

DIVI'S LABORATORIES LIMITED

CONSOLIDATED UN-AUDITED FINANCIAL RESULTS FOR THE FOR THE QUARTER AND HALF-YEAR ENDED 30TH SEPTEMBER, 2006

(Rs.in Lakhs)

	Particulars	Unaudited		Audited
		Quarter ended 30.09.2006	Half-Year ended 30.09.2006	Year Ended 31.03.2006
		(1)	(2)	(3)
1	Net Sales/Income from operations (net of Excise Duty)	16172.15	32241.27	38111.07
2	Other Income	348.12	781.90	1062.48
3	<u>Total Income:</u>	16520.27	33023.17	39173.55
4	<u>Expenditure:</u>			
	a. (Increase) / Decrease in Stock	883.55	1253.31	(1310.21)
	b. Consumption of Raw Material	7621.98	15415.85	18291.82
	c. Staff Cost	1162.82	2203.31	1819.87
	d. Other Expenditure			
	- Manufacturing Expenses	942.60	1894.08	3317.26
	- Other expenses	1400.04	2847.46	4323.78
5	Finance charges	64.85	270.44	558.32
6	Depreciation	416.02	842.84	1481.59
7	Total Expenses:	12491.86	24727.29	28482.43
8	<u>Profit Before Tax (3-7)</u>	4028.41	8295.88	10691.12
	Provision for Taxation			
9	- Current Tax	1140.00	2810.00	3315.82
	- Deferred Tax	(105.84)	(75.03)	313.16
	- Fringe Benefit Tax	3.75	7.00	15.00
10	<u>Net Profit: (8-9)</u>	2990.50	5553.91	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.	23.33	43.33	54.98
	Diluted Earnings Per Share Rs. (Face Value : Rs.10 per share)	22.89	42.51	53.94
14	Aggregate of public shareholding:			
	- No. of shares	5905700	5905700	5898259
	- % of shareholding	46.07%	46.07%	46.01%

NOTES:

- 1) The above results for and half-year ended 30th September, 2006, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 28th October, 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 30.09.2005, previous year figures are not given.

DIVI'S LABORATORIES LIMITED

**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER
AND HALF-YEAR ENDED 30TH SEPTEMBER, 2006**

(Rs.in Lakhs)

	Particulars	Unaudited				Audited
		Quarter ended 30.09.2006	Quarter ended 30.09.2005	Half-Year ended 30.09.2006	Half-Year ended 30.09.2005	Year Ended 31.03.2006
		(1)	(2)			(5)
1	Net Sales/Income from operations (net of Excise Duty)	16136.61	8139.14	32220.51	14603.56	38111.07
2	Other Income	340.67	219.00	776.30	588.55	1062.48
3	<u>Total Income:</u>	16477.28	8358.14	32996.81	15192.11	39173.55
4	<u>Expenditure:</u>					
	a. (Increase) / Decrease in Stock	931.24	(715.41)	1368.22	(2743.43)	(1310.21)
	b. Consumption of Raw Material	7524.53	4093.93	15282.75	8399.21	18291.82
	c. Staff Cost	1028.34	395.48	1992.02	788.66	1819.87
	d. Other Expenditure:					
	- Manufacturing Expenses	958.98	850.89	1892.64	1627.40	3317.26
	- Other expenses	1345.22	868.51	2729.48	1852.60	4323.78
5	Finance charges	64.66	93.90	270.22	207.76	558.32
6	Depreciation	415.34	365.20	841.76	726.33	1481.59
7	Total Expenses:	12268.31	5952.50	24377.09	10858.53	28482.43
8	<u>Profit Before Tax (3-7)</u>	4208.97	2405.64	8619.72	4333.58	10691.12
	Provision for Taxation					
9	- Current Tax	1140.00	769.00	2810.00	1410.00	3315.82
	- Deferred Tax	(63.00)	41.62	0.00	50.14	313.16
	- Fringe Benefit Tax	3.75	2.93	7.00	5.54	15.00
10	<u>Net Profit: (8-9)</u>	3128.22	1592.09	5802.72	2867.90	7047.14
11	Paid-up Equity Share Capital	1281.87	1281.87	1281.87	1281.87	1281.87
12	Reserves excluding revaluation reserves					32799.78
13	Basic Earnings Per Share Rs.	24.40	12.42	45.27	22.37	54.98
	Diluted Earnings Per Share Rs. (Face Value : Rs.10 per share)	23.94	12.42	44.42	22.37	53.94
14	Aggregate of non-promoting shareholding					
	- No. of shares	5905700	5898259	5905700	5898259	5898259
	- Percentage of shareholding	46.07%	46.01%	46.07%	46.01%	46.01%

NOTES:

1. The above results for the quarter and half-year ended 30th September, 2006, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 28th October, 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. The company has charged an amount of Rs. 1212.58 lakhs towards Employee Compensation Expense for the current half-year on account of stock options granted to eligible employees.
4. First phase of the company's SEZ Unit at Chippada, Bheemunipatnam has started commercial operations from 27th October, 2006.
5. The figures for the previous period have been regrouped, wherever necessary.
6. Information on Investor complaints pursuant to Clause 41 of the Listing Agreement for the quarter ended 30th September, 2006:

Nature of Complaints	Pending as at 01-07-2006	Received during the quarter	Disposal during the quarter	Lying unresolved as at 30-09-2006
Share Certificates related	0	0	0	0
Dividend related	0	3	3	0

for Divi's Laboratories Limited

Hyderabad
28.10.2006

Dr. Murali K. Divi
Chairman & Managing Director