

# **DIVI'S LABORATORIES LIMITED**

Hyderabad

## **PRESS RELEASE**

### **Divi's Laboratories earns a total income of Rs.365 crores in FY05**

Divi's Laboratories has earned a total Income of Rs. 365 crores during the year ended 31<sup>st</sup> March, 2005. Income during the previous year was Rs.317 crores. It earned a PAT of Rs.66 crores for the current year as against Rs.73 crores during the last year.

For the 4<sup>th</sup> quarter ending 31<sup>st</sup> March, 2005, the Company earned a Profit after Tax of Rs.23 crores on an Income of Rs.115 crores as against a PAT of Rs.22 crores on an income of Rs.102 crores during the corresponding previous quarter. The Board of Directors has recommended a dividend of 80% on equity shares of Rs.10/- each for the year ended 31.03.2005 subject to approval of members.

Lower profitability during the year is due to the movement of certain products with higher material costs and increase in prices of petroleum and molasses based solvents besides incidence of higher taxation consequent to withdrawal of exemption on export profits. Some of the Custom Synthesis projects are going through a longer development phase resulting in delayed sales.

Divi has successfully completed trials of a speciality ingredient jointly with a prominent MNC company based in USA. Divi has signed a multi-year agreement with the company for supply of the ingredient. For this purpose, Divi is in the process of setting up an Export Oriented Unit with a capital investment of Rs.30 crores at its Unit-2 at Visakhapatnam.