

**UNAUDITED FINANCIAL RESULTS**  
**FOR THE QUARTER ENDED 31st MARCH, 2009**

(Rupees in crores)

		Quarter Ended		Year Ended	
		31.03.2009	31.03.2008	31.03.2009	31.03.2008 (Audited)
1	a) Gross Sales	1248.66	1102.28	5033.68	4088.56
	Less: Excise Duty	13.49	20.66	60.99	90.66
	Net Sales	1235.17	1081.62	4972.69	3997.90
	b) Other Operating Income	131.57	40.48	297.85	220.55
	Total Operating Income (a+b)	1366.74	1122.10	5270.54	4218.45
2	Expenditure				
	a) (Increase)/decrease in Stock-in-trade and work in progress	(1.65)	(0.28)	(102.53)	(41.37)
	b) Consumption of Materials	451.42	455.32	1850.96	1642.39
	c) Purchase of Traded Goods	116.75	114.98	601.30	458.94
	d) Employee Cost	77.88	73.03	318.06	255.45
	e) Depreciation	55.66	36.67	175.65	130.68
	f) Other Expenditure	373.19	250.98	1551.31	974.99
	g) Total	1073.25	930.70	4394.75	3421.08
3	Profit (+)/Loss (-) from Operations before Other Income and Interest (1- 2)	293.49	191.40	875.79	797.37
4	Other Income	15.45	15.29	67.83	52.68
5	Profit (+)/Loss (-) before Interest (3 +4)	308.94	206.69	943.62	850.05
6	Interest	13.27	4.56	33.54	11.69
7	Profit (+)/Loss (-) after Interest but before Tax (5-6)	295.67	202.13	910.08	838.36

8	Tax Expense				
	a) Current Tax	32.75	18.75	102.25	94.00
	b) Deferred Tax	7.50	1.25	30.00	36.50
	c) Fringe Benefit Tax	2.50	2.68	10.00	6.43
9	Net Profit (+)/Loss (-) after Tax (7-8)	252.92	179.45	767.83	701.43
10	Paid-up Equity Share Capital (Face Value Rs.2/- per share)	155.46	155.46	155.46	155.46
11	Reserves excluding Revaluation Reserves as per Balance Sheet of previous Accounting Year				3591.39
12	Earning per Share (Rs.) * Not Annualised	*3.25	*2.31	9.88	9.02
13	Public Shareholding				
	- Number of Shares	462918088	465708166	462918088	465708166
	- Percentage of Shareholding	59.56	59.91	59.56	59.91
14	Promoters and Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of Shares	NIL		NIL	
	- Percentage of shares	NIL		NIL	
	(as a % of the total shareholding of promoter and promoter group)	NIL		NIL	
	- Percentage of shares				
	(as a % of the total share capital of the Company)				

b) Non Encumbered	306108047	306108047
- Number of Shares	100.00	100.00
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	39.38	39.38
- Percentage of shares (as a % of the total share capital of the Company)		

**Notes:**

1. The Company is essentially in the pharmaceutical business segment.
2. No investor grievances were pending at the beginning of the quarter. During the quarter ended 31st March, 2009, six investor grievances were received. As of 31st March, 2009 all grievances have been suitably replied to.
3. The Company had challenged the inclusion of the drugs – Salbutamol, Theophylline, Ciprofloxacin, Cloxacillin and Norfloxacin – within the ambit of price control. The petition filed by the Company had been decided in favour of the Company by the Bombay High Court, which held that the said drugs were outside the ambit of price control. However, on an appeal filed by the government, the Supreme Court remanded the matter to the Bombay High Court for further and more detailed examination in the light of the principles laid down by the Supreme Court. Pending this, the Supreme Court also gave liberty to government to recover 50% of the amount that they had claimed was overcharged. The government had sent notices to the Company demanding an aggregate of Rs.180.37 crores in respect of the said drugs, which, according to them, was 50% of the amount allegedly overcharged by the Company till July 2003. The Company had not deposited the amount demanded, as in another petition challenging the price fixation notifications of these drugs, the Karnataka High Court had granted an interim stay against the government. Subsequently, in separate proceedings on the same basis as before the Karnataka High Court, the Allahabad High Court had ruled that the prices fixed by the government in respect of a number of drugs including the above drugs were ultra vires, illegal and void. On an appeal filed by the government against this ruling, the Supreme Court stayed the judgment of the Allahabad High Court but directed that no prosecution should be launched or coercive action taken against the Company for recovery, till the appeal was finally decided. The Company has, subsequently, in April 2007 received demand notices for the entire 100% of the aforesaid amount along with interest, aggregating Rs.748.27 crores - contrary to the orders of the Supreme Court. In addition during the financial year 2007- 2008, the Company has received from the government further demand notices inclusive of interest for Rs.362.12 crores which according to the government was allegedly overcharged by the Company for the period upto March 2007 in respect of the aforesaid drugs. Further the Company has in March 2008 received a demand notice from the government for an amount of Rs.0.32 crores inclusive of interest allegedly overcharged in respect of the drug Doxycycline. The Company has received legal advice that none of these demand notices of the government is tenable or sustainable.
4. The figures of the previous year have been regrouped/recast to render them comparable with the figures of the current year.
5. The above results after being reviewed by the Audit Committee were approved at the meeting of the Board of Directors held on 24th April, 2009.

