



J. B. Chemicals & Pharmaceuticals Limited

**J. B. Chemicals & Pharmaceuticals Limited
Announces Unaudited Financial Results for the first quarter ended 30th June, 2007**

BSE Scrip Code: 506943

NSE Symbol: JBCHEPHARM

Mumbai, July 28, 2007: J.B. Chemicals & Pharmaceuticals Ltd. (JBCPL) today announced its unaudited financial results for the first Quarter ended June 30, 2007.

The Company achieved Net Sales of Rs. 10537.09 lakhs for the first quarter ended June 30, 2007, as compared with Rs. 10125.36 lakhs for the like period last year, registering an increase of 4.07%. Profit before Interest, Depreciation and Tax is Rs. 1108.29 lakhs (Rs.1996.43 lakhs). Outgo on account of Interest was Rs. 465.85 lakhs (Rs.206.16 lakhs). The Depreciation charge is Rs. 350 lakhs (Rs.270.00 lakhs). The Operating Profit is Rs. 998.71 lakhs (Rs. 1245.70 lakhs). The Profit before Tax is Rs. 292.44 lakhs (Rs.1520.27 lakhs). The provision for taxation (Current) and Fringe Benefit Tax) is Rs. 55.71 lakhs (Rs.219.15 lakhs) and reversal of Deferred tax liability is Rs. 70.41 lakhs (Nil). Hence, the Profit after Tax stood at Rs. 307.14 lakhs (Rs.1301.12 lakhs). The Basic & Diluted Earnings per Share for the first quarter ended on June 30, 2007 is Rs. 0.36 (Rs.1.55) on increased share capital of Rs.1686.53 lakhs.

The unprecedented 7% rupee appreciation against the US dollar during the first quarter ending June 30, 2007 took its toll on the revenues and margins of India's leading exporters and the impact is becoming visible in the results declared by the Companies with high export component across the industries.

JBCPL has a strong Global presence with US dollar denominated Exports contributing 57% of the Company's Sales in FY06-07. The first quarter earnings of your Company for FY 07-08 have been impacted due to appreciating rupee translating into lower export sales realization and foreign exchange fluctuation loss on uncovered receivables of Rs. 706.27 lakhs.

A higher depreciation charge and interest cost have put further stress on the Company's bottom line. Adding to the exporters' plight, there are expectations of the rupee appreciating faster in the short run, which will impact results of the Company for the year. To mitigate the situation the Company has taken several corrective steps such as 1) increase prices of some of its branded exports products, 2) control costs, 3) raise funds in foreign currency besides 4) increasing the forward cover by hedging more.

The expansion in the facilities (manufacturing and marketing), which led to higher interest burden is substantially over and currently there are no major plans that may need higher capital outlays and, therefore, borrowings.

While Commenting on the Q1 results, Shri J. B. Mody – Chairman & Managing Director of the Company said, “We have already tightened our belts as this calls for greater efforts to move to the stronger business model that enables the Company to achieve higher volume growth, manufacture market value added products and explore fast growing lucrative export markets through higher productivity and greater efficiency, which could help the Company maintain its operating margin in the long term.”

The Company has a reason to believe that it would be possible to maintain business momentum as the investments/initiatives undertaken during the year contribute positively to the Company's growth translating into improved business performance in FY 07-08 as compared to FY 06-07.

About JBCPL:

JBCPL, one of India's leading pharmaceutical companies, manufactures & markets a diverse range of pharmaceutical formulations, herbal remedies and APIs. JBCPL exports to many countries worldwide with a strong presence in Russia, Ukraine and the other CIS countries. The Company continues to invest in growing its shares in the regulated markets in USA, Europe and Australia. JBCPL has a strong R & D set-up for development of NDDS formulations, filing of DMF's and ANDA's. Its State-of-the-Art Manufacturing facilities are approved by renowned international regulatory authorities.

For more information on JBCPL visit our website at www.jbcpl.com

-- x --

For more details, please contact:

Beejal Desai
Vice President & Company Secretary
Head Investor Relations
J. B. Chemicals & Pharmaceuticals Ltd.
91 22 2499 1311

Forward Looking Statements:

This Press Release may contain Forward Looking Statements regarding future events and future performance of J.B. Chemicals & Pharmaceuticals Ltd. that involve risks and uncertainties that could cause actual results to differ materially from those that may be indicated by such statements.