

UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED MARCH 31, 2011

Rs. in Lakhs

Sl. No.	Particulars	UNAUDITED		AUDITED
		3 Months ended 31.03.2011	3 Months ended 31.03.2010 (refer note 6 below)	12 Months ended 31.12.2010
		(1)	(2)	(3)
1	(a) Net Sales / Income from Operations	12,719.61	13,138.78	50,463.77
	(b) Other Operating Income	74.65	73.34	2,480.61
	Total Income	12,794.26	13,212.12	52,944.38
2	Expenditure			
	(a) (Increase) / decrease in stock in trade and work in progress	655.78	28.43	(785.38)
	(b) Consumption of materials	4,267.29	5,622.12	23,693.57
	(c) Purchase of traded goods	2,037.46	1,195.37	6,460.56
	(d) Employee cost	1,331.87	1,455.47	5,255.12
	(e) Depreciation	385.58	342.45	1,508.21
	(f) Other Expenditure	2,383.70	1,981.01	8,846.32
	Total Expenditure	11,061.68	10,624.85	44,978.40
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	1,732.58	2,587.27	7,965.98
4	Other Income	-	62.04	-
5	Profit before Interest & Exceptional Items (3+4)	1,732.58	2,649.31	7,965.98
6	Interest	1,836.01	1,644.37	4,207.72
7	Profit / (loss) after Interest but before Exceptional Items (5-6)	(103.43)	1,004.94	3,758.26
8	Exceptional Items:			
	- Exchange Fluctuation gain / (loss) (Net)	417.00	1,852.59	2,523.43
	- Exchange gain / (loss) on restatement of Hedged investments	-	(484.27)	-
	- Profit on sale of investment	-	-	944.02
	- (Loss)/gain on account of (increase)/decrease in fair value of options embedded in FCCBs	1,305.73	(1,114.73)	(156.28)
	- Provision for diminution in value of investment reversed	-	-	1,838.75
9	Profit / (Loss) from Ordinary activities before tax (7+ 8)	1,619.30	1,258.53	8,908.17
10	Tax Expense	345.00	252.08	1,552.09
11	Net Profit / (Loss) from Ordinary activities after tax (9-10)	1,274.30	1,006.45	7,356.08
12	Extraordinary Item	-	-	-
13	Net Profit / (Loss) for the period (11-12)	1,274.30	1,006.45	7,356.08
14	Paid-up Equity Share Capital (Face value of Rs.10/-each)	5,776.92	4,320.91	5,774.47
15	Reserves excluding revaluation reserves			134,627.49
16	Earnings per Share (EPS) :			
	Basic & Diluted EPS after Extraordinary items for the period (Rs. per share)			
	(a) Basic EPS	2.21	2.23	15.69
	(b) Diluted EPS	0.45	2.10	11.98
17	Aggregate of Public shareholding :			
	(a) Number of shares	41,430,148	29,898,210	41,401,298
	(b) Percentage of shareholding	71.72%	69.19%	71.70%
18	Promoters and Promoter group shareholding :			
	(a) Pledged / Encumbered			
	- Number of shares	8,928,285	6,896,000	8,000,000
	- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	54.64%	51.81%	48.95%
	- Percentage of shareholding (as a % of the total share capital of the Company)	15.46%	15.96%	13.85%
	(b) Non Pledged / Non Encumbered			
	- Number of shares	7,410,738	6,414,928	8,343,373
	- Percentage of shareholding (as a % of the total share holding of promoter and promoter group)	45.36%	48.19%	51.05%
	- Percentage of shareholding (as a % of the total share capital of the Company)	12.83%	14.85%	14.45%

Notes :

- 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 April 25, 2011.
- The Statutory Auditors have carried out limited review of the above standalone results.
- 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 (BRR) as under:

Rs. in Lakhs

Particulars	3 Months Ended 31.03.2011	3 Months Ended 31.03.2010	12 Months Ended 31.12.2010
Utilisation of BRR :			
- Depreciation and Amortisation	419.30	420.04	1,696.24
- Employee compensation	227.48	453.66	387.08
- Other expenses	110.91	33.61	911.23
Realisation of assets written off earlier	(4.64)	(105.52)	(2,525.06)
Impact if the Company followed the Accounting Standards instead of the accounting treatment provided in the Scheme :-			
Net Profit for the period would have been decreased by :	753.05	801.79	469.49
Revised earnings / (Loss) per share (EPS) (Face value of Rs.10/-each) (Rs.) for the respective periods would have been:			
Basic	0.90	0.29	14.69
Diluted	(0.70)	0.27	11.18

- During the quarter, 24,500 equity shares were allotted on exercising equal number of options under Strdies Arcolab ESOP 2008 Schemes of the Company. Further, 680,500 options were granted to eligible employees of the Company under various ESOP Schemes.
- 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. During the quarter Aspen has transferred the shares in OTL & consequently, OTL has become a wholly owned subsidiary of the Company.
- The Company had early adopted Accounting Standard (AS) 30 'Financial Instruments: Recognition and Measurement' and in the spirit of full adoption, the Company had also adopted the limited revision to other notified AS. In accordance with these provisions, certain investments which were designated in a fair value hedge relationship were restated at the period end rates. Pursuant to the notification dated February 11, 2011 issued by The Institute of Chartered Accountants of India, which clarified that the provisions of AS 30 would need to be applied only to the extent they do not contravene the other mandatory accounting standards, during the quarter ended December 31, 2010, the Company reversed such restatements done in prior quarters. The results for the quarter ended March 31, 2010 included in these results are extracted from the results published for the quarter then ended and do not incorporate the impact of the reversal of restatements referred above. The exchange loss recognised in the quarter ended March 31, 2010 on account of such restatement was Rs. 484.27 lakhs.
- 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 and certain foreign currency denominated monetary items.
- 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.
- On completion of certain legal formalities, the Company obtained control over EPHOS - 106 Produtos Hospitalares Ltda ME, Brazil and Agila Especialidades Farmaceuticas Ltda. Brazil, through its step down subsidiaries.
- Investor grievances received and disposed off during the quarter ended March 31, 2011 :
 - Pending complaints at the beginning of the quarter – Nil
 - No. of Complaints received - 20
 - Complaints disposed - 20
 - Complaints unresolved - Nil
- The previous period's figures have been regrouped/reclassified wherever necessary to conform to current period's classification.

For and on behalf of the Board**Arun Kumar
Vice Chairman & Managing Director****Bangalore, April, 25, 2011**