

DIVI'S LABORATORIES LIMITED

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2006

(Rs.in Lakhs)

		Unaudited		Audited
	Particulars	Quarter ended 30.06.2006	Quarter ended 30.06.2005	Year Ended 31.03.2006
		(1)	(2)	(5)
1	Net Sales/Income from operations (net of Excise Duty)	16083.90	6464.42	38111.07
2	Other Income	435.63	369.55	1062.48
3	<u>Total Income:</u>	16519.53	6833.97	39173.55
4	<u>Expenditure:</u>			
	a. (Increase) / Decrease in Stock	436.98	(2028.02)	(1310.21)
	b. Consumption of Raw Material	7758.22	4305.28	18291.82
	c. Staff Cost	963.68	393.18	1819.87
	d. Other Expenditure			
	- Manufacturing Expenses	933.66	776.51	3317.26
	- Other expenses	1384.26	984.09	4323.78
5	Finance charges	205.56	113.86	558.32
6	Depreciation	426.42	361.13	1481.59
7	Total Expenses:	12108.78	4906.03	28482.43
8	<u>Profit Before Tax (3-7)</u>	4410.75	1927.94	10691.12
9	Provision for Taxation			
	- Current Tax	1670.00	641.00	3315.82
	- Deferred Tax	63.00	8.52	313.16
	- Fringe Benefit Tax	3.25	2.61	15.00
10	<u>Net Profit: (8-9)</u>	2674.50	1275.81	7047.14
11	Paid-up Equity Share Capital	1281.87	1281.87	1281.87
12	Reserves excluding revaluation reserves			32799.78
13	Basic Earnings Per Share Rs.	20.86	9.95	54.98
	Diluted Earnings Per Share Rs. (Face Value : Rs.10 per share)	20.47	9.95	53.94
14	Aggregate of public shareholding:			
	- No. of shares	5903200	5897759	5898259
	- % of shareholding	46.05	46.01	46.01

NOTES:

1. The above results for the Quarter ended 30th June 2006, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 31st July, 2006.
2. The Company is primarily engaged in the manufacture of Active Pharmaceutical Ingredients and intermediates. Accordingly there are no reportable segments as per Accounting Standard 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
3. During 2005-06, the company formulated Employee Stock Option Scheme (ESOP 2006) as per SEBI Guidelines and granted 464920 stock options to eligible employees and non promoter executive directors of the company. In accordance with the applicable accounting standards, an amount of Rs.602.98 lakhs has been charged as expense for the current Quarter.
4. In respect of the speciality ingredient project, the MNC customer, which had earlier signed a contract with the company, has terminated the contract and the company has received an amount of Rs.2394.60 lakhs from the customer towards reimbursement for the Capital Expenditure incurred on the Project.
5. The company has converted its existing Unit-2 at Chippada into an Export Oriented Unit (EOU) and is operational effective from 1st June, 2006.
6. The company is developing a sector specific Special Economic Zone (SEZ) at Chippada, Bheemunipatnam Mandal, which is named as 'Divi's Pharma SEZ' and is setting up its SEZ Unit in the SEZ. First phase of this Unit is expected to be operational shortly.
7. The figures for the previous year/period have been regrouped, wherever necessary.
8. Details of Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30.06.2006:

Opening: Nil, Received during the Quarter: 2, Resolved: 2, Closing: Nil

DIVI'S LABORATORIES LIMITED

CONSOLIDATED UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2006

(Rs.in Lakhs)

		Unaudited	Audited
	Particulars	Quarter ended 30.06.2006	Year Ended 31.03.2006
		(1)	(5)
1	Net Sales/Income from operations (net of Excise Duty)	16069.12	38111.07
2	Other Income	433.78	1062.48
3	<u>Total Income:</u>	16502.90	39173.55
4	<u>Expenditure:</u>		
	a. (Increase) / Decrease in Stock	369.76	(1310.21)
	b. Consumption of Raw Material	7793.87	18291.82
	c. Staff Cost	1040.49	1819.87
	d. Other Expenditure		
	- Manufacturing Expenses	951.48	3317.26
	- Other expenses	1447.42	4323.78
5	Finance charges	205.59	558.32
6	Depreciation	426.82	1481.59
7	<u>Total Expenses:</u>	12235.43	28482.43
8	<u>Profit Before Tax (3-7)</u>	4267.47	10691.12
	Provision for Taxation		
9	- Current Tax	1670.00	3315.82
	- Deferred Tax	30.81	313.16
	- Fringe Benefit Tax	3.25	15.00
10	<u>Net Profit: (8-9)</u>	2563.41	7047.14
11	Paid-up Equity Share Capital	1281.87	1281.87
12	Reserves excluding revaluation reserves		32799.78
13	Basic Earnings Per Share Rs. Diluted Earnings Per Share Rs. (Face Value : Rs.10 per share)	20.00 19.62	54.98 53.94
14	Aggregate of public shareholding: - No. of shares - % of shareholding	5903200 46.05	5898259 46.01

NOTES:

- 1) The above results for the Quarter ended 30th June 2006, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 31st July, 2006.
- 2) The above results include the financials of subsidiaries, Divis Laboratories (USA) Inc., and Divi's Laboratories Europe AG.
- 3) As there are no subsidiaries required to be consolidated as on 30.06.2005, previous year figures are not given.

Place: Hyderabad
Date: 31st July, 2006

for Divi's Laboratories Limited

Dr. Murali K. Divi
Chairman & Managing Director