



Divi's Laboratories Limited

Date.26th May, 2017

To
The Secretary
National Stock Exchange of India Limited
Exchange Plaza,
Bandra-Kurla Complex, Bandra (East)
MUMBAI – 400 051

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
MUMBAI – 400 001

Stock Code: DIVISLAB

Stock Code: 532488

Dear Sir/ Madam,

Sub: Audited financial results for the year ended 31st March 2017

Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Further to our letter dated 15th May, 2017, we would like to inform that the Board of Directors of the Company at its meeting held on Friday, 26th May 2017 has approved the Audited Financial Results for the quarter and year ended 31st March, 2017. Board has recommended dividend @ 500% i.e Rs. 10/- per equity share of face value Rs. 2/- each for the year ended 31st March 2017, subject to approval of the member in ensuing Annual General Meeting (AGM). The dividend on Equity Shares, shall be paid within 30 (thirty) days from the conclusion of the AGM, the date of which will be intimated in due course.

In terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we are enclosing herewith the following:

1. Audited Standalone Financial Results for the quarter and year ended 31st March 2017.
2. Audited Consolidated Financial Results for the year ended 31st March 2017.
3. Auditors' Report on the Standalone and Consolidated Financial Results for the year.
4. Press Release on the Financial Results of the Company.

Further, we hereby declare that there is no modified opinion by the Auditors in their audit report on the financial results.

The Board meeting commenced at 15:00 Hrs and concluded at 18:00 Hrs

This is for your information and records.

Thanking You,
Yours faithfully,

For Divi's Laboratories Limited

L. Kishore Babu
Chief Financial Officer



“An ISO-9001, ISO-14001 and OHSAS-18001 Triple certified company”

Regd. Off. : Divi Towers, 1-72/23(P)/DIVIS/303, Cyber Hills, Gachibowli, Hyderabad - 500 032, Telangana, INDIA.

Tel : 91-40-2378 6300, Fax : 91-40-2378 6460, CIN : L24110TG1990PLC011854

E-mail : mail@divislaboratories.com, Website : www.divislaboratories.com

DIVI'S LABORATORIES LIMITED

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

(₹. in lakhs)

	Particulars	Quarter ended			Year ended	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
1	Revenue from operations					
	a) Net Sales from operations	106314	97344	110142	405473	374248
	b) Other Operating Income	353	304	197	1104	737
	Revenue from operations (inclusive of excise duty)	106667	97648	110339	406577	374985
2	Other Income	2093	1847	1732	7598	9591
3	Total Revenue from Operations (inclusive of excise duty) (1+2)	108760	99495	112071	414175	384576
4	Expenses					
	a) Cost of materials consumed	43620	34546	36312	156319	147243
	b) Purchases of stock-in-trade	0	0	0	0	0
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1517)	516	10799	(2161)	2203
	d) Employee benefits expense	9994	9812	9869	45915	35295
	e) Depreciation and amortization expense	3144	3095	2923	12326	11810
	f) Finance Costs	104	44	222	225	301
	g) Other Expenses	18370	14694	13438	62728	50195
	Total expenses	73715	62707	73563	275352	247047
5	Profit before exceptional Items and tax (3-4)	35045	36788	38508	138823	137529
6	Exceptional items	0	0	0	0	0
7	Profit before Tax (5-6)	35045	36788	38508	138823	137529
8	Tax Expense					
	a) Current Tax	4752	7517	9521	28523	28423
	b) Deferred Tax	4364	2439	(3213)	4973	(1978)
9	Net Profit for the period (7-8)	25929	26832	32200	105327	111084
10	Other Comprehensive Income:					
	a) Items that will not be reclassified to Profit or Loss	(25)	(30)	18	(185)	(372)
	b) Items that will be reclassified to Profit or Loss		0			0
	Current tax relating to OCI	45		0	45	71
	Total other comprehensive Income	20	(30)	18	(140)	(301)
11	Total comprehensive Income for the period (9+10)	25949	26802	32218	105187	110783
12	Paid-up Equity Share Capital (Face Value: Rs.2 per share)	5309	5309	5309	5309	5309
13	Other Equity				535582	430395
14	Earnings per Share (of Rs.2/- each) (not annualized)					
	a) Basic	9.77	10.11	12.14	39.68	41.84
	b) Diluted	9.77	10.11	12.14	39.68	41.84



