

My Dear Shareholders,

On behalf of the board of directors, I welcome you all to this 36th Annual General Meeting of your Company. I will present to you the highlights and achievements of the company during the fiscal year 2008-09. I am sure by now you would have reviewed the financial results and the other items in Annual Report for that year.

It gives me immense pleasure to inform you that your company achieved consolidated operating revenues of Rs.1631 crores for the year 2008-09, a growth of about 20% over prior year. The international sales grew by a healthy 38%. The share of international business in the total turnover reached 50% during FY 2008- 09 as compared to 44% during FY 2007-08. The domestic business registered a modest growth of 7% over the previous year to Rs. 625 crores. I am happy to share with you that the net profit at Rs.184 crores grew faster than sales growth, as a result of expansion in profit margins.

The superior performance and good growth outlook has prompted us to consider an increase in dividend distribution for the year. The Board is pleased to propose an increase in dividend from Rs. 3.50 per share to Rs. 4.00 per share.

On the operational front, I am proud to inform you that the Brazilian operations achieved a significant milestone with sales crossing the real 100 million mark, equivalent to Rs. 257 crores. The operations at Heumann, Germany, registered sales growth of 23% and successfully turned around to become profitable for the first time since acquisition. The US operations also saw an impressive sales ramp up during the year.

To cater to the growing needs of the domestic markets, your Company has begun construction of a new formulations manufacturing facility at Sikkim. Also to meet the growing demand in international markets, the Company has undertaken expansion in formulation and API manufacturing capacity at Indrad Plant in a phased manner. I am also happy to inform you that the manufacturing capacity at Baddi unit has been increased by approximately 30% in order to support growing demand from exports. Also regulatory approval for European market for Baddi unit has already been received and it is gearing to obtain approvals for other regulated markets. Further, the project execution for the new vial-filled injectible formulation manufacturing facility, with a capacity of 260 lacs vials per annum at Chatral plant, is progressing as per schedule and is expected to commence commercial production during second half of the current year.

Let me now share with you the outlook for the coming year. Our international operations are expected to remain buoyant in the current year also. Aggressive brand building coupled with new product launches in Brazil will build on the current base. The North American business is expected to scale new heights with regular stream of new product approvals. As at March 2009, the product portfolio comprising 11 approved ANDAs, 21 ANDAs under approval and 31 ANDAs under development, offers significant growth opportunity in the coming years. Further, your Company is exploring entry in selected EU markets through direct marketing presence.

Coming to domestic business, your company has undertaken a series of initiatives in several areas including brand building through increased Specialty Coverage, creeping expansion in customer base, strengthening plans for lagging brands & weaker regions, new product introductions & portfolio development and penetration into smaller towns. Entry into new therapeutic areas like dermatology, gynaecology & respiratory are also being explored. These measures are expected to impact sales positively leading to accelerated growth in the domestic business.

Your company continues to invest in manufacturing and R&D infrastructure over the years and has positioned itself well to meet the growth requirements. Your company is working on several in-house New Chemical Entity (NCE) projects. The Advanced Glycosylation End Products (AGE) program has successfully completed Phase –I clinical trials and entered Phase – II this year.

During the first quarter the company has posted sales growth of 22% with healthy growth in operating margins.

Lastly, I would like to extend our sincere gratitude to all our stakeholders including the medical fraternity, our customers, our business partners and every body who have reposed great trust in us and in our products. I also thank the various central and state government bodies, the financial institutions and all our employees for supporting us in our activities and helping us grow further.

I thank all of you for attending this meeting.