

Nicholas Piramal Q1FY06 Net Sales up 8.8%; PAT up 11.1%
- Domestic Formulations grow 14.1%, Exports up 49.3%

Mumbai, July 29 2005: Nicholas Piramal India Limited (NPIL) registered 8.8% growth in Net Sales and 11.1% growth in Net Profit for the first Quarter of FY2006 (Q1FY06). Net Sales stood at Rs. 3.7 billion (Q1 FY05: Rs.3.4 billion), while Net Profit grew to Rs. 541.3 million compared with Rs. 487.4 million in Q1FY05. This resulted in an EPS for the Quarter of Rs. 2.8 per share, compared with Rs. 2.5 per share in Q1FY05.

NPIL's Domestic Formulations business grew 14.1% during the quarter, against industry growth rate of 2.4% (ORG-IMS MAT May-05). Recovering from the VAT-impacted January-March quarter, NPIL delivered over 20% growth in seven of the nine therapeutic areas in which the Company operates. Performance was particularly strong in CVS, CNS, Anti-diabetic and Dermatology segments.

The sequential growth in Q1FY06 of NPIL Net Sales was 76.7%, while the sequential growth in its domestic formulations Net Sales was 115.9%.

Nicholas Piramal's Exports Sales grew 49.3% during the quarter, reaching 15.1% of Standalone Net Sales, compared with 11.0% in Q1FY05. Delivering on its strategy of being a long-term custom manufacturing partner to global innovator companies, NPIL commenced supplies to Advanced Medical Optics towards the end of the quarter.

During Q1FY06, Nicholas Piramal's Gross Contribution was 56.6% compared to 55.9% for the same period last year. Operating Profit margin was 18.9% at Rs. 713.7 million, growing 12.9% over Q1FY05. This margin growth was despite R&D expenditure increasing 47.9% to Rs.131.9 million during Q1FY06.

During the quarter, NPIL commenced Phase III clinical trials in Canada on its Oncology lead molecule NP-276. Regulatory permission for trials is awaited from Indian regulatory authorities. In the quarter, Nicholas Piramal also signed a letter of intent for subscribing to a 17.1% equity stake in Biosyntech Inc., Canada, a specialty biotech research company.

For further information:

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The results in the press release are on audited stand-alone basis. Stand Alone Accounts represent results without considering Joint Ventures and Subsidiaries.

July 29, 2005

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Dear Sir,

Sub: Audited Financial Results (stand-alone and consolidated) for the 1st quarter ended 30th June, 2005

Kindly take reference to our letter dated July 21, 2005.

At the Board Meeting held today, the Board has taken on record the Audited Financial Results (stand-alone and consolidated) of the Company for the 1st Quarter ended 30th June, 2005. The said Financial Highlights as per clause 41 of the Listing Agreement are enclosed.

Also enclosed is a Press Release being issued on the said Results.

Thanking you,

Yours faithfully,
For NICHOLAS PIRAMAL INDIA LIMITED


Leonard D' Souza
Company Secretary

Encl: as above

c.c. to: National Securities Depository Ltd., Mumbai
Central Depository Services Ltd., Mumbai

NICHOLAS PIRAMAL INDIA LIMITED

Nicholas Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013

AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2005

	Quarter Ended		Year Ended
	(Audited)	(Audited)	(Audited)
	30/06/05	30/06/04	31/03/05
	(Rs. In Million)		
Gross Sales	3,985.1	3,604.0	12,977.6
Excise Duty	247.5	188.4	655.0
Net Sales	3,737.6	3,435.6	12,322.5
Growth %	8.8%		
Operating Other Income	33.0	29.0	260.2
Total Income	3,770.6	3,464.6	12,882.7
(Inc)/Dec in FG/WIP	333.8	40.2	(645.5)
Consumption of Materials	1,301.5	1,488.6	6,143.4
Gross Contribution	2,135.3	1,935.8	7,084.8
% to Total Income	56.6%	55.9%	56.3%
Growth %	10.3%		
Staff Cost	366.6	373.8	1,412.9
R&D Expenditure	131.9	89.2	495.4
Other Expenditure (Net)	923.1	840.4	3,438.6
Total Expenditure	1,421.6	1,303.4	5,346.9
Operating Profit Before Interest, Depreciation & Tax	713.7	632.4	1,737.9
% to Total Income	18.9%	18.3%	13.8%
% to Total Income (w.o R&D - increase)	20.1%		
Interest (Net)	44.2	22.6	175.0
Depreciation	137.3	106.2	474.2
Operating Profit Before Tax & Exceptional Items	532.2	503.6	1,088.7
Non Operating Other Income	59.2	76.7	178.0
Exceptional Items -(Income)/ Expenses	4.9	-	(796.2)
Profit Before Tax and after Exceptional Items	586.5	580.3	2,062.9
Growth %	1.1%		
Tax - Current (Net)	45.0	47.5	152.2
Tax - Deferred	(5.3)	45.4	215.0
Tax - Fringe Benefits	5.5	-	-
Profit	541.3	487.4	1,695.7
Paid-up Equity Share Capital	380.0	380	380.0
Reserves (Exc. Revaluation)			4,543.0
EPS for Qtr/Year -Basic/diluted (Rs.)	2.8	2.5	8.8
Growth %	12.4%		