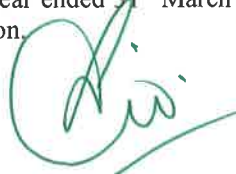

Statement of Assets and Liabilities

(₹. in lakhs)

	Particulars	STANDALONE	
		As At	
		31.03.2017	31.03.2016
		Audited	Audited
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	155570	143571
	Capital work-in-progress	44357	26391
	Intangible assets	325	293
	Financial assets		
	a) Investments	837	1019
	b) Loans	1856	2659
	c) Other financial assets	3846	3200
2	Other non-current assets	10305	13606
	Sub-total: Non-current assets	217096	190739
	Current assets		
	Inventories	125576	116289
	Financial assets		
	a) Investments	163072	80285
	b) Trade receivables	100042	96612
	c) Cash and cash equivalents	855	389
	d) Bank balances other than c) above	5792	5549
	e) Loans	553	671
	f) Other financial assets	1740	1329
	Other current assets	6282	4686
	Sub-total: Current assets	403912	305810
	TOTAL ASSETS	621008	496549
B	EQUITY AND LIABILITIES		
1	Equity:		
	Share Capital	5309	5309
	Other Equity	535582	430395
	a) Reserves and Surplus		
	Sub-total: Shareholders' funds	540891	435704
2	Liabilities:		
	Non-current liabilities		
	Financial liabilities		
	a) Borrowings	---	47
	Provisions	1530	1157
	Deferred tax liabilities (net)	13003	8029
	Sub-total: Non-current liabilities	14533	9233
	Current Liabilities		
	Financial liabilities		
3	a) Borrowings	3574	4142
	b) Trade payables	38156	23043
	c) Other financial liabilities	19796	19297
	Other current liabilities	3930	4649
	Provisions	128	217
	Current tax liabilities (net)	---	264
	Sub-total: Current liabilities	65584	51612
	Total Liabilities	80117	60845
	TOTAL EQUITY AND LIABILITIES	621008	496549

NOTES:

- The above audited results for the quarter and year ended 31st March 2017, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 26th May, 2017.
- Results for the quarter and year ended 31st March 2017 have been audited by the Auditors and their report contains no qualification.




3. The Company is engaged in the manufacture of Active Pharmaceutical Ingredients and intermediates and the same constitutes a single reportable business segment as per Ind AS 108.
4. These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices to the extent applicable. Effective from 1st April, 2016, the Company has, for the first time, adopted Ind AS with a transition date of 1st April, 2015.
5. Results for the year include a one-time ex-gratia paid to the employees and whole-time directors of the company aggregating to an amount of Rs.7913 lakhs, on the occasion of completion of 25 years' of formation of the company.
6. Details of forex gain/loss are given below:

(₹. in lakhs)

	Quarter ended			Year Ended	
	31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
	(Audited)*	(Unaudited)	(Audited)*	(Audited)	(Audited)
Forex gain/(loss)	(2904)	65	(178)	(3910)	3405

Forex gain has been included in Other Income and loss has been included in Other Expenses

7. *Figures for the quarter ended 31.03.2017 and corresponding quarter ended 31.03.2016 are the balancing figures between audited figures in respect of the full financial year and the unaudited published year-to-date figures up to the third quarter of the respective financial years.
8. The Board of Directors of the company has recommended a dividend of Rs.10/- per equity share of Rs.2 each (i.e., 500%), subject to approval of members.
9. The Company has received a warning letter from US-FDA for its Unit-II at Visakhapatnam subsequent to issue of an Import Alert and its inspection of the facility during Nov-Dec, 2016. The US-FDA has also exempted several products from the Import Alert. The warning letter summarized the deviations from current Good Manufacturing Practices (cGMP) for active pharmaceutical ingredients (APIs) and also that its Investigators documented that the company limited and/or refused an FDA inspection. The company has responded to the observations in Form-483 issued by the US-FDA and also to the warning letter within the time permitted. The company engaged reputed consultants and subject matter experts for advising on the deviations observed and the remediation efforts in order to overcome the deficiencies and fully comply with the cGMP requirements.
10. Figures for the previous year/period have been reclassified/ regrouped wherever necessary to conform to current year's classification.
11. Reconciliation of net profit for the corresponding previous quarter and year ended 31.03.2016 in accordance with the Indian GAAP to total comprehensive Income in accordance with Ind AS is given below:

(₹. in lakhs)

