

AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Rs. In Lakhs

Sl. No.	Particulars	AUDITED	UNAUDITED	AUDITED
		12 Months ended 31.12.2010	12 Months ended 31.12.2009 (Refer Note 15)	12 Months ended 31.12.2009
1	(c) Net Sales / Income from Operations	(1)	(2)	(3)
	(b) Other Operating Income	50,463.77	47,476.53	76,944.20
2	Total Income	2,480.61	1,314.42	1,315.04
	Expenditure	52,944.38	48,790.95	78,259.24
	(e) (Increase) / decrease in stock in trade and work in progress	(785.38)	(1,163.42)	(1,198.64)
	(b) Consumption of materials	23,693.57	26,041.31	40,929.25
	(c) Purchase of traded goods	4,460.56	3,804.32	3,804.22
	(d) Employee cost	5,255.12	5,370.54	8,366.03
	(e) Depreciation	1,508.21	1,502.20	2,268.54
	(ii) Other Expenditure	8,846.32	8,502.82	13,670.04
3	Total Expenditure	44,878.40	44,057.77	67,839.54
4	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	7,965.98	4,735.18	10,419.70
5	Other Income	-	-	-
6	Profit before Interest & Exceptional Items (3+4)	7,965.98	4,735.18	10,419.70
7	Interest	4,207.72	4,696.41	5,980.42
8	Profit after Interest but before Exceptional Items (5-6)	3,758.26	36.77	4,439.28
	Exceptional Items:			
	- Exchange fluctuation gain / (loss) (Net)	2,523.42	3,916.00	3,916.00
	- Profit on sale of Investment	944.02	-	-
	- Changes in fair value of Options embedded in FCCB's	(156.28)	(411.15)	(411.15)
	- Provision for diminution in value of Investment / reversed	1,838.75	-	-
	- Profit on FCCB Buyback	-	2,911.69	2,911.69
9	Profit / (Loss) from Ordinary activities before tax (7+ 8)	8,908.17	7,252.92	11,655.43
10	Tax Expense	1,552.09	1,089.40	1,104.00
11	Net Profit / (Loss) from Ordinary activities after tax (9-10)	7,356.08	6,163.52	10,551.43
	Profit from Continuing Operations	8,908.17	7,252.92	7,252.92
	Less: Tax expense	1,552.09	1,089.40	1,089.40
	Net Profit from Continuing Operations	7,356.08	6,163.52	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)	7,356.08	6,163.52	10,551.43

- 10 The Company had early adopted Accounting Standard (AS) 30 "Financial Instruments: Recognition and Measurement" along with the limited revision to AS 11 "The Effect of Changes in Foreign Exchange Rate". Pursuant to the notification dated February 11, 2011 issued by The Institute of Chartered Accountants of India regarding certain accounting treatment under AS 30, the Company has reversed net exchange gain of Rs. 156.64 Lakhs recognized till December 31, 2009 on restatement of certain US Dollar denominated investments that was designated as fair value hedge since such restatement is not in accordance with AS 13 "Accounting for Investment" being a monetary AS.
- 11 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 discharged the full consideration (Rs. 16,490.41 Lakhs). 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.
- 12 Exchange fluctuation gain/loss (net) included under Exceptional Items comprises the unrealized gains/losses arising out of the restatement of FCGRs, External Commercial Borrowings, Intra group loans given, gains/losses on forward exchange option contract and certain foreign currency denominated monetary items.
- 13 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.
- 14 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
- 15 The results for the year ended December 31, 2009 have been recast in column 2 to include results of certain subsidiaries merged into the Company and to exclude the results of the Specialties business which were lived 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.
- 16 The Board of Directors have recommended an equity dividend of Rs. 1.50 per share for the year ended December 31, 2010.

Bangalore, February, 24, 2011

For and on behalf of the Board

Arun Kumar
Vice Chairman & Managing Director

Sl. No.	Particulars	AUDITED	UNAUDITED	AUDITED
		12 Months ended 31.12.2010	Revised 12 Months ended 31.12.2009 (Refer Note 15)	12 Months ended 31.12.2009
1	(a) Net Sales / Income from Operations	(1)	(2)	(3)
	(b) Other Operating Income	50,483.77	47,476.53	76,944.20
	Total Income	2,480.61	1,314.42	1,315.04
2	Expenditure	52,944.38	48,790.95	78,259.24
	(a) (Increase) / decrease in stock in trade and work in progress	(785.38)	(1,163.42)	(1,198.64)
	(b) Consumption of materials	23,693.57	26,041.31	40,929.25
	(c) Purchase of traded goods	6,460.56	3,804.32	3,804.32
	(d) Employee cost	5,255.12	5,370.54	8,366.03
	(e) Depreciation	1,508.21	1,502.20	2,268.54
	(f) Other Expenditure	8,844.32	8,502.82	13,670.04
	Total Expenditure	44,978.40	44,057.77	67,839.54
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	7,965.98	4,733.18	10,419.70
4	Other Income	-	-	-
5	Profit before Interest & Exceptional Items (3+4)	7,965.98	4,733.18	10,419.70
6	Interest	4,207.72	4,696.41	5,980.42
7	Profit after Interest but before Exceptional Items (5-6)	3,758.26	36.77	4,439.28
8	Exceptional Items:			
	- Exchange fluctuation gain / (loss) (Net)	2,523.42	3,916.00	3,916.00
	- Profit on sale of investment	944.02	-	-
	- Changes in fair value of Options embedded in FCCB's	(156.28)	(411.15)	(411.15)
	- Provision for diminution in value of investment reversed	1,838.75	-	-
	- Profit on FCCB Buyback	-	2,911.69	2,911.69
	- Interest reversal on FCCB Buyback	-	799.61	799.61
9	Profit / (Loss) from Ordinary activities before tax (7+ 8)	8,708.17	7,252.92	11,655.43
10	Tax Expense	1,552.09	1,089.40	1,104.00
11	Net Profit / (Loss) from Ordinary activities after tax (9-10)	7,356.08	6,163.52	10,551.43
	Profit from Continuing Operations	8,708.17	7,252.92	7,252.92
	Less: Tax expense	1,552.09	1,089.40	1,089.40
	Net Profit from Continuing Operations	7,356.08	6,163.52	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)	7,356.08	6,163.52	10,551.43