Mumbai

24th April, 2009

**Dr. Y. K. Hamied**

Chairman &amp; Managing Director

**Financial Review - Period ended March 2009****Financial performance:***(Rupees in crores)*

	Quarter Ended			Year Ended		
	31-03-09	31-03-08	%change	31-03-09	31-03-08	%change
Domestic	524.45	452.48	15.9%	2279.27	1986.82	14.7%
Exports						
Formulations	555.27	472.95	17.4%	2172.48	1553.68	39.8%
APIs & others	<u>168.94</u>	<u>176.86</u>	-4.5%	<u>581.93</u>	<u>548.06</u>	6.2%
Total Exports	724.21	649.81	11.4%	2754.41	2101.74	31.1%
% of exports to total sales	58.0%	59.0%		54.7%	51.4%	
<b>Total Sales</b>	<b>1248.66</b>	<b>1102.29</b>	<b>13.3%</b>	<b>5033.68</b>	<b>4088.56</b>	<b>23.1%</b>
Other operating income						
Technology knowhow/fees	99.89	25.90		219.67	153.39	
Others	<u>31.68</u>	<u>14.57</u>		<u>78.18</u>	<u>67.16</u>	
Total	131.57	40.47	225.1%	297.85	220.55	35.0%
<b>Income from Operations</b>	<b>1380.23</b>	<b>1142.76</b>	<b>20.8%</b>	<b>5331.53</b>	<b>4309.11</b>	<b>23.7%</b>
<b>Material Cost</b>	<b>566.52</b>	<b>570.02</b>		<b>2349.73</b>	<b>2059.96</b>	
% to income from operations	41.0%	49.9%		44.1%	47.8%	
<b>Operating margin*</b>	<b>359.83</b>	<b>202.69</b>	<b>77.5%</b>	<b>1283.91</b>	<b>860.97</b>	<b>49.1%</b>
% to income from operations	26.1%	17.7%		24.1%	20.0%	

<b>Profit before tax</b>	295.67	202.13	46.3%	910.08	838.36	8.6%
% to income from operations	21.4%	17.7%		17.1%	19.5%	
<b>Profit after tax</b>	252.92	179.45	40.9%	767.83	701.43	9.5%
% to income from operations	18.3%	15.7%		14.4%	16.3%	

During the year 2008-09, the company posted a growth of more than 23% in total turnover and profits after tax were about 15% as a percentage of total turnover. During the fourth quarter, domestic sales grew by about 16% and export sales grew by more than 11%.

Material cost (as a percent to income from operations) has decreased during the quarter mainly due to favourable exchange rate and changes in product mix. This impact of the exchange rate is also reflected in increased operating margins, as compared to the previous year, since exports are booked at prevailing exchange rates.

There has been an increase of about 49% in other expenditure (Rs. 122 cr) mainly on account of sales expenditure, foreign exchange loss (Rs. 10 cr loss as compared to Rs. 25 cr gain in corresponding last quarter) and year-end provisions. Interest cost has increased by about Rs. 9 cr due to short-term working capital loans availed during the quarter.

The current tax for the year is provided under Minimum Alternate Tax (MAT) due to tax incentives availed for EOUs, Baddi and Sikkim.

\* Excluding foreign exchange gain/loss