compensation                                                                                               | 387.08                                   | 6,776.45                                 |
| - Other expenses                                                                                                      | 1,910.34                                 | 1,171.33                                 |
| Realisation of assets written off earlier                                                                             | (2,525.06)                               | -                                        |
| Impact if the Company followed the Accounting Standards instead of the accounting treatment provided in the Scheme :- |                                          |                                          |
| <b>On Net Profit for the year ended Dec 31, 2010 - Decrease</b>                                                       | <b>4,600.56</b>                          | <b>41,844.82</b>                         |
| <b>Earnings / (Loss) per share (Face value of Rs.10/-each) (Rs.)</b>                                                  |                                          |                                          |
| Basic                                                                                                                 | 16.30                                    | (77.87)                                  |
| Diluted                                                                                                               | 15.33                                    | (77.87)                                  |

Further, in accordance with the Scheme, the Company, on January 19, 2010 has allotted 13,524 equity shares of Rs. 10 each fully paid, to the minority share holders of the transferor Companies namely Grandix Pharmaceuticals Limited and Grandix Laboratories Limited.



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

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- 4 Exchange fluctuation gain/loss (net) included under Exceptional items comprises the unrealized gains/losses arising out of the restatement of FCCB's, External Commercial Borrowings, intra group loans given, gains/losses on forward exchange option contracts.
- 5 During the year:
  - a) 573,000 equity shares were allotted on exercising equal number of options under various ESOP Schemes of the Company. Further, 375,000 options were granted to eligible employees of the Company under Strides Arcolab ESOP 2008 Scheme.
  - b) The Company allotted 6,200,000 equity shares of Rs. 10 each at a premium of Rs. 81.15 per equity share upon conversion of equal number of warrants which was allotted on April 13, 2009 to a Promoter Group Company and to relatives of Promoters.
  - c) The Company has redeemed foreign currency convertible bonds (FCCBs) of USD 34 million which were due for redemption in accordance with the terms of issue of the bonds.
  - d) The Company has redeemed 6% Cumulative Redeemable Preference Share amounting to Rs.4,916.06 Lakhs.
  - e) The Group has completed the acquisition of Africa Pharmaceutical Development, Cameroon.
  - f) The Group has acquired controlling stake in Inbiopro Solutions Private Limited, India.
  - g) Green Cross Pharma Pte Ltd, Singapore was merged with Drug House of Australia (Asia) Pte Limited, Singapore. Both the companies were part of the group and were included in the consolidated financial statements of the Group.
  - h) The Group completed the acquisition of the balance share holding in Co Pharma Ltd., UK from Aspen and divested its investments in Formule Naturelle Pty. Ltd., South Africa to Aspen and a sum of Rs. 408.40 lakhs is accounted as loss on sale of investments in Formule Naturelle Pty. Ltd.
  - i) The Group has incorporated Strides Farmaceutica Participacoes LTDA, Brazil through its step down subsidiary Starsmore Limited, Cyprus.
- 6 On October 1, 2010, the Company has allotted 10,742,533 equity shares of Rs.10 each fully paid at a premium of Rs.413.55 per equity share to Qualified Institutional Buyers in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 7 The Group entered into agreement with Aspen Pharmacare Holdings Limited (Aspen) for the acquisition of assets, liabilities and intangibles of manufacturing facility at Campos, Brazil and the Group has discharged the agreed purchase consideration. Pending receipt of certain regulatory approvals, the entity is not considered for consolidation as on December 31, 2010.
- 8 As per the binding agreement entered with Aspen Global Incorporated (Aspen) for the purchase of their shareholding in Onco Therapies Limited (OTL) & Onco Laboratories Limited (OLL), the risk and economic benefit in the shares of these Companies and their operations stand transferred to the Group with effect from January 1, 2010. Pending transfer of the shares by Aspen, both OTL & OLL have been consolidated as fully controlled entities. An amount of Rs. 15,102 Lakhs is yet to be discharged in respect of the above acquisitions on Dec 31, 2010.
- 9 Information on Standalone Results :-

| Rs. in Lakhs      |                            |                                        |                            |
|-------------------|----------------------------|----------------------------------------|----------------------------|
| Particulars       | 12 months ended 31.12.2010 | 12 months ended 31.12.2009 (recasted)* | 12 months ended 31.12.2009 |
|                   | (1)                        | (2)                                    | (3)                        |
| Turnover          | 50,463.77                  | 47,476.53                              | 76,944.20                  |
| Profit before Tax | 8,908.17                   | 7,252.91                               | 11,655.43                  |
| Profit after Tax  | 7,356.08                   | 6,163.52                               | 10,551.43                  |

**\*Note:**

The results for the year ended December 31, 2009 have been recasted in column 2 to include results of certain subsidiaries merged into the Company and 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 year ended December 31, 2010.

- 10 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 provision of the Companies Act, 1956.
- 11 Investor grievances received and disposed off during the quarter ended December 31, 2010 :
  - a) Pending complaints at the beginning of the quarter - Nil
  - b) No. of Complaints received - 23
  - c) Complaints disposed - 23
  - d) Complaints unresolved - Nil
- 12 The Board of Directors have recommended an equity dividend of Rs. 1.50 per share for the year ended December 31, 2010.
- 13 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, 2011