Notes:

1. The results for the quarter ended June 30, 2005 were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 29, 2005 and have been subjected to audit.
2. The Company's sales growth, excluding discontinued operations, for the quarter ended June 30, 2005 is 13.6%. The Company's domestic formulations business grew 14.1% from Rs.2,517.2 Million in the corresponding previous quarter to Rs.2,870.9 Million in the current quarter. Exports for the quarter grew 49.3% from Rs.377.9 Million in the corresponding previous quarter to Rs.564.1 Million in the current quarter.
3. The results for the quarter ended June 30, 2005 are not strictly comparable with the figures of the corresponding period of the previous year as the current quarter's figure:
 - a) Include operations of the global Inhalation Anaesthetics (IA) business of Rhodia pursuant to its acquisition by the company effective January 10, 2005.
 - b) Do not include operation of the Diagnostics business from Roche pursuant to a settlement for discontinuance reached with Roche effective January 01, 2005.
4. The Company's equity investment in its Joint Venture NPIL – Dr. Golwilkar Laboratories Private Limited valued at Rs.30.2 Million in the books of accounts was transferred to the Joint Venture Partner for a consideration of Rs.52.5 Million. The resultant profit of Rs.22.3 Million has been accounted as Profit on Sale of Investment and included under Non-operating other income.
5. The only reportable business segment is pharmaceutical business.
6. Interest is net of Income tax refunds and other Interest Income aggregating to Rs.19.8 Million.
7. The figures for the quarter ended June 30, 2005 and year ended March 31, 2005 have been regrouped, wherever necessary.
8. The company has preference shares of Rs.533.7 Million on which dividend for the year (inclusive of Dividend Tax) amounts to Rs.32.2 Million. The proportionate amount of Rs.8.0 Million (quarter ended June 30, 2004 Rs.8.0 Million) has been considered in determining the EPS for the current quarter.
9. The company has filed the Letter of Offer with SEBI for the proposed Rights issue Offer of 19001601 equity shares of Rs.2/- each for Rs.175/- each for cash aggregating to Rs.3325.3 Million. The issue will open on August 01, 2005 and close on August 30, 2005.

10. Status of shareholder complaints received during the quarter ended June
Complaints pending as at April 01, 2005
Complaints received during the quarter ended June 30, 2005
Complaints disposed off during the quarter ended June 30, 2005
Complaints pending as on June 30, 2005

For NICHOLAS PIRAMAL INDI



Ajay G. Piramal
Chairman

July 29, 2005

NICHOLAS PIRAMAL INDIA LIMITED

Nicholas Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2005

	Quarter ended		Year ended
	30/06/05	30/06/04	31/03/05
	(Audited)	(Audited)	(Audited)
Gross Sales	4,192.0	3,753.5	13,722.5
Excise Duty	242.4	164.2	640.7
Net Sales	3,949.6	3,589.3	13,081.8
Growth %	10.0%		
Operating Other Income	33.0	29.0	260.1
Total Income	3,982.6	3,618.3	13,341.9
(Inc)/Dec in FG/WIP	339.8	38.2	(657.0)
Consumption of Materials	1,358.8	1,486.2	6,245.1
Gross Contribution	2,284.0	2,093.9	7,753.8
% to total income	57.3%	57.9%	58.1%
Growth %	9.1%		
Staff Cost	399.9	404.0	1,549.3
R&D Expenditure	131.9	89.2	495.4
Other Expenditure (Net)	997.5	916.1	3,755.2
Total Expenditure	1,529.3	1,409.3	5,799.9
Operating Profit Before Interest, Depreciation & Tax	754.7	684.6	1,953.9
% to Total Income	18.9%	18.9%	14.6%
% to Total Income (w.o R&D - increase)	20.0%		
Interest (Net)	48.2	23.0	192.1
Depreciation	150.5	112.7	524.4
Operating Profit Before Tax & Exceptional Items	556.0	548.9	1,237.4
Non Operating Other Income	18.3	8.0	74.6
Exceptional Items - (Income) / Expenses	4.9	-	(796.2)
Profit Before Tax and after Exceptional Items	569.4	556.9	2,108.2
Tax - Current (Net)	67.3	70.1	247.5
Tax - Deferred	(6.3)	45.3	217.3
Tax - Fringe Benefits	5.6	-	-
Profit before Minority Interest	502.8	441.5	1,643.4
Minority Interest	0.8	1.3	2.9
Consolidated Profit	502.0	440.2	1,640.5
Paid-up Capital	380.0	380.0	380.0
Consolidated EPS - Basic/diluted (Rs.)	2.6	2.3	8.5
Growth %	14.0%		


SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED			
(Rs. in Million)			
	Quarter ended		Year ended
	30/06/06	30/06/04	31/03/05
	(Audited)	(Audited)	(Audited)
1. Segment Revenue (Net sales / Income from operations)			
a. Pharmaceuticals	3,951.0	3,726.5	13,341.7
c. Others	105.1	85.2	365.9
Total	4,056.1	3,811.7	13,707.6
Less: Inter Segment revenue	73.5	193.4	365.7
Net sales / Income from operations	3,982.6	3,618.3	13,341.9
2. Segment Results (Profit before Tax and Interest)			
a. Pharmaceuticals	599.7	555.1	2,237.2
c. Others	17.9	23.8	63.1
Total	617.6	579.9	2,300.3
Less:			
Interest (Net)	48.2	23.0	192.1
Total Profit Before Tax	569.4	556.9	2,108.2
3. Capital Employed (Segment Assets - Segment Liabilities)			
a. Pharmaceuticals			5,311.8
c. Others			221.4
Total Capital Employed In the Company			5,533.2

Notes :

- Consolidation has been made by applying Accounting Standards 21 "Consolidation of Accounts" and Accounting Standard 27 "Financial Reporting of Interest in Joint Ventures", issued by the Institute of Chartered Accountants of India. However, the consolidated results do not include the proportionate share of Income / Expense in respect of Boots Piramal Healthcare Private Limited (Boots Piramal), a joint venture company in which the company has 49% share as the financial results of that company for the quarter ended June 30, 2005 are not available. For the corresponding quarter ended June 30, 2004, the share of profit after tax applicable to the company was Rs.0.9 Million.
- The Company's sales growth, excluding discontinued operations, for the quarter ended June 30, 2005 is 14.7%. The Company's domestic formulations business grew 15.0% from Rs.2,588.1 Million in the corresponding previous quarter to Rs.2,977.5 Million in the current quarter. Exports for the quarter grew 48.7% from Rs.379.5 Million in the corresponding previous quarter to Rs.564.3 Million in the current quarter.
- The company's equity investment in its Joint Venture NPIL - Dr. Golwilkar Laboratories Private Limited was transferred to the Joint Venture Partner for a consideration of Rs.52.5 Million. The resultant profit of Rs.18.4 Million arising on account of the difference in the sale consideration received and the net value of assets transferred Rs.28.7 Million and further adjusting the written down value of goodwill of Rs.5.4 Million has been accounted as Profit on Sale of Investment and included under Non-operating other income.

4. The results for the quarter ended June 30, 2005 are not strictly comparable with the figures of the corresponding period of the previous year as the current quarter's figure:
 - a) Include operations of the global Inhalation Anaesthetics (IA) business of Rhodia pursuant to its acquisition by the company effective January 10, 2005.
 - b) Do not include operation of the Diagnostics business from Roche pursuant to a settlement for discontinuance reached with Roche effective January 01, 2005.
 - c) Do not include operation of the Boots Piramal, a joint venture company in which the company has 49% share due to reasons mentioned in Note 1 above.
5. Each of the entities consolidated in the consolidated financial results has only one reportable business segment.
6. Dividend Income of Rs.36.9 Million for the quarter ended June 30, 2005 received by NPIL from its Subsidiaries / Joint ventures has been considered as part of the income on a stand alone basis. However, in the consolidated accounts only the share of the profit of the subsidiaries / Joint ventures for the quarter ended June 30, 2005 has been considered. Mainly as a result of this, EPS on a consolidated basis is lower by Rs.0.2 for the quarter ended June 30, 2005.
7. The company has preference shares of Rs.533.7 Million on which dividend for the year (inclusive of Dividend Tax) amounts to Rs.32.2 Million. The proportionate amount of Rs.8.0 Million (quarter ended June 30, 2004 Rs.8.0 Million) has been considered in determining the EPS for the current quarter.
8. The company has filed the Letter of Offer with SEBI for the proposed Rights Issue Offer of 19001601 equity shares of Rs.2/- each for Rs.175/- each for cash aggregating to Rs.3325.3 Million. The issue will open on August 01, 2005 and close on August 30, 2005.
9. The figures for the quarter ended June 30, 2004 and year ended March 31, 2005 have been regrouped, wherever necessary.

For NICHOLAS PIRAMAL INDIA LIMITED


Ajay G. Piramal
Chairman

July 29, 2005