Particulars	Quarter ended 31.03.2016	Year ended 31.03.2016
Net Profit as per previous GAAP (Indian GAAP)	32222	110769
Ind AS adjustments:		
Effect of measuring non-current investments at fair value through Profit and Loss	(30)	(168)
Actuarial loss on employee defined benefit funds recognised in Other Comprehensive Income	54	373
Others	(39)	69
Deferred taxes on Ind AS adjustments	(7)	41
Net Profit as per Ind AS	32200	111084
Other Comprehensive Income	18	(301)
Total comprehensive Income for the period	32218	110783

Place: Hyderabad
Date: 26-05-2017



for Divi's Laboratories Limited

(Signature)
Dr. Murali K. Divi
Chairman & Managing Director



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
DIVI'S LABORATORIES LIMITED

1. We have audited the quarterly standalone financial results of **DIVI'S LABORATORIES LIMITED** ("the Company"), for the quarter ended March 31, 2017 and the financial results for the year ended March 31, 2017, attached herewith, being submitted by the company pursuant to requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The quarterly standalone financial results are derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subject to limited review. The standalone financial results for the quarter ended March 31, 2017 have been prepared on the basis of the standalone financial results of nine-month period ended December, 2016, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2017, and the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are the responsibility of the company's management and have been approved by Board of Directors of the Company. Our responsibility is to express an opinion on these financial results based on our review of the standalone financial results of nine-month period ended December, 2016 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, Interim Financial Reporting, specified under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of annual standalone financial statements as at and for the year ended March 31, 2017; and the relevant requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



3. In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:
- are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - give a true and fair view of the net profit and other financial information for the quarter ended March 31, 2017 and for the year ended March 31, 2017.
4. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2017 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For P V R K NAGESWARA RAO & CO.,
Chartered Accountants
Firm's Registration Number: 002283S


P.V.R.K. NAGESWARA RAO

Partner

Membership Number: 18840

HYDERABAD
26.05.2017

DIVI'S LABORATORIES LIMITED

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

		(₹. in lakhs)	
	Particulars	Year ended	
		31.03.2017	31.03.2016
		(Audited)	(Audited)
1	Revenue from operations		
	a) Net Sales from operations	409522	379751
	b) Other Operating Income	1104	737
	Income from operations (inclusive of excise duty)	410626	380488
2	Other Income	7489	9744
3	Total Revenue from Operations (inclusive of excise duty) (1+2)	418115	390232
4	Expenses		
	a) Cost of materials consumed	157275	147778
	b) Purchases of stock-in-trade	207	93
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4082)	2538
	d) Employee benefits expense	46874	36120
	e) Depreciation and amortization expense	12333	11818
	f) Finance Costs	225	378
	g) Other Expenses	65749	52223
	Total expenses	278581	250948
5	Profit before exceptional Items and tax (3-4)	139534	139284
6	Exceptional items	0	0
7	Profit before Tax (5-6)	139534	139284
8	Tax Expense		
	c) Current Tax	28523	28423
	d) Deferred Tax	4969	(1717)
9	Net Profit for the period (7-8)	106042	112578
10	Other Comprehensive Income:		
	a) Items that will not be reclassified to Profit or Loss - Remeasurement of post-employment benefit obligations	(185)	(373)
	b) Items that will be reclassified to Profit or Loss Exchange differences in translating the financial statements of a foreign operation	507	(1276)
	Current tax relating to OCI	45	71
	Other comprehensive Income after tax for the year	367	(1578)
11	Total comprehensive Income for the period (9-10)	106409	111000
12	Paid-up Equity Share Capital (Face Value: Rs.2 per share)	5309	5309
13	Other Equity	530430	424021
14	Earnings per Share (of Rs.2/- each) (not annualized)		
	a) Basic	39.95	42.41
	b) Diluted	39.95	42.41




Statement of Assets and Liabilities

(₹. in lakhs)

