

DIVI'S LABORATORIES LIMITED
Hyderabad

PRESS RELEASE dated 22nd May, 2010

Divi's Labs earns a PAT of Rs.129 crores for Q4

Divi's Laboratories has earned a PAT of Rs.129 crores on an income of Rs. 315 crores for the 4th quarter of the year 2009-10 on a consolidated basis. In addition, the company has written back an amount of Rs.54 crores towards income-tax provision of earlier years. Thus the PAT for the Q4 is reported as Rs.183 crores. It may be recalled that the company had to make provision for this tax as exceptional item in the results for Q1 of current year - due to the restrictive provisions of tax exemptions for SEZ Units. The Finance Act of 2010 has amended this Section facilitating 100% exemption of export profits of SEZ Units retrospectively from the year 2006.

PAT for the corresponding previous quarter was Rs.107 crores on an income of Rs.324 crores.

PAT for the current year came to Rs.340 crores on a total income of Rs.964 crores as against a PAT of Rs.417 crores last year on an income of Rs.1193 crores. Turnover for the year has been lower as operations during the first 3 quarters of the year were affected due to the destocking of inventories by the company's major customers across their supply chain. The company now visualizes normalization of business across its markets.

The Board of Directors of the company has recommended a dividend of Rs.6 per equity share of Rs.2 each on the enhanced equity capital after the bonus issue made during the year.

The company is in the process of implementing a Project for setting up another Unit at its SEZ facility at Visakhapatnam at a cost of Rs.200 crores.