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AUDITED FINANCIAL RESULTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Rs. in Lakhs

Sl. No.	Particulars	AUDITED	UNAUDITED	AUDITED
		12 Months ended 31.12.2010	Recasted 12 Months ended 31.12.2009 (Refer Note 15)	12 Months ended 31.12.2009
		(1)	(2)	(3)
14	Paid-up Equity Share Capital (Face value of Rs.10/-each)	5,774.47	4,021.56	4,021.56
15	Reserves excluding revaluation reserves		82,094.99	82,094.99
16	Earnings per Share (EPS) :			
	Basic & Diluted EPS after Extraordinary Items for the year (Rs. per share)			
	(a) Basic EPS	15.69	14.51	25.46
	(b) Diluted EPS	11.98	10.09	18.06
17	Aggregate of Public shareholding :			
	(a) Number of shares	41,401,298	29,884,484	29,884,484
	(b) Percentage of shareholding	71.70%	74.31%	74.31%
18	Promoters and Promoter group shareholding :			
	(a) Pledged / Encumbered			
	- Number of shares	8,000,000	6,896,000	6,896,000
	- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	48.95%	66.75%	66.75%
	- Percentage of shareholding (as a % of the total share capital of the Company)	13.85%	17.15%	17.15%
	(b) Non Pledged / Non Encumbered			
	- Number of shares	8,349,373	3,434,928	3,434,928
	- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	51.05%	33.25%	33.25%
	- Percentage of shareholding (as a % of the total share capital of the Company)	14.45%	8.54%	8.54%

STATEMENT OF ASSETS AND LIABILITIES AS AT -

Particulars	Rs. in Lakhs	
	December 31, 2010 Audited	December 31, 2009 Audited
SOURCES OF FUNDS		
A. Share Capital	5,774.47	8,937.62
B. Monies pending allotment	-	1,414.95
C. Employees stock options outstanding account	208.57	345.35
D. Reserves and surplus	134,627.49	82,094.99
E. Loan funds	124,185.60	123,223.86
Total	264,796.13	216,016.77
APPLICATION OF FUNDS		
A. Fixed assets (net)	34,908.25	33,810.91
B. Investments	182,006.69	151,804.18
C. Current assets		
- Inventories	12,930.75	9,550.28
- Sundry Debtors	15,973.02	20,752.66
- Unbilled Debtors	1,452.75	-
- Cash and bank balances	8,102.93	3,138.22
- Loans and advances	46,541.54	35,978.39
D. Current Liabilities & Provisions		
- Current liabilities	(22,105.63)	(22,063.02)
- Provisions	(15,034.17)	(16,954.85)
Net Current Assets (C-D)	47,891.19	30,401.68
Total	264,796.13	216,016.77

Notes:

- 1 The above 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.
- 2 The previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.

3. 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 utilized the Reserve for Business Restructure (RBR) as under:

Particulars	Year Ended 31.12.2010	Year Ended 31.12.2009
Utilisation of RBR :		
- 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	1,694.24	1,150.00
- Employee compensation	387.08	6,776.45
- Other expenses	911.23	1,171.33
- Revaluation 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 :-		
Net Profit for the year ended December 31, 2010 would have been decreased by :	469.49	22,777.70
Revised earnings / (Loss) per share (EPS) (Face value of Rs.10/-each) (Rs.)		
Basic	14.69	(31.34)
Diluted	11.18	(31.34)

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

4. During the year, 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 Shidas Accolob ESOP 2008 Scheme.

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.

5. On October 1, 2010, the Company has allotted 10,742,333 equity share of Rs.10 each fully paid at a premium of Rs.413.55 per equity shares to Qualified Institutional Buyers in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

6. During the year, the Company has redeemed 6% Cumulative Redeemable Preference Share amounting to Rs.4,916.06 Lakhs.

7. During the year, 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.

8. During the year, the Company sold its equity investment in Shidas Inc. USA and Alcon Shidas LLC. USA, a subsidiary and joint venture respectively, to Unkace Limited, Cyprus, a wholly owned subsidiary of the Company.

9. During the year:

(a) the Company has acquired controlling stake in the following Companies, through its stop down subsidiaries :

(i) Africa Pharmaceutical Development, Cameroon

(ii) Indopro Solutions Private Limited, India

(b) the Company, through its stop down subsidiary, completed the acquisition of the balance shareholding in Co Pharma Ltd., UK from Aspen Global Incorporated (Aspen) and divested its investments in Formula Naturale Pty Ltd., South Africa.

(c) the Company has incorporated Shidas Farmoc tica Participa es Ltda, Brazil.

(d) 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 Group.

(e) The Company has entered into agreement with Aspen Pharmacare Holdings Limited (Aspen) for the acquisition of assets, liabilities and intangibles of manufacturing facility at Campos, Brazil through its stop down subsidiary and has also discharged the agreed purchase consideration. Pending receipt of certain regulatory approval, the entity is not considered for consolidation as on December 31, 2010.

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For and on behalf of the Board


Arun Kumar
Vice Chairman & Managing Director

Bangalore, February, 24, 2011