	Particulars	CONSOLIDATED	
		As At	
		31.03.2017	31.03.2016
		Audited	Audited
A	ASSETS		
1	Non-current assets		
	Property, plant and equipment	155593	143584
	Capital work-in-progress	44357	26391
	Intangible assets	326	293
	Financial assets		
	a) Investments	1	1
	b) Other financial assets	3862	3216
	Deferred tax asset	356	414
	Other non-current assets	10307	13608
	Sub-total: Non-current assets	214802	187507
2	Current assets		
	Inventories	131991	120783
	Financial assets		
	a) Investments	163072	80285
	b) Trade receivables	89845	88092
	c) Cash and cash equivalents	2079	1795
	d) Bank balances other than c) above	5791	5548
	e) Loans	27	12
	f) Other financial assets	1739	1329
	Other current assets	6507	4860
	Sub-total: Current assets	401051	302704
	TOTAL ASSETS	615853	490211
B	EQUITY AND LIABILITIES		
1	Equity:		
	Share Capital	5309	5309
	Other Equity	530430	424021
	Sub-total: Shareholders' funds	535739	429330
2	Liabilities:		
	Non-current liabilities		
	Financial liabilities		
	a) Borrowings	-	47
	Provisions	1530	1157
	Deferred tax liabilities (net)	12639	7727
	Sub-total: Non-current liabilities	14169	8931
3	Current Liabilities		
	Financial liabilities		
	a) Borrowings	3574	4142
	b) Trade payables	38386	23269
	c) Other financial liabilities	19917	19404
	Other current liabilities	3940	4654
	Provisions	128	217
	Current tax liabilities (net)	---	264
	Sub-total: Current liabilities	65945	51950
	Total Liabilities	80114	60881
	TOTAL EQUITY AND LIABILITIES	615853	490211

NOTES:

1. The above audited results for the quarter and year ended 31st March 2017, as reviewed by the Audit Committee, were considered and approved by the Board of Directors at its meeting held on 26th May, 2017.
2. Results for the quarter and year ended 31st March 2017 have been audited by the Auditors and their report contains no qualification.
3. The consolidated results include the audited financial results of the subsidiaries Divis Laboratories (USA) Inc and Divi's Laboratories Europe AG.
4. The Company is engaged in the manufacture of Active Pharmaceutical Ingredients and intermediates and the same constitutes a single reportable business segment as per Ind AS 108.
5. These results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices to the extent applicable. Effective from 1st April, 2016, the Company has, for the first time, adopted Ind AS with a transition date of 1st April, 2015.
6. Results for the year include a one-time ex-gratia paid to the employees and whole-time directors of the company aggregating to an amount of Rs.7913 lakhs, on the occasion of completion of 25 years' of formation of the company
7. Details of forex gain/loss are given below:

	(₹. in lakhs)	
	Year Ended	
	31.03.2017	31.03.2016
	(Audited)	(Audited)
Forex gain/(loss)	(3966)	3724

Forex gain has been included in Other Income and loss has been included in Other Expenses

8. The Company has received a warning letter from US-FDA for its Unit-II at Visakhapatnam subsequent to issue of an Import Alert and its inspection of the facility during Nov-Dec, 2016. The US-FDA has also exempted several products from the Import Alert. The warning letter summarized the deviations from current Good Manufacturing Practices (CGMP) for active pharmaceutical ingredients (APIs) and also that its Investigators documented that the company limited and/or refused an FDA inspection. The company has responded to the observations in Form-483 issued by the US-FDA and also to the warning letter within the time permitted. The company engaged reputed consultants and subject matter experts for advising on the deviations observed and the remediation efforts in order to overcome the deficiencies and fully comply with the cGMP requirements.
9. Figures for the previous year/period have been reclassified/ regrouped wherever necessary to conform to current year's classification.
10. Reconciliation of net profit for the corresponding previous quarter and year ended 31.03.2016 in accordance with the Indian GAAP to total comprehensive Income in accordance with Ind AS is given below:

Particulars	(₹. in lakhs)
	Year ended 31.03.2016
Net Profit as per previous GAAP (Indian AAP)	111185
Ind AS adjustments:	
Effect of measuring non-current investments at fair value through Profit and Loss	(168)
Actuarial loss on employee defined benefit funds recognised in Other Comprehensive Income	373
Others	(78)
Deferred taxes on Ind AS adjustments	(10)
Exchange differences in translating the financial statements of a foreign operation	1276
Net Profit as per Ind AS	112578
Other Comprehensive Income	(1578)
Total comprehensive Income for the period	111000

Place: Hyderabad
Date: 26-05-2017



for Divi's Laboratories Limited
Srinivas
Dr. Murari K. Divi
Chairman & Managing Director



Auditor's Report on Consolidated Results of the Company Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
DIVI'S LABORATORIES LIMITED

1. We have audited the consolidated financial results of **DIVI'S LABORATORIES LIMITED** ("the Company") and its subsidiaries (together, "the Group"), for the year ended March 31, 2017, attached herewith, being submitted by the company pursuant to requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial results for the year ended March 31, 2017 have been prepared as per the relevant requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are responsibility of the company's management and approved by the Board of Directors of the company. Our responsibility is to express an opinion on these Consolidated financial Results included in the Statement which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting standards (Ind AS), prescribed under section 133 of the companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries whose financial statements reflect total assets of Rs.14670.66 lakhs and net assets of Rs.3571.51 lakhs negative as at March 31, 2017, total revenue of Rs.22129.63 lakhs, net profit before tax of Rs.1431.35 lakhs and net cash out flows amounting to Rs.182.32 lakhs for the year ended on that date, as considered in the consolidated financial statements.

The financial statements and other financial information of above subsidiaries have been audited by other auditors whose report has been furnished to us, and our opinion on the results for the year ended is based solely on the report of such other auditors.



4. In our opinion and to the best of our information and according to the explanations given to us these consolidated financial results:
- Include the year-to-date results of the following subsidiaries:
 - Divis Laboratories (USA) Inc
 - Divi's Laboratories Europe AG
 - Have been presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
 - Give a true and fair view of the consolidated net profit and other financial information for the year ended March 31, 2017.

For P V R K NAGESWARA RAO & CO.,
Chartered Accountants

Firm's Registration Number: 002283S



P.V.R.K. NAGESWARA RAO

Partner

Membership Number: 18840

HYDERABAD

26.05.2017

DIVI'S LABORATORIES LIMITED
1-72/23(P)/DIVIS/303. Divi Towers
Cyber Hills, Gachibowli, Hyderabad 500 032
Phone: 91-40-23786300 email: kishore@divislabs.com

PRESS RELEASE dated 26th May, 2017

Divi's Labs earns a Revenue of Rs. 4181 crores for FY17 on consolidated basis.

Consolidated for the year

For the year, Divi's Laboratories has earned a consolidated total revenue of Rs. 4181 crores for the financial year 2016-17 as against a total revenue of Rs. 3902 crores during the previous year.

PBT for the current year came to Rs. 1395 crores as against a PBT of Rs. 1393 crores for the previous year. PAT for the year is Rs. 1060 crores as against a PAT of Rs. 1126 crores for the last year.

This year, the company had a forex loss of Rs. 40 crores as against a forex gain of Rs. 37 crore during the last year. Staff cost for the year includes the one-time ex-gratia of Rs.79 crores paid to employees and whole-time directors of the company on the occasion of completion of 25 years' formation of the company.

Financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) effective from this financial year. Revenue and Other Expenses include excise duty. Previous year's figures have also been recast to comply with Ind-AS and revised SEBI regulations.

Standalone Results

On a standalone basis, the company's earnings are as given below:

Rs. in crores

Particulars	For the Quarter		For the year	
	31-03-17	31-03-16	31-03-17	31-03-16
Total Revenue	1088	1121	4142	3846
PBT	350	385	1388	1375
PAT	259	322	1053	1111



Forex Gain/(loss)

Particulars of forex gain/(loss) for the period are given below:

Rs. in crores

	For the Quarter ended		For the year ended	
	31-03-17	31-03-16	31-03-17	31-03-16
Forex gain/(loss)	(29)	(2)	(39)	34

Dividend

The Board has recommended a dividend of Rs.10 per share i.e., 500% for the year subject to approval of members.

Exports constituted 88% of sales and about 73% to advanced markets in North America and Europe.

Capex:

During the year, the company has capitalized Fixed Assets amounted to Rs.242 crores. An amount of Rs.444 crores is carried forward as Capital WIP at the end of the year for the Capital Works under execution.

Update on US-FDA inspection

The Company has received a warning letter from US-FDA for its Unit-II at Visakhapatnam subsequent to issue of an Import Alert and its inspection of the facility during Nov-Dec, 2016. The US-FDA has also exempted several products from the Import Alert. The warning letter summarized the deviations from current Good Manufacturing Practices (cGMP) for active pharmaceutical ingredients (APIs) and also that its Investigators documented that the company limited and/or refused an FDA inspection.

The company has responded to the observations in Form-483 issued by the US-FDA and also to the warning letter within the stipulated time. The company engaged reputed consultants and subject matter experts for advising on the deviations observed and the remediation measures and to fully comply with the cGMP requirements.

